

Stock Code : 3114



HOWTEH TECHNOLOGY CO., LTD.

2023 General Shareholders' Meeting

Meeting Handbook

(Translation)

(This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there is any inconsistency between the Chinese version and this translation, the Chinese version shall prevail.)

Convening Methods : Physical Shareholders' Meeting

Time : 9:00 am on June 19, 2023 (Monday)

Location : 6th Floor, No. 25, Section 1, Dunhua South Road, Taipei City (The Company's Conference Room)

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HOWTEH TECHNOLOGY CO., LTD.

2023 General Shareholders Meeting Proceedings

1. Call the Meeting to Order
2. Message from the Chair
3. Report Items
4. Ratification Items
5. Discussion Items
6. Extraordinary Motions
7. Meeting Adjourned

HOWTEH TECHNOLOGY CO., LTD.

2023 General Shareholders' Meeting Agenda

Time: 9:00 am on June 19, 2023 (Monday)

Location: 6th Floor, No. 25, Section 1, Dunhua South Road, Taipei City (The Company's conference room)

1. Call the Meeting to Order (Announcing the Number of Shares Represented by Shareholders Present)
2. Message from the Chair
3. Report Items
 - (1) 2022 Business Report
 - (2) The Audit Committee's Review Report for 2022
 - (3) Report on the Distribution of Compensation to Employees and Directors of 2022
 - (4) Report on Loaning of Funds and Making of Endorsement and Guarantee in 2022
 - (5) Report on Amendment to the Company's "Rules of Procedures for Board of Directors Meetings"
4. Ratification Items
 - (1) To Ratify the Business Report and Financial Statements for 2022
 - (2) To Ratify the Earnings Distribution Proposal for 2022
5. Discussion Items
 - (1) Proposal on Recapitalization of Earnings by Issuing New Shares
 - (2) Proposal on Lifting the Non-compete Restriction on Directors
6. Extraordinary Motions
7. Meeting Adjourned

Report Items

Proposal No.1

Case: 2022 Business Report; hereby submitted for your review.

Description: For the Company's 2022 Business Report, see Attachment 1 on p.7~p.9.

Proposal No.2

Case: The Audit Committee's Review Report for 2022; hereby submitted for your review.

Description: For the Company's 2022 Audit Committee's Review Report, see Attachment 2 on p.10.

Proposal No.3

Case: Report on the Distribution of Compensation to Employees and Directors of 2022; hereby submitted for your review.

Description: 1. Handled by Article 29 of the Articles of Incorporation.

2. The Company's Board of Directors meeting dated March 22, 2023 resolved to distribute compensation to employees and directors of 2022 in the amount of NT\$8,000,000 and NT\$3,000,000, respectively, solely in cash.

Proposal No.4

Case: Report on Loaning of Funds and Making of Endorsement and Guarantee in 2022; hereby submitted for your review.

Description: For the Company's loaning of funds and making of endorsement and guarantee in 2022, see Attachment 3 on p.11~p.12.

Proposal No.5

Case: Report on Amendment to the Company's "Rules of Procedures for Board of Directors Meetings"; hereby submitted for your review.

Description: The Company intends to amend some provisions of its "Rules of procedures for Board of Directors Meetings" to align with the amendments of laws. For a comparison of provisions before and after amendments, see Attachment 4 on p.13~p.15.

Ratification Items

Proposal No.1

Proposed by the Board of Directors

Case: To Ratify the Business Report and Financial Statements for 2022; hereby submitted for your ratification.

Description: 1. The Company's 2022 Parent Company Only Financial Statements and

Consolidated Financial Statements were audited by CPA Wang, Hsuan-Hsuan and CPA Zhang, Zhi-Ming from Ernst & Young, and were submitted along with the Business Report to the Audit Committee for review; the Audit Committee has also furnished a review report.

2. For the Company's 2022 Business Report, Independent Auditors' Report, and Financial Statements, see Attachment 1 on p.7~p.9 and Attachment 5 on p.16~p.35.
3. Hereby submitted for your ratification.

Resolution:

Proposal No.2

Proposed by the Board of Directors

Case: To Ratify the Earnings Distribution Proposal for 2022; hereby submitted for your ratification.

Description: 1. The Company's 2022 profit after tax amounted to NT\$208,798,524, which was used to provide legal reserves according to law. The remaining profit plus the opening balance of undistributed earnings and adjustments constituted the distributable earnings of NT\$406,070,884. Therefore, the Company intended to distribute cash dividend of NT\$81,412,240, that's NT\$1.3 per share, and stock dividend of NT\$25,049,920, that's NT\$0.4 per share.

2. After the proposal to distribute cash dividends is approved by the shareholders' meeting, the chairman of the board of directors is authorized to set the cash dividend distribution record date. Cash dividends shall be calculated according to the shareholding of shareholders on the shareholder register on the cash dividend distribution record date, with the calculation results rounded down to the nearest integer. Fractional amount of cash dividends distributed will be presented under the other income account of the Company.
3. If the cash dividend payout ratio changes subsequently because of changes in the number of shares outstanding as a result of either the requirement of the competent authority for revision, or the Company's repurchase of shares, transfer of treasury shares, cancellation of shares, or follow-on offering, the chairman of the board is authorized to handle the matter at his/her discretion.
4. For the 2022 Earnings Distribution Statement, see Attachment 6 on p.36.
5. Hereby submitted for your ratification.

Resolution:

Discussion Items

Proposal No.1

Proposed by the Board of Directors

Case: Proposal on Recapitalization of Earnings by Issuing New Shares; hereby submitted for discussion.

- Description:
1. To meet its business development needs, the Company intends to recapitalize a portion of the 2022 distributable earnings, which is NT\$25,049,920, into new shares; this will result in distribution of 2,504,992 shares as stock dividend, that's 40 shares per 1,000 shares in possession, at NT\$10 per share. The shares so issued bear the rights and obligations same as those of the originally issued shares.
 2. After this proposal to issue new shares is passed by the shareholders' meeting and submitted to and approved by the competent authority, the board of directors is authorized to set a record date for stock dividend distribution, and shall calculate the stock dividend based on the shareholding percentage of shareholders on the shareholder register on the stock dividend distribution record date. Any fractional shares shall be pieced together into whole shares by shareholders themselves at the Company's stock affairs agent within 5 days counting from the book closure date. Any fractional share not so pieced together before the specified time frame or any fraction share so pieced together but still fall short of a whole share shall be turned into cash according to the face value and distributed (such cash shall be rounded down to the nearest integer); any shares resulting therefrom shall be subscribed by personnel designated by the Chairman who is authorized.
 3. If the stock dividend payout ratio changes subsequently because of changes in the number of shares outstanding as a result of either the requirement of the competent authority for revision, or the Company's repurchase of shares, transfer of treasury shares, cancellation of shares, or follow-on offering, the chairman of the board is authorized to handle the matter at his/her discretion.
 4. Hereby submitted for deliberation.

Resolution:

Proposal No.2

Proposed by the Board of Directors

Case: Proposal on Lifting the Non-compete Restriction on Directors, hereby submitted for discussion.

Description: 1. To align with Article 209 of the Company Act, which specifies that a company director who does anything for himself or herself on behalf of another person that is within the scope of the company's business shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.

2. It is proposed that the shareholders' meeting agree to lift the following non-compete restrictions on directors who takes a new concurrent post at another company on the condition that such a new concurrent post, which may involve the conduct set out in Article 209 of the Company Act, does not impair the Company's interests.

Title	Name	New concurrent post in other companies
Independent Director	Cheng, Tien-Tsung	Chairman of AUROTEK CORPORATION. Representative of corporate director of 3E YAMAICHI ELECTRONICS CO., LTD. Chairman/Representative of corporate director of TAIWAN OILES INDUSTRY CO., LTD.
Independent Director	Tseng, Ming-Jen	Representative of corporate director of ABILITY TECHNOLOGIES CO., LTD.

Resolution:

Extraordinary Motion

Meeting Adjourned

HOWTEH TECHNOLOGY CO., LTD.

2022 Business Report

I would like to express my gratitude to all shareholders for your backing of HOWTEH over the past year. In 2022, the global electronics industry and semiconductor industry continued to be burdened by external factors such as inflation and war. In addition, demand in the end consumer market drained, reducing the purchases from clients. Therefore, inventories in the end market, system providers, and companies in the semiconductor chip supply and production chain alike remained high, inhibiting the growth in operating profits of companies in the upstream, midstream, and downstream. Facing such a harsh business environment, the Company recorded only slightly dipped revenue - thanks to joint efforts from all employees - while attaining good profits through good control of gross profit margin and inventories.

I. Operating Status Report

In 2022, the Company recorded a consolidated revenue of NT\$3.24 billion, down 12.8% from NT\$3.72 billion in 2021; a gross profit of NT\$350 million; a post-tax profit of NT\$209 million; and an EPS of NT\$3.33.

Note: The company did not announce the financial forecast for 2022, so the requirement on budget fulfillment does not apply.

II. Future Market Analysis

The products the Company trades as an agent mainly include the domestic/foreign prestigious brands' equipment required for the manufacturing of audio elements, semiconductors, electronic parts, PCBs, and IC substrates, chemical substances, and optoelectronic semiconductor process testing instruments and consumables. The Company sells mainly to Taiwanese businessmen in China and will continue to develop clients of Chinese companies and Southeast Asian companies.

1. In terms of supply of and demand for connectors:

The upsurge of connectors in 2023 is due to the twofold shipments of server power cords, the commencement of extensive shipment of automotive-related commodities, 5G, AI, HPC, IOT, and autonomous vehicle applications, and the demand for the establishment of cloud servers and data centers. The growth is extremely robust among large American cloud service providers. Bolstered by the impetus of environmental conservation and carbon neutrality, the accelerated development of new energy vehicles has become the norm, and the demand for associated charging equipment and power supply/battery control will remain in place.

2. In terms of supply and demand in the audio semiconductor industry:

IMARC Group has estimated that the global MEMS microphone market will climb to US\$3.28 billion in 2027. The compound annual growth rate (CAGR) between 2022 and 2027 is 11.80%. MEMS microphones are extensively employed in Internet of Things (IoT) and virtual reality (VR) instruments, hearing aids, tablets, cell phones, and other consumer electronics such as TVs, smart speakers, and TWS earphones, opening up the opportunities for growth in the MEMS microphone market. The increased popularity of microphones has additionally increased their demand.

3. In terms of supply and demand of flexible PCB equipment:

Despite so, the PCB industry is projected to sustain growth through 2023, with some popular end applications, e.g., servers, HDI, and Apple applications, likely to remain robust. Statistics have shown that Taiwan's PCB industry will reach NT\$1 trillion in 2023, most of which comes from the growth of multiple end applications.

