

Stock Code: 6279

A N N U A L

G E N E R A L

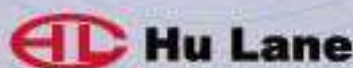
2023

**Annual Shareholders'
Meeting**

Agenda Handbooks

Time : 9:00 a.m. on Monday, June 19, 2023
Location : B1F, No. 1, Ln. 342, Fude 1st Rd.,
Xizhi Dist., New Taipei City

M E E T I N G



Hu Lane

Hu Lane Associate Inc.

Table of Contents

Chapter 1. Meeting procedures -----	1
Chapter 2. Agenda -----	2
Chapter 3. Reference and Report -----	3
Chapter 4. Matters recognized -----	4
Chapter 5. Matters for discussion -----	5
Chapter 6. Elections -----	6
Chapter 7. Other matters -----	6
Chapter 8. Provisional motion -----	7
Chapter 9. Accessories	
I. 2022 Business Report -----	8
II. Audit Committee's Report -----	12
III. 2022 Directors' and Independent Directors' Remunerations -----	13
IV. List of Candidates for Directors (including Independent Directors)	14
V. Auditor's Report, 2022 Parent Company-Only Financial Statements, Consolidated Financial Statements -----	18
VI. 2022 Earnings Distribution Table -----	40
VII. Comparison Table for Amendments to the "Articles of Incorporation" -----	41
VIII. Schedule of Removal of Restrictions on Directors' Competing Business -----	43
Chapter 10. Appendix	
I. Rules of Procedure for Shareholders' Meetings of the Company ----	44
II. The Company's Articles of Incorporation (before amendments) ----	47
III. Regulations Governing the Election of Directors -----	51
IV. Quantity of Shares Held by All Directors and the Minimum Quantity of Shares Held by All Directors -----	53

Chapter 1. Procedures for the 2023 General Meeting of Shareholders of Hu Lane Associate Inc.

- I. Announcement of the meeting
- II. Chairman's address
- III. Reference and report
- IV. Matters recognized
- V. Matters for discussion
- VI. Elections
- VII. Other matters
- VIII. Provisional motion
- IX. Adjournment of the meeting

Chapter 2. Agenda of the 2023 General Meeting of Shareholders of Hu Lane Associate Inc.

Mode: Physical meeting

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

Location: Room B1, No. 1, Lane 342, Fueder 1st Road, Xizhi District, New Taipei City

- I. Announcement of the meeting
- II. Chairman's address
- III. Reference and report
 - (I) The Company's 2022 business report.
 - (II) Audit Committee's review of the 2022 financial statements.
 - (III) Report on the distribution of remuneration to employees and directors in 2022.
 - (IV) Report on the payment of remuneration to directors by the Company.
- IV. Matters recognized
 - (I) Recognition of the 2022 financial statements.
 - (II) Recognition of the 2022 earnings appropriation proposal.
- V. Matters for discussion
 - (I) Amendments to the Company's "Articles of Incorporation".
 - (II) Cash distribution to shareholders from the capital surplus of the Company.
- VI. Elections
 - (I) Election of directors of the Company.
- VII. Other matters
 - (I) Removal of restrictions on non-competition by directors.
- VIII. Provisional motion
- IX. Adjournment of the meeting

Chapter 3 Matters for reference and report

Report 1:	Proposed by the Board of Directors
Summary:	The Company's 2022 business report is presented for verification.
Description:	Please refer to Annex I of this handbook, page 8-10.
Report 2:	Proposed by the Board of Directors
Summary:	The Audit Committee's review of the 2022 financial statements, please review.
Description:	Please refer to Annex II of this handbook, page 122.
Report 3:	Proposed by the Board of Directors
Summary:	2022 distribution of remuneration to employees and directors, presented for verification.
Description:	The 2022 employees' and directors' remuneration has been approved by the Company's Board of Directors to allocate NT\$40,221,769 as remuneration to employees and NT\$9,891,295 as remuneration to directors, all of which will be paid in cash.
Report 4:	Proposed by the Board of Directors
Summary:	Report on the payment of remuneration to directors , please review.
Description:	I. According to Article 20 of the Company's Articles of Incorporation, if the Company has profit for the year (the so-called profit refers to the profit before tax less the distribution of employees' and directors' remuneration), it shall allocate no more than 1% as Remuneration to directors. Also, in accordance with Article 17 of the Company's Articles of Incorporation, the responsibilities, risks, time invested, attendance of functional committees, and travel expenses are paid. II. Pursuant to the Company's "Regulations Governing the Payment of Remuneration to Directors and Functional Committee Members", which states that the directors' participation in the Company's operations and the value of their contributions shall be distributed in accordance with the weights given below, since all independent directors

serve on the Audit Committee and the Remuneration Committee Members of functional committees are responsible for participating in discussions and resolutions made at committee meetings, therefore their remuneration is higher than that of directors.

- III. Regarding remuneration to Directors, including the remuneration policy and the details and amounts of individual remunerations, please refer to Annex III of this Handbook (page 133).

Chapter 4. Matters recognized

Report 1: Proposed by the Board of Directors

Summary: Please acknowledge the Company's 2022 financial statements.

Description:

- I. The Company's 2022 business report, individual financial statements, and consolidated financial statements have been approved by the Company's Board of Directors. The individual financial statements and consolidated financial statements were completed after the examination of accountants Shih Chün-Hung and Lin Wang-Sheng of Deloitte Taiwan. The aforementioned business report, individual financial statements, and consolidated financial statements have been resolved by the Board of Directors meeting and the Audit Committee has issued an audit report.
- For the 2022 Business Report, Auditor's Report, Individual Financial Statements, and Consolidated Financial Statements, please refer to Attachment I and Attachment V of this Handbook (page 8-10 and page 17~39).

Resolution:

Report 2: Proposed by the Board of Directors

Summary: Appreciate the appropriation of the 2022 earnings of the Company.

Description:

- I. The Board of Directors has resolved to approve the Company's 2022 Earnings Appropriation Statement and the Audit Committee has issued an audit report . Please refer to Annex VI, page 400 of this Handbook for the 2022 Earnings Appropriation.
- II. The Board of Directors shall be authorized to determine the ex-

- dividend date for the distribution of earnings and other related matters after the motion is approved by the general shareholders' meeting.
- III. In the event that changes to the Company's share capital affect the total number of outstanding shares and result in changes to the shareholder dividend rate, a proposal is to be submitted to the general shareholders' meeting for authorization of the Board of Directors with full discretion.

Resolution:

Chapter 5. Matters for discussion

Report 1: Proposed by the Board of Directors

Summary: Proposal for the amendment of the "Articles of Incorporation".

Description:

- I. Amendment of the "Articles of Incorporation" in line with amendments to the laws and regulations.
- II. Comparison table of the amended provisions of the "Articles of Incorporation". Please refer to Annex VII, page 411-42 of this handbook.

Resolution:

Report 2: Proposed by the Board of Directors

Summary: Proposal of cash distribution to shareholders from the capital surplus of the Company.

Description:

- I. The Company intends to appropriate NT\$99,654,707 from the capital surplus derived from the surplus from the issuance of shares above the par value. For each share held as recorded in the shareholders' register on the record date of issuance, NT\$1 in cash will be distributed.
- II. Cash distributed to the nearest NTD\$1, with portions below NTD\$1 being rounded down. Any portion of the cash distribution less than NTD\$1 is totaled and recognized as the Company's other income.
- III. After the motion is approved in the general shareholders' meeting, the Board of Directors is authorized to set the ex-dividend date.
- IV. In the event that changes to the Company's share capital affect the total number of outstanding shares and result in changes to the shareholders' dividend rate, a proposal is to be submitted to the general shareholders' meeting for authorization of the Board of Directors with full discretion.

Resolution:

Chapter 6. Elections

Report 1: Proposed by the Board of Directors

Summary: Election of directors.

Description:

- I. The term of office of the 7th Board of Directors of the Company will expire on June 18, 2023. In accordance with Article 13 of the Articles of Incorporation, the nine directors of the 8th board (including three independent directors) will be elected with a term of three years and shall be eligible for re-election. The directors of the 8th Board of Directors will assume office immediately after being elected by the shareholders' meeting. Their term of office is from June 19, 2023 to June 18, 2026.
- II. Pursuant to the Company's Articles of Incorporation, the Company adopts a candidate nomination system, and shareholders elect directors from the list of candidate directors.
- III. The list of candidates for nomination as specified in Article 192-1 of the Company Act has been reviewed and approved by the Company's Board of Directors, and the candidate's academic background, experience, and other relevant information, as well as information on the term of office of the candidate for election as proposed by the general shareholders' meeting. For the reasons regarding nominating independent director candidates who have reached their third term, please refer to page 14-16 of Annex IV of this Handbook.

Election results:

Chapter 7. Other matters

Report 1: Proposed by the Board of Directors

Summary: Removal of restrictions on non-competition of directors, please discuss.

Description:

- I. According to Article 209 of the Company Act, a director who has acted within the scope of the company's business for himself or herself or another person shall explain to the shareholders' meeting the important contents of the action and obtain permission.

- II. In view of the possibility of the Company's new directors and their representatives serving as directors in companies with the same or similar business scope as the Company, without prejudice to the interests of the Company, it is proposed to submit a proposal to the general shareholders' meeting in accordance with Article 209 of Agreed, from the date of taking office, the restrictions on competing businesses shall be lifted. Please refer to page 433 of Annex VIII of this Handbook.

Resolution:

Chapter 8. Provisional motion

The meeting is adjourned

Chapter 9. Accessories

[Annex I]

Chapter 1. 2022 Business Report

I. 2022 Business Plan Execution Results and Profit/Loss Achieved

The Company's consolidated net revenue was NT\$ 6,526,749 thousand in 2022, an increase of 31.88% compared to 2021. In terms of profit, the consolidated net income before tax was NT\$1,257,796 thousand in 2022, an increase of 31.59% compared to 2021. The earnings per share increased to NT\$10.03 per share in 2022, an increase of 26.80% compared to 2021.

