



O-TA Precision Industry CO.,LTD.



2023

General Shareholders' Meeting

Meeting Handbook

O-TA Precision Industry meeting handbook is available at <https://mops.twse.com.tw>

Meeting Time: 9:00 a.m., Wednesday, May 24, 2023

Venue: No. 8, Jianfu Rd., Neipu Township, Pingtung County 912018, Taiwan (R.O.C.)
"Cultural and Creative Aesthetics Center on the first floor of O-TA Precision Industry Company"

Convening Method: Physical shareholders' meeting.

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One. Meeting Procedure

O-TA Precision Industry Co., Ltd.

Meeting Procedure of 2023 General Shareholders' Meeting

I. Call Meeting to Order

II. Chairman's Address

III. Report Items

IV. Proposals

V. Extraordinary Motions

VI. Adjournment

Two. Meeting Agenda

O-TA Precision Industry Co., Ltd.

Meeting Agenda of 2023 General Shareholders' Meeting

Convening Method: physical shareholders' meeting

Meeting time: 9:00 a.m., Wednesday, May 24, 2023

Meeting venue: No. 8, Jianfu Rd., Neipu Township, Pingtung County "Cultural and Creative Aesthetics Center on the first floor of O-TA Precision Industry Company"

I. Call meeting to order

II. Chairman's Address

III. Report items:

1. 2022 Business Report
2. Audit Committee Review of 2022 Financial Statement Report
3. 2022 Cash Dividend Distribution from Earnings Report
4. 2022 Employee and Director Remuneration Distribution Report
5. Amendment to the Company's "Rules of Procedure for Board of Directors Meetings" Report

IV. Proposals

1. Proposal of Approval on 2022 Business Report and Financial Statements
2. Proposal of Approval on 2022 Earnings Distribution

V. Extraordinary Motions

VI. Adjournment

Three. Report Items

Item I: 2022 Business Report

Explanation: The Company's business overview for 2022 and business plan for 2023 are reported to our shareholders as follows.

Business Report

Dear all:

Thank you for your long-time attention, care, support, and feedback for O-TA.

The golf industry and the bicycle industry in 2022 still featured robust demand, thanks to the development of the COVID-19 pandemic.

With stable operations, the trust and recognition from brand customers, and the efforts of all employees, O-TA achieved an operating revenue of NT\$7.7 billion, a revenue level higher than the base period; and a prominent profit performance, e.g., post-tax profit of NT\$1.793 billion, and EPS of NT\$21.40, and a profit margin of 23%, setting yet another profit record.

The Company's operation policy, 2022 business outcomes, important sales and production policy, future development strategies are reported as follows:

I. Operation policy:

Focus on core business while seeking innovation; tap new sources of profit; and pursue sustainable development.

II. Business outcomes of 2022

(I) Business plan implementation results of 2022

In 2022, the Company recorded a consolidated operating revenue of NT\$7,700,322 thousand; consolidated gross margin of 29%; consolidated post-tax profit of NT\$1,793,142 thousand; and basic earnings per share of NT\$21.40.

(II) Implementation of budget: The Company did not disclose its financial forecast for 2022. Therefore, no budgeting information was provided.

(III) An analysis of financial performance and profitability is as follows:

1. Financial performance

Unit: NT\$ thousands; %

Item	Year	2022	2021	Differences (%)
	Operating revenue		7,700,322	7,880,132
Operating costs		5,479,396	5,392,557	1.61
Gross profit		2,220,926	2,487,575	-10.72
Operating expenses		442,437	489,543	-9.62
Operating income		1,778,489	1,998,032	-10.99
Non-operating income and expenses		219,311	-15,276	1,535.66

Item		Year		
		2022	2021	Differences (%)
	Net income from continuing operations before tax	1,997,800	1,982,756	0.76
	Net income from continuing operations	1,793,142	1,690,175	6.09
	Loss from discontinued operations after tax	-	-3,718	-100.00
	Net income	1,793,142	1,686,457	6.33
	Net income attributable to shareholders of the parent	1,793,142	1,688,279	6.21

Note: The Company's indirectly invested company, Inda Composite Technology (Shenzhen) Co., Ltd., has obtained a notice of enterprise deregistration on December 31, 2020. In addition, Inda Composite Technology (Shenzhen) Co., Ltd., invested company of INDA NANO INDUSTRIAL CORP., is resolved to be liquidated and dissolved after the resolution made in the shareholders' meeting on February 5, 2021. Subsequently, the registration of dissolution was completed on May 3, 2021.

2. Profitability analysis

Item		Year	
		2022	2021
Solvency analysis	Current ratio (%)	346.97%	273.43%
	Quick ratio (%)	286.44%	211.95%
	Times interest earned (Times)	230.24	220.87
Profitability analysis	Return on assets (%)	29.88%	34.95%
	Return on equity (%)	43.64%	53.88%
	Pre-tax income to paid-in capital ratio (%)	238.40%	236.16%
	Net margin (%)	23.29%	21.40%
	Earnings per share (\$)	21.40	20.15

(IV) 2022 R&D status

The 2022 R&D results are as follows:

1. New material technologies and mass production results for golf club heads: continuous development of high-strength titanium alloy plates, high-strength titanium-based casting materials, high-strength iron-based plates, high-strength iron-based casting materials, variable hardness casting materials, and other high-strength plates.
2. Results of new structure and new design and mass production of golf club head: the golf club head structure design and manufacturing method of composite materials, the combination structure of heterogeneous materials, the application and production method, and the high-performance golf club head structure design, etc.
3. Development and mass production of golf club heads simulation analysis system technology: high rebound, high MOI structure, weight margin design, audio enhancement, weight distribution, aerodynamics, etc.

4. Patents: 12 patents were granted in 2022 (as of March 31, 2023), including Taiwan invention patents for “composite golf club head and method for manufacturing the same,” “the handheld shower head,” “the high-strength maraging steel plate and method for manufacturing the same,” “the titanium alloy plate and method for the same having an impact strength layer and a flexible layer,” “the carbon fiber composite golf club head,” and “the golf club head,” along with china invention patents for “the composite golf club head and method for manufacturing the same,” “the Composite golf club head manufacturing method,” “the titanium alloy sheet and method of manufacture,” “the crown cover of golf head and golf head having the same,” “the golf club head titanium alloy material and golf titanium club head,” and “the composite golf club head and method for manufacturing the same,” a total of 11 patent applications are under review.

III. Important sales and production policy:

- (I) Maintain operational advantages; continue innovation and development; and provide customers with collaborative, tailor-made, high value-added design and manufacturing services.
- (II) Operate in a differentiated manner; take orders strategically; and seek high-margin, small yet diverse, and customized orders, so as to tap new sources of profits.
- (III) Steadily develop new customer bases; and manage key customers cautiously, aiming to satisfy customers, thereby fueling growth and sales.
- (IV) Increase production-sale integration capability and pre-production preparation capability, and strive for a leveling, orderly, and stable production throughout the production processes, so as to satisfy customers.
- (V) Continuously perfect the supply chain system, improve supplier compliance management capability, and forge a strong partnership, so as to prosper together.
- (VI) Be market-oriented; continue to advance and implement the technological blueprint; and improve independent, core technologies to increase the extent of automation and the technological capability.
- (VII) Be committed to the development of key talents and the stability of human capital of the production lines, and continue to increase the speed and flexibility of the capability to be responsive and collaborative.
- (VIII) Continue to promote ESG-based sustainable management; improve the whole process by means of reduction, recycling, and substitution; implement energy conservation and carbon reduction; practice green research and development, green production, and green life; and fulfill corporate social responsibilities.

IV. Future development strategies of the Company

- (I) The company pursues a sustainable business environment and implements management measures in the aspects of environmental protection (E, environment), social responsibility (S, social) and corporate governance (G, governance) to fulfill its corporate social responsibility, aiming to become the most innovative company for daily use products and sports equipment which creates the greatest value and best service for clients, employees, shareholders and the public.
- (II) Upholding the ideal of “Integrity and Practicality; R&D and Innovation; Sustainable Development; and Serving the People,” the Company effectively consolidates and streamlines its operational processes and seeks innovation and breakthrough, so as to achieve a management synergy in terms of quality, delivery date, cost, service, and innovation, thereby creating irreplaceable, great competitiveness.
- (III) Aiming to build itself as a “design and manufacturing service” that is customer-oriented and provides customers with design and manufacturing services like “collaborative design” and “performance simulation” and of “high added value” and “customization.” In addition, aided by its all-process

production capability, lean operating process management, and application and development of automatic technologies, the Company will deliver breaking and competitive innovation and R&D results to share with customers, to gain stable revenue in the long term.

We wish you good health and all the best.

Chairman LEE, KUNG-WEN

President HSU, JUNG-MIN

Accounting officer LEE, CHUNG-MU

Item II: Audit Committee Review of 2022 Financial Statement Report

Explanation: The board of directors has audited the Company's financial statements for 2022, and the audit committee has reviewed them and concluded that there have been no irregularities. Therefore, a review report was issued as follows:

O-TA Precision Industry Co., Ltd.

Audit Committee's Review Report

The board of directors has prepared the Company's 2022 business report, financial statements (including the consolidated financial statements), and proposal for earnings distribution. CHEN, CHENG-CHU CPA and LEE, FANG-WEN CPA of Ernst & Young Taiwan audited the Company's financial statements and has issued an audit report.

The foregoing business report, financial statements (including the consolidated financial statements), and proposal for earnings distribution have been reviewed and determined to be correct and accurate by the audit committee members. According to Article 219 of the Company Act,

We hereby submit this report.