III. Future Development Strategy

Although the pandemic has subsided worldwide and countries around the world have successively opened up their borders, the Russia-Ukraine war shows no sign of recess. Uncertainties in the global material markets might prolong inflation. The global economy is still facing a wide range of uncertainties, e.g., rising costs, supply chain restructuring, and labor shortage that are affected by global inflation, change in the global capital market and funding costs affected by global interest rate hike relay led by the US FED and followed by central banks of the various countries, and the persistence of critical events heavily impacting 2022 into 2023, and therefore remains to be seen.

The products which the Company sells as an agent include electronic components/printed circuit board process equipment, testing instruments and related consumables for mainstream products that are required to produce mainstream products. Since the demand for end products, e.g., smartphones, tablet PCs, notebooks, wearing devices, and system peripheral industry, electronic communications remains strong every year and keeps the output value high, and they don't feature alternate peak seasons and low seasons, the Company is less prone to the impact of change in general business climate or ups and downs of a single industry. In response to future market demand and competitive environment, the Company will adopt the following development strategy:

1. Developing new suppliers, new products, new applications, and new services

Setting up a development department, which shall keep abreast of current events in the technology industry, and shall be exclusively responsible for developing the ODM business and agency business, and for creating product applications, so as to broaden the business reach. Actively deepening the cooperative and dependent relationship with existing customers

and developing new customer bases.

2. Improving the ability of the professional technical team, integrating demand with applications, and providing comprehensive services

The Company attaches importance to human resources use and improvement. By holding various internal education and training courses and on-the-job training, and by actively participating the seminars on industrial trends and technologies, the Company hones employees' professional skills. By developing solutions tailored to the needs of clients and original manufacturers, the Company betters its service quality and operating procedures, in order to align with market trends and demand.

3. Implementing the operating and administrative mechanism to better market competitiveness.

The Company will respond to global economic growth and grasp industry changes and clients' operating status in order to develop the strategy for developing products tailored to the local's needs; manage accounts in relation to clients and implement the purchase-sales-inventory mechanism; reduce cost and expenditures; and properly manage cash flows, so as to increase competitiveness in the market.

Once again, we sincerely thank our colleagues for their contribution to the company, and thank our clients, suppliers and shareholders for their long-term support and affirmation. HOWTEH Group will strive for the ESG and sustainability cause, fulfill social responsibilities, and uphold the business philosophy of "Trustworthiness and Teamwork," "Improvement in Quality," "Customer Service," and "Innovation and Growth," to meet clients' demand, striving for optimal performance amid a challenging environment, thereby fulfilling shareholders' expectations.

HOWTEH TECHNOLOGY CO., LTD.

Chairman: Chen, Kuo-Hung President: Wu, Li-Shan Accounting chief: Chang, Ta-Chien

HOWTEH TECHNOLOGY CO., LTD.

Audit Committee's Review Report

Whereas,

The Board of Directors submitted the Company's 2022 Business Report and Financial Statements (Including Parent Company Only Financial Statements and Consolidated Financial Statements) and Earnings Distribution Proposal, of which the 2022 Financial Statements were audited by CPA Wang, Hsuan-Hsuan and CPA Zhang, Zhi-Ming from Ernst & Young, who also furnished an independent auditor's report. The above-mentioned Business Report, Financial Statements, and Earnings Distribution Proposal have been reviewed by the Audit Committee and no discrepancies have been found; therefore, a report was prepared for your review according to the provisions of Article 219 of the Company Act and Article 14-4 of the Securities and Exchange Act.

To

HOWTEH TECHNOLOGY CO., LTD. 2023 General Shareholders Meeting

Convener of Audit Committee: Li, Ta-Ching

March 22, 2023

Attached table 1: Financings Provided

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Financier	Counter-party	Item (Note 2)	Related-party	Maximum Balance for the Period (Note 3)	Ending Balance (Note 8)	Amount Actually Drawn	Interest Rate Range	Financing Provided (Note 4)	Transaction Amount (Note 5)	Financing Reasons (Note 6)	Allowance for Bad Debt	Collateral		Financial Limit for Each Counter-party	Limit on Financier's Total Financing
													Name	Value		
1	ShangHai HOWTEH International Trading Inc.	KunShan HOWTEH International Trading Inc.	Other receivables	Yes	\$30,710 USD1,000	\$30,710 USD1,000	\$11,588	0.00%	1	\$253	Business dealings	\$-	-	-	\$68,456 (Note 10)	\$102,684 (Note 10)
1	ShangHai HOWTEH International Trading Inc.	ShenZhen HOWTEH Technology Co., Ltd.	Other receivables	Yes	17,632 RMB4,000	17,632 RMB4,000	-	4.35%	2	-	Short-term financing	-	-	-	68,456 (Note 10)	102,684 (Note 10)
2	ShenZhen HOWTEH Technology Co., Ltd.	ShangHai HOWTEH International Trading Inc.	Other receivables	Yes	17,632 RMB4,000	17,632 RMB4,000	-	4.35%	2	-	Short-term financing	-	-	-	33,481 (Note 11)	50,221 (Note 11)

Note 1: The description of the number column is as follows:

- (1) Issuer fill in 0.
- (2) Investee companies are numbered sequentially, beginning with the Arabic numeral 1.

Note 2: Accounts of receivables related enterprise payments, receivables related party payments, shareholder transactions, advance payments, temporary payments... and other subjects, if they are in the nature of capital loans, must be filled in this form.

Note 3: The highest balance of funds lent to others in the current year.

Note 4: The nature of the loan should be filled in as a business transaction or a need for short-term financing.

- (1) Business transaction fill in 1.
- (2) Short-term financing fill in 2.

Note 5: If the nature of the loan is a business transaction, the business transaction amount should be filled in, which refers to the business transaction amount of the company and the loan target who lent the funds in the latest year.

Note 6: If the nature of the capital loan is necessary for short-term financing funds, the reason for the necessary loan and the purpose of the funds to be borrowed should be specified, such as: repayment of loans, purchase of equipment, business turnover, etc.

Note 7: The maximum loan limit set by the Company shall not exceed 40% of the net value of the Company, and the maximum loan limit shall not exceed 20% of the net value of the Company for a single object.

Note 8: The amounts of funds to be loaned to others which have been approved by the Board of Directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the Board of Directors of a public company has authorized the Chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the Board of Directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration that they could be loaned again thereafter.

Note 9: Counter-party:

According to Article 15 of the Company Law, the company's funds shall not be lent to shareholders or any other person except in the following circumstances:

- (1) Intercompany business dealers.
- (2) There is a need for short-term financing between companies. The amount of financing shall not exceed 40% of the net value of enterprise.
For the purposes of the preceding paragraph, short-term term refers to one year. However, if the company's business cycle is longer than one year, the business cycle shall prevail.
- (3) The financing amount referred to in the preceding paragraph is the cumulative balance of the Company's short-term financing funds.
- (4) The Company directly and indirectly holds 100% of the voting shares of foreign companies engaged in capital loans, which are not subject to the restrictions of the preceding paragraph.

Note 10: The total limit of capital loans set by ShangHai HOWTEH International Trading Inc. shall not exceed 60% of the net value of the company, and the maximum loan limit for a single object shall not exceed 40% of the net value of the company.

Note 11: The total limit of capital loan and total set by ShenZhen HOWTEH Technology Co., Ltd. shall not exceed 60% of the net value of the company, and the maximum loan limit for a single object shall not exceed 40% of the net value of the company.

Attached table 2: Collaterals/Guarantee Provided

No. (Note 1)	Collaterals/Guarantee Provider	Counter-part		Limits on Each Counter-party's Collateral/Guarantee Amounts (Note 3)	Maximum balance accumulated up to the end of this month (Note 4 ~ 8)	Ending Balance (Note 5 ~ 8)	Actual Amount Drawn Down (Note 6)	Amount of Properties Guaranteed by Collateral	Ratio of Accumulated Amount of Collateral to Net Asset Value of the Latest Financial Statement (%)	Maximum Collateral/Guarantee Amounts Allowable (Note 3)	Provision of Endorsements by Parent Company to Subsidiary (Note 6)	Provision of Endorsements by Subsidiary to Parent Company (Note 7)	Provision of Endorsements to the Company in Mainland China (Note 7)
		Name	Relationship (Note 2)										
0	HOWTEH TECHNOLOGY CO., LTD.	GITEH Electronic Industries Co., Ltd.	4	\$365,303	\$92,130 USD 3,000	\$92,130 USD 3,000	\$-	\$-	6.31%	\$730,607	Y	-	-
0	HOWTEH TECHNOLOGY CO., LTD.	HOWTEH Vietnam Co., Ltd.	4	365,303	9,213 USD 300	9,213 USD 300	-	-	0.63%	730,607	Y	-	-

Note 1: The description of the number column is as follows:

- (1) Issuer fill in 0.
- (2) Investee companies are numbered sequentially, beginning with the Arabic numeral 1.

Note 2: There are the following seven types of relationships between the endorsement guarantor and the endorsed guarantee object, and the types can be indicated:

- (1) There are business dealings between companies.
- (2) Companies in which the company directly and indirectly holds more than 50% of the voting shares.
- (3) A company in which more than 50% of the voting rights are directly or indirectly held in the company.
- (4) A company in which the company directly and indirectly holds more than 90% of the voting shares.
- (5) A company that is mutually insured by inter-industry or co-sponsors in accordance with the provisions of the contract.
- (6) A company that is endorsed and guaranteed by all contributing shareholders in accordance with their shareholding ratio due to a co-investment relationship.
- (7) The performance guarantee of the pre-sale house sales contract is jointly and severally guaranteed in accordance with the Consumer Protection Law.

Note 3: Endorsement guarantee method: The total amount of endorsement guarantee shall not exceed 50% of the company's net value, and the amount of endorsement guarantee for a single enterprise shall not exceed 25% of the company's net value.

Note 4: The maximum amount accumulated up to this month is the highest guaranteed balance of endorsement for the current year.

Note 5: By the end of the year, the company shall bear the endorsement or guarantee liability when the amount of the endorsement guarantee deed or instrument signed by the company to the bank is approved; Other relevant cases with endorsement guarantee should be included in the balance of endorsement guarantee.

Note 6: The actual amount of expenditure is the amount of expenditure under the guaranteed amount of the parent company.

Note 7: Those who are endorsement guarantors of the parent company of the listed stock exchange to the subsidiary, endorsement guarantors of the subsidiaries to the parent company of the listed stock exchange, and endorsement certificates belonging to the main!

Note 8 The exchange rate is based on the ending exchange rate.

HOWTEH TECHNOLOGY CO., LTD.