II. Analysis of financial revenues, expenses, and profitability

(I) Financial revenues and expenses:

Unit: NTD thousand

Item	Amount
Operating revenue	NT\$ 6,526,749 thousand
Gross operating profit	NT\$1,965,163 thousand
Net operating profit	NT\$1,037,748 thousand
Non-operating income, net	NTD 220,048 thousand
Net income before tax	NTD 1,257,796 thousand
Current net profit	NT\$999,901 thousand
Earnings per share	NT\$ 10.03

Note: The source of data is the Company's 2022 consolidated financial statements.

(II) Profitability analysis:

Unit: %, NTD

Item		Percentage (%)
Return on assets		10.78%
Return on equity		18.95%
As a percentage of paid-in capital	Operating profit	104.13%
	Net income before tax	126.22%
Net profit margin		15.36%
Earnings per share (NT\$)		NT\$ 10.03

Note: The source of data is the Company's 2022 consolidated financial statements.

Chapter 2. Summary of 2023 Business Plan

I. Business policy

- (I) Building a people-oriented, respectful, caring, proactive, and shared corporate culture.
- (II) Strengthen the management team and establish a complete management and professional manpower system for each business unit.
- (III) The Group's operational structure is moving towards a global operation management model.
- (IV) Improve product design and verification capabilities, and create complete solution capabilities for new energy vehicles.
- (V) Implementation and promotion of corporate ESG towards the goal of improving environmental friendliness.

II. Key production and distribution strategies

(I) Sales policy

1. Construct an overall business plan for regional risks. Establish the subsidiary Hu Lane (Italy) to increase the penetration rate of European customers, expand the scale of operations in Vietnam and Indonesia, strengthen the close liaison and cooperation between localization and OEMs, and move towards an international marketing system. Establish long-term cooperation and collaborative development with international manufacturers to jointly achieve the goal of sustainable development.
2. Utilize existing technologies to develop new product business groups to diversify corporate operational risks.

(II) Production policy

1. Improve equipment AI intelligence to achieve the benefits of energy saving and carbon reduction.
2. Increase the production speed and optimize the MES system to improve production efficiency and reduce energy and carbon at the same time.

III. Research and development

4 patents were pending in 2022 and 204 patents were granted. 102 sets of terminal molds, 194 sets of plastic molds, and 25 sets of rubber molds were newly developed. In response to the development of electric vehicles, smart vehicles, and autonomous driving, the research and development of high-speed and high-frequency connectors, high-current and high-voltage connectors, and PCB fuse boxes is an important direction for the Company's product development.

IV. Sustainable Development (ESG)

- (I) The Sustainability Committee has been established. Independent directors serve as committee members and are responsible for formulating the direction of sustainable development. The company has set a five-year (2023 – 2027) sustainable development strategic goal, and through the Sustainable Development Committee, promotes and tracks related sustainability projects. It is expected that with active carbon reduction actions and the Group's carbon control, the carbon emission of products and absolute total carbon emissions can be reduced year by year.
- (II) The Company completed the 2021 ISO14064-1 greenhouse gas inventory and third-party verification of the Taipei Factory in 2022. The Group will conduct the 2022 ISO14064-1 inventory and ISO-14067-1 product carbon footprint inventory, and third-party verification is expected. In 2023, we will complete the inventory collection of greenhouse gases and the carbon footprint of three products.
- (III) The Company attaches great importance to the future development of ESG, cooperates with external consultants, interacts with stakeholders, obtains important suggestions from stakeholders, and has completed the sustainability report for 2022. It is expected to obtain external certification in June 2023.
- (IV) Continue to introduce ISO45001. Obtain the occupational safety and health management system certificate at the end of April 2023 and start the ISO-50001 energy management system certification. The certification will also be completed in 2023.

Chapter 3. Participation, Review, and Prospects

The 2021 automobile production and sales volume in China were 27.02 million units and 26.86 million units, an increase of 3.4% and 2.1% compared to 2021. It is expected that the recovery of purchasing power in 2023 will be beneficial as the economy recovers in the post-pandemic era. As the demand for new energy vehicles grows, the production and sales volume of automobiles are expected to increase. The technology jointly developed by Hu Lane and the international leading component manufacturers can also be deployed in other regions to expand the company's operating market and to make Hu Lane an internationally renowned brand.

I would like to thank all directors and shareholders for their support and the efforts of all employees to keep Hu Lien operating at a steady pace. Under the leadership of Chairman Chang, we worked with the management team and

employees to continuously pursue the best interests of shareholders, employees, customers, suppliers, and communities in order to live up to the trust of our stakeholders.

Dear Shareholders,
All wishes come true.

Person in charge:
Chang Tzu-Hsiung

President:
Hu Sheng-Ching

Accounting
Supervisor:
Chang Chia-Chi

[Annex II]

Hu Lane Associate Inc.
Audit Committee's Report

It is hereby approved:

The Board of Directors prepared the Company's 2022 business report, individual financial statements, and consolidated financial statements, which have been audited by Shih Chün-Hung and Lin Wang-Sheng, CPAs of Deloitte Taiwan. Upon completion of the audit, the Audit Committee concluded that no non-conformities were found, and accordingly the Company hereby issues the above report for review in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely,

2023 General Shareholders' Meeting of Hu Lane Associates Inc.

Audit Committee Convener: Chang Shyueh-Chih

May 8, 2023

[Annex III]

Remuneration to directors and independent directors in 2022

Unit: NTD

Job title	Name	Remuneration to directors								Sum of A, B, C, and D and their percentage in net income after tax		Remuneration for part-time employees								Sum of A, B, C, D, E, F, and G and their percentage in after-tax profit (Note 1, 2)		Remuneration received from invested businesses other than subsidiaries or from the parent company
		Remuneration (A)		Severance pay and pension (B)		Remuneration to directors (C)		Operational expenses (D)				Salaries, bonuses, and special allowances (E)		Resignation and pension (F)		Employee remuneration (G)						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
																Cash amount	Amount of shares	Cash amount	Amount of shares			
Chairman	Chang Tzu-Hsiung	4,093,665	4,093,665	-	-	1,290,168	1,290,168	4,559,691	4,559,691	9,943,524 0.99%	9,943,524 0.99%	-	-	-	-	-	-	-	-	9,943,524 0.99%	9,943,524 0.99%	None
General Director	Hu Sheng-Ching	-	-	-	-	1,290,168	1,290,168	120,000	120,000	1,410,168 0.15%	1,410,168 0.15%	7,286,920	7,286,920	-	-	-	-	-	-	8,697,088 0.88%	8,697,088 0.88%	None
General Director	Liu Chun-Hsiang	-	-	-	-	860,113	860,113	120,000	120,000	980,113 0.10%	980,113 0.10%	-	-	-	-	-	-	-	-	980,113 0.10%	980,113 0.10%	None
General Director	Chang Ping-Chün	-	-	-	-	860,113	860,113	120,000	120,000	980,113 0.10%	980,113 0.10%	2,262,259	2,262,259	-	-	1,133,498	-	1,133,498	-	4,375,870 0.44%	4,375,870 0.44%	None
General Director	Hu Shao-Ju	-	-	-	-	860,113	860,113	120,000	120,000	980,113 0.10%	980,113 0.10%	-	-	-	-	-	-	-	-	980,113 0.10%	980,113 0.10%	None
General Director	Chan Yi-Min	-	-	-	-	860,113	860,113	120,000	120,000	980,113 0.10%	980,113 0.10%	-	-	-	-	-	-	-	-	980,113 0.10%	980,113 0.10%	None
Independent Director	Chang Shyueh-Chih	-	-	-	-	1,290,169	1,290,169	150,000	150,000	1,440,169 0.14%	1,440,169 0.14%	-	-	-	-	-	-	-	-	1,440,169 0.14%	1,440,169 0.14%	None
Independent Director	Lin Jaan-Lieh	-	-	-	-	1,290,169	1,290,169	150,000	150,000	1,440,169 0.14%	1,440,169 0.14%	-	-	-	-	-	-	-	-	1,440,169 0.14%	1,440,169 0.14%	None
Independent Director	Lin Yuan-li	-	-	-	-	1,290,169	1,290,169	150,000	150,000	1,440,169 0.14%	1,440,169 0.14%	-	-	-	-	-	-	-	-	1,440,169 0.14%	1,440,169 0.14%	None
Total		4,093,665	4,093,665	-	-	9,891,295	9,891,295	5,609,691	5,609,691	19,594,651 1.96%	19,594,651 1.96%	9,549,179	9,549,179	-	-	1,133,498	-	1,133,498	-	30,277,328 3.03%	30,277,328 3.03%	None-
Note 1. The remuneration policy, system, standards, and structure of Hu Lane’s directors and independent directors, and the relevance to the amount of remuneration based on the responsibilities, risks, investment time, and other factors: (1) Pursuant to Article 20 of the Company’s Articles of Incorporation, the Company shall allocate no more than 1% of the annual profit (the profit before tax is the profit before the distribution of employees’ and directors’ remuneration), and shall allocate no more than 1% thereof as directors’ remuneration. Pay responsibilities in accordance with Article 17 of the Company’s Articles of Incorporation, risks, time investment, attendance at functional committees, and reimbursement for travel expenses. (2) Pursuant to the Company’s “Regulations Governing the Payment of Remuneration to Directors and Functional Committee Members”, the principle is as follows: Directors’ participation in the Company’s operations and the value of their contributions shall be distributed according to the shares given and the weighted results shown below. Since all independent directors serve on the Audit Committee and members of functional committees such as the Remuneration Committee are responsible for participating in discussions and resolutions made during committee meetings, therefore their remuneration is higher than the general directors. Note 2. Other than those disclosed in the above table, remunerations received by directors for providing services to all companies covered in the financial statements in the most recent year (e.g. serving as a consultant that is not an employee of the parent company/all companies covered in the financial statements/investees): None.																						

