

Stock Code: 6279

Hu Lane Associate Inc.

Annual Shareholders

Meeting Agenda Handbooks

2025



Bound for Excellence

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One. 2025 Annual General Meeting Procedures

- I. Announcement of the meeting
- II. Chairman's address
- III. Reference and report
- IV. Matters recognized
- V. Matters for discussion
- VI. Extraordinary Motion
- VII. Adjournment of the meeting

Two. 2025 Annual General Meeting Agenda

Mode: Physical meeting

Time: 9:00 am on June 26, 2025 (Thursday)

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

- I. Announcement of the meeting
- II. Chairman's address
- III. Reference and report
 - (I) The Company's 2024 business report.
 - (II) Audit Committee's review of the 2024 financial statements.
 - (III) Report on the distribution of remuneration to employees and directors in 2024.
 - (IV) Report on the payment of remuneration to directors by the Company.
- IV. Matters recognized
 - (I) Ratification of the 2024 financial statements.
 - (II) Ratification of the 2024 earnings appropriation.
- V. Matters for discussion
 - (I) Amendment to Article 5, Article 20, and Article 24 of the "Articles of Incorporation".
 - (II) Cash distribution to shareholders from the capital surplus of the Company.
 - (III) Capitalization of 2024 earnings by way of issue of new shares.
- VI. Extraordinary motion
- VII. Adjournment of the meeting

Three.Matters for reference and report

Report 1: Proposed by the Board of Directors
Summary: The Company's 2024 business report is presented for verification.
Description: Please refer to Attachment 1 of this Handbook, p . 7-9.

Report 2: Proposed by the Board of Directors
Summary: The 2024 financial statements reviewed by the Audit Committee, presented for verification.
Description: Please refer to Appendix 2 of this Handbook, p10.

Report 3: Proposed by the Board of Directors
Summary: 2024 distribution of remuneration to employees and directors, presented for verification.
Description: The 2024 remuneration to employees and directors has been approved by the Company's Board of Directors to allocate NT\$53,035,419 as remuneration to employees and NT\$13,490,000 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, presented for verification.

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 Attachment 3 of this Handbook, p. 11.

Four. Ratification

Report 1:

Proposed by the Board of Directors

Summary: 2024 financial statements of the company, presented for ratification.

Description: I. The Company's 2024 business report, parent company only financial statements, and consolidated financial statements have been approved by the Company's Board of Directors. The parent company only financial statements and consolidated financial statements were completed after the examination of accountants Shih Chun-Hung and Cheng Hsu-Yen of Deloitte Taiwan. The aforementioned business report, parent company only financial statements, and consolidated financial statements have been approved by the Board of Directors meeting and the Audit Committee has issued an audit report.

II. For the 2024 Business Report, Auditor's Report, parent company only financial statements, and Consolidated Financial Statements, please refer to Attachment 1 (pp.7-9) and Attachment 4 of this Handbook (pp.12-39).

Resolution:

Report 2:

Proposed by the Board of Directors

Summary: 2024 earnings appropriation of the company, presented for ratification.

Description: I. The Board of Directors has approved the Company's 2024 Earnings Appropriation Statement and the Audit Committee has issued an audit report. Please refer to Attachment 5 on p. 40 of this Handbook for the 2024 Earnings Appropriation.

II. The Board of Directors shall be authorized to determine the ex-dividend date for the earnings appropriation and other related matters after the motion is approved by the Shareholders Annual General 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 shareholders' dividend rate, a proposal is to be submitted to the shareholders general meeting for authorization of the Board of Directors with full discretion.

Resolution:

Five. Matters for discussion

Report 1:

Proposed by the Board of Directors

Summary: Amendment to some provisions of Article 5, Article 20, and Article 24 of the "Articles of Incorporation".

Description: I. The total number of shares converted from the first domestic unsecured convertible corporate bonds into common shares was 11,202,210 shares, plus the stock dividends from the earnings distribution shareholders, and the capital increase of 5,667,416 common shares, the paid-in capital was NTD 1,190,157,360, and the number of issued shares was 119,015,736 shares. The amount was close to the total capital of NTD 1.2 billion as set forth in the Articles of Incorporation. Therefore, it has been amended in the "Articles of Incorporation" Chapter 2, Article 5 that the total capital is NTD 2 billion, divided into 200 million shares.

II. In accordance with Paragraph 6, Article 14 of the Securities and Exchange Act, TWSE/TPEx-listed companies shall specify in their Articles of Incorporation that a certain percentage of annual earnings shall be set aside for salary adjustment or remuneration to entry-level employees.

III. The date of approval of the annual general meeting has been added to Article 24 of Chapter 7 of the "Articles of Incorporation".

IV. For the Comparison Table for Amendments to the "Articles of Incorporation, please refer to Attachment 6 on p. 41-42 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 NTD\$113,348,320 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 shareholder register on the record date of issuance, NTD\$1 in cash will be distributed.

II. The cash distribution is rounded down to the nearest NTD (net of the fraction of a NTD). The fractional amount is recognized as other income of the Company.

III. After obtaining approval at 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:

Report 3:

Proposed by the Board of Directors

Summary: Surplus in 2024 converted into capital to issue new shares by Hu Lane, presented for discussion.

Description: I. To enrich the operational capital, the Company is to distribute stock dividends of NTD\$56,674,160 from the 2024 earnings to shareholders and increase capital by issuing NTD\$5,667,416 ordinary shares, with a par value of NTD\$10.

II. This case will be approved by the General Shareholders' Meeting and submitted to the competent authority for approval. It is planned to request the General Shareholders' Meeting to authorize the board of directors to set record date and other related matters; for the issuance of new shares, the original shareholders will be allotted 50 shares for every 1,000 shares held in the shareholder register on the record date, any portions less than one share will have to be registered to make up to one share by the shareholder within five days from the book closure date, cash will be paid for the overdue share according to the par value (with portions below NTD\$1 being rounded down). Portions below 1 share shall be identified by the person designated by the chairman who is authorized by the board of directors and be proceeded with digital transfer. For those who receive shares through the depository transfer, the portions can be used to offset the depository fee.