Table of Comparison of Provisions of the “Rules of procedures for Board of Directors Meetings”
before and after Amendment

Provisions after the amendment	Provisions before amendment	Reason for amendment
<p>Article 3</p> <p>The Company’s board of directors shall meet at least quarterly.</p> <p>The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called at short notice.</p> <p>A notice of the convention of a board of directors meeting may be given in writing, or by e-mail or fax.</p> <p>Matters in the subparagraphs of Paragraph 1, Article 12 of these Rules shall be set out in the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p>	<p>Article 3</p> <p>The Company’s board of directors shall meet at least quarterly.</p> <p>The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called at short notice.</p> <p>A notice of the convention of a board of directors meeting may be given in writing, or by e-mail or fax.</p> <p>All matters set out in the subparagraphs of Paragraph 1, Article 12 of these Rules shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion except in the case of an emergency or legitimate reason.</p>	Amended to align with the amendment of laws.
<p>Article 12</p> <p>The matters listed below shall be raised for discussion at a board meeting of the Company:</p> <ol style="list-style-type: none"> 1. The Company's business plan. 2. Annual financial report. 3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system. 4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others. 5. The offering, issuance, or private placement of equity-type securities. 6. <u>The appointment or discharge of a chairman of the board.</u> 7. Standards for managers’ performance evaluation and remuneration. 8. Director's remuneration structure and system. 9. Appointment and dismissal of financial, accounting, or internal audit officers. 10. A donation to a related party, or a major donation to a non-related party. However, a public-interest donation of disaster relief 	<p>Article 12</p> <p>The matters listed below shall be raised for discussion at a board meeting of the Company:</p> <ol style="list-style-type: none"> 1. The Company's business plan. 2. Annual financial report. 3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system. 4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others. 5. The offering, issuance, or private placement of equity-type securities. 6. Standards for managers’ performance evaluation and remuneration. 7. Director's remuneration structure and system. 8. Appointment and dismissal of financial, accounting, or internal audit officers. 9. A donation to a related party, or a major donation to a non-related party. However, a public-interest donation of disaster relief 	Amended to align with the amendment of laws.

Provisions after the amendment	Provisions before amendment	Reason for amendment
<p>that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition. The term "related party" in the preceding paragraph of the means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. The term "within a 1-year period" means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p><u>11.</u> Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.</p> <p>At least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.</p>	<p>that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition. The term "related party" in the preceding paragraph of the means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. The term "within a 1-year period" means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p><u>10.</u> Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.</p> <p>At least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.</p>	

Provisions after the amendment	Provisions before amendment	Reason for amendment
<p>Article 23</p> <p>These Rules of procedures were newly formulated on January 23, 2007.</p> <p>The 1st revision was made on March 28, 2008.</p> <p>The 2nd revision was made on March 26, 2009.</p> <p>The 3rd revision was made on March 24, 2010.</p> <p>The 4th revision was made on December 20, 2011.</p> <p>The 5th revision was made on March 20, 2012.</p> <p>The 6th revision was made on March 27, 2013.</p> <p>The 7th revision was made on March 27, 2015.</p> <p>The 8th revision was made on November 9, 2017.</p> <p>The 9th revision was made on November 10, 2020.</p> <p>The 10th revision was made on March 25, 2021.</p> <p><u>The 11th revision was made on November 11, 2022.</u></p>	<p>Article 23</p> <p>These Rules of procedures were newly formulated on January 23, 2007.</p> <p>The 1st revision was made on March 28, 2008.</p> <p>The 2nd revision was made on March 26, 2009.</p> <p>The 3rd revision was made on March 24, 2010.</p> <p>The 4th revision was made on December 20, 2011.</p> <p>The 5th revision was made on March 20, 2012.</p> <p>The 6th revision was made on March 27, 2013.</p> <p>The 7th revision was made on March 27, 2015.</p> <p>The 8th revision was made on November 9, 2017.</p> <p>The 9th revision was made on November 10, 2020.</p> <p>The 10th revision was made on March 25, 2021.</p>	<p>Add revision dates.</p>

Independent Auditors' Report

To HOWTEH TECHNOLOGY CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of HOWTEH TECHNOLOGY CO., LTD. (the “Company”) as of December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the parent company only financial statements, including the summary of significant accounting policies (together “the parent company only financial statements”).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

The Company recognized a net operating income of NT\$2,554,446 thousand in the year of 2022. Due to the diversity of the Company's products, the sales of domestic and foreign markets, and the different trading conditions, we believe that it is important to decide the performance obligation and the timing of the fulfillment of which. Thus, we conclude that revenue recognition is a key audit matter.

Our audit procedure include but not limited to, assessing the appropriateness of accounting policies for revenue recognition, understanding and testing the design and implementation of internal controls related to the sales cycle; selecting samples to perform transaction detail tests, inspecting the transaction records and check the important terms in the order or contract, identifying the performance obligation of the order or contract and confirming the time point of satisfaction; performance cut-off tests for a period of time around the end of the year, including obtaining the customer's original order or contract, inspecting the trading conditions and checking the relevant vouchers to verify the correctness of the transaction recognition point and confirming that the performance obligation has been satisfied; performing analytical procedures such as analysis of gross margin fluctuation and sales changes of the top 10 customers, and inspecting the significant sales returns and discounts if any subsequent to the balance sheet date to confirm the reasonableness of the timing of revenue recognition.

We have also evaluates the appropriateness of the related disclosure in notes 4 and 6 to the parent company only financial statements.

2. Inventory valuation

As of December 31, 2022, the Company's net inventories amounted to NT\$285,636 thousand, which accounted for approximately 10% of the total assets, Considering that products technology and market changes has significant impact on inventory turnover and selling prices, that the management's assessment of the net realisation value of inventory is important to the financial statements. Thus, we conclude that inventory valuation is a key audit matter.

Our audit procedures include, but not limited to, performing analytical procedures such as days of inventory turnover to assess the reasonableness of inventory valuation accounting policies (including provisions for slow-moving and obsolete inventory and net realizable value of inventory); selecting inventory samples from different inventory aging buckets, verifying transaction vouchers and comparing transaction records to confirm the accuracy of inventory aging; selecting samples with large amounts and considering the recent market prices to assess the reasonableness of the net realizable value of the inventory adopted by management.

We have also evaluates the appropriateness of the related disclosure in notes 4, 5 and 6 to the parent company only financial statements.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hsuan-Hsuan Wang

Zhiming Zhang

Ernst & Young, Taiwan

March 22, 2023

Notice to Readers

The accompanying parent company only financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying parent company only financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

HOWTEH TECHNOLOGY CO., LTD.
Parent Company Only Balance Sheets
As of December 31, 2022 and 2021
(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			2022		2021	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4,6,12	\$568,450	20	\$394,904	14
1150	Notes receivable, net	4,5,6,12	1,372	-	301	-
1170	Accounts receivable, net	4,5,6,12	740,318	26	922,756	33
1180	Accounts receivable - related parties, net	4,5,6,7,12	32,313	1	24,247	1
1200	Other receivables	5,12	25	-	5,067	-
1220	Current tax assets	4,5,6	-	-	11,424	-
130x	Inventories, net	4,5,6	285,636	10	416,095	15
1410	Prepayments	6	116,121	4	82,247	3
11xx	Total current assets		<u>1,744,235</u>	<u>61</u>	<u>1,857,041</u>	<u>66</u>
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income, noncurrent	4,6,12	227,186	8	180,340	6
1550	Investment accounted for under equity method	4,6,12	706,810	25	619,445	22
1600	Property, plant and equipment	4,6,8	103,874	4	104,499	4
1755	Right-of-use assets	4,6	558	-	2,825	-
1760	Investment property, net	4,5,6,12	8,660	-	8,772	-
1780	Intangible assets	4,6	528	-	743	-
1840	Deferred tax assets	4,5,6	13,526	-	7,912	-
1920	Refundable deposits	9,12	50,660	2	46,115	2
1990	Other non-current assets-others	4,5,6	8,498	-	5,708	-
15xx	Total non-current assets		<u>1,120,300</u>	<u>39</u>	<u>976,359</u>	<u>34</u>
1xxx	Total assets		<u>\$2,864,535</u>	<u>100</u>	<u>\$2,833,400</u>	<u>100</u>

(The accompanying notes are an integral part of the parent company only financial statements.)

HOWTEH TECHNOLOGY CO., LTD.
Parent Company Only Balance Sheets
As of December 31, 2022 and 2021
(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			As of December 31, 2022		As of December 31, 2021	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	4,6,8,9,12	\$903,000	32	\$1,030,000	36
2110	Short-term notes and bills payable	6,12	-	-	30,000	1
2130	Contract liabilities, current	4,6	106,880	4	94,031	3
2170	Accounts payable	12	242,225	8	334,931	12
2180	Accounts payable-related parties	7,12	30,611	1	47,556	2
2200	Other payables	7,12	71,028	3	63,017	2
2230	Current tax liabilities	4,5,6	40,996	1	13,709	1
2280	Lease liabilities, current	4,6,12	565	-	2,285	-
2399	Other current liabilities-others		1,441	-	1,678	-
21xx	Total current liabilities		<u>1,396,746</u>	<u>49</u>	<u>1,617,207</u>	<u>57</u>
	Non-current liabilities					
2570	Deferred tax liabilities	4,5,6	3,267	-	1,387	-
2580	Lease liabilities, noncurrent	4,6,12	-	-	565	-
2645	Guarantee deposits	12	3,309	-	3,309	-
25xx	Total non-current liabilities		<u>6,576</u>	<u>-</u>	<u>5,261</u>	<u>-</u>
2xxx	Total liabilities		<u>1,403,322</u>	<u>49</u>	<u>1,622,468</u>	<u>57</u>
	Equity attributable to shareholders of the parent					
31xx	Capital	6				
3100	Common stock		626,248	22	590,800	21
3200	Capital surplus	6	52,062	2	52,062	2
3300	Retained earnings	6				
3310	Legal reserve		204,597	7	190,269	7
3320	Special reserve		3,340	-	3,340	-
3350	Unappropriated retained earnings		427,121	15	319,565	11
3400	Other equity interest	4,6	147,845	5	54,896	2
3xxx	Total equity		<u>1,461,213</u>	<u>51</u>	<u>1,210,932</u>	<u>43</u>
	Total liabilities and equity		<u>\$2,864,535</u>	<u>100</u>	<u>\$2,833,400</u>	<u>100</u>

(The accompanying notes are an integral part of the parent company only financial statements.)