[Annex IV]

List of Candidates for Directors (including Independent Directors)

Category	Name	Academic background	Experience	Current job	Represented the government or legal entity Name	Shareholders' Meeting Date of suspension of transfer registration Number of shares
Director	Chang Tzu-Hsiung	Enlightened Commerce and Industry	Directors of Hu Lane Associate Inc. Chairman of Hu Lane Electronics (Vietnam) Executive Director of Hu Lane Electronics (Nanjing) Director of Dongguan Hu Lane Electronics Technology Co., Ltd. Executive Director of Dongguan Hu Lane Puguang Trading Director of Chang Yi Investment Co., Ltd. Director of DirectForexLLC Director of CUB ELECPARTS INC. Director of Junda Entertainment Co., Ltd.	Directors of Hu Lane Associate Inc. Chairman of Hu Lane Electronics (Vietnam) Executive Director of Hu Lane Electronics (Nanjing) Director of Dongguan Hu Lane Electronics Technology Co., Ltd. Executive Director of Dongguan Hu Lane Puguang Trading Director of Chang Yi Investment Co., Ltd. Director of DirectForexLLC Director of CUB ELECPARTS INC. JUNDA ENTERTAINMENT CO., LTD. Director	None	4,001,173
Director	Hu Sheng-Ching	Jiaoxi High School	Directors of Hu Lane Associate Inc. Hu Lane Associate Inc. President Chairman of Dongguan Hu Lane Electronic Technology Co., Ltd. Director of FORTUNE MASTER DEVELOPMENT LIMITED	Directors of Hu Lane Associate Inc. Hu Lane Associate Inc. President Chairman of Dongguan Hu Lane Electronic Technology Co., Ltd. Director of FORTUNE MASTER DEVELOPMENT LIMITED	None	5,775,315
Director	Chang Ping-Chün	Georgia Institute of Technology Institute of Industrial	Engineer of HannStar Board Hu Lane, Assistant Manager of the Quality Control Division Assistant Manager, R&D	Directors of Hu Lane Associate Inc. Chairman and President of Indonesia Hu Lane Executive Vice President of Global	None	1,936,163

Category	Name	Academic background	Experience	Current job	Represented the government or legal entity Name	Shareholders' Meeting Date of suspension of transfer registration Number of shares
		Engineering	Center, Taipei Production Dept., Taipei Production Division, Hu Lane Chairman and President of Indonesia Hu Lane, Asia Pacific Sales Assistant Vice President	Manufacturing Business Group, Hu Lane Electronics Co., Ltd.		
Director	Hu Shao-Ju	Chinese Culture University Department of Finance	Directors of Hu Lane Associate Inc. Director of Shang He Industrial Co., Ltd. Director of Jiaxing Shanghe Electronic Technology Co., Ltd. Supervisor of Yin Tong Investment Co., Ltd. Supervisor, Fuyin Investment Co., Ltd.	Directors of Hu Lane Associate Inc. Director of Shang He Industrial Co., Ltd. Jiaxing Shanghe Electronic Technology Co., Ltd. Director Supervisor of Yin Tong Investment Co., Ltd. Supervisor, Fuyin Investment Co., Ltd.	None	2,439,251
Director	Liu Chun-Hsiang	Fengyuan High-Tech Business Co., Ltd.	Armani Apparel Co., Ltd. - Principal	Directors of Hu Lane Associate Inc.	None	4,106,005
Director	Lin Yuan-li	Taichung Municipal Wufeng Agricultural and Industrial High School	Sales Manager, Qiao Lin Industrial Co., Ltd. Supervisor of Wei Han Industrial Co., Ltd.	Independent Director of Hu Lane Associate Inc.	None	0
Independent Director	Chang Shyueh-Chih	Soochow University Institute of Accounting	Assistant Manager, Finance, China Development Financial Holding Co., Ltd. The 13th Chairman of the Kaohsiung	Hu Lane Associate Inc. Independent Director Deloitte Taiwan Partner accountant	None	0

Category	Name	Academic background	Experience	Current job	Represented the government or legal entity Name	Shareholders' Meeting Date of suspension of transfer registration Number of shares
			Institute of Certified Public Accountants Vice Chairman of the National Federation of Certified Public Accountants of Taiwan	Supervisor of the National Federation of Certified Public Accountants of Taiwan		
Independent Director	Lin Jaan-Lieh	National Tainan Institute of Technology	Supervisor, APAQ Technology Co., Ltd. President/Director, Wanshin Electronics Co., Ltd. Chief Operating Officer, Taisol Electronics Co., Ltd. Director of Taisol (Japan) Electronics Co., Ltd. Director of Taisol (Suzhou) Electronics Co., Ltd. Director/Legal representative of Taisol (Siyang) Electronics Co., Ltd.	Hu Lane Associate Inc. Independent Director Director, Taisol Electronics Co., Ltd. Consultant of MEC IMEX INC.	None	10,125
Independent Director	Tai Chia-Wei	Fu Jen Catholic University Department of Business Administration	Investment Banking Division, SinoPac Securities Co., Ltd. Vice President Director of SinoPac Venture Capital Co., Ltd. Director, Zhier Venture Capital Co., Ltd. Director, CENS Technology Co., Ltd.	SiS Technology Co., Ltd. Independent Director Everlit Biomedical Co., Ltd. Director	None	0

Note 1: Mr. Lin, Chan-Lieh is highly experienced and able to provide important suggestions to the Company. Although Mr. Lin has been elected as an independent director for three consecutive terms, the Company still needs to take advantage of his professionalism to allow him to perform well in order to give full play to his expertise, and therefore it is intended to nominate him as the Company's Independent Director in this election.

[Annex V]

Hu Lane Associate Inc.

**Financial Statements for the
Years Ended December 31, 2022
and 2021 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Hu Lane Associate Inc.

Opinion

We have audited the accompanying financial statements of Hu Lane Associate Inc. (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its 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 of the financial statements, in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Occurrence of Revenue

For the year ended December 31, 2022, the operating revenue amounted to \$2,671,927 thousand. Some single customers contributed more to the Company's revenue amounted to NT\$1,283,079 thousand. The operating revenue derived from some major customers amounted to \$281,593 thousand. Since some single customers contributed more to the Company's operating revenue and there was material change on the amount of operating revenue as compared with the same period last year, the occurrence of the operating revenue from the abovementioned customers was identified as a key audit matter.

Refer to Note 4 to the Company's financial statements for the accounting policy of revenue recognition.

Our audit procedures performed to verify the occurrence of revenue in respect of the above key audit matter included the following:

1. We obtained an understanding of the design and tested the operating effectiveness of the relevant internal controls.
2. We sampled the transaction documents and the bank collection records, and checked whether the recipients of the products were the same as the counterparties of the transactions.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the supervisors) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 Company'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 Company'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 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Company 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 financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audits resulting in this independent auditors' report are Jiun-hung Shih and Wang-Sheng Lin.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 24, 2023

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

HU LANE ASSOCIATE INC.

BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 128,222	1	\$ 315,728	4
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 23)	443	-	526	-
Notes receivable (Notes 4, 8 and 25)	44,510	1	50,908	1
Trade receivables from unrelated parties (Notes 4 and 8)	267,416	3	241,886	3
Trade receivables from related parties (Note 24)	965,702	11	677,148	9
Other receivables from unrelated parties	16,641	-	12,502	-
Other receivables from related parties (Note 24)	328,919	4	203,926	3
Current tax assets (Notes 4 and 19)	22,242	-	22,666	-
Inventories (Notes 4 and 9)	242,735	3	297,464	4
Other current assets	<u>56,318</u>	<u>1</u>	<u>36,404</u>	<u>1</u>
Total current assets	<u>2,073,148</u>	<u>24</u>	<u>1,859,158</u>	<u>25</u>
NON-CURRENT ASSETS				
Investments accounted for using equity method (Notes 4 and 10)	4,295,872	49	3,336,529	46
Property, plant and equipment (Notes 4, 11 and 25)	2,213,228	26	2,027,333	28
Right-of-use assets (Notes 4 and 12)	12,773	-	8,251	-
Investment properties (Note 4)	2,490	-	2,494	-
Intangible assets (Note 4)	6,329	-	3,684	-
Deferred tax assets (Notes 4 and 19)	33,726	-	34,653	-
Other non-current assets	<u>51,838</u>	<u>1</u>	<u>57,823</u>	<u>1</u>
Total non-current assets	<u>6,616,256</u>	<u>76</u>	<u>5,470,767</u>	<u>75</u>
TOTAL	<u>\$ 8,689,404</u>	<u>100</u>	<u>\$ 7,329,925</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 13 and 25)	\$ 2,111,000	24	\$ 1,200,000	16
Notes payable	26,111	1	2,926	-
Trade payables to unrelated parties	185,205	2	182,939	3
Trade payables to related parties (Note 24)	280,410	3	225,322	3
Other payables to unrelated parties (Note 14)	244,053	3	196,705	3
Other payables to related parties (Note 24)	9,103	-	222,843	3
Current tax liabilities (Notes 4 and 19)	68,660	1	99,887	1
Finance lease payables - current (Notes 4 and 12)	4,852	-	2,764	-
Other current liabilities	<u>16,956</u>	<u>-</u>	<u>21,362</u>	<u>-</u>
Total current liabilities	<u>2,946,350</u>	<u>34</u>	<u>2,154,748</u>	<u>29</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 19)	153,012	2	150,799	2
Finance lease payables - non-current (Notes 4 and 12)	8,114	-	5,567	-
Net defined benefit liabilities - non-current (Notes 4 and 15)	28,676	-	33,797	1
Other non-current liabilities	<u>20</u>	<u>-</u>	<u>20</u>	<u>-</u>
Total non-current liabilities	<u>189,822</u>	<u>2</u>	<u>190,183</u>	<u>3</u>
Total liabilities	<u>3,136,172</u>	<u>36</u>	<u>2,344,931</u>	<u>32</u>
EQUITY (Notes 4 and 16)				
Share capital				
Ordinary shares	<u>996,547</u>	<u>12</u>	<u>996,547</u>	<u>14</u>
Capital surplus	<u>934,183</u>	<u>11</u>	<u>1,033,837</u>	<u>14</u>
Retained earnings				
Legal reserve	949,240	11	871,116	12
Special reserve	263,672	3	262,423	3
Unappropriated earnings	<u>2,550,756</u>	<u>29</u>	<u>2,024,826</u>	<u>28</u>
Total retained earnings	<u>3,763,668</u>	<u>43</u>	<u>3,158,365</u>	<u>43</u>
Other equity	<u>(141,166)</u>	<u>(2)</u>	<u>(203,755)</u>	<u>(3)</u>
Total equity	<u>5,553,232</u>	<u>64</u>	<u>4,984,994</u>	<u>68</u>
TOTAL	<u>\$ 8,689,404</u>	<u>100</u>	<u>\$ 7,329,925</u>	<u>100</u>