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 shareholders' dividend rate, a proposal is to be submitted to the shareholders general meeting for authorization of the Board of Directors with full discretion.

IV. The rights and obligations of the new shares issued are the same as those of the originally issued ordinary shares.

V. If the relevant issuance details of this capital increase and the issuance of new shares need to be changed due to the requirements of the competent authority or actual circumstances, a proposal is to be submitted to the general shareholder's meeting for authorization of the Board of Directors with full discretion.

Resolution:

Six. Extraordinary Motion

The meeting is adjourned

Seven. Attachments

[Attachment 1]

I. 2024 Business Report

(I) The implementation results and profit and loss of the business plan in 2024

The Company's consolidated net revenue was NT\$ 8,800,219 thousand in 2024, an increase of 20.04% compared to 2023. In terms of profit, the consolidated net income before tax was NT\$1,774,493 thousand in 2024, an increase of 47.32% compared to 2023. The earnings per share increased to NT\$12.79 per share in 2024, an increase of 41.8% compared to 2023.

(II) Analysis of financial revenues, expenses, and profitability

1. Financial revenues and expenses:

Unit: NTD thousand

Item	Amount
Operating revenue	NT\$8,800,219 thousand
Gross operating profit	NT\$2,930,027 thousand
Net operating profit	NT\$1,581,666 thousand
Non-operating income, net	NT\$192,827 thousand
Net income before tax	NT\$1,774,493 thousand
Current net profit	NT\$1,310,477 thousand
Earnings per share	NT\$12.79

Note: The data are sourced from the Company's 2024 consolidated financial statements.

2. Profitability analysis:

Unit: %, NTD

Item		Percentage (%)
Return on assets		10.66%
Return on equity		19.44%
As a percentage of paid-in capital	151.04%	122.57%
	169.46%	120.87%
Net profit margin		14.95%
Earnings per share (NT\$)		NT\$12.79

Note: The data are sourced from the Company's 2024 consolidated financial statements.

II. Summary of 2025 Business Plan

(I) Business policy

1. Build a people-oriented, respectful, caring, proactive, and sharing corporate culture.
2. Establish core corporate values of integrity, unity, sustainability, agility, innovation and excellence;
3. Communicate as equals with the world's leading car manufacturers and participate in solutions of innovative connection systems;
4. Strengthen the management team and establish a complete system of management and professional manpower for each business unit.
5. Implementation and promotion of corporate ESG towards the goal of improving environmental friendliness.

(II) Key production and marketing strategies

1. Sales policy

- (1) Enhance international market revenue;
- (2) Optimize customer management procedures;
- (3) Establish global brand image and enhance digital exposure;
- (4) Joint development of products with the mainframe and module manufacturers;
- (5) Robust after-sales service;

2. Production policy

- (1) Optimization of the distribution of global production capacity;
- (2) Enhance production capacity efficiency;
- (3) Improve the supplier management system.

(III) Research and development

11 patents were pending in 2024 and 235 patents were granted. 155 sets of terminal molds, 377 sets of plastic molds, and 67 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)

1. 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 Sustainability Committee, promotes and tracks related sustainability projects. It is expected that with active carbon reduction actions and the Group's carbon control, the carbon emissions of products and absolute total carbon emissions can be reduced year by year.
2. The Company completed the 2023 ISO 14064-1 greenhouse gas inventory and external verification in 2024. The Company has also completed the ISO 14067

carbon footprint inventory and external verification for five products, and obtained the certificate for ISO 14001 environmental management system in October 2024. The group will carry out its 2023 ISO14064-1 inventory in 2025, aiming to reduce the group's carbon emission by 10%. ISO14067 product carbon footprints will be continuously inventoried, and three products are expected to be verified by a third party. We have introduced the Task Force on Climate-related Financial Disclosures (TCFD) to effectively manage the risks and opportunities of climate change.

3. 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 2024, which is expected to obtain external certification in June 2025.
4. In response to the continuous improvement and optimization of information security, the Company obtained ISO27001 certificate in November 2024.

III. Appraisal and Expectation

The global auto sales in 2024 was 88.63 million units, up 2.1% from 2023. The auto sales in China in 2024 was 31.44 million units, up 4.5% from 2023. With the maturity of new energy automobile technology and the improvement of consumer recognition, the auto export in China is expected to grow rapidly. The production and sales of cars in 2025 are expected to show growth. The technology jointly developed by Hu Lane and the international leading component manufacturers deployed in other regions can also expand the company's operating market. In response to the US-China trade war, the Company expanded its production capacity in Southeast Asia, with a shorter development cycle and a flexible supply chain to serve customers worldwide. The Company's diversified product lines attract customers' applications and our technical capabilities are recognized in the European and American markets. Hu Lane will steadily move towards the goal of becoming a leading global auto parts manufacturer.

Thanks to the support of all directors and shareholders, and the efforts of all colleagues, the Company was able to continue to grow steadily. Under the leadership of Chairman Zhang, we work as a team with the management team and employees to continue to pursue the best interests of shareholders, employees, customers, suppliers and communities, so as to live up to the trust of the stakeholders.

Dear Shareholders,

All wishes come true.

Person in charge: Chang Tzu-Hsiung
President: Hu Sheng-Ching
Accounting Supervisor: Chang Chia-Chi



[Attachment 2]

Hu Lane Associate Inc.
Audit Committee's Report

It is hereby approved:

The Board of Directors submitted the Company's 2024 business report, parent company only financial statements, and consolidated financial statements, which have been audited by Shih Chun-Hung and Cheng Hsu-Yen, 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,

2025 Annual General Meeting of Hu Lane Associate Inc.

Audit Committee Convener: Chang Hsüeh-Chih

Handwritten signature in black ink, consisting of three characters: 張, 孝, 志.