To

O-TA Precision Industry Co., Ltd. 2023 General Shareholders' Meeting

Chairman of audit committee: HUANG, CHUNG-HUI

March 7, 2023

Item III: 2022 Cash Dividend Distribution from Earnings Report

Explanation:

1. In accordance with Article 26 of the Company's Articles of Incorporation, the board of directors is authorized to resolve the distribution of cash dividends, in whole or in part, and then report the same to the shareholders' meeting.
2. After appropriating the legal reserve from the Company's 2022 earnings, regarding the rest of the accumulated undistributed earnings, NT\$1,076,830,000 (NT\$12.85 per share) is proposed to be distributed to shareholders as cash dividends in accordance with the Company's Articles of Incorporation. Please refer to Appendix 2, page 23, of this meeting handbook for the 2022 disposition of earnings.
3. Regarding the dividend distribution policy, the dividend shall be distributed based on shareholders' shareholding ratio as recorded in the register of shareholders on the ex-dividend date, and shall be calculated to the nearest dollar (round down to nearest integer). Chairman of the board is authorized to appoint specific personnel to adjust fractional dividends less than NT\$1.
4. This proposal has been approved by the board of directors and the chairman of the board is authorized to set the ex-dividend record date, payment date and other related matters. If there is a subsequent change in the percentage of dividend distribution to shareholders due to a change in the number of the Company's outstanding common shares, the chairman of the board will also be fully authorized to handle such matter.

Item IV: 2022 Employee and Director Remuneration Distribution Report

Explanation:

1. The remuneration to employees and directors for 2022 was approved by the board of directors on March 7, 2023.
2. The employees' remuneration of NT\$141,148,888 and directors' remuneration of NT\$32,572,820 for 2022 were both paid in cash, and the amounts were not different from the expenses recognized in 2022.

Item V: Please review the report on the amendment to the Company's "Rules of Procedure for Board of Directors Meetings."

Explanation:

1. In accordance with 5 August 2022 Order No. Financial-Supervisory-Securities-Corporate-1110383263 of the Financial Supervisory Commission, and considering the practical needs

of the Company, certain provisions of the Company's "Rules of Procedure for Board of Directors Meetings" are proposed to be amended.

2. For the comparison table for the amendment to the "Rules of Procedure for Board of Directors Meetings," please refer to appendix 3 on page 24~26 of this meeting handbook.

Four. Proposals

Item I: (Proposed by the board of directors)

Proposal: The proposal of the 2022 business report and financial statements is submitted for approval.

Explanation:

1. Chen, Cheng-Chu CPA and LEE, FANG-WEN CPA of Ernst & Young Taiwan audit the Company's 2022 consolidated financial statements and parent company only financial statements, and they have issued an audit report.
2. For 2022 business report, independent auditors' audit report and financial statements, please refer to appendix 1 on page 3~5 and page 9~22 of this meeting handbook.
3. The 2022 business report and financial statements have been approved by the board of directors and submitted to the audit committee. The audit committee has reviewed the report and statements and issued a review report. For details, please refer to page 6 of this meeting handbook.
4. This proposal is submitted to the general shareholders' meeting for adoption and approval.

Resolution:

Item II: (Proposed by the board of directors)

Proposal: The proposal of 2022 earning distribution is submitted for approval.

Explanation:

1. The 2022 distribution of earnings has been approved by the board of directors and reviewed by the audit committee. For details, please refer to appendix 2 on page 23 of this meeting handbook.
2. This proposal is submitted to the general shareholders' meeting for adoption and approval.

Resolution:

Five. Extraordinary Motions

Six. Adjournment

Appendix 1. Independent Auditors' Audit Report and Financial Statements

Independent Auditors' Report

To O-TA Precision Industry Co., Ltd.:

Auditor's Opinion

We have audited the consolidated balance sheet of O-TA PRECISION INDUSTRY CO., LTD. and its subsidiaries (collectively the "Group" hereinafter) as of December 31, 2022, the consolidated statements of comprehensive income, consolidated statement of changes in equity, and consolidated cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the said consolidated financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC interpretations, and SIC interpretations that were approved and promulgated by the Financial Supervisory Commission (FSC), and thus presented fairly, in all material aspects, the consolidated financial position of The Group as of December 31, 2022 and 2021, and the consolidated financial performance and cash flows for the period from January 1 through December 31, 2022 and 2021.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the section titled "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" in 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 and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the Group's Consolidated Financial Statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon. As a result, we do not provide a separate opinion on these matters.

Allowance for accounts receivable

The net value of consolidated accounts receivable of the Group as of December 31, 2022, which was NT\$1,403,319 thousand, accounted for 22% of the Group's total assets, and was therefore material to the Group's Consolidated Financial Statements. Since the allowance for accounts receivable is estimated at the life-time ECL and the measurement of of ECL involves judgment, analysis, and estimation, we decided to identify it as the key audit matter.

Our audit procedures included, without being limited to, assessing the reasonability of the policy of provision of allowance formulated by the management; understanding and testing the effectiveness of internal control for accounts receivable formulated by the management; sampling accounts receivable, verifying the authenticity of

samples by inquiring from the parties from which the accounts receivable were due, and assessing accounts receivable as a whole collected after the balance sheet date; sampling and testing the accuracy of the age of the samples; and assessing the reasonability of changes in the age of accounts and recalculating the roll rate and loss rate and assessing the appropriateness of ECL rate. We also considered the appropriateness of accounts receivable impairment loss disclosed in Notes (IV), (V), and (VI) to the Consolidated Financial Statements of the Group.

Inventories valuation

The net inventories of the Group as of December 31, 2022 was NT\$888,312 thousand, accounting for 14% of total consolidated assets, a percentage considered material to the Consolidated Financial Statements. Most of the Group's finished products and products in process are highly custom products, so the valuation of allowance for slow-moving or obsolete inventories involves significant judgements made by the management. Hence, we decided to identify inventory valuation as the key audit matter.

Our audit procedures included, without being limited to, understanding and testing the effectiveness of internal control system formulated by the management for inventories, including inventories cost carried over; assessing the management's stock-taking plan by observing stock-taking procedures at a significant inventories location to ensure the quantity and state of inventories; sampling the inventory aging analysis table to check whether the age ranges were presented appropriately and analyzing whether the changes among each range is reasonable; assessing the percentage of provision of the losses on price decline and obsolescence; and calculating the allowance for inventories obsolescence loss anew by applying the obsolescence provision rate applicable to each inventories age range. We also considered the appropriateness of inventories disclosed in Notes (IV), (V), and (VI) to the Consolidated Financial Statements of the Group.

Other Matters

The Consolidated Financial Statements for 2021 of the Group were audited by other CPAs, who then issued an independent report containing an unqualified opinion on March 3, 2022.

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

The management was responsible for fairly presenting these Consolidated Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC interpretations, and SIC interpretations that were approved and promulgated by the Financial Supervisory Commission, and for maintaining the necessary internal control related to the preparation of these Consolidated Financial Statements to ensure that these Consolidated Financial Statements were free of material misstatements, whether due to fraud or errors.

In preparing the Consolidated Financial Statements, management is responsible for assessing the Group's ability to continue as a going concern, 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 (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' 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 auditors' 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists in the Consolidated Financial Statements. Misstatements can arise from fraud or error. Misstatements 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 auditing standards generally accepted in 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 Group's internal control.
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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and contents of, and the notes to, the Consolidated Financial Statements, and whether the Consolidated Financial Statements fairly present the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities 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 the Consolidated Financial Statements of the Group for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our 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.

Others

The Parent Company Only Financial Statements for 2022 of the Group were audited by other CPAs, who then issued an independent auditors' report containing an unqualified opinion for reference.

Ernst & Young, Taiwan

Official letter of the competent authority granting approval of certified public accountants to audit and attest to the financial reports of public companies:

Jin-Guan-Zheng-Liu-Zi No.0970038990

Jin-Guan-Zheng-Shen-Zi No.1010045851

CHEN, CHENG-CHU

CPA:

LEE, FANG-WEN

March 7, 2023

Assets			December 31, 2022		December 31, 2021	
Code	Account	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	(IV)/(VI).1	\$2,976,304	47	\$2,070,553	36
1150	Net notes receivable	(IV)/(VI).3&13	-	-	52	-
1170	Net accounts receivable	(IV)/(VI).4&13	1,395,170	22	1,485,775	26
1180	Accounts receivables - related parties, net	(IV)/(VI).4&13/(VII)	8,149	-	35,047	1
1200	Other receivables		39,264	1	60,403	1
1210	Other receivables - related parties	(VII)	1	-	10	-
130x	Inventories	(IV)/(VI).5	888,312	14	989,518	17
1410	Prepayments		45,618	1	69,927	1
1470	Other current assets		500	-	500	-
11xx	Total current assets		5,353,318	85	4,711,785	82
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income – non-current	(IV)/(VI).2	86,998	1	106,949	2
1600	Property, plants and equipment	(IV)/(VI).7	685,859	11	609,238	11
1755	Right-of-use assets	(IV)/(VI).14	128,058	2	159,808	3
1780	Intangible assets	(IV)/(VI).8	40,786	1	42,250	1
1840	Deferred tax assets	(IV)	26,322	-	29,638	-
1900	Other non-current assets		7,099	-	59,401	1
15xx	Total non-current assets		975,122	15	1,007,284	18
1xxx	Total assets		\$6,328,440	100	\$5,719,069	100