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

HU LANE ASSOCIATE INC.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 17 and 24)	\$ 2,671,927	100	\$ 2,468,244	100
OPERATING COSTS (Notes 9, 18 and 24)	<u>1,969,797</u>	<u>74</u>	<u>1,739,357</u>	<u>71</u>
GROSS PROFIT	702,130	26	728,887	29
(UNREALIZED) REALIZED GAIN WITH SUBSIDIARIES (Notes 4 and 24)	<u>(3,627)</u>	<u>-</u>	<u>(33,540)</u>	<u>(1)</u>
REALIZED GROSS PROFIT	<u>698,503</u>	<u>26</u>	<u>695,347</u>	<u>28</u>
OPERATING EXPENSES (Notes 4, 8, 18 and 24)				
Selling and marketing expenses	98,147	4	82,913	3
General and administrative expenses	186,170	7	172,189	7
Research and development expenses	81,962	3	65,292	3
Expected credit loss (reversal of gain)	<u>902</u>	<u>-</u>	<u>(1,515)</u>	<u>-</u>
Total operating expenses	<u>367,181</u>	<u>14</u>	<u>318,879</u>	<u>13</u>
PROFIT FROM OPERATIONS	<u>331,322</u>	<u>12</u>	<u>376,468</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 18)	338	-	386	-
Other income (Notes 18 and 24)	140,542	5	108,509	4
Other gains and losses (Note 18)	57,308	2	(14,514)	(1)
Finance costs (Note 4)	(16,590)	-	(8,604)	-
Share of profit of subsidiaries and associates (Note 4)	<u>580,678</u>	<u>22</u>	<u>430,704</u>	<u>18</u>
Total non-operating income and expenses	<u>762,276</u>	<u>29</u>	<u>516,481</u>	<u>21</u>
PROFIT BEFORE INCOME TAX	1,093,598	41	892,949	36
INCOME TAX EXPENSE (Notes 4 and 19)	<u>93,697</u>	<u>4</u>	<u>104,404</u>	<u>4</u>
NET PROFIT FOR THE YEAR	<u>999,901</u>	<u>37</u>	<u>788,545</u>	<u>32</u>

(Continued)

HU LANE ASSOCIATE INC.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
(Notes 4, 15 and 19)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	\$ 5,026	-	\$ (9,133)	-
Share of other comprehensive gain (loss) of subsidiaries and associates	(1,424)	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(1,005)	-	1,826	-
Total items that will not be reclassified subsequently to profit or loss	2,597	-	(7,307)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	1,708	-	1,694	-
Other comprehensive income (loss) for the year, net of income tax	62,305	3	(2,942)	-
Total items that may be reclassified subsequently to profit or loss	64,013	3	(1,248)	-
Other comprehensive income (loss) for the year, net of income tax	66,610	3	(8,555)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,066,511</u>	<u>40</u>	<u>\$ 779,990</u>	<u>32</u>
EARNINGS PER SHARE (Note 20)				
Basic	<u>\$ 10.03</u>		<u>\$ 7.91</u>	
Diluted	<u>\$ 10.00</u>		<u>\$ 7.89</u>	

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

(Concluded)

HU LANE ASSOCIATE INC.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

						Other Equity		
	Share Capital	Capital	Retained Earnings			Exchange	Unrealized	
	Ordinary	Surplus	Legal Reserve	Special	Unappropriate	Differences on	Gain (Loss) on	
	Shares			Reserve	d Earnings	Translating	Financial	
						Foreign	Assets at Fair	
						Operations	Value	
							Through	
							Other	
							Comprehensiv	Total Equity
							e Income	
BALANCE AT JANUARY 1, 2021	\$ 996,547	\$ 1,133,491	\$ 815,276	\$ 287,251	\$ 1,573,564	\$ (202,507)	\$ -	\$ 4,603,622
Appropriation of 2020 earnings								
Legal reserve	-	-	55,840	-	(55,840)	-	-	-
Special reserve	-	-	-	(24,828)	24,828	-	-	-
Cash dividends	-	-	-	-	(298,964)	-	-	(298,964)
Cash dividends from capital surplus	-	(99,654)	-	-	-	-	-	(99,654)
Net profit for the year ended December 31, 2021	-	-	-	-	788,545	-	-	788,545
Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	(7,307)	(1,248)	-	(8,555)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	781,238	(1,248)	-	779,990
BALANCE AT DECEMBER 31, 2021	996,547	1,033,837	871,116	262,423	2,024,826	(203,755)	-	4,984,994
Appropriation of 2021 earnings								
Legal reserve	-	-	78,124	-	(78,124)	-	-	-
Special reserve	-	-	-	1,249	(1,249)	-	-	-
Cash dividends	-	-	-	-	(398,619)	-	-	(398,619)
Cash dividends from capital surplus	-	(99,654)	-	-	-	-	-	(99,654)
Net profit for the year ended December 31, 2022	-	-	-	-	999,901	-	-	999,901
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	4,021	64,013	(1,424)	66,610
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	1,003,922	64,013	(1,424)	1,066,511
BALANCE AT DECEMBER 31, 2022	<u>\$ 996,547</u>	<u>\$ 934,183</u>	<u>\$ 949,240</u>	<u>\$ 263,672</u>	<u>\$ 2,550,756</u>	<u>\$ (139,742)</u>	<u>\$ (1,424)</u>	<u>\$ 5,553,232</u>

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

HU LANE ASSOCIATE INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,093,598	\$ 892,949
Adjustments for:		
Depreciation expenses	82,164	56,300
Amortization expenses	11,794	6,629
Expected credit (gain) loss recognized	902	(1,515)
Net gain (loss) on fair value change of financial assets and liabilities at fair value through profit or loss	83	(1,387)
Finance costs	16,590	8,604
Interest income	(338)	(386)
Dividend income	(31)	(26)
Share of loss of subsidiaries/and associates	(580,678)	(430,704)
Gain on disposal of property, plant and equipment	(512)	(6,036)
Reversal of gain on lease modifications	(6)	-
Write-downs of inventories	(3,014)	10,547
Unrealized loss (gain) on transactions with subsidiaries	3,627	33,540
Gain from bargain purchase	(15,341)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	-	1,258
Notes receivable	6,398	6,217
Trade receivables from unrelated parties	(26,463)	(30,861)
Trade receivables from related parties	(288,554)	(5,767)
Other receivables from unrelated parties	(4,139)	(5,956)
Other receivables from related parties	(124,993)	(55,352)
Inventories	57,755	(132,764)
Other current assets	(19,914)	(29,635)
Other non-current assets	8,364	(38,719)
Notes payable	23,185	68
Trade payables from unrelated parties	2,266	60,801
Trade payables from related parties	55,088	126,113
Other payables from unrelated parties	29,878	18,693
Other payables from related parties	(213,740)	222,034
Other current liabilities	(9,894)	(486)
Net defined benefit liability	(95)	(2,283)
Cash generated from operations	103,980	701,876
Interest received	338	386
Interest paid	(15,206)	(8,340)
Income tax paid	(98,682)	(73,650)
Net cash (used in) generated from operating activities	(9,570)	620,272
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments accounted for using the equity method	(16,608)	-
Payments for acquisition of subsidiary	(154,892)	-

(Continued)

HU LANE ASSOCIATE INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Payments for property, plant and equipment	\$ (285,763)	\$ (211,684)
Proceeds from disposal of property, plant and equipment	33,397	24,692
Increase in refundable deposits	(674)	(1,374)
Payments for intangible assets	(5,430)	(4,954)
Dividends received	<u>31</u>	<u>26</u>
Net cash used in investing activities	<u>(429,939)</u>	<u>(193,294)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short-term borrowings	911,000	10,000
Repayment of the principal portion of lease liabilities	(3,937)	(1,763)
Dividends paid to owners of the Company	(498,273)	(398,618)
Payment of ownership interests in subsidiaries	<u>(133,740)</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>275,050</u>	<u>(390,381)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(23,047)</u>	<u>(18,862)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(187,506)	17,735
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>315,728</u>	<u>297,993</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 128,222</u>	<u>\$ 315,728</u>

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

(Concluded)

Hu Lane Associate Inc. and Subsidiaries

**Consolidated Financial Statements for the
Years Ended December 31, 2022 and 2021 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2022 are the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

HU LANE ASSOCIATE INC.

By

March 24, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Hu Lane Associate Inc.