March 12, 2025

[Attachment 3]

2024 Remunerations to directors and independent directors

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)(Note 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)		Severance pay 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			
Chairman	Chang Tzu-Hsiung	5,160,528	5,160,528	-	-	1,498,888	1,498,888	4,256,519	4,256,519	10,915,935 0.83%	10,915,935 0.83%	-	-	-	-	-	-	-	-	10,915,935 0.83%	10,915,935 0.83%	None
General Director	Hu Sheng-Ching	-	-	-	-	1,498,889	1,498,889	120,000	120,000	1,618,889 0.12%	1,618,889 0.12%	8,559,122	8,559,122	-	-	-	-	-	-	10,178,011 0.77%	10,178,011 0.77%	None
General Director	Liu Chun-Hsiang	-	-	-	-	1,498,889	1,498,889	120,000	120,000	1,618,889 0.12%	1,618,889 0.12%	-	-	-	-	-	-	-	-	1,618,889 0.12%	1,618,889 0.12%	None
General Director	Chang Ping-Chun	-	-	-	-	1,498,889	1,498,889	120,000	120,000	1,618,889 0.12%	1,618,889 0.12%	2,725,196	2,725,196	-	-	1,509,581	-	1,509,581	-	5,853,666 0.44%	5,853,666 0.44%	None
General Director	Hu Shao-Ju	-	-	-	-	1,498,889	1,498,889	120,000	120,000	1,618,889 0.12%	1,618,889 0.12%	-	-	-	-	-	-	-	-	1,618,889 0.12%	1,618,889 0.12%	None
General Director	Lin Yuan-Li	-	-	-	-	1,498,889	1,498,889	120,000	120,000	1,618,889 0.12%	1,618,889 0.12%	-	-	-	-	-	-	-	-	1,618,889 0.12%	1,618,889 0.12%	None
Independent Director	Tai Chia-Wei	-	-	-	-	1,498,889	1,498,889	155,000	155,000	1,653,889 0.13%	1,653,889 0.13%	-	-	-	-	-	-	-	-	1,653,889 0.13%	1,653,889 0.13%	None
Independent Director	Lin, Chan-Lieh	-	-	-	-	1,498,889	1,498,889	155,000	155,000	1,653,889 0.13%	1,653,889 0.13%	-	-	-	-	-	-	-	-	1,653,889 0.13%	1,653,889 0.13%	None
Independent Director	Chang Shyueh-Chih	-	-	-	-	1,498,889	1,498,889	155,000	155,000	1,653,889 0.13%	1,653,889 0.13%	-	-	-	-	-	-	-	-	1,653,889 0.13%	1,653,889 0.13%	None
Total		5,160,528	5,160,528	-	-	13,490,000	13,490,000	5,321,519	5,321,519	23,972,047 1.83%	23,972,047 1.83%	11,284,318	11,284,318	-	-	1,509,581	-	1,509,581	-	36,765,946 2.81%	36,765,946 2.81%	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. In addition, in accordance with Article 17 of the Company's Articles of Incorporation, the Company shall pay for the responsibilities, risks, and time investment, and the Functional Committee shall pay for the 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. 1. The basic number of directors is 1. 2. The number of directors who serve as the Chairperson or concurrently serve as the President is 1.5. 3. The basic number of independent directors is 1.2. 4. The number of votes of the functional committee shall be increased by 0.1, and the maximum number of votes shall not exceed 0.3. 5. The payment is paid annually. If the term of office is less than one year, the number of rights is calculated based on the term of office. 6. Remuneration to individual directors: Total remuneration to directors * Total number of directors' rights involved in the distribution/total number of directors' rights. 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. In addition to what is disclosed in the above table, the remuneration received by the company's directors for providing services to all companies in the financial report (such as serving as non-employee consultants for the parent company/all companies in the financial report/reinvested enterprises, etc.) in the most recent year: None.																						

[Attachment 4]
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, 2024 and 2023, 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, 2024 and 2023, 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, 2024. 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, 2024, the operating revenue amounted to \$3,414,297 thousand. Some single customers contributed more to the Company's revenue amounted to \$1,378,523 thousand. The operating revenue derived from some major customers amounted to \$409,797 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, 2024 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 Shiuh-Ran Cheng.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2025

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, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	2024		2023	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 289,596	3	\$ 279,550	3
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 24)	167,336	2	99,139	1
Notes receivable (Notes 4 and 8)	43,371	-	41,521	1
Trade receivables from unrelated parties (Notes 4 and 8)	291,087	3	247,877	3
Trade receivables from related parties (Notes 8 and 25)	2,010,091	19	1,519,001	16
Other receivables from unrelated parties	15,075	-	9,583	-
Other receivables from related parties (Note 25)	290,919	3	277,237	3
Current tax assets (Notes 4 and 20)	25,473	-	28,782	-
Inventories (Notes 4 and 9)	341,485	3	271,401	3
Other current assets	19,265	-	8,386	-
Total current assets	3,493,698	33	2,782,477	30
NON-CURRENT ASSETS				
Investments accounted for using equity method (Notes 4 and 10)	4,622,693	44	4,083,078	44
Property, plant and equipment (Notes 4, 11 and 26)	2,273,214	22	2,271,660	25
Right-of-use assets (Notes 4 and 12)	9,139	-	12,823	-
Investment properties (Note 4)	2,482	-	2,486	-
Intangible assets (Note 4)	18,549	-	10,506	-
Deferred tax assets (Notes 4 and 20)	50,060	-	55,472	1
Other non-current assets	60,611	1	36,693	-
Total non-current assets	7,036,748	67	6,472,718	70
TOTAL	\$ 10,530,446	100	\$ 9,255,195	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 13 and 26)	\$ 960,000	9	\$ 770,000	8
Financial liabilities at fair value through profit or loss - current (Note 7)	-	-	2,400	-
Notes payable	11,365	-	27,810	-
Trade payables to unrelated parties	305,222	3	223,553	2
Trade payables to related parties (Note 25)	164,475	2	163,974	2
Other payables to unrelated parties (Note 15)	252,554	2	225,845	3
Other payables to related parties (Note 25)	1,722	-	1,070	-
Current tax liabilities (Notes 4 and 20)	158,542	2	175,312	2
Finance lease payables - current (Notes 4 and 12)	5,469	-	6,632	-
Other current liabilities	17,726	-	15,442	-
Total current liabilities	1,877,075	18	1,612,038	17
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4, 14 and 24)	1,088,686	10	1,385,635	15
Deferred tax liabilities (Notes 4 and 20)	156,736	2	150,799	2
Finance lease payables - non-current (Notes 4 and 12)	3,897	-	6,405	-
Net defined benefit liabilities - non-current (Notes 4 and 16)	26,718	-	33,076	-
Other non-current liabilities	20	-	20	-
Total non-current liabilities	1,276,057	12	1,575,935	17
Total liabilities	3,153,132	30	3,187,973	34
EQUITY (Notes 4 and 17)				
Share capital				
Ordinary shares	1,027,390	10	996,554	11
Stock dividends to be distributed	19,782	-	-	-
Total share capital	1,047,172	10	996,554	11
Capital surplus	1,284,962	12	1,088,799	12
Retained earnings				
Legal reserve	996,561	10	996,547	11
Special reserve	301,406	3	201,083	2
Unappropriated earnings	3,817,405	36	3,025,729	33
Total retained earnings	5,115,372	49	4,223,359	46

