

Stock Code : 6508



## **2023 Annual General Meeting of Shareholders**

### **Meeting Handbook**

**June 28, 2023**

2023 Annual Shareholder’s Meeting of Huikwang Corporation  
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Huikwang Corporation  
Agenda of 2023 Annual General Meeting of Shareholders

1. Time: 9:00 a.m., Wednesday, June 28, 2023.
2. Venue: No. 259, Section 1, Majia Rd, Madou District, Tainan City, 721(The third-floor auditorium of the Company)  
Method of convening: Physical Shareholder's Meeting
3. Report on the number of attendees, number of shares, and declare the opening of the meeting.
4. Chairman's Address
5. Report Items
  - (1) 2022 Business Report.
  - (2) Audit Committee's Review Report on 2022 Financial Statements.
  - (3) Report on 2022 Distribution of employees' and directors' Compensation.
  - (4) Report on 2022 Distribution of cash dividends.
  - (5) Amendment to Company's "Rules of Procedure for Board of Directors' Meetings".
6. Approval Items
  - (1) 2022 Business Report and the Financial Statements.
  - (2) 2022 Profit Distribution.
7. Election Items
  - (1) Election of Directors for the Company.
8. Extemporary Motions
9. Adjournment

## Report Items

**Subject 1:** 2022 Business Report.

**Descriptions:** Business Report is attached on page 6-7, (Attachment 1).

**Subject 2:** Audit Committee's Review Report on the Company's 2022 Financial Statements.

**Descriptions:** Audit Committee's Review report is attached on page 8, (Attachment 2).

**Subject 3:** Report on 2022 Distribution of employees' and directors' Compensation.

**Descriptions:** (1) According to Article 26 of the Company's Articles of Incorporation, if the Company generates profits in a fiscal year, no less than 1% of the profits shall be allocated for employee remuneration, and no more than 5% for director.

(2) After being proposed and reviewed by the Remuneration Committee and Audit Committee, director remuneration of 1.5%, totaling NT\$ 6,297,789, and employee compensation of 4.5%, totaling NT\$ 18,893,366 are planned to allocated. The director remuneration will be paid in cash, while the employee compensation will be issued in stocks. The number of shares to be issued will be based on the closing price of NT\$ 39.55 on March 24, 2023, the day prior to the Board's decision to issue new shares, with a total of 477,708 new shares to be issued. Any remaining employee compensation less than one share will be paid in cash at NT\$ 15 per share.

(3) As per financial statements for the fiscal year 2022, directors' remuneration is estimated at NT\$ 6,297,789, and employee compensation is estimated at NT\$ 18,893,366, with no difference from the proposed distribution.

(4) The above-mentioned employee compensation issuance of new stock record date is authorized to be determined by the Chairman.

**Subject 4:** Report on 2022 Distribution of cash dividends.

**Descriptions:** (1) The case is authorized by Article 26-2 of the Company's Articles of Association. The Board of Directors is empowered to distribute all or part of the dividends and profits due as cash payments through a special resolution, and to report to the shareholders' meeting.

(2) Allocation of NT\$ 232,365,121 is planned to distribute as cash dividends to shareholders, with a proposed distribution of NT\$2.7 per share. Any leftover amount from the cash dividend distribution that is less than NT\$1 per share will be recorded as other income for the Company.

(3) The Board of Directors has authorized the chairman to set the record date, payment date, and other related matters. If it's occurred that any change in the Company's outstanding shares resulting from share capital alternation affects the dividend payout ratio for shareholders, the chairman is also authorized to make necessary adjustments.

**Subject 5:** Amendment to Company's "Rules of Procedure for Board of Directors' Meetings".

**Descriptions:** Comparison Table between the previous and revised version is attached on page 27-29, (Attachment 4).

## Approval Items

**Subject 1:** 2022 Business Report and the Financial Statements.

- Descriptions:** (1) The Company's financial report and individual financial report for the fiscal year of 2022 have been audited and certified by the accounting firm PwC Taiwan, with audit certificates from accountants Fang-Ting Yeh and Yung-Chih Lin included in the file. The audit report has been reviewed and approved by the audit committee and is on file, along with the business report.
- (2) The above-mentioned business report, auditor's report, and financial report are attached on page 6-7,(Attachment 1), page 9-26(Attachment 3).
- (3) Submit for approval.