Opinion

We have audited the accompanying consolidated financial statements of Hu Lane Associate Inc. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and 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 accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits of the consolidated financial statements, in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 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, and we do not provide a separate opinion on these matters.

Occurrence of Revenue

For the year ended December 31, 2022, the consolidated operating revenue amounted to NT\$6,526,749 thousand. The operating revenue derived from some major customers amounted to NT\$2,261,346 thousand. Since some single customers contributed more to the Group's operating revenue and there was material change on the amount of operating revenue as compared with the same period last year, the occurrence of the operating revenue from the abovementioned customers was identified as a key audit matter.

Refer to Note 4 to the Group's consolidated financial statements for the accounting policy of revenue recognition.

Our audit procedures performed to verify the occurrence of revenue in respect of the above key audit matter included the following:

1. We obtained an understanding of the design and tested the operating effectiveness of the relevant internal controls.
2. We sampled the transaction documents and the bank collection records, and checked whether the recipients of the products were the same as the counterparties of the transactions.

Other Matter

We have also audited the parent company only financial statements of the Company as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 supervisors, 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditors' 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 content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audits resulting in this independent auditors' report are Jiun-hung Shih and Wang-Sheng Lin.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 24, 2023

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

HU LANE ASSOCIATE INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 966,258	9	\$ 678,299	8
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	17,269	-	526	-
Financial assets at amortized cost (Notes 4 and 9)	178,118	2	-	-
Notes receivable (Notes 4, 10, 26 and 28)	743,247	7	737,935	9
Trade receivables from unrelated parties (Notes 4 and 10)	2,155,832	20	1,399,929	17
Trade receivables from related parties (Note 27)	39,730	-	-	-
Other receivables	25,339	-	18,998	-
Current tax assets (Notes 4 and 22)	28,754	-	25,107	-
Inventories (Notes 4 and 11)	1,820,475	17	1,295,240	16
Other current assets	<u>342,183</u>	<u>3</u>	<u>289,833</u>	<u>4</u>
Total current assets	<u>6,317,205</u>	<u>58</u>	<u>4,445,867</u>	<u>54</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 26)	6,784	-	-	-
Investments accounted for using the equity method (Notes 4 and 13)	12,529	-	-	-
Property, plant and equipment (Notes 4, 14 and 28)	4,076,970	37	3,473,745	42
Right-of-use assets (Notes 4 and 15)	257,580	2	94,193	1
Investment properties (Note 4)	2,490	-	2,494	-
Other intangible assets (Note 4)	42,838	1	19,778	-
Deferred tax assets (Notes 4 and 22)	42,736	-	34,653	1
Other non-current assets	<u>213,074</u>	<u>2</u>	<u>129,784</u>	<u>2</u>
Total non-current assets	<u>4,655,001</u>	<u>42</u>	<u>3,754,647</u>	<u>46</u>
TOTAL	<u>\$ 10,972,206</u>	<u>100</u>	<u>\$ 8,200,514</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 16 and 28)	\$ 2,752,578	25	\$ 1,523,936	19
Notes payable	26,220	-	2,926	-
Trade payables to unrelated parties	1,171,023	11	763,562	9
Other payables to unrelated parties (Notes 17 and 26)	722,908	6	500,576	6
Current tax liabilities (Notes 4 and 22)	80,196	1	127,836	2
Finance lease payables - current (Notes 4 and 15)	20,237	-	14,865	-
Other current liabilities	<u>112,649</u>	<u>1</u>	<u>41,556</u>	<u>-</u>
Total current liabilities	<u>4,885,811</u>	<u>44</u>	<u>2,975,257</u>	<u>36</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 22)	294,481	3	169,086	2
Finance lease payables - non-current (Notes 4 and 15)	181,776	2	10,745	-
Net defined benefit liabilities - non-current (Notes 4 and 18)	28,676	-	33,797	1
Other non-current liabilities	<u>6,807</u>	<u>-</u>	<u>7,586</u>	<u>-</u>
Total non-current liabilities	<u>511,740</u>	<u>5</u>	<u>221,214</u>	<u>3</u>
Total liabilities	<u>5,397,551</u>	<u>49</u>	<u>3,196,471</u>	<u>39</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 19)				
Share capital				
Ordinary shares	<u>996,547</u>	<u>9</u>	<u>996,547</u>	<u>12</u>
Capital surplus	<u>934,183</u>	<u>9</u>	<u>1,033,837</u>	<u>13</u>
Retained earnings				
Legal reserve	949,240	9	871,116	10
Special reserve	263,672	2	262,423	3
Unappropriated earnings	<u>2,550,756</u>	<u>23</u>	<u>2,024,826</u>	<u>25</u>
Total retained earnings	<u>3,763,668</u>	<u>34</u>	<u>3,158,365</u>	<u>38</u>
Other equity	<u>(141,166)</u>	<u>(1)</u>	<u>(203,755)</u>	<u>(2)</u>
Total equity attributable to owners of the Company	5,553,232	51	4,984,994	61
NON-CONTROLLING INTERESTS	<u>21,423</u>	<u>-</u>	<u>19,049</u>	<u>-</u>
Total equity	<u>5,574,655</u>	<u>51</u>	<u>5,004,043</u>	<u>61</u>
TOTAL	<u>\$ 10,972,206</u>	<u>100</u>	<u>\$ 8,200,514</u>	<u>100</u>

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

HU LANE ASSOCIATE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 20 and 27)	\$ 6,526,749	100	\$ 4,948,862	100
OPERATING COSTS (Notes 11 and 21)	<u>4,561,586</u>	<u>70</u>	<u>3,213,022</u>	<u>65</u>
GROSS PROFIT	<u>1,965,163</u>	<u>30</u>	<u>1,735,840</u>	<u>35</u>
OPERATING EXPENSES (Notes 4, 10 and 21)				
Selling and marketing expenses	238,991	4	232,948	5
General and administrative expenses	399,823	6	330,505	7
Research and development expenses	287,762	4	212,423	4
Expected credit loss (reversal gain)	<u>839</u>	<u>-</u>	<u>(7,634)</u>	<u>-</u>
Total operating expenses	<u>927,415</u>	<u>14</u>	<u>768,242</u>	<u>16</u>
PROFIT FROM OPERATIONS	<u>1,037,748</u>	<u>16</u>	<u>967,598</u>	<u>19</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 21)	4,981	-	2,235	-
Other income (Note 21)	96,279	1	31,911	1
Other gains and losses (Note 21)	161,780	3	(32,541)	(1)
Finance costs (Note 4)	(38,752)	(1)	(13,388)	-
Share of profit or loss of associates and joint ventures (Note 13)	<u>(4,240)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating income and expenses	<u>220,048</u>	<u>3</u>	<u>(11,783)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	1,257,796	19	955,815	19
INCOME TAX EXPENSE (Notes 4 and 22)	<u>255,521</u>	<u>4</u>	<u>160,107</u>	<u>3</u>
NET PROFIT FOR THE YEAR	<u>1,002,275</u>	<u>15</u>	<u>795,708</u>	<u>16</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 18 and 22)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	5,026	-	(9,133)	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(1,424)	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(1,005)</u>	<u>-</u>	<u>1,826</u>	<u>-</u>
	<u>2,597</u>	<u>-</u>	<u>(7,307)</u>	<u>-</u>

(Continued)

HU LANE ASSOCIATE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	\$ 63,852	1	\$ (1,248)	-
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	<u>161</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>64,013</u>	<u>1</u>	<u>(1,248)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>66,610</u>	<u>1</u>	<u>(8,555)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,068,885</u>	<u>16</u>	<u>\$ 787,153</u>	<u>16</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 999,901	15	\$ 788,545	16
Non-controlling interests	<u>2,374</u>	<u>-</u>	<u>7,163</u>	<u>-</u>
	<u>\$ 1,002,275</u>	<u>15</u>	<u>\$ 795,708</u>	<u>16</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,066,511	16	\$ 779,990	16
Non-controlling interests	<u>2,374</u>	<u>-</u>	<u>7,163</u>	<u>-</u>
	<u>\$ 1,068,885</u>	<u>16</u>	<u>\$ 787,153</u>	<u>16</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 10.03</u>		<u>\$ 7.91</u>	
Diluted	<u>\$ 10.00</u>		<u>\$ 7.89</u>	

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

HU LANE ASSOCIATE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company						Other Equity		Total	Non-controlling Interests	Total Equity
	Share Capital Ordinary Shares	Capital Surplus	Retained Earnings			Exchange Differences on Translating Foreign Operations	Unrealized Valuation Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
			Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE AT JANUARY 1, 2021	\$ 996,547	\$ 1,133,491	\$ 815,276	\$ 287,251	\$ 1,573,564	\$ (202,507)	\$ -	\$ 4,603,622	\$ 11,886	\$ 4,615,508	
Appropriation of 2020 earnings											
Legal reserve	-	-	55,840	-	(55,840)	-	-	-	-	-	
Special reserve	-	-	-	(24,828)	24,828	-	-	-	-	-	
Cash dividends	-	-	-	-	(298,964)	-	-	(298,964)	-	(298,964)	
Cash dividends from capital surplus	-	(99,654)	-	-	-	-	-	(99,654)	-	(99,654)	
Net profit for the year ended December 31, 2021	-	-	-	-	788,545	-	-	788,545	7,163	795,708	
Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	(7,307)	(1,248)	-	(8,555)	-	(8,555)	
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	781,238	(1,248)	-	779,990	7,163	787,153	
BALANCE AT DECEMBER 31, 2021	996,547	1,033,837	871,116	262,423	2,024,826	(203,755)	-	4,984,994	19,049	5,004,043	
Appropriation of 2021 earnings											
Legal reserve	-	-	78,124	-	(78,124)	-	-	-	-	-	
Special reserve	-	-	-	1,249	(1,249)	-	-	-	-	-	
Cash dividends	-	-	-	-	(398,619)	-	-	(398,619)	-	(398,619)	
Cash dividends from capital surplus	-	(99,654)	-	-	-	-	-	(99,654)	-	(99,654)	
Net profit for the year ended December 31, 2022	-	-	-	-	999,901	-	-	999,901	2,374	1,002,275	
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	4,021	64,013	(1,424)	66,610	-	66,610	
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	1,003,922	64,013	(1,424)	1,066,511	2,374	1,068,885	
BALANCE AT DECEMBER 31, 2022	\$ 996,547	\$ 934,183	\$ 949,240	\$ 263,672	\$ 2,550,756	\$ (139,742)	\$ (1,424)	\$ 5,553,232	\$ 21,423	\$ 5,574,655	