Liabilities and Equity			December 31, 2022		December 31, 2021	
Code	Account	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	(IV)/(VI).9	\$440,000	7	\$430,000	8
2150	Notes payable		107	-	152	-
2170	Accounts payable		389,065	6	481,040	8
2180	Accounts payable - related parties	(VII)	167	-	602	-
2200	Other payables		563,602	9	625,094	11
2230	Current tax liabilities	(IV)	112,386	2	138,214	2
2280	Lease liabilities - current	(IV)/(VI).14	28,694	1	46,644	1
2300	Other current liabilities		8,841	-	1,497	-
21xx	Total current liabilities		1,542,862	25	1,723,243	30
	Non-current liabilities					
2570	Deferred tax liabilities	(IV)	209,111	3	202,538	4
2580	Lease liabilities - non-current	(IV)/(VI).14	46,090	1	63,038	1
2640	Net defined benefit liabilities - non-current	(IV)/(VI).10	9,764	-	32,566	-
2670	Other non-current liabilities		220	-	217	-
25xx	Total non-current liabilities		265,185	4	298,359	5
25xx	Total liabilities		1,808,047	29	2,021,602	35
	Equity attributable to owners of parent					
	Share capital					
3100	Share capital					
3110	Ordinary share capital		838,000	13	838,000	15
3200	Capital surplus		101,239	2	101,239	2
	Retained earnings					
3300	Retained earnings					
3310	Legal reserve		941,256	14	772,633	14
3320	Special reserve		121,777	2	80,973	1
3350	Undistributed earnings		2,473,821	39	2,026,399	35
	Total retained earnings		3,536,854	55	2,880,005	50
3400	Other equity interests		44,300	1	-121,777	-2
31xx	Total equity attributable to shareholders of parent		4,520,393	71	3,697,467	65
3xxx	Total equity		4,520,393	71	3,697,467	65
	Total liabilities and equity		\$6,328,440	100	\$5,719,069	100

(See the Notes to the Consolidated Financial Statements for details)

O-TA Precision Industry Co., Ltd. and Its Subsidiaries
Consolidated Statement of Comprehensive Income
For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousand

Code	Account	Notes	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	(IV)/(VI).12/(VII)	\$7,700,322	100	\$7,880,132	100
5000	Operating costs	(IV)/(VI).5&15/(VII)	(5,479,396)	(71)	(5,392,557)	(68)
5900	Gross profit		2,220,926	29	2,487,575	32
6000	Operating expenses	(IV)/(VI).15				
6100	Selling expenses		(111,204)	(2)	(99,351)	(1)
6200	Administrative expenses		(298,314)	(4)	(379,845)	(5)
6300	Research and development expenses		(32,454)	0	(23,063)	0
6450	Expected credit impairment gains (losses)	(IV)/(VI).13	(465)	0	12,716	0
	Total operating expenses		(442,437)	(6)	(489,543)	(6)
6900	Operating income		1,778,489	23	1,998,032	26
7000	Non-operating income and expenses	(IV)/(VI).16				
7100	Interest income		32,760	0	5,189	0
7010	Other income		62,204	1	33,702	0
7020	Other gains and losses		133,062	2	(45,166)	0
7050	Financial costs		(8,715)	0	(9,001)	0
	Total non-operating income and expenses		219,311	3	(15,276)	0
7900	Net income before tax		1,997,800	26	1,982,756	26
7950	Income tax expense	(IV)/(VI).18	(204,658)	(3)	(292,581)	(4)
8000	Net income from continuing operations		1,793,142	23	1,690,175	22
8100	Profit or loss of discontinued operations	(IV)/(VI).6	0	0	(3,718)	0
8200	Net income		1,793,142	23	1,686,457	22
8300	Other comprehensive income	(VI).17&18				
8310	Items not to be reclassified into profit or loss					
8311	Remeasurement of defined benefit plans		14,709	0	(2,560)	0
8349	Income tax related to items not reclassified		(2,942)	0	512	0
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences arising on the translation of the financial statements of foreign operations		182,038	3	(30,288)	0
8367	Unrealized profit or loss of debt instrument investments at fair value through other comprehensive income		(19,951)	0	(13,145)	0
8399	Income tax related to items that might be reclassified		3,990	0	2,629	0
	Other comprehensive income (net of tax)		177,844	3	(42,852)	0
8500	Total comprehensive income		\$1,970,986	26	\$1,643,605	22
8600	Net income attributable to:					
8610	Owners of the parent company		\$1,793,142	23	1,688,279	22
8620	Non-controlling interests		-	0	(1,822)	0
			\$1,793,142	23	\$1,686,457	22
8700	Total comprehensive income attributable to:					
8710	Owners of the parent company		\$1,970,986	26	\$1,645,427	22
8720	Non-controlling interests		-	-	(1,822)	-
			\$1,970,986	26	\$1,643,605	22
	Earnings per share (NT\$)	(VI).19				
9750	Basic earnings per share					
9710	Net income from continuing operations		\$21.40		\$20.17	
9720	Net income (loss) from discontinued operations		\$-		(\$0.02)	
9850	Diluted earnings per share					
9810	Net income from continuing operations		\$21.10		\$19.79	
9820	Net income (loss) from discontinued operations		\$-		(\$0.02)	

(See the Notes to the Consolidated Financial Statements for details)

Chairman: LEE, KUNG-WEN

President: HSU, JUNG-MIN

Accounting officer: LEE, CHUNG-MU

(English Translation of Consolidated Financial Statement Originally Issued in Chinese)

O-TA Precision Industry Co., Ltd. and Its Subsidiaries

Consolidated Statement of Changes in Equity

For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousand

Code	Item	Equity attributable to shareholders of parent							Total	Non-controlling interests	Total equity
		Share capital	Capital surplus	Retained earnings			Other equity items				
				Legal reserve	Special reserve	Undistributed earnings	Exchange differences arising on the translation of the financial statements of foreign operations	Unrealized losses on financial assets at fair value through other comprehensive income			
		3100	3200	3310	3320	3350	3410	3420	31xx	36XX	3XXX
A1	Balance on January 1, 2021	\$838,000	\$101,239	\$718,140	\$45,408	\$849,226	(\$53,973)	(\$27,000)	\$2,471,040	\$90,986	\$2,562,026
	Appropriation and distribution of 2020 earnings										
B1	Legal reserve provided	-	-	54,493	-	(54,493)	-	-	-	-	-
B3	Special reserve provided	-	-	-	35,565	(35,565)	-	-	-	-	-
B5	Cash dividends from ordinary shares	-	-	-	-	(419,000)	-	-	(419,000)	-	(419,000)
D1	Net income for the year ended December 31, 2021	-	-	-	-	1,688,279	-	-	1,688,279	(1,822)	1,686,457
D3	Other comprehensive income for the year ended December 31, 2021	-	-	-	-	(2,048)	(30,288)	(10,516)	(42,852)	-	(42,852)
D5	Total comprehensive income	-	-	-	-	1,686,231	(30,288)	(10,516)	1,645,427	(1,822)	1,643,605
O1	Increase/Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(89,164)	-89,164
Z1	Balance on December 31, 2021	\$838,000	\$101,239	\$772,633	\$80,973	\$2,026,399	(\$84,261)	(\$37,516)	\$3,697,467	\$-	\$3,697,467
A1	Balance on January 1, 2022	\$838,000	\$101,239	\$772,633	\$80,973	\$2,026,399	(\$84,261)	(\$37,516)	\$3,697,467	\$-	\$3,697,467
	Appropriation and distribution of 2021 earnings										
B1	Legal reserve provided	-	-	168,623	-	(168,623)	-	-	-	-	-
B3	Special reserve provided	-	-	-	40,804	(40,804)	-	-	-	-	-
B5	Cash dividends from ordinary shares	-	-	-	-	(1,148,060)	-	-	(1,148,060)	-	(1,148,060)
D1	Net income for the year ended December 31, 2022	-	-	-	-	1,793,142	-	-	1,793,142	-	1,793,142
D3	Other comprehensive income for the year ended December 31, 2022	-	-	-	-	11,767	182,038	(15,961)	177,844	-	177,844
D5	Total comprehensive income	-	-	-	-	1,804,909	182,038	(15,961)	1,970,986	-	1,970,986
Z1	Balance on December 31, 2022	\$838,000	\$101,239	\$941,256	\$121,777	\$2,473,821	\$97,777	(\$53,477)	\$4,520,393	\$-	\$4,520,393

(See the Notes to the Consolidated Financial Statements for details)

Chairman: LEE, KUNG-WEN

President: HSU, JUNG-MIN

Accounting officer: LEE, CHUNG-MU

(English Translation of Consolidated Financial Statement Originally Issued in Chinese)