Other equity	<u>(70,192)</u>	<u>(1)</u>	<u>(241,490)</u>	<u>(3)</u>
Total equity	<u>7,377,314</u>	<u>70</u>	<u>6,067,222</u>	<u>66</u>
TOTAL	<u>\$ 10,530,446</u>	<u>100</u>	<u>\$ 9,255,195</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, 2024 AND 2023

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

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 18 and 25)	\$ 3,414,297	100	\$ 2,887,430	100
OPERATING COSTS (Notes 9, 19 and 25)	<u>2,185,256</u>	<u>64</u>	<u>1,860,613</u>	<u>64</u>
GROSS PROFIT	1,229,041	36	1,026,817	36
(UNREALIZED) REALIZED GAIN WITH SUBSIDIARIES (Notes 4 and 25)	<u>(696)</u>	<u>-</u>	<u>(82,578)</u>	<u>(3)</u>
REALIZED GROSS PROFIT	<u>1,228,345</u>	<u>36</u>	<u>944,239</u>	<u>33</u>
OPERATING EXPENSES (Notes 4, 8, 19 and 25)				
Selling and marketing expenses	133,770	4	108,244	4
General and administrative expenses	218,294	7	189,788	7
Research and development expenses	149,907	4	117,529	4
Expected credit loss	<u>4,449</u>	<u>-</u>	<u>2,098</u>	<u>-</u>
Total operating expenses	<u>506,420</u>	<u>15</u>	<u>417,659</u>	<u>15</u>
PROFIT FROM OPERATIONS	<u>721,925</u>	<u>21</u>	<u>526,580</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 19)	5,055	-	1,418	-
Other income (Notes 19 and 25)	177,381	5	148,103	5
Other gains and losses (Note 19)	134,938	4	(10,918)	-
Finance costs (Note 4)	(40,003)	(1)	(34,876)	(1)
Share of profit of subsidiaries and associates (Note 4)	<u>644,939</u>	<u>19</u>	<u>525,260</u>	<u>18</u>
Total non-operating income and expenses	<u>922,310</u>	<u>27</u>	<u>628,987</u>	<u>22</u>
PROFIT BEFORE INCOME TAX	1,644,235	48	1,155,567	40
INCOME TAX EXPENSE (Notes 4 and 20)	<u>333,758</u>	<u>9</u>	<u>234,346</u>	<u>8</u>
NET PROFIT FOR THE YEAR	<u>1,310,477</u>	<u>39</u>	<u>921,221</u>	<u>32</u>

(Continued)

HU LANE ASSOCIATE INC.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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

	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE (LOSS) INCOME				
(Notes 4, 16 and 20)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	\$ 6,345	-	\$ (4,310)	-
Share of other comprehensive income of subsidiaries and associates	-	-	1,754	-
(Loss) income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(1,269)</u>	<u>-</u>	<u>862</u>	<u>-</u>
Total items that will not be reclassified subsequently to profit or loss	<u>5,076</u>	<u>-</u>	<u>(1,694)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	478	-	(482)	-
Share of other comprehensive income (loss) of subsidiaries and associates	<u>170,820</u>	<u>5</u>	<u>(103,996)</u>	<u>(4)</u>
Total items that may be reclassified subsequently to profit or loss	<u>171,298</u>	<u>5</u>	<u>(104,478)</u>	<u>(4)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>176,374</u>	<u>5</u>	<u>(106,172)</u>	<u>(4)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,486,851</u>	<u>44</u>	<u>\$ 815,049</u>	<u>28</u>
EARNINGS PER SHARE (Note 21)				
Basic	<u>\$ 12.79</u>		<u>\$ 9.02</u>	
Diluted	<u>\$ 11.70</u>		<u>\$ 8.83</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, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