**Resolutions:**

**Subject 2:** 2022 Profit Distribution.

- Descriptions:** (1) The Profit Distribution plan for the Company's fiscal year of 2022 has been reviewed and approved by the Audit Committee on March 27th, 2023, and is legally submitted to the Board of Directors for approval.
- (2) The Profit Distribution Table for the Year of 2022 is attached as follows (priority will be given to the distribution of profits for the year 2022).

  
Huikwang Corporation  
Profit Distribution Table  
Year 2022

NTD : yuan

Items	Total
Net profit after tax	\$314,461,677
Add: Other comprehensive income (net after tax) minus remeasurement of defined benefit plans	1,092,440
Less:10% legal reserve	31,555,412
Distributable amount for the period	\$283,998,705
Add: Undistributed profit from the previous period	685,061,713
Distributable total	\$969,060,418
Proposed distribution of year 2022 annual profits	
Distribution of shareholder dividends (cash of 2.7 yuan per share) (special resolution by the Board of Directors, reported to the shareholders' meeting)	\$232,365,121
Undistributed profits at the end of period	\$736,695,297

Chairman:



Manager :



Accounting Manager :



- (3) Submit for approval.

**Resolutions:**

## Election Items

### Subject 1: Election of Directors for the Company.

**Descriptions:** (1) The term of office for current directors of the Company has expired on June 14th, 2023, it is proposed to fully elect new directors at this year's annual shareholders' meeting.

(2) According to Article 15 of the Company's Articles of Association, the Board of Directors shall consist of five to seven members. It is proposed to elect seven directors in this election (including four independent directors). The newly elected directors shall assume office on the day of the annual shareholders' meeting and serve for a term of three years, from June 28th, 2023, to June 27th, 2026. The election of all directors shall adopt a candidate nomination process, and the directors shall be elected by the shareholders from the list of candidates.

(3) The list of candidates for the Company Directors (including independent directors) has been reviewed and approved by the Board of Directors. The relevant information such as their education, work experience, and shareholding amount are shown in the table below. Among them, Ming-Zhi Tsai, and Ming-Tang Tsai have served as independent directors of the Company for three terms of office. Considering their financial expertise, familiarity with relevant laws and regulations, and professional experience in corporate governance, which has brought significant benefits to the Company, the Company still lists these three independent directors as candidates for independent directors.

Director candidates	1	2	3
Name	Kuan-Hua Chen	Jung-Tung Chen	Representative for Huikwang Investment (Holdings) Corp. : Chiu-Ying Tang
Number of shares held	2,701,000	7,986,746	15,343,113
Education	<ul style="list-style-type: none"> <li>●MPA, Economic Policy Mgt, Columbia University</li> <li>●MBA, Finance Univ.of Southern Cal.</li> </ul>	<ul style="list-style-type: none"> <li>●Pharmaceutical Department of China Medical University</li> </ul>	<ul style="list-style-type: none"> <li>●Accounting Department of Ling Tung University</li> </ul>
Experience	<ul style="list-style-type: none"> <li>●Vice President of Environmental Science and Technology Business Group, Huikwang Corporation</li> </ul>	<ul style="list-style-type: none"> <li>●Chairman, Huikwang Corporation</li> <li>●Chairman, Taiwan Corp. Protection Industry Association</li> </ul>	<ul style="list-style-type: none"> <li>●Chairman , Huikwang Investment(holdings) Corporation</li> </ul>
Current position	<ul style="list-style-type: none"> <li>●President, Huikwang Corporation</li> </ul>	<ul style="list-style-type: none"> <li>●Chairman, Huikwang Investment(holdings) Corporation</li> </ul>	<ul style="list-style-type: none"> <li>●Vice President, Huikwang Corporation</li> </ul>

Independent director candidates	1	2	3	4
Name	Ming-Zhi Tsai	Ming-Tang Tsai	Bo-Ren Chang	Hong-Yuan Lin
Number of shares held	0	0	0	0
Education	Accounting Department of Soochow University	Master of Business and Management of Chang Jung Christian University	Finance Department of National Chung Cheng University	Master of Business Management of Tatung University