O-TA Precision Industry Co., Ltd. and Its Subsidiaries

Consolidated Statement of Cash Flow

For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousand

Code	Item	2022	2021
		Amount	Amount
AAAA	Cash flows from operating activities:		
A00010	Net income from continuing operations before tax	\$1,997,800	\$1,982,756
A00020	Net loss before tax from discontinued operations	-	(3,718)
A10000	Net income before tax	1,997,800	1,979,038
A20000	Adjustments:		
A20010	Income/expenses items:		
A20100	Depreciation expense	158,563	135,031
A20200	Amortization cost	2,587	2,512
A20300	Expected credit impairment losses (gains)	465	(12,716)
A20900	Interest expenses	8,715	9,001
A21200	Interest income	(32,760)	(5,207)
A22500	Loss on disposal and scrapping of property, plants and equipment	1,514	4,638
A24100	Unrealized foreign currency exchange loss	19,821	7,420
A30000	Changes in assets/liabilities related to operating activities:		
A31130	Notes receivable	52	(52)
A31150	Accounts receivable	82,209	(739,813)
A31160	Accounts receivables - related parties	27,248	(22,434)
A31180	Other receivables	28,442	(40,732)
A31190	Other receivables - related parties	9	5
A31200	Inventories	209,662	(429,153)
A31230	Prepayments	29,159	(23,968)
A32130	Notes payable	(45)	9
A32150	Accounts payable	(125,733)	191,727
A32160	Accounts payable - related parties	(435)	550
A32180	Other payables	(98,101)	243,551
A32230	Other current liabilities	7,338	(2,611)
A32240	Net defined benefit liabilities	(8,093)	(1,622)
A33000	Cash inflow from operations	2,308,417	1,295,174
A33100	Interest received	31,928	5,272
A33300	Interest paid	(4,413)	(3,679)
A33500	Income tax paid	(219,411)	(75,935)
AAAA	Net cash inflow from operating activities	2,116,521	1,220,832
BBBB	Cash flows from investing activities:		
B00010	Acquisition of financial assets at fair value through other comprehensive income	-	(118,294)
B02700	Acquisition of property, plants and equipment	(183,952)	(193,739)
B02800	Disposal of property, plants and equipment	1,288	5,043
B04500	Acquisition of intangible assets	(543)	(621)
B06700	Increase in other non-current assets	53,608	(42,529)
BBBB	Net cash outflow from investing activities	(129,599)	(350,140)
CCCC	Cash flows from financing activities:		
C00100	Increase in short-term borrowings	10,000	50,000
C00600	Decrease in short-term bills payable	-	(50,000)
C04020	Lease principal repaid	(49,565)	(49,397)
C04300	Increase in other non-current liabilities	-	5
C04400	Decrease in other non-current liabilities	(21)	-
C04500	Cash dividends paid out	(1,148,060)	(419,000)
C05800	Change in non-controlling interests	-	(88,623)
CCCC	Net cash outflow from financing activities	(1,187,646)	(557,015)
DDDD	Effect of exchange rate changes on cash and cash equivalents	106,475	(17,267)
EEEE	Increase in cash and cash equivalents during this period	905,751	296,410
E00100	Cash and cash equivalents at the beginning of the year	2,070,553	1,774,143
E00200	Cash and cash equivalents at the end of the year	\$2,976,304	\$2,070,553

(See the Notes to the Consolidated Financial Statements for details)

Chairman: LEE, KUNG-WEN

President: HSU, JUNG-MIN

Accounting officer: LEE, CHUNG-MU

Independent Auditors' Report

To O-TA Precision Industry Co., Ltd.:

Auditor's Opinion

We have audited the parent company only balance sheet of O-TA PRECISION INDUSTRY CO., LTD. as of December 31, 2022, the parent company only statements of comprehensive income, parent company only changes in equity, and parent company only cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audit, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of O-TA PRECISION INDUSTRY CO., LTD. as of December 31, 2022, and its parent company only financial performance and parent company only cash flows for the years then ended in accordance with 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 auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the section titled "Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements" in our report. We are independent of O-TA PRECISION INDUSTRY CO., LTD. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 O-TA PRECISION INDUSTRY CO., LTD.'s parent company only financial statements for the year ended December 31, 2022. 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. As a result, we do not provide a separate opinion on these matters.

Allowance for accounts receivable

The net value of accounts receivable as of December 31, 2022, which was NT\$1,249,945 thousand, accounted for 17% of O-TA PRECISION INDUSTRY CO., LTD.'s total assets, and was therefore material to O-TA PRECISION INDUSTRY CO., LTD.'s Parent Company Only Financial Statements. Since the allowance for accounts receivable is estimated at the life-time ECL and the measurement of ECL involves judgment, analysis, and estimation, we decided to identify it as the key audit matter.

Our audit procedures included, without being limited to, assessing the reasonability of the policy of provision of allowance formulated by the management; understanding and testing the effectiveness of internal control for accounts receivable formulated by the management; sampling accounts receivable, verifying the authenticity of samples by inquiring from the parities from which the accounts receivable were due, and assessing accounts receivable as a whole collected after the balance sheet date; sampling and testing the accuracy of the age of the samples; and assessing the reasonability of changes in the age of accounts and recalculating the roll rate and loss rate and assessing the appropriateness of ECL rate. We also considered the appropriateness of accounts receivable impairment loss disclosed in Notes (IV), (V), and (VI) to the Parent Company Only Financial Statements of O-TA PRECISION INDUSTRY CO., LTD.

Other Matters

The Parent Company Only Financial Statements for 2021 of O-TA PRECISION INDUSTRY CO., LTD. were audited by other CPAs, who then issued an independent report containing an unqualified opinion on March 3, 2022.

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 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 the 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 O-TA PRECISION INDUSTRY CO., LTD.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless management either intends to liquidate O-TA PRECISION INDUSTRY CO., LTD. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing O-TA PRECISION INDUSTRY CO., LTD.'s financial reporting process.

Auditors' 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 auditors' 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists in the Parent Company Only Financial Statements. Misstatements can arise from fraud or error. Misstatements 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 auditing standards generally accepted in 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 O-TA PRECISION INDUSTRY CO., LTD.'s internal control.
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 O-TA PRECISION INDUSTRY CO., LTD.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 report. However, future events or conditions may cause O-TA PRECISION INDUSTRY CO., LTD. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and contents of, and the notes to, the Parent Company Only Financial Statements, and whether the Parent Company Only Financial Statements fairly present the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities within O-TA PRECISION INDUSTRY CO., LTD. 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 the Parent Company Only Financial Statements of O-TA PRECISION INDUSTRY CO., LTD. for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our 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.

Ernst & Young, Taiwan
Official letter of the competent authority granting approval of
certified public accountants to audit and attest to the financial
reports of public companies:

Jin-Guan-Zheng-Liu-Zi No.0970038990

Jin-Guan-Zheng-Shen-Zi No.1010045851

CHEN, CHENG-CHU

CPA:

LEE, FANG-WEN

March 7, 2023

Unit: NTS thousand

Assets			December 31, 2022		December 31, 2021	
Code	Account	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	(IV)/(VI).1	\$870,950	12	\$1,234,741	19
1150	Net notes receivable	(IV)/(VI).3&13	-	-	52	-
1170	Net accounts receivable	(IV)/(VI).4&13	1,249,945	17	1,355,310	20
1180	Accounts receivables - related parties, net	(IV)/(VI).4&13/(VII)	6,229	-	31,306	1
1200	Other receivables		6,398	-	1,736	-
1210	Other receivables - related parties	(VII)	205,076	3	269,378	4
130x	Inventories	(IV)/(VI).5	2,833	-	2,170	-
1410	Prepayments		15,514	-	25,699	-
1470	Other current assets		500	-	500	-
11xx	Total current assets		2,357,445	32	2,920,892	44
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	(IV)/(VI).2	86,998	1	106,949	2
1550	Investment using the equity method	(IV)/(VI).6	4,742,591	65	3,505,197	52
1600	Property, plants and equipment	(IV)/(VI).7	104,322	2	107,678	2
1755	Right-of-use assets	(IV)/(VI).14	23	-	305	-
1780	Intangible assets	(IV)/(VI).8	3,367	-	3,196	-
1840	Deferred tax assets	(IV)	16,703	-	20,157	-
1900	Other non-current assets		101	-	101	-
15xx	Total non-current assets		4,954,105	68	3,743,583	56
1xxx	Total assets		\$7,311,550	100	\$6,664,475	100

Liabilities and Equity			December 31, 2022		December 31, 2021	
Code	Account	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	(IV)/(VI).9	\$440,000	6	\$430,000	6
2150	Notes payable		107	-	152	-
2170	Accounts payable		15	-	3,527	-
2180	Accounts payable - related parties	(VII)	1,639,125	22	1,771,138	27
2200	Other payables		366,609	5	386,447	6
2220	Other payables - related parties	(VII)	5,231	-	675	-
2230	Current tax liabilities	(IV)	112,386	2	138,214	2
2280	Lease liabilities - current	(IV)/(VI).14	24	-	286	-
2300	Other current liabilities		8,785	-	1,443	-
21xx	Total current liabilities		2,572,282	35	2,731,882	41
	Non-current liabilities					
2570	Deferred tax liabilities	(IV)	209,111	3	202,538	3
2580	Lease liabilities - non-current	(IV)/(VI).14	-	-	22	-
2640	Net defined benefit liabilities - non-current	(IV)/(VI).10	9,764	-	32,566	1
25xx	Total non-current liabilities		218,875	3	235,126	4
2xxx	Total liabilities		2,791,157	38	2,967,008	45
	Equity attributable to owners of parent	(IV)/(VI).11				
3100	Share capital					
3110	Ordinary share capital		838,000	11	838,000	12
3200	Capital surplus		101,239	1	101,239	2
3300	Retained earnings					
3310	Legal reserve		941,256	13	772,633	11
3320	Special reserve		121,777	2	80,973	1
3350	Undistributed earnings		2,473,821	34	2,026,399	31
	Total retained earnings		3,536,854	49	2,880,005	43
3400	Other equity interests		44,300	1	-121,777	-2
3xxx	Total equity		4,520,393	62	3,697,467	55
	Total liabilities and equity		\$7,311,550	100	\$6,664,475	100

(For details, see the Notes to the Parent Company-Only Financial Statements)

O-TA Precision Industry Co., Ltd.
Parent Company-Only Statement of Comprehensive Income
For the Years Ended December 31, 2022 and 2021