							Other Equity		Total Equity
	Share Capital		Capital Surplus	Retained Earnings		Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
	Ordinary Shares	Stock Dividends to Be Distributed		Legal Reserve	Special Reserve			Unappropriated Earnings	
BALANCE AT JANUARY 1, 2023	\$ 996,547	\$ -	\$ 934,183	\$ 949,240	\$ 263,672	\$ 2,550,756	\$ (139,742)	\$ (1,424)	\$ 5,553,232
Appropriation of 2022 earnings									
Legal reserve	-	-	-	47,307	-	(47,307)	-	-	-
Special reserve	-	-	-	-	(62,589)	62,589	-	-	-
Cash dividends	-	-	-	-	-	(458,412)	-	-	(458,412)
Changes in percentage of ownership interests in subsidiaries	-	-	2,610	-	-	-	2,730	-	5,340
Equity component of convertible bonds issued by the Company	-	-	251,575	-	-	-	-	-	251,575
Cash dividends from capital surplus	-	-	(99,654)	-	-	-	-	-	(99,654)
Convertible bonds converted to ordinary shares	7	-	85	-	-	-	-	-	92
Net profit for the year ended December 31, 2023	-	-	-	-	-	921,221	-	-	921,221
Other comprehensive loss for the year ended December 31, 2023, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,448)</u>	<u>(104,478)</u>	<u>1,754</u>	<u>(106,172)</u>
Total comprehensive income for the year ended December 31, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>917,773</u>	<u>(104,478)</u>	<u>1,754</u>	<u>815,049</u>
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>330</u>	<u>-</u>	<u>(330)</u>	<u>-</u>
BALANCE AT DECEMBER 31, 2023	996,554	-	1,088,799	996,547	201,083	3,025,729	(241,490)	-	6,067,222
Appropriation of 2023 earnings									
Legal reserve	-	-	-	14	-	(14)	-	-	-
Special reserve	-	-	-	-	100,323	(100,323)	-	-	-
Cash dividends	-	-	-	-	-	(398,625)	-	-	(398,625)
Share dividends	24,915	-	-	-	-	(24,915)	-	-	-
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-
Cash dividends from capital surplus	-	-	(99,656)	-	-	-	-	-	(99,656)
Convertible bonds converted to ordinary shares	5,921	19,782	295,819	-	-	-	-	-	321,522
Net profit for the year ended December 31, 2024	-	-	-	-	-	1,310,477	-	-	1,310,477
Other comprehensive income for the year ended December 31, 2024, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,076</u>	<u>171,298</u>	<u>-</u>	<u>176,374</u>
Total comprehensive income for the year ended December 31, 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,315,553</u>	<u>171,298</u>	<u>-</u>	<u>1,486,851</u>
BALANCE AT DECEMBER 31, 2024	<u>\$ 1,027,390</u>	<u>\$ 19,782</u>	<u>\$ 1,284,962</u>	<u>\$ 996,561</u>	<u>\$ 301,406</u>	<u>\$ 3,817,405</u>	<u>\$ (70,192)</u>	<u>\$ -</u>	<u>\$ 7,377,314</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, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,644,235	\$ 1,155,567
Adjustments for:		
Depreciation expenses	124,180	115,801
Amortization expenses	21,803	19,598
Expected credit loss recognized	4,449	2,098
Net loss on fair value change of financial assets and liabilities at fair value through profit or loss	(43,558)	(10,498)
Finance costs	40,003	34,876
Interest income	(5,055)	(1,418)
Dividend income	(2,359)	(2,826)
Share of profit of subsidiaries and associates	(644,939)	(525,260)
Gain on disposal of property, plant and equipment	(1,808)	(5,153)
(Reversal of) write-down of inventories	4,170	(3,313)
Gain on lease modifications	-	(43)
Unrealized gain on transactions with subsidiaries	696	82,578
Changes in operating assets and liabilities		
Notes receivable	(1,850)	4,343
Trade receivables from unrelated parties	(47,837)	47,490
Trade receivables from related parties	(491,090)	(553,158)
Other receivables from unrelated parties	(5,647)	7,211
Other receivables from related parties	(13,682)	51,682
Inventories	(74,252)	(13,585)
Other current assets	(10,879)	35,835
Other non-current assets	(25,154)	4,583
Notes payable	(16,445)	1,699
Trade payables from unrelated parties	81,669	26,047
Trade payables from related parties	501	(116,436)
Other payables from unrelated parties	36,338	61,405
Other payables from related parties	652	(8,033)
Other current liabilities	2,284	(29,208)
Net defined benefit liability	(13)	90
Cash generated from operations	576,412	381,972
Interest received	5,210	1,418

Interest paid	(14,908)	(20,294)
Income tax paid	<u>(337,325)</u>	<u>(118,352)</u>
Net cash generated from operating activities	<u>229,389</u>	<u>244,744</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(43,452)	(79,100)
Proceeds from disposal of financial assets at fair value through profit or loss	16,075	7,575
Investments accounted for using the equity method	-	(14,689)
Payments for property, plant and equipment	(185,824)	(225,317)
	(Continued)	

HU LANE ASSOCIATE INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Proceeds from disposal of property, plant and equipment	\$ 42,302	\$ 23,744
Decrease (increase) in refundable deposits	2,239	(1,665)
Payments for intangible assets	(15,850)	(8,880)
Cash inflow on combination	-	12,972
Dividends received	<u>279,728</u>	<u>471,175</u>
Net cash generated from investing activities	<u>95,218</u>	<u>185,815</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	190,000	-
Repayment of short-term borrowings	-	(1,341,000)
Proceeds from issuance of bonds	-	1,623,855
Repayment of the principal portion of lease liabilities	(7,139)	(6,480)
Dividends paid to owners of the Company	<u>(498,281)</u>	<u>(558,066)</u>
Net cash used in financing activities	<u>(315,420)</u>	<u>(281,691)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>859</u>	<u>2,460</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,046	151,328
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>279,550</u>	<u>128,222</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 289,596</u>	<u>\$ 279,550</u>

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

(Concluded)

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, 2024 and 2023, 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, 2024 and 2023, 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, 2024. 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, 2024, the consolidated operating revenue amounted to NT\$8,800,219 thousand. The operating revenue derived from some major customers amounted to NT\$3,937,904 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, 2024 and 2023 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, 2024 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 Shiuh-Ran Cheng.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2025