HOWTEH TECHNOLOGY CO., LTD.
Parent Company Only Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021
(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	4,6,7	\$2,554,446	100	\$2,668,881	100
5000	Operating costs	6,7	(2,306,696)	(90)	(2,441,698)	(91)
5900	Gross profit from operations		247,750	10	227,183	9
6000	Operating expenses					
6100	Selling expenses		(83,704)	(3)	(78,428)	(3)
6200	Administrative expenses		(67,194)	(3)	(61,184)	(2)
6450	Expected credit losses		(11,354)	-	(3,707)	-
	Operating expenses total	4,5,6,7	(162,252)	(6)	(143,319)	(5)
6900	Operating income		85,498	4	83,864	4
7000	Non-operating income and expenses					
7100	Interest income	6	2,806	-	361	-
7010	Other income	4,5,6	18,693	1	12,657	-
7020	Other gains and losses	6,12	113,430	4	(15,398)	(1)
7050	Finance costs	4,6	(13,297)	(1)	(8,799)	-
7070	Share of profit or loss of subsidiaries, associates and joint ventures	4,6	41,262	2	84,046	3
	Non-operating income and expense total		162,894	6	72,867	2
7900	Income before income tax		248,392	10	156,731	6
7950	Income tax	4,5,6	(39,593)	(2)	(13,679)	(1)
8200	Net income		208,799	8	143,052	5
8300	Other comprehensive income (loss)	4,6				
8310	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurements of defined benefit plans		2,131	-	282	-
8316	Unrealize gain (loss) on equity instrument investment at fair value through other comprehensive income		46,846	2	40,629	2
8349	Income tax benefit (expense) related to items that will not be reclassified subsequently		(426)	-	(57)	-
8360	Items that may be reclassified subsequently to profit or loss					
8381	Exchange differences arising on translation of foreign operations		46,103	2	(12,846)	-
	Total other comprehensive income, net of tax		94,654	4	28,008	2
8500	Total comprehensive income		\$303,453	12	\$171,060	7
9750	Earnings per share - basic (in NTD)	6	\$3.33		\$2.28	
9850	Earnings per share - diluted (in NTD)	6	\$3.32		\$2.28	

(The accompanying notes are an integral part of the parent company only financial statements.)

HOWTEH TECHNOLOGY CO., LTD.
Parent Company Only Statements of Changes in Equity
For the Years Ended December 31, 2022 and 2021
(Amounts Expressed in Thousands of New Taiwan Dollars)

	Item	Common Stock	Capital Surplus	Retained Earnings			Other Components of equity		Total equity
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unrealized gains/losses on financial assets at fair value through other comprehensive income	
Code		3100	3200	3310	3320	3350	3410	3420	3XXX
A1	Balance as of January 1, 2021	\$590,800	\$52,062	\$179,831	\$3,340	\$257,622	\$(40,591)	\$67,704	\$1,110,768
	Appropriation and distribution of 2020 earnings:								
B1	Legal reserve	-	-	10,438	-	(10,438)	-	-	-
B5	Cash dividends	-	-	-	-	(70,896)	-	-	(70,896)
D1	Net income for 2021	-	-	-	-	143,052	-	-	143,052
D3	Other comprehensive income (loss) for 2021	-	-	-	-	225	(12,846)	40,629	28,008
D5	Total comprehensive income	-	-	-	-	143,277	(12,846)	40,629	171,060
Z1	Balance as of December 31, 2021	<u>\$590,800</u>	<u>\$52,062</u>	<u>\$190,269</u>	<u>\$3,340</u>	<u>\$319,565</u>	<u>\$(53,437)</u>	<u>\$108,333</u>	<u>\$1,210,932</u>
A1	Balance as of January 1	\$590,800	\$52,062	\$190,269	\$3,340	\$319,565	\$(53,437)	\$108,333	\$1,210,932
	Appropriation and distribution of 2021 earnings:								
B1	Legal reserve	-	-	14,328	-	(14,328)	-	-	-
B5	Cash dividends	-	-	-	-	(53,172)	-	-	(53,172)
B9	Stock dividends	35,448	-	-	-	(35,448)	-	-	-
D1	Net income for 2022	-	-	-	-	208,799	-	-	208,799
D3	Other comprehensive income (loss) for 2022	-	-	-	-	1,705	46,103	46,846	94,654
D5	Total comprehensive income	-	-	-	-	210,504	46,103	46,846	303,453
Z1	Balance as of December 31, 2022	<u>\$626,248</u>	<u>\$52,062</u>	<u>\$204,597</u>	<u>\$3,340</u>	<u>\$427,121</u>	<u>\$(7,334)</u>	<u>\$155,179</u>	<u>\$1,461,213</u>

(The accompanying notes are an integral part of the parent company only financial statements.)

HOWTEH TECHNOLOGY CO., LTD.
Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	items	2022	2021	Code	items	2022	2021
		Amount	Amount			Amount	Amount
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$248,392	\$156,731	B02700	Acquisition of property, plant and equipment	(439)	(1,384)
A20000	Adjustments to reconcile net loss before tax to net			B03700	Refundable deposits	(4,545)	401
A20010	Profit or loss not effecting cash flows:			B04500	Acquisition of intangible assets	-	(630)
A20100	Depreciation	3,443	3,245	B07600	Dividends received	7,462	7,048
A20200	Amortization	215	206	BBBB	Net cash provided by investing activities	2,478	5,435
A20300	Expected credit losses	11,354	3,707				
A20900	Interest expense	13,297	8,799	CCCC	Cash flows from financing activities:		
A21200	Interest income	(2,806)	(361)	C00100	Increase in short-term borrowings	4,752,000	3,946,000
A21300	Dividend income	(7,462)	(7,048)	C00200	Decrease in short-term borrowings	(4,879,000)	(3,656,000)
A22400	Share of loss/profit of subsidiaries, associates and joint ventures accounted for using equity method	(41,262)	(84,046)	C00500	Increase in short-term notes and bills payable	100,000	130,000
A30000	Changes in operating assets and liabilities:			C00600	Decrease in short-term notes and bills payable	(130,000)	(150,000)
A31130	Notes receivable	(1,071)	(296)	C04020	Repayments of lease liabilities	(2,306)	(2,063)
A31150	Accounts receivable	171,084	(279,606)	C04500	Cash dividends paid	(53,172)	(70,896)
A31160	Accounts receivable - related parties	(8,066)	79,952	C05600	Interest paid	(13,276)	(8,759)
A31180	Other receivables	4,383	(2,342)	CCCC	Net cash (used in) provided by financing activities	(225,754)	188,282
A31200	Inventories	130,459	(321,576)				
A31230	Prepayments	(33,874)	(48,139)	DDDD	Effect of exchange rate changes on cash and cash equivalents	-	-
A32125	Contract liabilities	12,849	94,031	EEEE	Increase (decrease) in cash and cash equivalents	173,546	(61,045)
A32150	Accounts payable	(92,706)	113,084	E00100	Cash and cash equivalents at beginning of period	394,904	455,949
A32160	Accounts payable-related parties	(16,945)	27,530	E00200	Cash and cash equivalents at end of period	\$568,450	\$394,904
A32180	Other payables	8,011	2,602				
A32230	Other current liabilities	(237)	262				
A33000	Cash generated from (used in) operations	399,058	(253,265)				
A33100	Interest received	2,806	306				
A33500	Income tax paid	(5,042)	(1,803)				
AAAA	Net cash provided by (used in) operating activities	396,822	(254,762)				

(The accompanying notes are an integral part of the parent-company-only financial statements.)

Independent Auditors' Report

To HOWTEH TECHNOLOGY CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of HOWTEH TECHNOLOGY CO., LTD. (the “Company”) and its subsidiaries (the “Group”) as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Group as of December 31, 2022 and 2021, and its financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and international Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Standards International Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

The Group's recognized a net operating income of NT\$3,244,029 thousand in the year of 2022. Due to the diversity of the Group's products, the sales of domestic and foreign markets, and the different trading conditions, we believe that it is important to decide the performance obligation and the timing of the fulfillment of which. Thus, we conclude that revenue recognition is a key audit matter.

Our audit procedure include, but not limited to, assessing the appropriateness of accounting policies for revenue recognition, understanding and testing the design and implementation of internal controls related to the sales cycle; selecting samples to perform transaction detail tests, inspecting the transaction records and checking the important terms in the order or contract, identifying the performance obligation of the order or contract and confirming the time point of satisfaction; performing cut-off tests for a period of time around the end of the year, including obtaining the customer's original order or contract, inspecting the trading conditions and checking the relevant vouchers to verify the correctness of the transaction recognition point and confirming that the performance obligation has been satisfied; performing analytical procedures such as analysis of gross margin fluctuation and sales changes of the top 10 customers, and inspecting the significant sales returns and discounts if any subsequent to the balance sheet date to confirm the reasonableness of the timing of revenue recognition.

We have also evaluated the appropriateness of the related disclosure in notes 4 and 6 to the consolidated financial statements.

2. Inventory valuation

As of December 31, 2022, the Group's net inventories amounted to NT\$369,742 thousand, which accounted for approximately 13% of the total consolidated assets. Considering that products technology and market changes has significant impact on inventory turnover and selling prices, that the management's assessment of the net realization value of inventory is important to the financial statements. Thus, we conclude that inventory valuation is a key audit matter.

Our audit procedures include, but not limited to, performing analytical procedures such as days of inventory turnover to assess the reasonableness of inventory valuation accounting policies (including provisions for slow-moving and obsolete inventory and net realizable value of inventory); selecting inventory samples from different inventory aging buckets, verifying transaction vouchers and comparing transaction records to confirm the accuracy of inventory aging; selecting samples with large amounts and considering the recent market prices to assess the reasonableness of the net realizable value of the inventory adopted by management.

We have also evaluated the appropriateness of the related disclosure in notes 4, 5 and 6 to the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and international Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Standards International Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Group, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company for the years 2021 and 2022.