Unit: NTS thousand

Code	Account	Notes	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	(IV)/(VI).12/(VII)	\$7,192,045.00	100.00	\$7,487,415.00	100.00
5000	Operating costs	(IV)/(VI).5&15/(VII)	(6,056,241.00)	(84.21)	(6,387,187.00)	(85.31)
5900	Gross profit		1,135,804.00	15.79	1,100,228.00	14.69
6000	Operating expenses	(IV)/(VI).15/(VII)				
6100	Selling expenses		(56,872.00)	(0.79)	(30,498.00)	0.00
6200	Administrative expenses		(141,540.00)	(1.97)	(246,464.00)	(4.00)
6300	Research and development expenses		(32,454.00)	0.00	(23,063.00)	0.00
6450	Expected credit impairment gains	(IV)/(VI).13	343.00	0.00	11,121.00	0.00
	Total operating expenses		(230,523.00)	(2.76)	(288,904.00)	(4.00)
6900	Operating income		905,281.00	13.03	811,324.00	10.69
7000	Non-operating income and expenses	(IV)/(VI).16/(VII)				
7100	Interest income		12,059.00	0.00	2,825.00	0.00
7010	Other income		1,708.00	0.00	2,097.00	0.00
7020	Other gains and losses		28,031.00	0.00	(17,818.00)	0.00
7050	Financial costs		(4,635.00)	0.00	(3,681.00)	0.00
7070	Share of profit or loss on subsidiaries recognized using the equity method	(VI).6	1,055,356.00	15.00	1,184,854.00	15.00
	Total non-operating income and expenses		1,092,519.00	15.00	1,168,277.00	15.00
7900	Net income before tax		1,997,800.00	28.03	1,979,601.00	25.69
7950	Income tax expense	(IV)/(VI).18	(204,658.00)	(2.85)	(291,322.00)	(3.89)
8000	Net income from continuing operations		1,793,142.00	25.19	1,688,279.00	21.80
8200	Net income		1,793,142.00	25.19	1,688,279.00	21.80
8300	Other comprehensive income	(VI).17&18				
8310	Items not to be reclassified to profit or loss					
8311	Remeasurement of defined benefit plans		14,709.00	0.00	(2,560.00)	0.00
8349	Income tax related to items not reclassified		(2,942.00)	0.00	512.00	0.00
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences arising on the translation of the financial statements of foreign operations		182,038.00	1.53	(30,288.00)	0.00
8367	Unrealized profit or loss of debt instrument investments at fair value through other comprehensive income		(19,951.00)	0.00	(13,145.00)	0.00
8399	Income tax related to items that might be reclassified		3,990.00	0.00	2,629.00	0.00
	Other comprehensive income (net of tax)		177,844.00	1.53	(42,852.00)	0.00
8500	Total comprehensive income		\$1,970,986.00	26.72	\$1,645,427.00	21.80
	Earnings per share (NT\$)	(VI).19				
9750	Basic earnings per share		\$21.40		\$20.15	
9850	Diluted earnings per share		\$21.10		\$19.77	

(For details, see the Notes to the Parent Company-Only Financial Statements)

Unit: NT\$ thousand

Code		Share capital	Capital surplus	Retained earnings			Other equity items		Total
				Legal reserve	Special reserve	Undistributed earnings	Exchange differences arising on the translation of the financial statements of foreign operations	Unrealized losses on financial assets at fair value through other comprehensive income	
		3100	3200	3310	3320	3350	3410	3420	31xx
A1	Balance on January 1, 2021	\$838,000	\$101,239	\$718,140	\$45,408	\$849,226	(\$53,973)	(\$27,000)	\$2,471,040
	Appropriation and distribution of 2020 earnings								
B1	Legal reserve provided	-	-	54,493	-	(54,493)	-	-	-
B3	Special reserve provided	-	-	-	35,565	(35,565)	-	-	-
B5	Cash dividends from ordinary shares	-	-	-	-	(419,000)	-	-	(419,000)
D1	Net income for the year ended December 31, 2021	-	-	-	-	1,688,279	-	-	1,688,279
D3	Other comprehensive income for the year ended December 31, 2021	-	-	-	-	(2,048)	(30,288)	(10,516)	(42,852)
D5	Total comprehensive income	-	-	-	-	1,686,231	(30,288)	(10,516)	1,645,427
Z1	Balance on December 31, 2021	\$838,000	\$101,239	\$772,633	\$80,973	\$2,026,399	(\$84,261)	(\$37,516)	\$3,697,467
A1	Balance on January 1, 2022	\$838,000	\$101,239	\$772,633	\$80,973	\$2,026,399	(\$84,261)	(\$37,516)	\$3,697,467
	Appropriation and distribution of 2021 earnings								
B1	Legal reserve provided	-	-	168,623	-	(168,623)	-	-	-
B3	Special reserve provided	-	-	-	40,804	(40,804)	-	-	-
B5	Cash dividends from ordinary shares	-	-	-	-	(1,148,060)	-	-	(1,148,060)
D1	Net income for the year ended December 31, 2022	-	-	-	-	1,793,142	-	-	1,793,142
D3	Other comprehensive income for the year ended December 31, 2022	-	-	-	-	11,767	182,038	(15,961)	177,844
D5	Total comprehensive income	-	-	-	-	1,804,909	182,038	(15,961)	1,970,986
Z1	Balance on December 31, 2022	\$838,000	\$101,239	\$941,256	\$121,777	\$2,473,821	\$97,777	(\$53,477)	\$4,520,393

(For details, see the Notes to the Parent Company-Only Financial Statements)

Chairman: LEE, KUNG-WEN

President: HSU, JUNG-MIN

Accounting officer: LEE, CHUNG-MU

(English Translation of Parent Company-Only Financial Statement Originally Issued in Chinese)

O-TA Precision Industry Co., Ltd.

Parent Company-Only Statement of Cash Flow
For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousand

Code	Item	2022	2021
		Amount	Amount
AAAA	Cash flows from operating activities:		
A10000	Net income before tax	\$1,997,800	\$1,979,601
A20000	Adjustments:		
A20010	Income/expenses items:		
A20100	Depreciation expense	8,256	9,496
A20200	Amortization cost	372	345
A20300	Expected credit impairment gains	(343)	(11,121)
A20900	Interest expenses	4,635	3,681
A21200	Interest income	(12,059)	(2,825)
A22400	Share of profit on subsidiaries recognized using the equity method	(1,055,356)	(1,184,854)
A22500	Gain on disposal and scrapping of property, plants and equipment	(506)	(553)
A24100	Unrealized foreign currency exchange (gain) loss	(35,080)	243
A30000	Changes in assets/liabilities related to operating activities:		
A31130	Notes receivable	52	(52)
A31150	Accounts receivable	83,601	(707,867)
A31160	Accounts receivables - related parties	25,209	(20,907)
A31180	Other receivables	(4,293)	(396)
A31190	Other receivables - related parties	71,155	(31,008)
A31200	Inventories	(663)	14,219
A31230	Prepayments	10,185	(10,418)
A32130	Notes payable	(45)	9
A32150	Accounts payable	(3,512)	1,893
A32160	Accounts payable - related parties	(83,976)	1,097,055
A32180	Other payables	(19,584)	163,186
A32190	Other payables - related parties	4,567	620
A32230	Other current liabilities	7,342	(2,628)
A32240	Net defined benefit liabilities	(8,093)	(1,622)
A33000	Cash inflow from operations	989,664	1,296,097
A33100	Interest received	11,679	2,768
A33300	Interest paid	(4,413)	(3,679)
A33500	Income tax paid	(219,411)	(75,935)
AAAA	Net cash inflow from operating activities	777,519	1,219,251
BBBB	Cash flows from investing activities:		
B00010	Acquisition of financial assets at fair value through other comprehensive income	-	(118,294)
B02700	Acquisition of property, plants and equipment	(3,122)	(4,435)
B02800	Disposal of property, plants and equipment	701	661
B04500	Acquisition of intangible assets	(543)	(621)
B06800	Decrease in other non-current assets	-	152
BBBB	Net cash outflow from investing activities	(2,964)	(122,537)
CCCC	Cash flows from financing activities:		
C00100	Increase in short-term borrowings	10,000	50,000
C00600	Decrease in short-term bills payable	-	(50,000)
C04020	Lease principal repaid	(286)	(874)
C04500	Cash dividends paid out	(1,148,060)	(419,000)
CCCC	Net cash outflow from financing activities	(1,138,346)	(419,874)
EEEE	Increase (decrease) in cash and cash equivalents during this period	(363,791)	676,840
E00100	Cash and cash equivalents at the beginning of the year	1,234,741	557,901
E00200	Cash and cash equivalents at the end of the year	\$870,950	\$1,234,741

(For details, see the Notes to the Parent Company-Only Financial Statements)

Chairman: LEE, KUNG-WEN

President: HSU, JUNG-MIN

Accounting officer: LEE, CHUNG-MU

Appendix 2. Earnings Distribution Table

O-TA Precision Industry Co., Ltd.

2022 Earnings Distribution Table

Unit: NT\$

Description	Amount
Undistributed earnings, at the beginning of the period	668,911,821
Add: Net income after tax	1,793,141,944
2022 Gains (losses) on remeasurement of defined benefit plans after tax	11,766,874
Reversal of special reserves	121,777,032
Less: Ten percent of legal reserve	(180,490,882)
Distributable earnings	2,415,106,789
Distributed items:	
Cash dividends for common shares (NT\$12.85 per share)	(1,076,830,000)
Undistributed earnings, at the end of the period	1,338,276,789

Chairman: LEE, KUNG-WEN

President: HSU, JUNG-MIN

Accounting officer: LEE, CHUNG-MU

Appendix 3. Comparison Table for the Amendment to the “Rules of Procedure for Board of Directors Meetings”

O-TA Precision Industry Co., Ltd.