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

HU LANE ASSOCIATE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,257,796	\$ 955,815
Adjustments for:		
Depreciation expenses	346,815	269,797
Amortization expenses	36,991	34,343
Expected credit loss (reversal gain) recognized	839	(7,634)
Net loss (gain) on fair value change of financial assets and liabilities at fair value through profit or loss	1,676	(1,387)
Finance costs	38,752	13,388
Interest income	(4,981)	(2,235)
Dividend income	(225)	(26)
Share of loss of associates and joint ventures	4,240	-
(Gain) loss on disposal of property, plant and equipment	(83,554)	199
Gain on lease modifications	(272)	-
Write-downs of inventories	19,309	55,408
Gain from bargain purchase	(15,341)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	-	1,258
Notes receivable	(2,848)	(115,178)
Trade receivables	(620,580)	(97,700)
Trade receivables from related parties	(39,730)	-
Other receivables	(6,026)	(6,511)
Inventories	(466,283)	(547,134)
Other current assets	(34,573)	(174,129)
Other non-current assets	117,545	(4,549)
Notes payable	23,058	68
Trade payables from unrelated parties	278,004	243,185
Other payables	109,322	110,085
Other current liabilities	40,303	(12,338)
Provisions - non-current	(95)	(2,283)
Other non-current liabilities	(784)	744
Cash generated from operations	999,358	713,186
Interest received	4,981	2,235
Interest paid	(38,752)	(13,093)
Income tax received	17,868	15,953
Income tax paid	(191,742)	(126,867)
Net cash generated from operating activities	<u>791,713</u>	<u>591,414</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(2,540)	-
Purchase of financial assets at amortized cost	(178,118)	-

(Continued)

HU LANE ASSOCIATE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Purchase of financial assets at fair value through profit or loss	\$ (925)	\$ -
Proceeds from disposal of financial assets at fair value through profit or loss	920	-
Investments accounted for using the equity method	(16,608)	-
Payments for acquisition of subsidiary	(118,099)	-
Payments for property, plant and equipment	(1,065,193)	(591,445)
Proceeds from disposal of property, plant and equipment	181,596	54,550
Increase in refundable deposits	-	(5,050)
Decrease in refundable deposits	2,083	-
Payments for intangible assets	(26,090)	(4,974)
Dividends received	<u>225</u>	<u>26</u>
Net cash used in investing activities	<u>(1,222,749)</u>	<u>(546,893)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short-term borrowings	1,208,642	299,751
Proceeds from guarantee deposits received	5	-
Refund of guarantee deposits received	-	(90)
Repayment of the principal portion of lease liabilities	(25,776)	(8,135)
Dividends paid to owners of the Company	<u>(498,273)</u>	<u>(398,618)</u>
Net cash generated from (used in) financing activities	<u>684,598</u>	<u>(107,092)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>34,397</u>	<u>(32,089)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	287,959	(94,660)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>678,299</u>	<u>772,959</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 966,258</u>	<u>\$ 678,299</u>

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

[Annex VI]

Hu Lane Associate Inc.
Earnings Appropriation Table for 2022

Unit: NTD

Item	Subtotal	Total
Undistributed earnings at the beginning of the period		1,546,836,206
Net income after tax	999,901,019	
Remeasurement of the defined benefit plan recognized in retained earnings	4,020,742	
The amount of the current after-tax net income plus the items other than the current after-tax net profit included in the current year's undistributed earnings		1,003,921,761
Appropriation of legal reserve (Note 1)		(47,306,115)
Reversal of special reserve (Note 2)		62,589,234
Distributable earnings of the current period		2,566,041,086
Distribution item		
Shareholders' cash dividend (NT\$4.6/share)	(458,411,652)	(458,411,652)
Undistributed earnings at the end of the period		2,107,629,434

Note 1: Handled in accordance with Article 237 of the Company Act. After the Company has paid all taxes and distributed earnings, it shall first set aside 10% of the earnings as legal reserve. However, this restriction does not apply when the legal reserve has reached the amount of paid-in capital.

Note 2: The reversal of the special reserve shall be processed in accordance with Article 41 of the Securities and Exchange Act. In addition, according to the regulations of FSC No. 1090150022, when there is a reversal of the net amount of the deduction of other equity, the portion of the reversal can be reversed. Special reserves are allocated from earnings.

Note 3: The Company's dividends are distributed based on the total share count of 99,654,707 shares as of April 21, 2023.

Note 4: The cash dividends are distributed proportionally to the nearest NTD. Below NTD\$ is rounded off. The distribution of fractional amounts less than NTD1 is recognized in the Company's other income.

Chairman:
Chang Tzu-Hsiung

Manager:
Hu Sheng-Ching

Accounting Supervisor:
Chang Chia-Chi

[Annex VII]

The Comparison Table of the “Articles of Incorporation” of Hu Lane Associate Inc.

Approved by the Board of Directors on March 24, 2023

Article No.	Amendment	Current provisions	Description
Article 1	The Company was incorporated in accordance with the Company Act and its name was HU LANE ASSOCIATE INC.	The Company was incorporated in accordance with the Company Act and its name was HU LANE ASSOCIATE INC.	The wording of Article 1 is amended to meet practical needs.
Article 8	The shareholders’ meeting is divided into ordinary shareholders’ meetings and extraordinary shareholders’ meetings. The ordinary shareholders’ meetings are convened once a year and are convened by the Board of Directors in accordance with the laws within six months after the end of each fiscal year. <u>Shareholders’ meetings may be held by video conference or in other manners as announced by the central competent authority.</u>	The shareholders’ meeting is divided into ordinary shareholders’ meetings and extraordinary shareholders’ meetings. The ordinary shareholders’ meetings are convened once a year and are convened by the Board of Directors in accordance with the laws within six months after the end of each fiscal year.	Amendment to Article 8 of the Company’s flexible convening of shareholders’ meetings by video connection in accordance with the laws and regulations.

Article No.	Amendment	Current provisions	Description
Article 24	These Articles of Incorporation were enacted on May 28, 1977. Amendment was made for the first time on June 18, 1977. The second amendment was made on April 17, 1979. The third amendment was made on May 23, 1981. The fourth amendment was made on June 1, 1983. The fifth amendment was made on November 27, 1990. The sixth amendment was made on July 29, 1995. The seventh amendment was made on December 8, 1997. The eighth amendment was made on December 17, 1999. The ninth amendment was made on December 9, 1990. The tenth amendment was made on January 15, 2001. The eleventh amendment was made on April 20, 2001. Amendment was made for the 12th instance on June 20, 2002. Amendment was made for the 13th instance on May 28, 2004. The fourteenth amendment was made on June 14, 2005. Amendment was made for the 15th instance on June 14, 2006. Amendment was made for the 16th instance on June 13, 2007. Amendment was made for the 17th instance on June 13, 2008. Amendment was made for the 18th instance on June 16, 2009. The nineteenth amendment was made on June 15, 2000. The twentieth amendment was made on June 28, 2012. The twenty first amendment was made on June 28, 2013. The twenty second amendment was made on June 18, 2014. The twenty third amendment was made on June 27, 2016. The twenty fourth amendment was made on June 18, 2019. The twenty fifth amendment was made on June 19, 2020. <u>The twenty sixth amendment was made on June 19, 2023.</u>	These Articles of Incorporation were enacted on May 28, 1977. Amendment was made for the first time on June 18, 1977. The second amendment was made on April 17, 1979. The third amendment was made on May 23, 1981. The fourth amendment was made on June 1, 1983. The fifth amendment was made on November 27, 1990. The sixth amendment was made on July 29, 1995. The seventh amendment was made on December 8, 1997. The eighth amendment was made on December 17, 1999. The ninth amendment was made on December 9, 1990. The tenth amendment was made on January 15, 2001. The eleventh amendment was made on April 20, 2001. Amendment was made for the 12th instance on June 20, 2002. Amendment was made for the 13th instance on May 28, 2004. The fourteenth amendment was made on June 14, 2005. Amendment was made for the 15th instance on June 14, 2006. Amendment was made for the 16th instance on June 13, 2007. Amendment was made for the 17th instance on June 13, 2008. Amendment was made for the 18th instance on June 16, 2009. The nineteenth amendment was made on June 15, 2000. The twentieth amendment was made on June 28, 2012. The twenty first amendment was made on June 28, 2013. The twenty second amendment was made on June 18, 2014. The twenty third amendment was made on June 27, 2016. The twenty fourth amendment was made on June 18, 2019. The twenty fifth amendment was made on June 19, 2020.	Amendments were made to Article 24 by adding new words to meet practical needs.

[Annex VIII]

Schedule of the Removal of Restrictions on Directors Competing in Business

Job title	Name	Position held in another company
Director	Chang Tzu-Hsiung	Chairman of Hu Lane Electronics (Vietnam) Co., Ltd. Executive Director of Hu Lane Electronics (Nanjing) Co., Ltd. Director of Dongguan Hu Lane Electronic Technology Co., Ltd. Executive Director of Dongguan Hu Lane Puguang Trading Co., Ltd. Director of Chang Yi Investment Co. , Ltd. Director of Delford Investments Co. , Ltd.
Director	Hu Sheng-Ching	Chairman of Dongguan Hu Lane Electronic Technology Co., Ltd. Director of FORTUNE MASTER DEVELOPMENT LIMITED Ltd.
Director	Chang Ping-Chün	Chairman of Hu Lane Technology Manufacturing Co., Ltd.