Hsuan-Hsuan Wang

Zhiming Zhang

Ernst & Young, Taiwan

March 22, 2023

The accompanying consolidated financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Assets			As of December 31, 2022		As of December 31, 2021	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4,6,12	\$1,024,059	35	\$645,239	22
1150	Notes receivable, net	4,5,6,12	2,663	-	13,007	1
1170	Accounts receivable, net	4,5,6,7,12	954,120	33	1,273,680	43
1200	Other receivables	5,12	125	-	5,067	-
1220	Current tax assets	4,5,6	2,378	-	-	-
130x	Inventories, net	4,5,6	369,742	13	527,485	18
1410	Prepayments	6	119,381	4	85,877	3
11xx	Total current assets		<u>2,472,468</u>	<u>85</u>	<u>2,550,355</u>	<u>87</u>
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income, noncurrent	4,6,7,12	227,186	8	180,340	6
1600	Property, plant and equipment	4,6,8	111,174	4	112,864	4
1755	Right-of-use assets	4,6	20,503	1	26,504	1
1760	Investment property, net	4,5,6,12	8,660	-	8,772	-
1780	Intangible assets	4,6	528	-	743	-
1840	Deferred tax assets	4,5,6	13,540	-	7,926	-
1920	Refundable deposits	9,12	53,612	2	48,819	2
1990	Other non-current assets-others	4,5,6	8,075	-	5,708	-
15xx	Total non-current assets		<u>443,278</u>	<u>15</u>	<u>391,676</u>	<u>13</u>
1xxx	Total assets		<u>\$2,915,746</u>	<u>100</u>	<u>\$2,942,031</u>	<u>100</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			As of December 31, 2022		As of December 31, 2021	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	4,6,8,9,12	\$903,000	31	\$1,030,000	35
2110	Short-term notes and bills payable	6,12	-	-	30,000	1
2130	Contract liabilities, current	4,6	108,189	4	96,836	3
2150	Notes payable	12	-	-	20	-
2170	Accounts payable	12	292,506	10	457,446	16
2200	Other payables	7,12	79,593	3	78,779	3
2230	Current tax liabilities	4,5,6	41,529	1	4,288	-
2280	Lease liabilities, current	4,6,12	8,523	-	8,989	-
2399	Other current liabilities-others		1,212	-	1,686	-
21xx	Total current liabilities		<u>1,434,552</u>	<u>49</u>	<u>1,708,044</u>	<u>58</u>
	Non-current liabilities					
2570	Deferred tax liabilities	4,5,6	3,267	-	1,387	-
2580	Lease liabilities, noncurrent	4,6,12	13,169	1	18,192	1
2645	Guarantee deposits	12	3,314	-	3,312	-
2600	Other non-current liabilities		231	-	164	-
25xx	Total non-current liabilities		<u>19,981</u>	<u>1</u>	<u>23,055</u>	<u>1</u>
2xxx	Total liabilities		<u>1,454,533</u>	<u>50</u>	<u>1,731,099</u>	<u>59</u>
	Equity attributable to shareholders of the parent					
31xx	Capital	6				
3100	Common stock		626,248	21	590,800	20
3200	Capital surplus	6	52,062	2	52,062	2
3300	Retained earnings	6				
3310	Legal reserve		204,597	7	190,269	6
3320	Special reserve		3,340	-	3,340	-
3350	Unappropriated retained earnings		427,121	15	319,565	11
3400	Other equity interest	4,6	147,845	5	54,896	2
3xxx	Total equity		<u>1,461,213</u>	<u>50</u>	<u>1,210,932</u>	<u>41</u>
	Total liabilities and equity		<u>\$2,915,746</u>	<u>100</u>	<u>\$2,942,031</u>	<u>100</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Consolidated Statements Of Comprehensive Incomes
For the years ended December 31, 2022 and 2021
(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	4,6,7	\$3,244,029	100	\$3,721,133	100
5000	Operating costs	6,7	(2,890,026)	(89)	(3,341,230)	(90)
5900	Gross profit from operations		354,003	11	379,903	10
6000	Operating expenses					
6100	Selling expenses		(126,043)	(4)	(129,275)	(3)
6200	Administrative expenses		(83,272)	(3)	(79,209)	(2)
6450	Expected credit losses		(13,672)	-	(1,992)	-
	Operating expenses total	4,5,6,7	(222,987)	(7)	(210,476)	(5)
6500	Other operating income	6	-	-	146	-
6900	Operating income		131,016	4	169,573	5
7000	Non-operating income and expenses					
7100	Interest income	6	4,732	-	1,669	-
7010	Other income	4,5,6	22,603	1	13,485	-
7020	Other gains and losses	6,12	114,827	4	(2,830)	-
7050	Finance costs	4,6	(14,498)	-	(9,198)	-
	Non-operating income and expense total		127,664	5	3,126	-
7900	Income before income tax		258,680	9	172,699	5
7950	Income tax	4,5,6	(49,881)	(2)	(29,647)	(1)
8200	Net income		208,799	7	143,052	4
8300	Other comprehensive income (loss)	4,6				
8310	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurements of defined benefit plans		2,131	-	282	-
8316	Unrealize gain (loss) on equity instrument investment at fair value through other comprehensive income		46,846	1	40,629	1
8349	Income tax benefit (expense) related to items that will not be reclassified subsequently		(426)	-	(57)	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences arising on translation of foreign operations		46,103	1	(12,846)	-
	Total other comprehensive income, net of tax		94,654	2	28,008	1
8500	Total comprehensive income		\$303,453	9	\$171,060	5
8600	Net income attributable to:					
8610	Shareholders of the parent		\$208,799	6	\$143,052	4
8620	Non-controlling interests		-	-	-	-
			\$208,799	6	\$143,052	4
8700	Comprehensive income (loss) attributable to:					
8710	Shareholders of the parent		\$303,453	9	\$171,060	5
8720	Non-controlling interests		-	-	-	-
			\$303,453	9	\$171,060	5
9750	Earnings per share-basic (in NTD)	6	\$3.33		\$2.28	
9850	Earnings per share-diluted (in NTD)	6	\$3.32		\$2.28	

(The accompanying notes are an integral part of the consolidated financial statements.)

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2022 and 2021

(Amounts Expressed In Thousands of New Taiwan Dollars)

	Items	Common Stock	Capital Surplus	Retained Earnings			Other Components of Equity		Total Equity
				Legal Reserve	Special reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unrealized gains/losses on financial assets at fair value through other comprehensive income	
Code		3100	3200	3310	3320	3350	3410	3420	3XXX
A1	Balance as of January 1, 2021	\$590,800	\$52,062	\$179,831	\$3,340	\$257,622	\$(40,591)	\$67,704	\$1,110,768
	Appropriation and distribution of 2020 earnings								
B1	Legal reserve	-	-	10,438	-	(10,438)	-	-	-
B5	Cash dividends	-	-	-	-	(70,896)	-	-	(70,896)
D1	Net income for 2021	-	-	-	-	143,052	-	-	143,052
D3	Other comprehensive income (loss) for 2021	-	-	-	-	225	(12,846)	40,629	28,008
D5	Total comprehensive income	-	-	-	-	143,277	(12,846)	40,629	171,060
Z1	Balance as of December 31, 2021	<u>\$590,800</u>	<u>\$52,062</u>	<u>\$190,269</u>	<u>\$3,340</u>	<u>\$319,565</u>	<u>\$(53,437)</u>	<u>\$108,333</u>	<u>\$1,210,932</u>
A1	Balance as of January 1, 2022	\$590,800	\$52,062	\$190,269	\$3,340	\$319,565	\$(53,437)	\$108,333	\$1,210,932
	Appropriation and distribution of 2021 earnings								
B1	Legal reserve	-	-	14,328	-	(14,328)	-	-	-
B5	Cash dividends	-	-	-	-	(53,172)	-	-	(53,172)
B9	Stock dividends	35,448	-	-	-	(35,448)	-	-	-
D1	Net income for 2022	-	-	-	-	208,799	-	-	208,799
D3	Other comprehensive income (loss) for 2022	-	-	-	-	1,705	46,103	46,846	94,654
D5	Total comprehensive income	-	-	-	-	210,504	46,103	46,846	303,453
Z1	Balance as of December 31, 2022	<u>\$626,248</u>	<u>\$52,062</u>	<u>\$204,597</u>	<u>\$3,340</u>	<u>\$427,121</u>	<u>\$(7,334)</u>	<u>\$155,179</u>	<u>\$1,461,213</u>

(The accompanying notes are an integral part of the consolidated financial statements.)\

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2022	2021	Code	Items	2022	2021
		Amount	Amount			Amount	Amount
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$258,680	\$172,699	B02700	Acquisition of property, plant and equipment	(655)	(1,724)
A20000	Adjustments:			B03700	Refundable deposits	(4,793)	(347)
A20010	Profit or loss not effecting cash flows:			B04500	Acquisition of intangible assets	-	(630)
A20100	Depreciation	12,618	7,591	B07600	Dividends received	7,462	7,048
A20200	Amortization	215	206	BBBB	Net cash provided by investing activities	2,014	4,347
A20300	Expected credit losses	13,672	1,992				
A20900	Interest expense	14,498	9,198	CCCC	Cash flows from financing activities:		
A21200	Interest income	(4,732)	(1,669)	C00100	Increase in short-term borrowings	4,752,000	3,946,000
A21300	Dividend income	(7,462)	(7,048)	C00200	Decrease in short-term borrowings	(4,879,000)	(3,656,000)
A29900	Loss (gain) on lease modification	-	(146)	C00500	Increase in short-term notes and bills payable	100,000	130,000
A30000	Changes in operating assets and liabilities:			C00600	Decrease in short-term notes and bills payable	(130,000)	(150,000)
A31130	Notes receivable	10,344	(9,144)	C04020	Repayments of lease liabilities	(10,738)	(4,464)
A31150	Accounts receivable	305,767	(275,730)	C04300	Increase in other non-current liabilities	67	164
A31180	Other receivables	4,706	(2,336)	C04500	Cash dividends paid	(53,172)	(70,896)
A31200	Inventories	157,743	(365,334)	C05600	Interest paid	(13,354)	(8,844)
A31230	Prepayments	(33,504)	(45,669)	CCCC	Net cash (used in) provided by financing activities	(234,197)	185,960
A32125	Contract liabilities	11,353	88,166				
A32130	Notes payable	(20)	(2,326)	DDDD	Effect of exchange rate changes on cash and cash	46,171	(13,069)
A32150	Accounts payable	(164,940)	141,329	EEEE	Increase (decrease) in cash and cash equivalents	378,820	(123,753)
A32180	Other payables	814	5,845	E00100	Cash and cash equivalents at beginning of period	645,239	768,992
A32230	Other current liabilities	(474)	603	E00200	Cash and cash equivalents at end of period	\$1,024,059	\$645,239
A33000	Cash generated from (used in) operations	579,278	(281,773)				
A33100	Interest received	4,732	1,614				
A33500	Income tax paid	(19,178)	(20,832)				
AAAA	Net cash provided by (used in) operating activities	564,832	(300,991)				

(The accompanying notes are an integral part of the consolidated financial statements.)

HOWTEH TECHNOLOGY CO., LTD.

Earnings Distribution Statement

2022

Unit: NTD

Item	Amount
Opening balance	216,618,020
Add: Post-tax profits for the period	208,798,524
Add: Remeasurements of defined benefit plan under other comprehensive income (2022)	1,704,658
Less: Provision of legal reserves (10%)	(21,050,318)
Distributable earnings	406,070,884
Distribution items:	
Shareholder dividend - cash (NT\$1.3 per share, or NT\$1,300 per thousand shares)	(81,412,240)
Shareholder dividends - stock (NT\$0.4 per share, or 40 shares per thousand shares).	(25,049,920)
Undistributed earnings at the end of the period	299,608,724
<p>Note 1: The undistributed earnings of 2022 shall be distributed in the first place.</p> <p>Note 2: The Company started using the content of the Ministry of Economic Affairs' official letter titled Jing-Shang-Zi No.10802432410 as the basis for providing legal reserves in 2019.</p>	

Chairman: Chen, Kuo-Hung

President: Wu, Li-Shan

Accounting chief: Chang, Ta-Chien

HOWTEH TECHNOLOGY CO., LTD.
Rules of procedures for Board of Directors Meetings

Article 1: To establish a strong governance system and sound supervisory capabilities for the Company's board of directors and to strengthen management capabilities, these Rules are adopted pursuant to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 2: With respect to the board of directors meetings of the Company, the main agenda items, working procedures, required content of meeting minutes, public announcements, and other compliance requirements shall be handled in accordance with the provisions of these Rules.