Experience	<ul style="list-style-type: none"> <li>●Senior Manager of Finance Dept., Sun Yad Construction Co., Ltd.</li> <li>●Senior Manager, Shih-Kuen Plastic Co., Ltd.</li> <li>●General Manager of Tayih Kenmos Auto Parts Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>●Internal Auditor, Crowe LLP</li> <li>●Internal Auditor, Princeton Technology Corp.</li> <li>●Finance Manager, Shang Zheng Construction Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>●Junior Manager, Securities Research Dept. of Chia Her Industrial Co., Ltd.</li> <li>●Junior Manager, Underwriting Dept. of Master Link Securities Corp.</li> <li>●Finance and Accounting Manager, Macauto Industrial Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>●Assistant Manager, Deloitte &amp; Touche</li> </ul>
Current position	<ul style="list-style-type: none"> <li>●Independent Director, Ying Han Technology Corporation</li> </ul>	<ul style="list-style-type: none"> <li>●CEO, TOP Management Technology Co., Ltd.</li> <li>●Independent Director, Kuangli Bio-Tech Holdings Co., Ltd.</li> <li>●Independent Director, Microcosm Technology Co., Ltd.</li> <li>●Independent Director, AEON MOTOR Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>●Person in charge, i-Full Care Management Consultant Ltd.</li> <li>●CEO, Evershine Invest Co., Ltd.</li> <li>●Independent Director, Nang Kuang Pharmaceutical Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>●Accountant, Shin Cheng Accounting Association</li> <li>●Director, Shin Cheng Financial Management Consultant Co., Ltd.</li> <li>●Director of PEIL BIOTECH INC.</li> <li>●Director, Pu Chang Electrical Appliance Co., Ltd.</li> <li>●Director of Li Kang Biomedical Co., Ltd.</li> <li>●Temporary Manager, President Amusement Culture Co., Ltd.</li> </ul>
Reason for nominated Independent Director who served three terms	Equipped with excellent education and experience background, actively participated in the operation of the Board of Directors the past many over years, with outstanding contributions to the Company's Board of Directors for the operation and the improvement of corporate governance.	Participated in the Board of Directors over the past years, equipped with the professional management ability with corporate governance experience, it is believed that this candidate will continue to make the independent and fair judgment, which is obviously beneficial to the Company.	Not applicable	Not applicable

(4) For the "Company's 'Director Election Procedure'", please refer to Appendix 4 ,46-47.

(5) Vote

**Election Result:**

## **Extremporary Motion Adjournment**

【Attachment 1】



Huikwang Corporation  
2022 Business Report

1. Overview of Business Strategy and Implementation

The group has always followed to the core spirit of environmental friendliness to run business for many years. Whether in the field of environmental science or agricultural science, the group has taken on the role of a responsible global citizen in promoting its products.

In addition to keep improving and actively developing new formula for its products, the agricultural science business group also continuously strives to obtain agency agreements with world-renowned manufacturers. By giving professional guidance to farmers and cultivating the market, the group enhances the competitive advantage of its agricultural products. In the domestic and Chinese markets, the group utilizes its own brand to create product differentiation by maintaining stable quality and avoiding price competition, as a result, increasing market share. With a continued focus on global market expansion, the group increases product registrations and provides stable supplies to meet varying regional product demands.

In addition to providing high-quality products to its existing customers, the environmental technology business group also offers customized products to meet specific requirements, strengthening the maintenance of long-term relationships with its customers. The group actively develops new products and improved formulas to meet the growing global market demand for environmental protection and earth conservation and promotes its products in new markets.

In 2022, the economy and stable supply chains were impacted by the Russo-Ukrainian War, natural environmental factors, and the pandemic, resulting in food shortages and fluctuations in raw material prices, driving sales of plant protection products. In South America, the increase in agricultural product prices led to an increase in farming willingness, while the rise in raw material prices pushed the performance of the overseas market to new heights. The Chinese market was the most challenging due to restrictions on the flow of people and goods caused by the pandemic. Even though some areas of the environmental technology sector were affected by the pandemic and had their project budgets reduced or delayed, the gradual recovery of revenue from the energy development and environmental protection markets pushed the overall revenue of the two major business groups to a new high of NT\$2,491,218 million in 2022, a growth of 19.62% compared to 2021. Operating profit grew by 22.53%, increasing by NT\$54,469 million. Additionally, the appreciation of the U.S. dollar and gains from foreign exchange also contributed to non-operating income. Therefore, the earnings per share (EPS) for this period reached NT\$3.66.