Comparison Table for the amendment to the “Rules of Procedure for Board of Directors Meetings”

Before amendment	After amendment	Reasons for amendment
<p>Article 3: Convening and notice of board meetings (Paragraph 1 to paragraph 3 are not amended) All matters set forth under Article 7, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion <u>except in the case of an emergency or for other legitimate reason.</u></p>	<p>Article 3: Convening and notice of board meetings (Paragraph 1 to paragraph 3 are not amended) All matters set forth under Article 7, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion.</p>	<p>The amendment is made in accordance with the amended Article 3 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” published by 5 August 2022 Order No. Financial-Supervisory-Securities-Corporate-1110383263 of the Financial Supervisory Commission.</p>
<p>Article 5: Meeting notification and meeting materials The designated unit responsible for the board meetings of the Company shall be the <u>“task force of audit office.”</u> (The following are not amended)</p>	<p>Article 5: Meeting notification and meeting materials The designated unit responsible for the board meetings of the Company shall be the <u>“Corporate Governance Project Team”</u> (The following are not amended)</p>	<p>2. The amendment is made to match the Company’s practical operation.</p>
<p>Article 7: Matters requiring discussion at a board meeting (Subparagraphs 1 to 5 of paragraph 1 are not amended) (This is a new subparagraph) <u>VI.</u> The appointment or discharge of a financial, accounting, or internal auditor officer. <u>VII.</u> A donation to a related party or a major donation to a non-related party, provided that a public-interest donation for disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition. <u>VIII.</u> Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or articles of incorporation, shall be</p>	<p>Article 7: Matters requiring discussion at a board meeting (Subparagraphs 1 to 5 of paragraph 1 are not amended) <u>VI. Election or discharge of the chairman of the board of directors.</u> <u>VII.</u> The appointment or discharge of a financial, accounting, or internal auditor officer. <u>VIII.</u> A donation to a related party or a major donation to a non-related party, provided that a public-interest donation for disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition. <u>IX.</u> Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or articles of incorporation, shall be</p>	<p>The amendment is made in accordance with the amended Article 7 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” published by</p>

Before amendment	After amendment	Reasons for amendment
<p>approved by resolution at a shareholders' meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 7 of the preceding paragraph 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.</p> <p>(The following are not amended)</p>	<p>approved by resolution at a shareholders' meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 8 of the preceding paragraph 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.</p> <p>(The following are not amended)</p>	<p>5 August 2022 Order No. Financial-Supervisory-Securities-Corporate-1110383263 of the Financial Supervisory Commission.</p>
<p>Article 10: Chair and acting chair of a board meeting (Subparagraphs 1 to 2 are not amended)</p> <p>When the chairman of the board is on leave or for any reason is unable to exercise the powers of the chairman, the vice chairman shall do so in place of the chairman, or, if there is no vice chairman or the vice chairman also is on leave or for any reason is unable to act, <u>by a managing director designated by the chairman, or, if there is no managing director, by a director designated</u> thereby, or, if the chairman does not make such a designation, by a <u>managing director or</u> director elected by and from among themselves.</p>	<p>Article 10: Chair and acting chair of a board meeting (Subparagraphs 1 to 2 are not amended)</p> <p>When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman of the board shall appoint one of the directors to act as chair. Where the chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair.</p>	<p>The amendment is made to match the Company's practical operation.</p>
<p>Article 11: Reference materials, non-voting participants, and holding board meetings-I</p> <p>When a board meeting is held, the <u>management (or the unit of board meeting affairs designated by the board of directors)</u> shall furnish the attending directors with relevant materials for ready reference.</p> <p>(The following are not amended)</p>	<p>Article 11: Reference materials, non-voting participants, and holding board meetings-I</p> <p>When a board meeting is held, the unit of board meeting affairs shall furnish the attending directors with relevant materials for ready reference.</p> <p>(The following are not amended)</p>	
<p><u>Article 19: Meetings of board of managing directors</u></p> <p><u>If the board of directors has set managing directors, the provisions of Article 2; Article 3, paragraph 2; Articles 4 to 6; Articles 9; and Article 11 to Article 18 apply, mutatis mutandis, to the Company's meetings of the board of managing directors, provided that when meetings of the board of managing directors are held at regular intervals of 7 days or less, notices of such meetings may be given to each managing director before 2 days before the meeting.</u></p>	<p>(This article is deleted)</p>	
<p>Article 20: Supplementary provisions</p> <p>The establishment <u>and amendments</u> of these rules of procedure shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders' meeting.</p> <p>These rules were established on April 6, 2004</p> <p>The 1st amendment was made on December 29, 2006</p> <p>The 2nd amendment was made on February 12, 2008</p> <p>The 3rd amendment was made on March 18, 2013</p>	<p>Article 19: Supplementary provisions</p> <p>The establishment of these rules of procedure shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders' meeting. <u>The board of directors may be authorized to adopt, by resolution, any future amendments to these rules.</u></p> <p>These rules were established on April 6, 2004</p> <p>The 1st amendment was made on December 29, 2006</p> <p>The 2nd amendment was made on February 12, 2008</p> <p>The 3rd amendment was made on March 18, 2013</p>	<p>1. The number of article is amended.</p> <p>2. The amendment is made to match the Company's practical operation.</p> <p>3. The amendment</p>

Before amendment	After amendment	Reasons for amendment
The 4th amendment was made on May 10, 2016 The 5th amendment was made on December 27, 2016 The 6th amendment was made on December 26, 2017 The 7th amendment was made on March 11, 2019 The 8th amendment was made on February 25, 2020 The 9th amendment was made on March 2, 2021	The 4th amendment was made on May 10, 2016 The 5th amendment was made on December 27, 2016 The 6th amendment was made on December 26, 2017 The 7th amendment was made on March 11, 2019 The 8th amendment was made on February 25, 2020 The 9th amendment was made on March 2, 2021 <u>The 10th amendment was made on November 1, 2022</u> <u>The 11th amendment was made on March 7, 2023</u>	dates are added.

Appendix 4. “Rules of Procedure for Board of Directors Meetings” before Amendment

O-TA Precision Industry Co., Ltd.

Rules of Procedure for Board of Directors Meetings

Article 1: Basis for the adoption of these rules

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 Article 2 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”.

Article 2: Scope of these rules

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: Convening and notice of board meetings

The board of directors shall meet at least quarterly.

A notice of the reasons for convening a board meeting shall be given to each director before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.

The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.

All matters set forth under Article 7, paragraph 1 of these rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.

Article 4: Principles for determining the place and time of a board meeting

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 5: Meeting notification and meeting materials

The designated unit responsible for the board meetings of the Company shall be the “task force of audit 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.

The unit responsible for board meetings shall be notified of the matters expected to be reported by each department of the Company or proposed to the board of directors for discussion.

Article 6: Agenda items

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

I. Matters to be reported:

- (I) Minutes of the last meeting and action taken.
- (II) Important financial and business matters.
- (III) Internal audit activities.
- (IV) Other important matters to be reported.

II. Matters for discussion:

- (I) Items for continued discussion from the last meeting.
- (II) Items for discussion at this meeting.

III. Extraordinary motions.

Article 7: Matters requiring discussion at a board meeting

The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:

- I. The Company's business plan.
- II. Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).
- III. 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.
- IV. 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.
- V. The offering, issuance, or private placement of equity-type securities.
- VI. The appointment or discharge of a financial, accounting, or internal auditor officer.
- VII. A donation to a related party or a major donation to a non-related party, provided that 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.
- VIII. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or articles of incorporation, must be approved by resolution at a shareholders' meeting or board meeting, or any material matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 of the preceding paragraph 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” in the preceding paragraph 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.

At least one independent director of the Company shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.

Apart from matters referred to in paragraph 1, which are required to be submitted for discussion by the board of directors, when the board of directors is in recess, it may delegate the exercise of its powers to the chairman pursuant to laws or regulations or the Company’s Articles of Incorporation. The content of the delegation are as follows:

- I. Evaluating the effectiveness and adequacy of the internal control system.
- II. Supervising managers.
- III. Reviewing the Company’s management decisions and operational plans.
- IV. Reviewing and setting the financial objectives of the Company.
- V. Overseeing results of the Company’s operations.
- VI. Assessing, inspecting, supervising and managing all risks that the Company is exposed to.
- VII. Ensuring that the company complies with applicable regulations.
- VIII. Planning the Company’s future development direction.
- IX. Establishing and maintaining the corporate image and fulfill social responsibility.
- X. Communicating with experts, such as CPAs or lawyers.
- XI. Executing matters under the scope of authority set forth in Article 4, paragraph 6 of the Company’s “Regulations Governing Making of Endorsements/Guarantees.”

Article 8: Principles with respect to the delegation of powers by the board

With the exception of matters required to be discussed at a board meeting under paragraph 1 of the proceeding article, when the board of directors appoints a party to exercise the powers of the board in accordance with applicable laws and regulations or the Company’s articles of incorporation, the levels of such delegation and the content or matters it covers shall be definite and specific.

Article 9: Preparation of attendance book and other documents; attendance by proxy

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 videoconferencing shall be deemed attendance in person.

A director appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authority 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 10: Chair and acting chair of a board meeting

Board meetings shall be convened and chaired by the chairman 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.

Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.

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

Article 11: Reference materials, non-voting participants, and holding board meetings-I

When a board meeting is held, the management (or the designated unit responsible for the board meetings) shall furnish the attending directors with relevant materials for ready reference.

As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants. When necessary, CPAs, 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.

Article 12: Holding board meetings-II

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 are 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 17, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.

Article 13: Discussion of proposals

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 paragraph 2 of the preceding article shall apply *mutatis mutandis*.

Article 14: Voting-I

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. 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 the following, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

- I. A show of hands or a vote by voting machine.
- II. A roll call vote.
- III. A vote by ballot.
- IV. A vote by a method selected at this Company's discretion.

"Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 16, paragraph 1.