Article 3: The board of directors shall meet at least quarterly.

The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called at short notice.

A notice of the convention of a board of directors meeting may be given in writing, or by e-mail or fax.

All matters set out in the subparagraphs of Paragraph 1, Article 12 of these Rules shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion, except in the case of an emergency or legitimate reason.

Article 4: The designated unit responsible for the board meetings of the Company shall be the President's Office.

The unit responsible for board meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting. A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.

Article 5: When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.

Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with the Company's Articles of Incorporation. Attendance by videoconference will be deemed attendance in person.

A director who appoints another director to attend a board meeting shall in each

instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

The proxy referred to in paragraph 2 may be the appointed proxy of only one person.

Article 6: A board meeting shall be held at the premises and during the business hours of the Company, or at a place and time convenient for all directors to attend and suitable for holding board meetings.

Article 7: Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.

A board meeting convened by half or more of all directors according to Article 203, Paragraph 4 and Article 203-1, Paragraph 3 of the Company Act shall be chaired by one director elected from among the directors.

When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the directors to act as chair. If no such designation is made by the chairperson, the directors shall select one person from among themselves to serve as chair.

Article 8: When a board meeting is held, the President's Office shall furnish the attending directors with relevant materials for ready reference.

When a board meeting is convened, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants. When necessary, certified public accountants, attorneys, or other professionals retained by the Company may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.

If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.

The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.

Article 9: Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.

If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.

Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of the Company.

Article 10: Agenda items for regular board meetings of the Company shall include at least the following:

1. Report Items:

- (1) Minutes of the last meeting and action taken.
- (2) Important financial and business matters.
- (3) Internal audit activities.
- (4) Other important matters to be reported.

2. Items for Discussion:

- (1) Items for continued discussion from the last meeting.
- (2) Items for discussion at this meeting.

3. Extraordinary motions.

Article 11: A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.

The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.

At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 4 shall apply *mutatis mutandis*.

Article 12: The matters listed below shall be raised for discussion at a board meeting of the Company:

1. The Company's business plan.
2. Annual financial report.
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to

others, and endorsements or guarantees for others.

5. The offering, issuance, or private placement of equity-type securities.
6. Standards for managers' performance evaluation and remuneration.
7. Director's remuneration structure and system.
8. Appointment and dismissal of financial, accounting or internal audit officers.
9. A donation to a related party, or a major donation to a non-related party. However, a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition. The term "related party" in the preceding paragraph of the means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. The term "within a 1-year period" means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.
10. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.

At least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

Article 13: The remuneration of directors and managers shall be discussed and proposed by the Remuneration Committee and submitted to the board of directors for discussion and resolution. If the board of directors will decline to adopt, or will modify, a recommendation of the remuneration committee, it shall require the consent of a majority of the directors in attendance at a meeting attended by two-thirds or more of the entire board, which in its resolution shall specifically explain whether the

remuneration passed by it exceeds in any way the recommendation of the remuneration committee.

If the remuneration passed by the board of directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified in the board meeting minutes, and shall be publicly announced before the business day following the date of passage by the board of directors.

Article 14: When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote. When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. The “attending directors” mentioned in the preceding paragraph do not include the directors prohibited by Article 15, Paragraph 1 from exercising voting rights.

If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.

One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

1. A show of hands or a vote by voting machine.
2. A roll call vote.
3. A vote by ballot.

Article 15: Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.

When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If any one among them is passed, the other proposals shall then be deemed rejected, and no further voting on them shall be required.

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.

Voting results shall be made known on-site immediately and recorded in writing.

Article 16: If a director or a juristic person that the director represents is an interested party in relation to an agenda item,

the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the Company, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item,

and may not exercise voting rights as proxy for another director.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

Where a director is prohibited by the preceding two paragraphs from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply *mutatis mutandis* in accordance with Article 206, paragraph 4 of the same Act.

Article 17: Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

1. The meeting session (or year) and the time and place of the meeting.
2. The name of the chair.
3. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.
7. The method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 5.
8. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.
9. Other matters required to be recorded.

The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, before the commencement of trading of the business date following from the date of the meeting:

- (1) Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.
- (2) A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of the Company.
- (3) Remuneration approved by the Board of Directors that is superior to the remuneration recommended by the remuneration committee.

The attendance book constitutes part of the minutes for each board meeting and shall be retained permanently.

The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.

The meeting minutes of paragraph 1 may be produced and distributed in electronic form.

When a resolution of the board of directors violates laws, regulations, the articles of incorporation, or resolutions adopted in the shareholders meeting, and thus causes an injury to the company, dissenting directors whose dissent can be proven by minutes or written statements will not be liable for damages.

Article 18: With the exception of matters required to be discussed at a board meeting under Article 12, paragraph 1, the Company's board of directors may authorize the Chairperson to exercise the powers of the board of directors when the board of directors is in recess. The content of authorization is as follows:

1. Approval of various important contracts.
2. Approval of real estate mortgage loans and other loans.
3. Approval of the Company's purchase or disposal of general property and real estate.
4. Appointment of directors and supervisors of the investees.
5. Approval of the record date for capital increase or capital reduction or cash dividend distribution.

Article 19: Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the Company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors.

If a resolution by the board of directors involves the Company's operational development and major strategy, cautious consideration shall be given, and the implementation and operation of corporate governance may not be affected.

Independent directors shall perform their duties in accordance with relevant laws and

regulations and the Company's articles of incorporation to protect the rights and interests of the Company and shareholders.

Article 20: If a resolution of the board of directors violates law, regulations or the Company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director, or at the notice of a supervisor to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.

Upon discovering a likelihood that the Company would suffer material injury, members of the board of directors shall immediately report to the audit committee or an independent director member of the audit committee in accordance with the foregoing paragraph.

The Company may, by its articles of incorporation or a resolution of the shareholders' meeting, take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the Company and shareholders arising from the wrongdoings or negligence of a director.

Article 21: Members of the board of directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, of law offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors of TWSE/TPEX Listed Companies, which cover subjects relating to corporate governance upon becoming directors and throughout their terms of occupancy. They shall also ensure that company employees at all levels will enhance their professionalism and knowledge of the law.

Article 22: The establishment and amendment of the rules of procedure shall be approved by the board of directors of the Company and reported at a shareholders' meeting. Any amendment thereafter shall be subject to a resolution by the board of directors.

Article 23: These Rules of procedures were newly formulated on January 23, 2007.

The 1st revision was made on March 28, 2008.

The 2nd revision was made on March 26, 2009.

The 3rd revision was made on March 24, 2010.

The 4th revision was made on December 20, 2011.

The 5th revision was made on March 20, 2012.

The 6th revision was made on March 27, 2013.

The 7th revision was made on March 27, 2015.

The 8th revision was made on November 9, 2017.

The 9th revision was made on November 10, 2020.

The 10th revision was made on March 25, 2021.

HOWTEH TECHNOLOGY CO., LTD. Articles of Incorporation

Chapter 1 General Provisions

Article 1: The Company is duly incorporated by the Company Act, and named “好德科技股份有限公司” in Chinese and HOWTEH TECHNOLOGY CO., LTD. in English.

Article 2: The Company is engaged in the following sectors:

1. CC801010 Basic Industrial Chemical Manufacturing
2. CA02090 Metal Wire Products Manufacturing
3. CA02990 Other Fabricated Metal Products Manufacturing
4. CB01030 Pollution Controlling Equipment Manufacturing
5. CC01060 Wired Communication Mechanical Equipment Manufacturing
6. CC01070 Wireless Communication Mechanical Equipment Manufacturing
7. CC01110 Computer and Peripheral Equipment Manufacturing
8. CE01010 General Instrument Manufacturing
9. CE01030 Optical Instrument Manufacturing
10. E604010 Machinery Installation
11. EZ05010 Instrument and Meters Installation Engineering
12. F113010 Wholesale of Machinery
13. F113020 Wholesale of Electrical Appliance
14. F113030 Wholesale of Precision Instruments
15. F113050 Wholesale of Wholesale of Computers and Clerical Machinery Equipment
16. F113070 Wholesale of Telecommunication Apparatus
17. F114060 Wholesale of Ship and Component Parts
18. F117010 Wholesale of Fire Safety Equipments
19. F118010 Wholesale of Computer Software
20. F119010 Wholesale of Electronic Materials
21. F213010 Retail Sale of Electrical Appliances
22. F213030 Retail sale of Computers and Clerical Machinery Equipment
23. F213040 Retail Sale of Precision Instruments
24. F213060 Retail Sale of Telecommunication Apparatus
25. F213080 Retail Sale of Machinery and Tools
26. F214060 Retail Sale of Ship and Component Parts Thereof
27. F217010 Retail Sale of Fire Safety Equipments
28. F218010 Retail Sale of Computer Software

- 29. F219010 Retail Sale of Electronic Materials
- 30. F401010 International Trade
- 31. I501010 Product Designing
- 32. JE01010 Rental and Leasing
- 33. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company shall have its head office in New Taipei City, Taiwan, Republic of China, and shall be free, upon approval of the Board of Directors, to set up representative and branch offices at various locations within and outside the territory of the Republic of China, wherever and whenever the Board of Directors deems it necessary.

Article 4: The means by which the Company makes announcements shall be by Article 28 of the Company Act.

Chapter 2 Shares

Article 5: The Company's registered capital stock is NT\$800 million, which is divided into 80 million shares at NT\$10 per share and may be issued in installments subject to a resolution from the board of directors. Of the said number of shares, 7 million shares at NT\$10 per share shall be reserved for the exercise of stock warrants and the stock warrants attached to preferred shares or corporate bonds.

Article 5-1: The Company may transfer shares to employees at less than the average actual share repurchase price, subject to an approval by at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares, and must have given an explanation in the notice of reasons for that shareholders meeting; it may not raise the matter by means of an extraordinary motion:

Employees eligible for the treasury shares transferred by the Company may also include employees of a controlled or affiliated company who meet certain criteria.

Article 6: All of the Company's shares shall be registered ones, and shall bear the signature or seal of the director representing the Company, and may be issued after being duly certified. The shares issued by the Company need not take the form of share certificates, but shall be registered with the centralized securities depository institutions.

Article 7: Transfer of share ownership, creation of pledge, removal of pledge, reporting of loss, inheritance, and gifting of shares, reporting of loss or change of specimen chop, or reporting of change of address made by the Company's shareholder shall comply with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority, unless the laws and regulations governing securities state otherwise.

Article 8: (deleted)

Article 9: (deleted)

Article 10: (deleted)

Article 11: The Company shall not handle any requests for transfers of shares within 60 days prior to the shareholders meeting, 30 days prior to the special shareholders meeting, or 5 days prior to the record date for the distribution of dividends, bonuses or other interests.