Chapter 10. Appendix

[Appendix I]

Hu Lane Associate Inc. Rules of Procedure for Shareholders' Meetings

Passed by the shareholders' meeting on June 28, 2012

- I. Except as otherwise provided by law, the Shareholders' Meetings of the Company shall be handled in accordance with these Rules.
- II. The Company shall set up an attendance register for the attending shareholders to sign, or the attending shareholders may hand in their sign-in card in lieu of signing in. The number of shares attending the meeting shall be calculated based on the attendance card or the attendance card handed in plus the number of shares exercising voting rights in writing or electronic means.
- III. The attendance and voting of shareholders shall be counted on the basis of shares.
- IV. A shareholders' meeting shall be held at the premises of the Company or at a convenient and suitable place for shareholders to attend. The meeting shall begin no earlier than 9:00 a.m. or later than 3:00 p.m..
- V. If a shareholders meeting is convened by the Board of Directors, the Chairman of the meeting shall preside over the meeting. If the Chairman is on leave or is unable to exercise his/her power for any reason, the Vice Chairman will preside over the meeting. The Chairman shall appoint a Managing Director to act as his/her deputy. If there is no Managing Director, a Managing Director shall be appointed to act as the deputy.
If the shareholders' meeting is convened by any authorized party other than the Board of Directors, such party shall preside over the meeting.
- VI. The Company may appoint its appointed lawyers, accountants, or other related personnel to attend the shareholders' meeting as non-voting guests.
The administrative personnel of the Shareholders' Meeting shall wear ID badges or arm badges.
- VII. The Company shall keep an audio recording or videotaping of the entire shareholders' meeting held for at least one year.
- VIII. The Chairman shall declare the meeting in session convened immediately after the session was convened. However, when the attending shareholders do not represent more than half of the total number of shares issued, the Chairman may declare a postponement, provided that the number of such postponements shall not exceed two and the duration of such postponement shall not exceed one hour. If the quorum is not met after two postponements and shareholders representing more than one-third of the total outstanding shareholders are present, a tentative resolution may be reached in accordance with Article 175-1 of the Company Act.
If, prior to the conclusion of the meeting, the attending shareholders have represented

more than half of the total outstanding shares, the Chair may resubmit the tentative resolution for voting at the general meeting in accordance with Article 174 of the Company Act.

- IX. If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in accordance with the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions referred to above shall apply *mutatis mutandis* if the shareholders' meeting is convened by a person authorized to convene it other than the Board of Directors.

The chair may not announce that the meeting is adjourned until a resolution has been reached in respect of the two meetings on the agenda (including extraordinary motions).

- X. The attending shareholders must fill out and submit the statement slip stating the purpose of the speech, the shareholder account number (or attendance card number), and account name. The chair shall specify the order of speakers.

Shareholders who present a statement slip but do not speak are deemed not to have spoken. If the content of the speech is inconsistent with the statement slip, the content of the speech shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have obtained the consent of the chair and the shareholder who speaks. The chair shall stop the offender from speaking.

- XI. Shareholders' inquiries about the matters to be reported in the agenda shall be read out or reported by the Chairman or the person designated by the shareholders in full. Each person may not speak more than twice and each speech may not exceed 5 minutes. However, with the permission of the Chairman, the speech may be extended for 5 minutes and is limited to one extension.

The time and frequency of speeches stated in the preceding paragraph shall apply *mutatis mutandis* to shareholders' speech on each motion of the acknowledgment and discussion on the agenda, and each motion put forward in the procedure for impromptu motions.

The time and frequency of shareholders' statements regarding the questions and responses not included in the extraordinary motion of the agenda shall apply to the provisions in Paragraph 1 *mutatis mutandis*.

The Chairman may stop a shareholder from speaking that is in violation of the preceding paragraph or exceeds the scope of the agenda.

- XII. When a legal person is appointed to attend the shareholders' meeting, such legal person may appoint only one representative to attend the meeting.

When an institutional shareholder appoints two or more proxies to attend the

shareholders' meeting, only one of them may speak on the same motion.

XIII. After an attending shareholder has spoken, the Chairman may reply in person or designate the relevant personnel to respond.

XIV. When the Chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chair may announce that the discussion is closed and call a vote.

XV. The Chairman shall appoint personnel to monitor the ballots and count the votes for the voting on a proposal, provided that the personnel shall be shareholders of the Company.

The counting of votes shall be conducted in public at the venue of the shareholders' meeting, and the voting results shall be reported on-site and made into minutes.

XVI. During a meeting, the chair may announce a break at his/her discretion.

XVII. Unless otherwise provided in the Company Act or the Articles of Incorporation, the voting for a proposal shall require the consent of a majority of the voting rights represented by the attending shareholders. If no objection is raised at the time of the chairperson's inquiry, it shall be deemed that the proposal has been passed.

XVIII. When there is an amendment or alternative to the same motion, the chair shall determine the order of voting on the same motion. If one of the motions is passed, the other motions shall be deemed as vetoed and no further voting is required.

XIX. The chair may assign attendants (or security personnel) to assist in maintaining order at the venue of the meeting. Service personnel (or security personnel) shall wear arm badges marked "Attentive Personnel" when assisting in maintaining order at the scene.

XX. Matters not specified in these Rules shall be handled in accordance with the Company Act and other relevant laws and regulations, and shall come into force after being approved by the shareholders' meeting. The same procedure is applicable for any amendment thereto.

[Appendix II]

Hu Lane Associate Inc.
Articles of Incorporation

Passed by the shareholders' meeting on June 19, 2020

Chapter 1 General Provisions

Article 1: The Company shall be incorporated in accordance with the Company Act and its name shall be Hu Lane Associate Inc.
The English name is HU LANE ASSOCIATE INC.

Article 2: The business of the Company is as follows:

1. Manufacturing, processing, and trading of electronic components, (terminals), hardware, and mechanical accessories.
2. Domestic and foreign sales of ready-to-wear cotton textiles and handicrafts.
3. Import and export trade and acting as an agent for product distribution, bidding, and quotation of domestic and foreign manufacturers.
4. CC01080 Electronic Components Manufacturing.
5. CQ01010 Mold and Die Manufacturing.
6. F119010 Wholesale of Electronic Materials.
7. F219010 Retail Sale of Electronic Materials.
8. F106030 Wholesale of Molds.
9. F206030 Retail Sale of Molds.
10. C804020 Industrial Rubber Products Manufacturing.
11. C805050 Industrial Plastic Products Manufacturing.
12. I103060 Management Consulting.
13. All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The total amount of the Company's reinvestment in other enterprises is not limited by Article 13 of the Company Act. For business needs, the Company may establish mutual guarantees with peers and subsidiaries in accordance with government regulations.

Article 4: The Company's head office shall be located in New Taipei City. When necessary, upon the resolution of the Board of Directors, branch offices may be established domestically or overseas.

Chapter 2 Shares

Article 5: The total capital of the Company shall be NTD 1,200,000,000 , divided into 120,000,000 shares at NTD 10 per share.
Among them, NT\$35 million is divided into 3.5 million shares, at NT\$10 per share, for the issuance of employee stock warrants.
If the Company intends to issue employee warrants at a subscription price lower than the market price, such warrants may be issued only after obtaining the resolution of the shareholders' meeting in accordance with Article 56-1 and Article 76 of the "Regulations Governing the Offering and Issuance of Securities by Issuers".

Article 6: The shares of the Company are exempted from printing share certificates, but

shall be registered with the Centralized Securities Depository Enterprise.

Article 7: The rebranding and transfer of shares shall be effected within 60 days prior to the ordinary shareholders' meeting, 30 days prior to the extraordinary shareholders' meeting, or within 5 days prior to the record date for the distribution of dividends and bonuses or other interests by the Company.

Chapter 3 Shareholders' Meeting

Article 8: The shareholders' meeting shall be divided into ordinary shareholders' meetings and extraordinary shareholders' meetings. The ordinary shareholders' meetings shall be convened once a year and shall be convened by the Board of Directors within six months after the close of each fiscal year according to the laws. The extraordinary shareholders' meetings shall be convened when necessary in accordance with the laws.

Article 9: When a shareholder, for any reason, cannot attend a shareholders' meeting, he or she may proceed in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings by Public Companies".

Article 10: Shareholders of the Company shall have one voting right for each share held, except under the circumstances specified in Article 179 of the Company Act.

Article 11: Unless otherwise specified in company law, a resolution of a shareholders' meeting shall be made by a majority of the voting rights represented by a majority of the shareholders present, provided that in the following circumstances, their voting rights shall not be adopted. When two-thirds of the total number of issued shares are present, the resolution shall be approved by a majority of the shareholders present at the meeting.

1. Purchasing or merging other domestic or foreign enterprises.

2. Dissolution, liquidation, or division.

Article 12: Resolutions of the shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the shareholders' meeting and shall be distributed to all shareholders within 20 days after the meeting. The preparation and distribution of the minutes of the meeting may be made electronically or by public announcement.

Chapter 4 Directors and Audit Committee

Article 13: The Company shall have 7 to 11 Directors with a term of office of three years. The candidate nomination system shall be adopted. The Directors shall be elected by the shareholders' meeting from the candidate list of Directors, and shall be eligible for re-election. The number of independent directors shall not be less than three and no less than 1/5 of the total number of directors.

The independent directors' professional qualifications, restrictions on shareholding, and part-time job held, confirmation of independence, nomination and election methods, and other matters to be followed shall be handled in accordance with the relevant regulations of the competent authority. The Company may purchase liability insurance for the compensation liabilities of the Directors in accordance with the laws and regulations during their term of office.