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, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$1,128,654	8	\$996,481	9
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	167,336	1	99,139	1
Notes receivable (Notes 4, 8, 25 and 27)	1,819,345	13	1,287,739	11
Trade receivables from unrelated parties (Notes 4 and 8)	2,774,449	20	2,129,805	18
Trade receivables from related parties (Notes 8 and 26)	144,551	1	92,083	1
Other receivables	26,907	-	29,445	-
Other receivables from related parties (Note 26)	6,557	-	-	-
Current tax assets (Notes 4 and 21)	43,956	-	42,342	-
Inventories (Notes 4 and 9)	2,172,565	15	1,732,547	15
Other current assets	<u>341,213</u>	<u>3</u>	<u>239,359</u>	<u>2</u>
Total current assets	<u>8,625,533</u>	<u>61</u>	<u>6,648,940</u>	<u>57</u>
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Notes 4 and 11)	26,270	-	13,783	-
Property, plant and equipment (Notes 4, 12 and 27)	5,018,337	36	4,457,102	38
Right-of-use assets (Notes 4 and 13)	100,426	1	176,562	2
Investment properties (Note 4)	2,482	-	2,486	-
Other intangible assets (Note 4)	58,625	-	49,111	-
Deferred tax assets (Notes 4 and 21)	50,060	-	55,472	1
Other non-current assets	<u>236,758</u>	<u>2</u>	<u>184,457</u>	<u>2</u>
Total non-current assets	<u>5,492,958</u>	<u>39</u>	<u>4,938,973</u>	<u>43</u>
TOTAL	<u>\$14,118,491</u>	<u>100</u>	<u>\$11,587,913</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 14 and 27)	\$2,626,439	19	\$1,634,067	14
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	2,400	-
Notes payable	11,365	-	27,810	-
Trade payables to unrelated parties	1,549,388	11	1,099,268	10
Other payables to unrelated parties (Notes 16 and 25)	800,569	6	632,997	5
Current tax liabilities (Notes 4 and 21)	226,158	1	194,898	2
Finance lease payables - current (Notes 4 and 13)	22,577	-	33,027	-
Other current liabilities	<u>66,931</u>	<u>-</u>	<u>66,300</u>	<u>1</u>
Total current liabilities	<u>5,303,427</u>	<u>37</u>	<u>3,690,767</u>	<u>32</u>
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4, 15 and 25)	1,088,686	8	1,385,635	12
Deferred tax liabilities (Notes 4 and 21)	247,746	2	267,453	2
Finance lease payables - non-current (Notes 4 and 13)	25,474	-	93,687	1
Net defined benefit liabilities - non-current (Notes 4 and 17)	26,718	-	33,076	-
Other non-current liabilities	<u>902</u>	<u>-</u>	<u>7,063</u>	<u>-</u>
Total non-current liabilities	<u>1,389,526</u>	<u>10</u>	<u>1,786,914</u>	<u>15</u>
Total liabilities	<u>6,692,953</u>	<u>47</u>	<u>5,477,681</u>	<u>47</u>

EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 18)

Share capital				
Ordinary shares	1,027,390	7	996,554	9
Stock dividends to be distributed	<u>19,782</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total share capital	<u>1,047,172</u>	<u>7</u>	<u>996,554</u>	<u>9</u>
Capital surplus	<u>1,284,962</u>	<u>9</u>	<u>1,088,799</u>	<u>9</u>
Retained earnings				
Legal reserve	996,561	7	996,547	8
Special reserve	301,406	2	201,083	2
Unappropriated earnings	<u>3,817,405</u>	<u>27</u>	<u>3,025,729</u>	<u>26</u>
Total retained earnings	<u>5,115,372</u>	<u>36</u>	<u>4,223,359</u>	<u>36</u>
Other equity	<u>(70,192)</u>	<u>-</u>	<u>(241,490)</u>	<u>(2)</u>
Total equity attributable to owners of the Company	7,377,314	52	6,067,222	52
NON-CONTROLLING INTERESTS	<u>48,224</u>	<u>1</u>	<u>43,010</u>	<u>1</u>
Total equity	<u>7,425,538</u>	<u>53</u>	<u>6,110,232</u>	<u>53</u>
TOTAL	<u>\$14,118,491</u>	<u>100</u>	<u>\$11,587,913</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, 2024 AND 2023

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

	<u>2024</u>		<u>2023</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
OPERATING REVENUE (Notes 4, 18 and 26)	\$8,800,219	100	\$7,330,811	100
OPERATING COSTS (Notes 9 and 20)	<u>5,870,192</u>	<u>67</u>	<u>4,981,786</u>	<u>68</u>
GROSS PROFIT	<u>2,930,027</u>	<u>33</u>	<u>2,349,025</u>	<u>32</u>
OPERATING EXPENSES (Notes 4, 8, 20 and 26)				
Selling and marketing expenses	403,107	5	343,457	5
General and administrative expenses	467,652	5	402,400	5
Research and development expenses	463,620	5	378,441	5
Expected credit loss	<u>13,982</u>	<u>-</u>	<u>3,258</u>	<u>-</u>
Total operating expenses	<u>1,348,361</u>	<u>15</u>	<u>1,127,556</u>	<u>15</u>
PROFIT FROM OPERATIONS	<u>1,581,666</u>	<u>18</u>	<u>1,221,469</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 20)	19,305	-	15,034	-
Other income (Notes 20 and 26)	120,187	2	84,048	1
Other gains and losses (Note 20)	109,859	1	(56,861)	-
Finance costs (Note 4)	(68,543)	(1)	(60,653)	(1)
Share of profit or loss of associates and joint ventures (Note 11)	<u>12,019</u>	<u>-</u>	<u>1,491</u>	<u>-</u>
Total non-operating income and expenses	<u>192,827</u>	<u>2</u>	<u>(16,941)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	1,774,493	20	1,204,528	17
INCOME TAX EXPENSE (Notes 4 and 21)	<u>458,659</u>	<u>5</u>	<u>277,707</u>	<u>4</u>

NET PROFIT FOR THE YEAR	<u>1,315,834</u>	<u>15</u>	<u>926,821</u>	<u>13</u>
OTHER COMPREHENSIVE INCOME (Notes 4, 18 and 21)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	6,345	-	(4,310)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	-	-	1,754	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(1,269)</u>	<u>-</u>	<u>862</u>	<u>-</u>
	<u>5,076</u>	<u>-</u>	<u>(1,694)</u>	<u>-</u>
(Continued)				

HU LANE ASSOCIATE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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

	<u>2024</u>		<u>2023</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	\$170,687	2	\$(104,043)	(2)
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	<u>468</u>	<u>-</u>	<u>(237)</u>	<u>-</u>
	<u>171,155</u>	<u>2</u>	<u>(104,280)</u>	<u>(2)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>176,231</u>	<u>2</u>	<u>(105,974)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$1,492,065</u>	<u>17</u>	<u>\$820,847</u>	<u>11</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$1,310,477	15	\$921,221	13
Non-controlling interests	<u>5,357</u>	<u>-</u>	<u>5,600</u>	<u>-</u>
	<u>\$1,315,834</u>	<u>15</u>	<u>\$926,821</u>	<u>13</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$1,486,851	17	\$815,049	11
Non-controlling interests	<u>5,214</u>	<u>-</u>	<u>5,798</u>	<u>-</u>
	<u>\$1,492,065</u>	<u>17</u>	<u>\$820,847</u>	<u>11</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$12.79</u>		<u>\$9.02</u>	
Diluted	<u>\$11.70</u>		<u>\$8.83</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, 2024 AND 2023
(In Thousands of New Taiwan Dollars)**