Chapter 3 Shareholders' Meeting

Article 12: Shareholders' meetings of the Company are of two types, namely: (1) regular meetings and (2) special meetings. Regular meetings shall be convened by the Board of Directors within six (6) months after the close of each fiscal year. Special meetings may be convened in accordance with the relevant laws whenever necessary.

Article 12-1: The Company's shareholders' meetings may be held by videoconferencing or other means announced by the Ministry of Economic Affairs.

Article 13: A shareholder unable to attend a shareholders' meeting may designate a proxy to attend the meeting by giving the proxy a proxy form executed by Article 177 of the Company Act.

Article 14: (deleted)

Article 15: Resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares, unless the Company Act provides otherwise.

Article 15-1: When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence.

When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. Shareholders exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, they are deemed to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting;

Article 16: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179 of the Company Act.

Article 17: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's name, the methods by which resolutions were adopted, and number of shares represented by shareholders present, and shall be signed by or affixed with the seal of the chair. The minutes, along with shareholders' attendance book and proxy forms shall be retained at the Company. In addition, the

meeting minutes shall be distributed to all shareholders within 20 days after the meeting. The production and the distribution of the meeting minutes mentioned in the preceding paragraph can be made electronically.

Chapter 4. Directors

Article 18: The Company shall have 7 to 9 directors, who shall be elected by the shareholders' meeting from among the director nominees list through a candidate nomination system by Article 198 of the Company Act for a term of three years, and may continue to hold office if reelected. The total shareholding ratio of all directors as a whole shall be in accordance with the requirements of the competent securities authority.

The board of directors is authorized to set the compensation to directors of the Company by examining the extent of participation of directors in the Company's operations and the value of their contribution to the Company, and by reference to the industry's payment standards. A certain amount of transportation fees or other stipends may also be provided. A shareholder or director who is also a manager or employee of the Company shall receive the salary same as the salary of ordinary managers or employees.

Article 18-1: According to Article 14-2 of the Securities and Exchange Act, the number of independent directors of the Company shall not be less than three of all directors, and shall not constitute less than one fifth of all director seats. The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination, and other requirements with regard to the independent directors shall be set forth in accordance with the regulations of the competent authority.

Article 19: Directors shall assemble the board of directors, which shall carry out all the Company's business in accordance with laws and regulations, the Company's Articles of Incorporation, and resolutions of the Shareholders' Meeting. They shall elect from among themselves a Chairperson in accordance with Article 208 of the Company Act who represents the Company; A Vice Chairperson may be elected from among the directors based on operational needs.

Article 20: When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the directors to act as chair. If no such designation is made by the chairperson, the directors shall select one person from among themselves to serve as chair.

Article 21: When the number of vacancies in the board of directors of the Company equals to one third or more of the total number of directors, the board of directors shall call a special meeting of shareholders within 60 days to elect succeeding directors to fill the vacancies. However, directors so elected shall serve a term equal to the remaining

term of the predecessor.

Article 22: If the term of office expires before the following election takes place, the term of office may be extended until the newly elected directors take office.

Article 23: Board meetings shall be convened by the chairperson of the board. A notice specifying the meeting purposes shall be given to directors at least 7 days in advance. In emergency circumstances, however, a meeting may be called at short notice. A notice of the convention of a board of directors meeting may be given in writing, or by e-mail or fax.

Unless stated otherwise in the Company Act, a board meeting shall be attended by at least half of all directors. If a director is unable to attend a board of directors meeting for any reason, he/she may designate one, and but one, proxy to attend the meeting. A resolution may be adopted only by a majority vote of all directors as a whole.

If a director is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

Article 24: All business policies and important matters of the Company shall be in accordance with the resolutions of the Board of Directors.

Article 25: The Company has set up an audit committee in accordance with the provisions of the Securities and Exchange Act. The audit committee shall be composed of all independent directors. Members of the audit committee shall carry out the duties assigned by the Company Act, Securities and Exchange Act, and other applicable laws and regulations.

Chapter 5. Managers

Article 26: The Company may have one president. The appointment, removal, and remuneration thereof shall be conducted in accordance with Article 29 of Company Act.

Chapter 6. Final Accounting

Article 27: The Company's fiscal year shall be from January 1 through December 31.

Article 28: The Company shall, at the end of each fiscal year, have the board of Directors prepare the following reports at least 30 days before the commencement of an annual shareholders' meeting and submit such reports to the audit committee for review and then to the shareholders' meeting for adoption: (1) business report; (2) Financial statements; (3). Proposal to distribute earnings or compensate for prior losses.

Article 29: If the Company has profit at the end of year, it shall contribute no less than 3% of such profits as the compensation to employees. The remuneration may be paid in the form of stock or in cash subject to resolution made by the board of directors. The employees include those of parents or subsidiaries of the Company who meet certain specific requirements. Meanwhile, the Company may contribute no more than 3% of said profit as the compensation to directors subject to the resolution by the Board of Directors. The proposals to distribute compensation to employees and directors shall be reported at the Shareholders' Meeting. However, if the Company is still in losses,

an amount equal to such losses shall be reserved before such earnings can be distributed as employee compensation and director compensation in the proportion mentioned above.

Article 29-1: Since the Company is in an industry that changes rapidly, future capital needs and a sound financial planning shall be taken into account in order to pursue sustainable development. Given so, if the Company has net profits after the annual final accounting, such profit shall be used to compensate for prior losses in the first place. Thereafter, 10% of the remaining profit shall be provided as legal reserves, and special reserves shall be provided or reversed as required by the competent authority. The remaining profit, if any, shall be combined with undistributed earnings in prior years; the sum shall then be taken by the board of directors to draft distribution proposals (the profit so allocated shall contain no less than 30% of the undistributed earnings of the current year), which shall be approved by the shareholders' meeting through a resolution. In addition, cash dividends shall constitute no less than 20% and no greater than 100% of total dividends distributed. The portion of dividends paid not in cash shall be in shares.

Chapter 7. Supplementary Provisions

Article 30: The total amount of the Company's reinvestment is not subject to Article 13 of the Company Act, which stipulates that a company reinvestment amount be capped at 40% of the company's paid-in capital.

Article 31: The Company may provide guarantees for industry peers.

Article 32: Matters not specified in the Articles of Incorporation shall be handled in accordance with the Company Act and other laws and regulations.

Article 33: These Articles of Incorporation were established on August 23, 1978.

The 1st revision was made on February 27, 1979.

The 2nd revision was made on June 29, 1979.

The 3rd revision was made on April 16, 1985.

The 4th revision was made on September 16, 1986.

The 5th revision was made on February 12, 1987.

The 6th revision was made on June 20, 1988.

The 7th revision was made on August 15, 1988.

The 8th revision was made on March 15, 1992.

The 9th revision was made on June 1, 1992.

The 10th revision was made on July 7, 1992.

The 11th revision was made on October 3, 1992.

The 12th revision was made on April 9, 1997.

The 13th amendment was on May 8, 1998.

The 14th revision was made on March 30, 1999.

The 15th revision was made on October 11, 2000.

The 16th revision was made on April 25, 2001.

The 17th revision was made on December 13, 2001.

The 18th revision was made on May 10, 2002.
The 19th revision was made on May 15, 2003.
The 20th revision was made on June 17, 2004.
The 21st revision was made on June 17, 2005.
The 22nd revision was made on June 16, 2006.
The 23rd revision was made on June 20, 2007.
The 24th revision was made on June 18, 2008.
The 25th revision was made on June 16, 2009.
The 26th revision was made on June 15, 2010.
The 27th revision was made on June 18, 2012.
The 28th revision was made on June 18, 2013.
The 29th revision was made on June 28, 2016.
The 30th revision was made on June 14, 2017.
The 31st revision was made on June 21, 2019.
The 32nd revision was made on June 23, 2020.
The 33rd revision was made on July 22, 2021.
The 34th revision was made on June 24, 2022.

HOWTEH TECHNOLOGY CO., LTD.

Chairman: Chen, Kuo-Hung

HOWTEH TECHNOLOGY CO., LTD.
Rules of Procedure for Shareholders' Meetings

Approved by the Shareholders' Meeting on June 24, 2022.

Article 1 (Basis for formulation)

These Rules have been established in accordance with Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies in order to build a strong board governance system for shareholders' meetings and robust supervisory capabilities and reinforce management capabilities for the Company.

Article 2

Unless otherwise specified by law or the Articles of Incorporation, shareholders' meetings of the Company shall proceed according to the terms of these Rules.

Article 3 (Convening shareholders meetings and shareholders meeting notices)

Unless otherwise specified by law, shareholders' meetings are to be convened by the board of directors.

Changes to how the Company convenes its shareholders' meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders' meeting notice.

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms and the origins of and explanatory materials related to all proposals, including proposals for ratification, matters for deliberation or the election or dismissal of directors and upload them to the Market Observation Post System (MOPS) at least 30 days before the date of an annual general meeting or 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders' meeting or 15 days before the date of the special shareholders' meeting. If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders' meeting held in the immediately preceding year, transmission of these electronic files shall be made 30 days before the regular shareholders' meeting. Physical copies of the shareholders' meeting handbook and supplementary information shall be prepared at least 15 days before the meeting, and made accessible to shareholders upon request. These documents must also be placed within the Company's premises and at the stock transfer agent.

The Company shall make the meeting handbook and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date

of the shareholders' meeting:

1. For physical shareholders' meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, changes to the articles of association, capital reduction, application for suspension of public offerings, directors' competition approval, capital increase from earnings, capital increase from reserves, company dissolution, merger, division, or any circumstance in paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed and explained in the reason for the convening, and shall not be proposed via an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

Shareholders who hold over 1% of the total issued shares may propose issues in the Company's shareholders' general meeting. Each shareholder is limited to one issue, and additional issues will not be included in the proposal discussion. Furthermore, if the issue raised by shareholders involves items in Paragraph 4, Article 172-1 of the Company Act, the board of directors can omit the proposal.

A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholders shall limit their proposed motions to 300 words only; proposals that exceed 300 words will not be accepted for discussion. Shareholders who have successfully proposed their motions shall attend the annual general meeting in person or through proxy attendance and participate in the discussion.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform

the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. During the shareholders' meeting, the board of directors shall explain the reasons why certain proposed motions are excluded from the discussion.

Article 4 (Meeting attendance by proxy and authorization of proxy)

Shareholders attending the meeting should show the power of attorney issued by the company that specifies the scope of authorization and the commissioned representative.

Each shareholder may issue one proxy form and delegate one proxy only. All proxy forms must be received by the Company at least 5 days before the shareholders' meeting. In cases where multiple proxy forms are issued, the one that arrives first shall prevail. However, this excludes situations where the shareholder has issued a proper declaration to withdraw from the previous proxy arrangement.