Article 13-1: The Company has established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act

The exercise of powers, organizational rules, and matters to be complied with by the Audit Committee shall be handled in accordance with the relevant laws and regulations or the Company's Articles of Incorporation.

Article 14: The Board of Directors shall be organized by the Directors. One of the Directors shall be elected from among the Directors with the attendance of more than two-thirds of the Directors and the consent of more than half of the attending Directors to represent the Company. In the event that the Chairman is on leave or is unable to perform his or her duties for any reason, the proxy thereof shall be handled in accordance with Article 208 of the Company Act. The reasons for convening a Board of Directors' meeting shall be stated and notified to all Directors seven days in advance. However, in case of an emergency, a Board of Directors' meeting may be convened at any time. The Board of Directors of the Company may be convened in writing, E-mail, or fax.

Article 15: Unless otherwise specified in the Company Act, resolutions of the Board of Directors shall be executed with the attendance of a majority of the directors and the consent of a majority of the directors present. A director may authorize another director in writing to attend the board meeting as a proxy and enumerate the scope of authorization of the reasons for convening the meeting, and appoint another director to attend the board meeting as a proxy, provided that the proxy is limited to one person.

Article 16: When the vacancy of directors reaches one-third of the total number of vacancies, all directors shall be dismissed from office, and the Board of Directors shall convene a special shareholders' meeting within 60 days to have by-elections limited to the term of office of the original directors.

Article 17: The Board of Directors is authorized to determine the remuneration to directors in accordance with the standard of the same industry in the industry. All directors are entitled to travel allowances of NT\$10,000 per month.

Chapter 5 Managers

Article 18: The Company may have managerial officers. The appointment, discharge, and remuneration of the managerial officers shall be handled in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 19: At the end of each fiscal year, the Board of Directors shall prepare (i) the business report, (ii) financial statements, and (iii) the proposal for distribution of earnings or covering losses and submit it to the general shareholders' meeting in accordance with the laws.

Article 20: If the Company has a profit for the year (the so-called profit refers to the profit before tax less the remuneration of employees and the remuneration of directors), 1% to 10% shall be distributed as employee remuneration, and not more than 1% as directors' remuneration. However, when the Company still has accumulated deficits (including the adjustment of undistributed earnings), the Company shall reserve the amount to compensate in advance, and then appropriate the aforementioned proportion as remuneration to employees and remuneration to directors.

The remuneration to employees referred to in the preceding paragraph may be

paid in shares or cash, and the recipients of the remuneration may include employees of the affiliated company who meet certain criteria. The eligibility criteria are determined by the Board of Directors.

The preceding two paragraphs shall be implemented by a resolution of the Board of Directors and reported to the shareholders' meeting.

Article 21: If the Company has net profit in the annual final settlement, the accumulated losses shall be covered first (including the adjustment of the undistributed earnings) and then 10% shall be appropriated as the legal reserve. When the amount of paid-in capital of the Company is reached, no further appropriation may be required. The remaining amount shall be appropriated or reversed according to the laws or regulations. If there is still a surplus, the accumulated undistributed surplus at the beginning of the period (including adjusting the amount of the undistributed surplus) will be added to the shareholders' meeting for resolution by the Board of Directors to propose a proposal for the distribution of surplus.

Article 22: The Company will, in consideration of the environment and the growth stage in which the Company is situated, respond to future capital needs, long-term financial planning, and shareholders' needs for cash inflow, the Company will distribute cash dividends and stock dividends in combination. The amount of dividends shall not be less than 10% of the total dividends.

Chapter 7 Supplementary Provisions

Article 23: Any matters not specified in the Articles of Incorporation shall be handled in accordance with the Company Act.

Article 24: The Articles of Incorporation were established on May 28, 1977. Amendment was made for the first time on June 18, 1977. Amendment for the 2nd instance on April 17, 1979. The third amendment was made on May 23, 1981. The fourth amendment was made on June 1, 1983. The fifth amendment was made on November 27, 1990. The sixth amendment was made on July 29, 1995. The seventh amendment was made on December 8, 1997. The eighth amendment was made on December 17, 1999. The ninth amendment was made on December 9, 1990. The tenth amendment was made on January 15, 2001. The eleventh amendment was made on April 20, 2001. Amendment was made for the 12th instance on June 20, 2002. Amendment was made for the 13th instance on May 28, 2004. The fourteenth amendment was made on June 14, 2005. Amendment was made for the 15th instance on June 14, 2006. Amendment was made for the 16th instance on June 13, 2007. Amendment was made for the 17th instance on June 13, 2008. Amendment was made for the 18th instance on June 16, 2009. The nineteenth amendment was made on June 15, 2000. The twentieth amendment was made on June 28, 2012. The twenty first amendment was made on June 28, 2013. The twenty second amendment was made on June 18, 2014. The twenty third amendment was made on June 27, 2016. The twenty fourth amendment was made on June 18, 2019. The twenty fifth amendment was made on June 19, 2020.

[Appendix III]

Hu Lane Associate Inc.
Rules Governing the Election of Directors

Passed by the shareholders' meeting on June 19, 2020

- Article 1: Except as otherwise provided by laws and regulations, elections of directors of the Company shall be conducted in accordance with the provisions of these Regulations.
- Article 2: The cumulative voting method shall be adopted for the election of the Company's directors. Each share shall have a voting right in number equal to the number of directors to be elected.
- Article 3: The Board of Directors shall prepare the ballots for the directors, with the number of votes specified therein, and distribute them to the attending shareholders.
- Article 4: Before the election begins, the Chairman shall appoint the observers and the tellers to perform their respective duties.
- Article 5: For the election of Directors, the ballot box shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 6: If the candidate is a shareholder, the voter shall specify the candidate's account name and shareholder account number in the field of "Candidate" on the ballots. Otherwise, the candidate shall specify the candidate Name and ID card number. However, when a government or institutional shareholder is the candidate, the name of the government or institution shall be entered in the column for the candidate's account name on the ballot. The name of the government or institution and the name of its representative may also be entered. The names of the representatives shall be filled in separately.
- Article 7: Independent directors and non-independent directors shall be elected on the basis of votes cast for directors. Their votes shall be counted separately, and they shall be elected separately.
- Article 8: A ballot is invalid under any of the following circumstances:
(1) A ballot that is not as specified in the Regulations shall not be used.
(2) A blank ballot is placed in the ballot box.
(3) The handwriting is illegible or has been altered.
(4) If the candidate is a shareholder, the account name and shareholder account number are inconsistent with the Register of Shareholders. If the candidate is not a shareholder, the name does not match the ID card number.
(5) Ballots, in addition to the candidate account name (name), shareholder account number (identity card number), and allocated number of suffrage, are found with other texts written.
(6) Candidates' account name (name) and shareholder account number (identity card number) are not filled in.
- Article 9: The directors of the Company shall be elected by the shareholders' meeting from the candidate list, and the candidates receiving the ballots with the highest number of voting rights shall be elected as the directors sequentially according to the number of seats specified in the Company's Articles of Incorporation. If

two or more candidates receive the same number of votes and the number of seats exceeds the threshold, the candidates receiving the same number of votes shall draw lots to determine the winner, with the chair drawing lots on behalf of any absentee. If the personal information of a director elected as referred to in the preceding paragraph is inconsistent with the relevant laws or regulations, and it is confirmed that they are unfit for duty, the vacant director' seat shall be filled by the candidate who received the second highest majority in the original election.

- Article 10: The Company shall not elect supervisors when establishing the Audit Committee.
- Article 11: The ballots shall be calculated on site immediately after the end of the poll. The results of the calculation of the ballots shall be published by the chair on the spot, including the names of the elected Directors and the numbers of voting rights of the Directors referred to in the preceding paragraph, and shall be kept at least one year. However, if a lawsuit is filed by the shareholder in accordance with Article 189 of the Company Act, such lawsuit shall be kept until the lawsuit is concluded.
- Article 12: Any person found not in compliance with Paragraph 3 and Paragraph 4 of Article 26-3 of the Securities and Exchange Act shall be elected in accordance with Paragraph 5 of Article 26-3 of the Securities and Exchange Act and shall be nullified.
- Article 13: The Board of Directors of the Company shall issue a notice of election to each director elected.
- Article 14: Matters not specified in these Measures shall be handled in accordance with the Company Act, the Articles of Incorporation of the Company, and other applicable laws and regulations.
- Article 15: These Procedures shall be implemented after being approved by the Shareholders' Meeting. The same procedure is applicable to any amendment thereto.

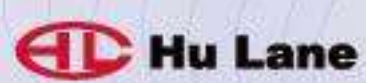
[Appendix IV]

Hu Lane Associate Inc. Shareholding of all Directors

- I. Type and total number of shares issued: 99,654,707 common shares
- II. Minimum number of shares held by all directors: 7,972,376 shares (8% of total shares)
- III. Shareholders' Register

Book closure date: April 21, 2022

Job title	Name	Number of shares held	Shareholding ratio
Chairman	Chang Tzu-Hsiung	4,001,173	4.02%
Director	Hu Sheng-Ching	5,775,315	5.79%
Director	Liu Chun-Hsiang	4,106,005	4.12%
Director	Chang Ping-Chün	1,936,163	1.94%
Director	Hu Shao-Ju	2,439,251	2.45%
Director	Chan Yi-Min	33,894	0.03%
Independent Director	Chang Shyueh-Chih	0	0.00%
Independent Director	Lin Yuan-li	0	0.00%
Independent Director	Lin Jaan-Lieh	10,125	0.01%
Number of shares held by all directors (excluding independent directors)		18,291,801	18.36%



Hu Lane Associate Inc.

TEL 886-2-2694-0551 / FAX 886-2-2694-2526