	<u>Equity Attributable to Owners of the Company</u>						<u>Other Equity</u>		<u>Total</u>	<u>Non- controlling Interests</u>	<u>Total Equity</u>
	<u>Share Capital</u>		<u>Retained Earnings</u>				<u>Exchange Differences on Translatin g</u>	<u>Unrealized Valuation Gain/(Loss) on Financial Assets at Fair Value Through Other</u>			
	<u>Ordinary Shares</u>	<u>Stock Dividends to Be Distribute d</u>	<u>Capital Surplus</u>	<u>Legal Reserve</u>	<u>Special Reserve</u>	<u>Unappropri ated Earnings</u>	<u>Foreign Operations</u>	<u>Comprehe nsive Income</u>			
BALANCE AT JANUARY 1, 2023	\$996,547	\$-	\$934,183	\$949,240	\$263,672	\$ 2,550,756	\$(139,742)	\$(1,424)	\$ 5,553,232	\$21,423	\$ 5,574,655
Appropriation of 2022 earnings											
Legal reserve	-	-	-	47,307	-	(47,307)	-	-	-	-	-
Special reserve	-	-	-	-	(62,589)	62,589	-	-	-	-	-
Cash dividends	-	-	-	-	-	(458,412)	-	-	(458,412)	-	(458,412)
Changes in percentage of ownership interests in subsidiaries	-	-	2,610	-	-	-	2,730	-	5,340	15,789	21,129
Equity component of convertible bonds issued by the Company	-	-	251,575	-	-	-	-	-	251,575	-	251,575
Cash dividends from capital surplus	-	-	(99,654)	-	-	-	-	-	(99,654)	-	(99,654)
Convertible bonds converted to ordinary shares	7	-	85	-	-	-	-	-	92	-	92

Net profit for the year ended December 31, 2023	-	-	-	-	-	921,221	-	-	921,221	5,600	926,821
Other comprehensive loss for the year ended December 31, 2023, net of income tax	=	=	=	=	=	(3,448)	(104,478)	1,754	(106,172)	198	(105,974)
Total comprehensive income for the year ended December 31, 2023	=	=	=	=	=	917,773	(104,478)	1,754	815,049	5,798	820,847
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	=	=	=	=	=	330	=	(330)	=	=	=
BALANCE AT DECEMBER 31, 2023	996,554	-	1,088,799	996,547	201,083	3,025,729	(241,490)	-	6,067,222	43,010	6,110,232
Appropriation of 2023 earnings											
Legal reserve	-	-	-	14	-	(14)	-	-	-	-	-
Special reserve	-	-	-	-	100,323	(100,323)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(398,625)	-	-	(398,625)	-	(398,625)
Share dividends	24,915	-	-	-	-	(24,915)	-	-	-	-	-
Cash dividends from capital surplus	-	-	(99,656)	-	-	-	-	-	(99,656)	-	(99,656)
Convertible bonds converted to ordinary shares	5,921	19,782	295,819	-	-	-	-	-	321,522	-	321,522
Net profit for the year ended December 31, 2024	-	-	-	-	-	1,310,477	-	-	1,310,477	5,357	1,315,834
Other comprehensive income for the year ended December 31, 2024, net of income tax	=	=	=	=	=	5,076	171,298	=	176,374	(143)	176,231
Total comprehensive income for the year ended December 31, 2024	=	=	=	=	=	1,315,553	171,298	=	1,486,851	5,214	1,492,065
BALANCE AT DECEMBER 31, 2024	<u>\$</u> <u>1,027,390</u>	<u>\$</u> <u>19,782</u>	<u>\$</u> <u>1,284,962</u>	<u>\$</u> <u>996,561</u>	<u>\$</u> <u>301,406</u>	<u>\$</u> <u>3,817,405</u>	<u>\$</u> <u>(70,192)</u>	<u>\$</u> <u>-</u>	<u>\$</u> <u>7,377,314</u>	<u>\$</u> <u>48,224</u>	<u>\$</u> <u>7,425,538</u>

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, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$1,774,493	\$1,204,528
Adjustments for:		
Depreciation expenses	525,930	456,168
Amortization expenses	57,783	56,063
Expected credit loss recognized on trade receivables	13,982	3,258
Net gain on fair value change of financial assets and liabilities at fair value through profit or loss	(43,558)	(10,694)
Finance costs	68,543	60,653
Interest income	(19,305)	(15,034)
Dividend income	(2,359)	(2,976)
Share of profit of associates and joint ventures	(12,019)	(1,491)
Loss (gain) on disposal of property, plant and equipment	19,763	(607)
Write-down of inventories	91,960	67,055
(Gain) loss on lease modifications	(1,538)	2,853
Changes in operating assets and liabilities		
Notes receivable	(531,606)	(544,492)
Trade receivables from unrelated parties	(659,625)	23,125
Trade receivables from related parties	(52,468)	(52,353)
Other receivables from unrelated parties	2,383	(4,106)
Other receivables from related parties	(6,557)	-
Inventories	(489,979)	27,033
Other current assets	(101,854)	90,726
Other non-current assets	513,709	421,817
Notes payable	(16,445)	1,590
Trade payables to unrelated parties	450,120	(71,755)
Other payables to unrelated parties	122,200	(4)
Other current liabilities	631	(82,414)
Net defined benefit liabilities	(13)	90
Other non-current liabilities	(6,277)	(149)
Cash generated from operations	1,697,894	1,628,884
Interest received	19,460	15,034
Interest paid	(43,238)	(46,606)
Income tax paid	(406,834)	(164,639)

Net cash generated from operating activities	<u>1,267,282</u>	<u>1,432,673</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	-	8,538
Proceeds from sale of financial assets at amortized cost	-	178,118
Purchase of financial assets at fair value through profit or loss	(43,452)	(79,100)
Proceeds from disposal of financial assets at fair value through profit or loss	16,075	9,814
Payments for property, plant and equipment	(1,664,990)	(1,527,996)
(Continued)		