Article 15: Voting-II and methods for vote monitoring and counting

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 an 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 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: Recusal system for directors

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, the 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 of a meeting, such director shall be deemed to have a personal interest in the matter.

Where a director is prohibited 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: Meeting minutes and sign-in matters

Discussions at the Company's board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

- I. The meeting session (or year) and the time and place of the meeting.
- II. The name of the chair.
- III. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
- IV. The names and titles of those attending the meeting as non-voting participants.
- V. The name of the minute taker.
- VI. The matters reported at the meeting.
- VII. Agenda items: 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 7, paragraph 5.
- VIII. 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.
- IX. 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

information disclosure website designated by the supervisory commission, within 2 days from the date of the meeting:

- I. Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.
- II. 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.

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

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 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 produced and distributed in electronic form.

Article 18: Documentation of a board meeting by audio or video

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 19: Meetings of board of managing directors

If the board of directors has set managing directors, the provisions of Article 2; Article 3, paragraph 2; Articles 4 to 6; Articles 9; and Article 11 to Article 18 apply, mutatis mutandis, to the Company's meetings of the board of managing directors, provided that when meetings of the board of managing directors are held at regular intervals of 7 days or less, notices of such meetings may be given to each managing director before 2 days before the meeting.

Article 20: Supplementary provisions

The establishment and amendments of these Rules of procedure shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders' meeting.

These rules were established on April 6, 2004

The 1st amendment was made on December 29, 2006

The 2nd amendment was made on February 12, 2008

The 3rd amendment was made on March 18, 2013

The 4th amendment was made on May 10, 2016

The 5th amendment was made on December 27, 2016

The 6th amendment was made on December 26, 2017

The 7th amendment was made on March 11, 2019

The 8th amendment was made on February 25, 2020

The 9th amendment was made on March 2, 2021

Appendix 5. The Company's Articles of Incorporation

Articles of Incorporation of O-TA Precision Industry Co., Ltd.

Chapter I General Provisions

- Article 1: The Company shall be incorporated under the Company Act of the Republic of China (the "Company Act"), and its Chinese name shall be "大田精密工業股份有限公司" and its English name shall be " O-TA PRECISION INDUSTRY CO., LTD. "
- Article 2: The scope of business of the Company shall be as follows:
- I. The manufacturing, contract processing, assembly and sales of golf club heads and those work-in-process products.
 - II. The manufacturing, processing and sales of casting art sculptures (with stainless steel and copper).
 - III. The import and export trading of the aforementioned products.
 - IV. ZZ99999 All business activities 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 and factories in Neipu Industrial Park, Pingtung County. When necessary the Company shall be free to set up branches at home and abroad upon approval of the board of directors.
- Article 4: Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

Chapter II Shares

- Article 5: The total capital of the Company shall be in the amount of NT\$1,400,000,000, divided into 140,000,000 shares, at NT\$10 of par value each, and the board of directors is authorized to issue the shares in installments. Of these shares, 5,000,000 shares are reserved for the issuance of employee stock options at NT\$10 of par value each, which may be issued in installments based on the resolution of the board of directors.
- Article 6: To transfer shares to employees at less than the average actual share repurchase price and to issue of employee stock options at a subscription price below the market price of the stock options, the Company must have obtained the consent of at least two-thirds of the voting rights present at the shareholders' meeting attended by shareholders representing a majority of total issued shares,
- Article 7: Share certificates of the Company shall all be registered share certificates. The share certificates shall be affixed with the signatures or seals of the chairperson of the board and two directors of the Company, and shall be numbered and duly certified or authenticated under the laws before issuance thereof. The Company may issue shares without printing any share certificate. Such issued shares shall be divided to a centralized securities deposit company for custody or registration.
- Article 8: Registration for transfer of shares shall be suspended sixty days before the date of general meeting of shareholders, and thirty days before the date of any special meeting of shareholders, or within five days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Chapter III Shareholders' Meeting

- Article 9: The Company's shareholders' meeting shall be of two types, general shareholders' meeting and special shareholders' meeting. The general shareholders' meeting shall be convened once a year, and shall be convened within six months after the end of each fiscal year by the board of directors. When necessary, the special

shareholders' meeting shall be convened pursuant to laws.

Article 9-1: The shareholders' meeting can be held via videoconferencing or other audiovisual means, as announced by the Ministry of Economic Affairs.

Article 10: Each shareholder of the Company shall have one vote for each share held. However, in the case of shares specified in the provisions of Article 179 of the Company Act, the shares shall have no voting rights.

Article 11: Resolutions at a shareholders' meeting shall, unless otherwise provided for in this Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. In accordance with the regulations of the competent authorities, the Company's shareholders may also exercise their voting rights by electronic means. Shareholders who exercise their voting rights by electronic means are considered to be present in person. The relevant matters thereof shall be handled according to laws and regulations.

Article 12: If a shareholder is unable to attend the shareholders' meeting for any reason, the shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. The proxy procedure for shareholders' attendance shall be in compliance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies," and the provisions of Article 177 of the Company Act.

Article 13: Chairman of the board shall preside at the shareholders' meeting. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the directors to act as chair, or, if the chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 13-1: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting, and the meeting minutes shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The minutes shall be retained for the duration of the existence of the Company. The meeting minutes of the preceding paragraph may be produced and distributed in electronic form or by means of a public notice.

Chapter IV Directors, Audit Committee and Managers

Article 14: The board of directors of the Company shall have at seven to nine directors. They shall be elected from among the shareholders with disposing capacity. In accordance with Article 192-1 of the Company Act, the election of directors is based on a candidate nomination system, and shareholders shall elect directors from a roster of candidates. Among the aforementioned number of directors, the number of independent directors shall not be less than 3. The professional qualification requirements, restrictions on shareholdings and concurrent positions held, nomination and election methods and other matters for compliance for the independent directors mentioned under the preceding Paragraph shall be duly handled in accordance with the relevant provision of the competent authority in charge of securities affairs. The independent Directors and non-independent Directors shall be elected at the same time and the number of elected Directors and shall be calculated

separately. The Company's board of directors may establish a Remuneration Committee or other functional committees for business operational needs.

Article 14-1: The Company shall establish an audit committee in accordance with Article 14-4 of the Securities and Exchange Act, and the Audit Committee shall be composed of the independent directors. The audit committee or audit committee members are responsible for performing the supervisors' duties as prescribed in the Company Act, the Securities and Exchange Act and other laws and regulations.

The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be the committee convenor, and at least one of whom shall have accounting or financial expertise.

Article 15: I. The term of office of a director shall be three years and all directors shall be eligible for re-election. When terms of directors expire prior to elections, terms may be extended until the newly elected directors assume office.

II. When one-third of the directors have vacated their offices or all of the independent directors are discharged, the special shareholders' meeting shall be called by the board of directors within sixty days for election of directors and independent directors to fill the vacancies until the original term expires..

Article 15-1: The board of directors is authorized to take out liability insurance for the directors with respect to the liabilities resulting from exercising their duties during their terms of directorship.

Article 16: The board of directors is composed of the entire independent directors, and its duties and responsibilities are as follows:

- I. Convening shareholders' meetings and executing resolutions thereof.
- II. Resolving business plans.
- III. Reviewing and approving various regulations and important contracts.
- IV. Determining the selection of principal personnel of the Company.
- V. Determining the establishment, abolition or change of branches.
- VI. Reviewing and approving budgets, financial statements and business reports.
- VII. Making decisions on other important matters.

Article 17: The board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairman of the board in accordance with the Company's organizational needs.

The chairman of the board of directors shall externally represent the Company and preside over significant affairs. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman of the board shall appoint one of the directors to act as chair. Where the chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair.

Article 18: The board of directors meeting shall be convened by the chairman of the board. Unless otherwise provided in the Company Act, meetings of the board of directors shall be convened at least quarterly, and directors shall be notified of the purpose of the meeting at least 7 days in advance. A meeting may be convened at any time in case of urgent circumstances. The notice of the Company's board of directors meeting may be made in writing, or by facsimile, e-mail, or other methods to each director. Except where otherwise provided by the

Company Act, the passage 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.

Article 19: If a director is unable to attend a meeting, he/she may appoint another director to attend the meeting on his/her behalf by completing the Company's proxy form, specifying the scope of authority with respect to the subject to be discussed at the meeting. However, each director shall act as a proxy for only one other director. A board of directors meeting may be held by means of videoconferencing. Attendance by videoconferencing shall be deemed attendance in person.

Article 20: (Deleted)

Article 21: The board of directors is authorized to determine the remuneration to directors based on their involvement in the Company's operations and contributions and industry standard. The board of directors may resolve to pay the directors adequate transportation expenses. The remuneration to independent directors may be set at a reasonable rate different from that of ordinary directors.

Article 22: The Company shall have a president and several vice presidents and managers. The appointment, discharge and remuneration shall be in accordance with the provisions of Article 29 of the Company Act.

Chapter V Accounting

Article 23: The Company's fiscal year shall commence on the 1st of January of each year, and ends on the 31st of December of the same year. The annual financial report shall be prepared at the end of the Company's fiscal year.

Article 24: At the close of each fiscal year, the board of directors shall prepare the following statements and records and shall forward the same to audit committee for its auditing not later than the 30th day prior to the meeting date of a general shareholders' meeting. Subsequently, the said documents and statements shall be submitted for approval at the general shareholders' meeting:

1. the business report;
2. the financial statements; and
3. the surplus earning distribution or loss off-setting proposals.

Article 25: The Company shall distribute at least 6.5% of distributable profit of the current year, if any, as remuneration to employees for each profitable fiscal year, and the appropriated amount of remuneration to directors should not be more than 1.5% of the annual profit. However, in case of the accumulated losses, certain profits shall first be reserved to cover them.