Should the shareholder decide to attend a shareholders' meeting personally or exercise voting rights in writing or using electronic means after a proxy form has been received by the Company, a written notice must be sent to the Company by no later than 2 days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw proxy arrangement before the due date, the vote of the proxy attendant shall prevail.

Should the shareholder decide to attend a virtual-only shareholders' meeting after a proxy form has been received by the Company, a written notice must be sent to the Company by no later than 2 days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw proxy arrangement before the due date, the vote of the proxy attendant shall prevail.

Article 5 (Principles determining the time and place of a shareholders meeting)

Shareholders' meeting should be held at the location of the Company or the place convenient for the shareholders and suitable for the meeting occasion. The meeting should not be earlier than 9am or later than 3pm. Independent directors' opinions on the meeting place and time shall also be fully considered.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders' meeting.

Article 6 (Preparation of documents such as the attendance book)

The Company shall specify in its shareholders' meeting notices the time? during which attendance registrations for shareholders, solicitors, and proxies will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registration takes place shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes

before the meeting starts. Shareholders completing registration will be deemed to have attended the shareholders' meeting in person.

Shareholders shall attend shareholders' meetings by presenting valid conference pass, attendance card or other document of similar nature. The Company may not request shareholders to present additional documentary proof unless specified in advance. Proxy form acquirers are required to bring identity proof for verification

The Company shall furnish the attending shareholders or proxies (collectively "shareholders" hereinafter) with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

Where the shareholder is a government agency or corporate entity, more than one proxy may attend the shareholders' meeting. Corporate entities that have been designated as proxy attendants can only appoint one representative to attend a shareholders' meeting.

In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders' meeting, the Company shall upload the meeting handbook, annual report, and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1 (Convening virtual shareholders' meetings and particulars to be included in shareholders' meeting notice)

To convene a virtual shareholders' meeting, the Company shall include the follow particulars in the shareholders' meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents, or other force majeure events, at least covering the following particulars:
 - (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - (2) Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
 - (3) In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders

attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on the meeting agenda.

(4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

3. To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.

Article 7 (The chair and non-voting participants of a shareholders meeting)

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, the Chairman shall appoint one of the directors to act as an acting chairman. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair.

The chair mentioned above shall be assumed by a director who has been on the board for more than six months and possesses adequate understanding of the Company's financial and business affairs. The same applies if the chair is a representative of a corporate director.

Shareholders' meetings convened by the Board of Directors shall be chaired by the Chairman of the board in person and attended by a majority of the directors and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes. For the meeting that is convened by the ones with the convening authority outside of the board, the meeting should be chaired by convening authority. One person should be selected to chair the meeting if there are more than two present.

The Company may designate its attorney, certified public accountant, or other relevant persons to attend the meeting in a non-voting capacity.

Article 8 (Documentation of a shareholders meeting by audio or video)

The Company, beginning from the time it accepts shareholder attendance registrations, shall make audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures, and shall retain such audio and videos for at least one year. However, if a shareholder raises a litigious claim against the Company according to Article 189 of The Company Act, the above-mentioned documents must be retained until the end of the litigation.

Where a shareholders' meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast, and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly

kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders' meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9 (Calculation of number of shares represented by shareholders present at the shareholders' meeting, and meeting convention)

Attendance at a shareholders' meeting shall be calculated based on shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose related information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act. All shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within 1 month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register with the Company in accordance with Article 6.

If the attending shareholders representing more than half of the total issued shares before the end of the meeting, the chair is to make a tentative resolution and re-submit it for a shareholders vote in accordance with Article 174 of the Company Act.

Article 10 (Discussion of proposals)

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda (including extraordinary motions and amendments to original proposals) shall be set by Board of Directors. Votes shall be cast on each separate proposal in the agenda. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting

convened by a party with the powers to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders and then continue the meeting.

The chairman shall give proposals and shareholder proposed revisions or extraordinary motions sufficient time for clarification and discussion. Once the chairman perceives that voting can proceed, the chairman shall stop the discussion and initiate the voting.

Article 11 (Shareholder speech)

Before speaking, the attending shareholders should first fill out speech notes clearly stating the purpose, account number (or the attendance pass number), and account name; the order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Each shareholder shall not make more than two statements for the same proposals without the chairman's agreement, and each statement shall not exceed five minutes. If the shareholder's statement violates the rules or exceeds the scope of the issue, the chairman shall halt the statement.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the Chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

The Chair may reply in person or assign relevant personnel to reply after shareholders attended the shareholders' meeting spoke.

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 through 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12 (Calculation of voting shares and recusal system)

Voting at a shareholders' meeting shall be calculated based the number of shares.

The shares of the shareholders without voting rights are not counted in the total issued shares for the resolution of the meeting.

A shareholder who has a personal interest with the agenda of the meeting which may result in a conflict of interest with the Company shall not participate in the voting, nor shall he/she act on behalf of other shareholders to exercise the voting rights of other shareholders.

In case a director has created a pledge on the Company's shares more than half of the Company's shares being held by him/her/it at the time he/she/it is elected, the voting power of the excessive portion of shares shall not be exercised.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

Other than the trusts or securities agencies approved by the authorities, a person representing more than two shareholders as a proxy cannot have the shares exceeding three percent of the total voting shares. The exceeded voting rights will not be counted.

Article 13 (Vote monitoring and votes counting)

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares.

When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. Shareholders exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, they are deemed to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting;

Shareholders exercising voting rights by correspondence or electronic means shall deliver their declaration of intent to the Company at least two days before the shareholders' meeting. If there is a repetition of the declaration of intent, whichever delivered the first will be served, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. If a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a

shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Unless otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting and made into record.

When the Company convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14 (Elections)

The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

All ballots used in the above election shall be sealed and signed by the ballot examiner, and held in proper custody for at least one year. However, if a shareholder raises a litigious claim against the Company according to Article 189 of The Company Act, the above-mentioned documents must be retained until the end of the litigation.

Article 15 (Meeting minutes and signatures)

The voted issues should be made into a resolution record signed or stamped by the chair and then distributed to each shareholder within twenty days after the meeting. The distribution of the meeting minutes mentioned in the preceding paragraph can be made electronically.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. These records are to be kept permanently during the Company's existence.

Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents, or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual shareholders' meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.

Article 16 (Public disclosure)

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders' meeting, when the meeting is called to order, the

total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

The Company must disclose on the MOPS in a timely manner any shareholders' meeting resolutions that constitute material information as defined by law or the rules of Taiwan Stock Exchange Corporation (or Taipei Exchange).

Article 17 (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

The Chair may direct the proctors or security personnel to help maintain order at the meeting place. The proctors or security personnel help maintaining order at the meeting place shall wear an identification card or armband bearing the word "Proctor."

For venues that are equipped with broadcasting equipment, the chairman shall halt any shareholder that make statements from equipment not allocated to the Company.

Shareholders in violation of the rules and disobeying correction by the chair to disrupt the meeting are asked to leave the venue and will be escorted out by the proctors or the security personnel.

Article 18 (Recess and resumption of a shareholders' meeting)

The chair may announce a break time during the meeting at his/her discretion. The chair is to rule a meeting suspension due to force majeure and announce another time to resume the meeting as appropriate.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

The shareholders may decide to postpone or continue the meeting within five days in accordance with Article 182 of the Company Act.

Article 19 (Disclosure of information at virtual meetings)

In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20 (Location of the chair and secretary of virtual shareholders' meeting)

When the Company convenes a virtual shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21 (Handling of disconnection)

In the event of a virtual shareholders' meeting, the Company may offer a simple connection

test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, that if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in at the affected shareholders' meeting but do not attend the postponed or resumed session shall be counted towards the total number of shares, number of voting rights, and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals or the list of elected directors and supervisors for which votes have been cast and counted and results have been announced.

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and no postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations

Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholders' meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.

Article 22 (Handling of digital divide)

When convening a virtual shareholders' meeting, the Company shall provide appropriate alternative measures to shareholders with difficulties in attending a virtual shareholders' meeting online.

Article 23

These Rules are to be announced and implemented after being approved by the shareholders' meeting, and likewise for the revision.

Article 24

These Rules were formulated on March 30, 1999.

The 1st revision was made on October 11, 2000.

The 2nd revision was made on September 15, 2003.

The 3rd revision was made on June 20, 2007.

The 4th revision was made on June 27, 2011.

The 5th revision was made on June 18, 2012.

The 6th revision was made on June 18, 2013.

The 7th revision was made on June 23, 2015.

The 8th revision was made on June 23, 2020.

The 9th revision was made on July 22, 2021.

The 10th revision was made on June 24, 2022.

Shareholding of Directors

1. The paid-in capital of the Company is NT\$626,248,000. The number of issued shares is 62,624,800 shares.
2. Article 26 of the Securities and Exchange Act requires all directors of the Company as a whole to hold a minimum of 5,009,984 shares.
3. The number of shares held by individual directors and all directors as a whole indicated on the shareholders' register on the book closure date of this shareholders' meeting is summarized as follows, and has reached the quorum.

Record date: April 21, 2023

Title	Name of shareholder	Number of shares held (shares)	Shareholding percentage (%)
Chairman	Chen, Kuo-Hung	4,689,062	7.49%
Vice Chairman	Zhu Lin Investment Co., Ltd. Representative: Chen Chun-Ting	2,235,833	3.57%
Director	Liu-Yi Investment Co., Ltd. Representative: Chen, Che-Hung	867,912	1.39%
Director	Tsai, Tsai-Tien	1,265,095	2.02%
Director	Hung, Ming-Chi	413,851	0.66%
Independent Director	Li, Ta-Ching	0	0%
Independent Director	Tseng, Ming-Jen	0	0%
Independent Director	Cheng, Tien-Tsung	0	0%
Total directors combined		9,471,753	15.12%

The Effect of Share Dividends Resolved at This Shareholders' Meeting on the Company's Operating Performance, Earnings per Share, and Return on Shareholder Equity

Item\Year		2023 (Estimated)
Paid-in capital, opening balance		NT\$626,248,000
Cash dividend and stock dividend distributed this year	Cash dividend per share	NT\$1.30
	Number of shares per share distributed from recapitalization of earnings.	0.04 shares
	Number of shares per share distributed from recapitalization of capital reserves	—
Changes in business performance		Note
Pro forma earnings per share and price-to-earnings ratio	Were earnings recapitalization to be distributed solely in cash dividends instead	Pro forma earnings per share
		Pro forma average annual return on investment
	Were recapitalization of capital reserves not carried out	Pro forma earnings per share
		Pro forma average annual return on investment
	Had the capital reserves not been recapitalized and earnings recapitalization distributed in cash dividends instead	Pro forma earnings per share
		Pro forma average annual return on investment

Note: Not applicable, because the Company did not disclose financial forecast in either 2022 or 2023.