HU LANE ASSOCIATE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Proceeds from disposal of property, plant and equipment	\$138,652	\$118,642
Increase in refundable deposits	431	(857)
Payments for intangible assets	(22,774)	(22,142)
Dividends received	<u>2,359</u>	<u>2,976</u>
Net cash used in investing activities	<u>(1,573,699)</u>	<u>(1,312,007)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	992,372	-
Repayment of short-term borrowings	-	(1,118,511)
Proceeds from issue of corporate bonds	-	1,623,855
Proceeds from guarantee deposits received	116	405
Repayment of the principal portion of lease liabilities	(39,356)	(36,073)
Dividends paid	(498,281)	(558,066)
Changes in non-controlling interests	<u>-</u>	<u>18,399</u>
Net cash generated from (used in) financing activities	<u>454,851</u>	<u>(69,991)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(16,261)</u>	<u>(20,452)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	132,173	30,223
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>996,481</u>	<u>966,258</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$1,128,654</u>	<u>\$996,481</u>

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

[Attachment 5]

Hu Lane Associate Inc.
2024 Earnings Appropriation Statement



Unit: NTD

Item	Subtotal	Total
Undistributed earnings at the beginning of the period		2,501,855,044
Net income after tax	1,310,477,481	
Remeasurement of the defined benefit plan recognized in retained earnings	5,075,748	
The amount of the current after-tax net income plus the items other than the current after-tax net profit and included in the current year's undistributed earnings		1,315,553,229
Appropriation of Legal Reserve (Note 1)		(131,555,323)
Reversal of special reserve (Note 2)		171,293,021
Distributable earnings of the current period		3,857,145,971
Distribution item		
Shareholders' stock dividend (NT\$0.5/share) (Note 3)	(56,674,160)	
Shareholders' cash dividend (NT\$5/share)	(566,741,600)	(623,415,760)
Undistributed earnings at the end of the period		3,233,730,211

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: Acting in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act.

Note 3: The stock dividend to shareholders is 50 shares for every 1,000 shares, totaling NT\$56,674,160.

Note 4: The Company's dividends are distributed based on the total share count of 113,348,320 shares as of April 28, 2025.

Note 5: The cash dividends are distributed proportionally 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.

Person in charge: Chang
Tzu-Hsiung



President: Hu Sheng-Chang



Accounting Supervisor:
Chang Chia-Chi



[Attachment 6]

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

Approved by the Board of Directors on May 8, 2025

	Amendment	Current provisions	Description
Article 5	The total capital of the company is NT\$ <u>2,000,000,000</u> , divided into <u>200 million</u> shares, with NT\$10 per share. The unissued shares are authorized to be issued in installments by the board of directors. 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".	The total capital of the company is NT\$1,200,000,000, divided into 120 million shares, with NT\$100 per share. The unissued shares are authorized to be issued in installments by the board of directors. 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".	Amended in accordance with the actual operation condition.
Article 20	If the Company makes a profit in a year, it shall allocate 1% to 10% of the profit (refers to the pre-tax profit before the distribution of employees' remuneration and directors' remuneration) as employees' remuneration(<u>the amount of remuneration to entry-level employees shall not be less than 15% of the total amount of remuneration to employees</u>) and no 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 for remuneration 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	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 for remuneration 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.	Amended in accordance with the law and business practices.

	Amendment	Current provisions	Description
	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 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, 2000. 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, 2010. 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. The twenty sixth amendment was made on June 19, 2023. <u>The twenty seventh amendment was made on June 26, 2025.</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, 2000. 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, 2010. 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. The twenty sixth amendment was made on June 19, 2023.	Amendments were made to Article 24 by adding new words to meet practical needs.

Eight. Appendix

[Appendix 1]

Hu Lane Associate Inc.

Rules of Procedure for Shareholders' Meetings

Approved 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 am or later than 3:00 pm.
- 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 2]

Hu Lane Associate Inc. Articles of Incorporation

Approved by the shareholders' meeting on June 19, 2023.

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 Company 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 Electronics 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. ZZ99999 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 is NT\$1,200,000,000, divided into 120 million shares, with NT\$100 per share. The unissued shares are authorized to be issued in installments by the board of directors.

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. Shareholders' meetings may be held by video conference or in other manners as announced by the central competent authority.
- 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.
- I. Purchasing or merging other domestic or foreign enterprises.
 - II. 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 remuneration 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 for remuneration 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 there is a net profit of the company's annual final accounts, it should first make up for the accumulated losses (including adjusting the amount of undistributed surplus), then allocate 10% as Legal Reserve. However, if the Legal Reserve have reached the Company's paid-in capital, no further allocation shall be made. The remaining amount shall be allocated as Special Reserve

- in accordance with relevant laws, regulations, or provisions. If there is still surplus, it shall be added to the opening balances undistributed surplus (including adjusting the amount of undistributed surplus), and the Board of Directors shall draft a proposal for profit distribution to be submitted to the shareholders' meeting for resolution.
- 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. 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, 2000. 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, 2010. 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. The twenty sixth amendment was made on June 19, 2023.

[Appendix 3]

Hu Lane Associate Inc. Shareholding of all Directors

- I. Type and total number of shares issued: 113,348,320 common shares
- II. Minimum number of shares held by all directors: 8,000,000 shares (8% of total shares)
- III. Shareholders' Register

Book closure date: April 28, 2025

Job title	Name	Number of shares held	Shareholding ratio
Chairman	Chang Tzu-Hsiung	4,104,382	3.62%
Director	Hu Sheng-Ching	5,919,697	5.22%
Director	Liu Chun-Hsiang	4,160,655	3.67%
Director	Chang Ping-Chun	1,984,567	1.75%
Director	Hu Shao-Ju	2,500,232	2.21%
Director	Lin Yuan-Li	0	0.00%
Independent Director	Chang Shyueh-Chih	0	0.00%
Independent Director	Lin, Chan-Lieh	10,378	0.01%
Independent Director	Tai Chia-Wei	0	0.00%
Number of shares held by all directors (excluding independent directors)		18,669,533	16.47%



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Bound for Excellence

 **HULANE**