The Company may, by a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, decide the way of distribution for employees' remuneration and the proportion of profits distributed as directors' remuneration for the fiscal year, and report to the shareholders' meeting for such distribution.

The remuneration for directors is recommended by the Remuneration Committee and proposed to the Board of Directors for approval.

The Company's profitable fiscal year, as mentioned in the first paragraph, refers to the year with profits calculated based on the net income before tax and the distribution of employees' and directors' remuneration for the year.

Article 26: Upon the closing of the books at the end of the business year, the Company shall, after paying taxes and covering losses for the previous year, set aside ten percent of profits as a legal reserve out of the balance of net

profits, if any. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. Subsequently, in accordance with the regulations of the competent authorities, if the Company has any deduction from shareholders' equity, such as exchange differences resulting from translating the financial statements of foreign operations, unrealized gains/losses from financial assets measured at fair value through other comprehensive income, gains/losses on hedging instruments, etc., an equivalent amount of special reserve shall be set aside within the following limits prior to the distribution of dividends:

- (1) For deductions from shareholders' equity that arose during the current year, the recognized special reserve shall not exceed the total amount of accumulated undistributed earnings for the current year.
- (2) For deductions from shareholders' equity that arose during the previous years, the amount shall not exceed the accumulated undistributed earnings generated in the previous year less the recognized amount stated in paragraph (1).

If the deduction from stockholders' equity is subsequently reversed, dividends may be distributed from the reversed portion of the special reserve.

If there remains any accumulated undistributed earnings, the board of directors may propose to distribute them at the shareholders' meeting for approval.

As the Company's operations continue to develop steadily, considering the Company's future capital needs and the shareholders' demand for cash inflow, when the Company distributes the dividends as described in the preceding paragraph, the dividends may be distributed in cash or in shares. However, the percentage of cash dividends shall not be less than 50% of the total dividends of the year.

With the approval by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, the Company will report to the shareholders' meeting regarding the proposal that all or part of the distributable dividends shall be paid in cash.

The annual dividend rate is expected to be no less than 50% for the next three years.

Chapter VI Supplementary Provisions

Article 27: The total amount of the Company's equity investment shall not be subject to the restriction of not more than forty percent of the Company's paid-up capital.

Article 28: The Company may provide endorsement and guarantee for external parties for business requirements.

Article 29: The organizational regulations and operational rules of the Company shall be otherwise established.

Article 30: Any matters that are not regulated in the Articles of Incorporation should be processed in accordance with the Company Act and other applicable laws and regulations.

Article 31: These articles of incorporation were established on June 13, 1988, and became effective upon the approval from the competent authorities for registration.

The 1st amendment was made on December 18, 1989.

The 2nd amendment was made on January 8, 1992.

The 3rd amendment was made on May 23, 1993.

The 4th amendment was made on April 20, 1996.

The 5th amendment was made on October 5, 1996.

The 6th amendment was made on November 7, 1997.

The 7th amendment was made on March 17, 1997.

The 8th amendment was made on June 4, 1999.
The 9th amendment was made on May 9, 2000.
The 10th amendment was made on May 2, 2001.
The 11st amendment was made on June 5, 2002.
The 12nd amendment was made on August 1, 2003.
The 13rd amendment was made on May 21, 2004.
The 14th amendment was made on May 18, 2005.
The 15th amendment was made on May 12, 2006.
The 16th amendment was made on May 16, 2008.
The 17th amendment was made on May 19, 2009.
The 18th amendment was made on May 26, 2010.
The 19th amendment was made on May 30, 2012.
The 20th amendment was made on June 4, 2014.
The 21st amendment was made on June 23, 2016.
The 22nd amendment was made on June 6, 2019.
The 23rd amendment was made on May 26, 2022

O-TA Precision Industry Co., Ltd.
Chairman: LEE, KUNG-WEN

Appendix 6. Rules of Procedure for Shareholders' Meetings

O-TA Precision Industry Co., Ltd.

Rules of Procedure for Shareholders' Meetings

Article 1: To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these rules are adopted pursuant to Article 5 of the Corporate Governance Best Practice Principles.

Article 2: The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these rules.

Article 3: Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall 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 relating 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 before 30 days before the date of a general shareholders' meeting or before 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting handbook and supplemental meeting materials and upload them to the Market Observation Post System before 21 days before the date of the general shareholders' meeting or before 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 recent 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 by 30 days before the general shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time. The meeting handbook and supplemental materials shall also be displayed at the Company and the professional stock transfer agency designated thereby.

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:

- I. For physical shareholders' meetings, to be distributed on-site at the meeting.
- II. For hybrid shareholders' meetings, to be distributed on-site at the meeting, and shared on the virtual meeting platform.
- III. 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, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and 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.

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.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a general shareholders' meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. 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 general shareholders' meeting is held, this 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.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words shall be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the general shareholders' meeting and take part in discussion of the proposal.

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. At the shareholders' meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4: For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company before five days of the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two days of the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders' meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5: Principles determining the time and place of a shareholders' meeting

The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting shall begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

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 (collectively "shareholders") 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 registrations are accepted 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 as attend the shareholders' meeting in person.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company shall not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders 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.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

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

In the event of a virtual shareholders' meeting, the Company shall upload the meeting hand book, 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 following particulars in the shareholders' meeting notice:

- I. How shareholders attend the virtual meeting and exercise their rights.
- II. 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:
 - (I) 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.
 - (II) Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
 - (III) 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 shareholder' 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 meeting agenda of that shareholders' meeting.
 - (IV) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
- III. 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: 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 of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman of the board shall appoint one of the directors to act as chair. Where the chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair.

When a director serves as chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders' meetings convened by the board of directors 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.

If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall

mutually select a chair from among themselves.

The Company may appoint its attorneys, CPAs, or related persons retained by it to attend a shareholders' 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 an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion 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: Attendance at shareholders' meetings shall be calculated based on numbers of 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 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 as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10: If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out 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 power to convene that is not the board of directors.

The chair shall 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 chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11: Shareholder speech

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card 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.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

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 to 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.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

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.

With the exception of a trust enterprise or a stock transfer agency approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13: 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, paragraph 2 of the Company Act.

When the Company holds a shareholder' 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. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting, it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, 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, before 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. When 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.

Except as 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, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation Post System.

When there is an amendment or an 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 a record made of the vote.

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: Election Affairs

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.

The ballots for the election referred to in the preceding paragraph shall be kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the Market Observation Post System.

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. The minutes shall be retained for the duration of the existence of the Company.

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 minute taker'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-only 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-only 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.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taipei Exchange Market's regulations, the Company shall upload the content of such resolution to the Market Observation Post System within the prescribed time period.

Article 17: Maintaining order at the meeting place

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

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card

or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18: Recess and resumption of a meeting

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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.

A resolution may be adopted at a shareholders' meeting to defer or resume 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 minute taker of virtual-only shareholders' meeting

When the Company convenes a virtual-only shareholders' meeting, both the chair and minute taker 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, 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 meetings.

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 the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, 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 for which votes have been cast and counted and results have been announced, or list of elected directors.

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 Shareholder 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, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.

Article 22: These rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

The 1st amendment was made on June 5, 2002.

The 2nd amendment was made on June 3, 2015.

The 3rd amendment was made on June 6, 2019.

The 4th amendment was made on May 12, 2020.

The 5th amendment was made on May 18, 2021.

The 6th amendment was made on May 26, 2022.

Appendix 7. Shareholdings of All Directors

- I. As of the book closure date (March 26, 2023), the Company had 83,800,000 common shares outstanding, and its paid-in capital was NT\$838,000,000.
- II. In accordance with Article 26 of the Securities and Exchange Act and applicable laws and regulations, all directors are legally required to hold 6,704,000 shares.
- III. The shareholding status of individual and all directors as recorded in the register of shareholders on the book closure date of the shareholders' meeting (March 26, 2023) is as follows, and all directors of the Company held shares that reached the statutory percentage standard.

Title	Account name	Date elected	Term of office	Shares held when elected	March 26, 2023 Number of shares held	Shareholding ratio
Chairman	LEE, KUNG-WEN	May 26, 2022	3 years	7,272,408	7,272,408	8.68%
Director	LIN, CHON-CHEN	May 26, 2022	3 years	529,065	529,065	0.63%
Director	Nan Feng Xin Co., Ltd. Representative: LAUREN-JACQUELINE PAN Representative: KRISTEN-JULIA PAN	May 26, 2022	3 years	7,650,386	7,650,386	9.13%
Director	LIN, HUN-CHER	May 26, 2022	3 years	2,266,088	2,266,088	2.70%
Independent Director	CHEN, SHUH	May 26, 2022	3 years	0	0	-
Independent Director	HUANG, CHUNG-HUI	May 26, 2022	3 years	0	0	-
Independent Director	CHANG, TIEN-SHENG	May 26, 2022	3 years	0	0	-
Total number of shares held by all directors				17,717,947	17,717,947	21.14%
Number of shares legally required to be held by all directors					6,704,000	

Appendix 8. Other Explanatory Notes

Explanation on the handling of shareholders' proposals at this general shareholders' meeting

- Explanation: 1. In accordance with Article 172-1 of the Company Act, shareholders holding one percent or more of the total number of outstanding shares of the Company may propose to the Company a proposal for discussion at a general shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and the number of words of a proposal to be submitted shall be limited to not more than three hundred words.
2. During the period from March 14, 2023 to March 23, 2023, the Company accepted shareholders' proposal applications for this year's general shareholders' meeting, which was announced on the Market Observation Post System pursuant to laws.
 3. The Company has not received any shareholder proposals.