2. The implementation results of the operational plan

Unit : NTD Thousand

Items	Actual Numbers for the Year 2022	Actual Numbers for the Year 2021	Range of Increase (Decrease)
Operating Revenue	2,491,218	2,088,965	19.62%
Operating Profit	296,243	241,774	22.53%
Profit and Loss after Tax	314,462	329,078	-4.44%
Earn Per Share (EPS) after Tax	3.66	3.85	-4.94%

3. The execution status of the revenue and expenditure budget:

The Company did not prepare a financial forecast for the year 2022, therefore there is no need to disclose the execution status.



4. Financial revenue and expenditure analysis and profitability assessment

Unit : NTD yuan

Items		2022	2021
Financial structure	Debt-to-asset ratio (%)	21.81%	22.96%
	Long-term funds to fixed assets ratio (%)	384.21%	360.06%
Solvency ratios	Current ratio (%)	378.30%	353.37%
	Quick ratio (%)	222.70%	205.10%
Return on Asset (ROA) (%)		9.84%	10.37%
Return on Equity (ROE)(%)		12.58%	13.92%
Capital adequacy ratio (%)	Operating profit	34.42%	28.22%
	Profit before tax	46.08%	55.09%
Net profit margin(%)		12.62%	15.75%
Basic earning per shares (EPS)(yuan)		3.66	3.85

5. Research and development and future outlook

The Agricultural Science business group is focusing on improving and expanding its plant protection product offerings. They are adapting to increasingly stringent government regulations by adding more exempted plant protection products to their portfolio, while also actively seeking out distribution rights for low-toxicity, environmentally friendly pesticides from international manufacturers, working on expanding the usage scope of their existing products to meet the needs of farmers and enhance their competitiveness. Moreover, strategically collaborate with high-quality suppliers in China to develop new products and register them for sale on the market. Through these efforts, they aim to maintain their brand advantage and market share in the domestic plant protection industry.

The subsidiary company from the agricultural science overseas market continues to promote its brand, creating exclusive channels, directly transmitting information, and technology promotion of medication, while creating brand value to improve market positioning. Increasing the overseas registration of key products and authorizing local important partners to register products, sharing research and development resources and market information, continuously expanding, and pouring into the growth of our brand and sales to industry customers.

The environmental technology business group's research on geotechnical materials in recent years has coincided with the increasing demand for applications in response to the deteriorating world environment and climate change. Independent project development has been established for different properties that require high heat resistance, UV resistance, high-temperature chemical resistance, and polar environment resistance, and cooperation with major customers and professional testing labs has been carried out for development. Many projects have passed the testing and are being used successfully. The high-functioning and non-toxic environmental properties of the materials conform to the global trend, creating a huge development space for protecting water resources and applying green energy. In the current global awareness of environmental protection, the expansion of multi-purpose products can increase the market benefits.

Chairman :



Manager :



Accounting Manager :



【Attachment 2】

HUIKWANG CORPORATION  
Audit Committee Review Report

The Board of Directors has compiled and submitted the Company's Business Report of 2022, Financial Statements (consolidated and parent-only) and Earnings Distribution Table; among which contains Financial Reports audited and attested by PricewaterhouseCoopers Taiwan, with audit report issued. The aforesaid Business Report, Financial Statements and Earnings Distribution Table have been reviewed and determined to be correct and accurate by the Audit Committee. In accordance with Article 14-5 of Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this Report for your review.

To  
HUIKWANG CORPORATION  
2023 Regular Shareholders' Meeting

HUIKWANG CORPORATION  
Audit Committee Convenor



蔡明志



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【Attachment 3】

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Huikwang Corporation

***Opinion***

We have audited the accompanying consolidated balance sheets of Huikwang Corporation and subsidiaries (the “Group”) as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Key audit matters***

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

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Valuation of allowance for inventories

Refer to Note 4(10) for the accounting policy on inventory valuation, Note 5(2) for the uncertainty of accounting estimations and assumptions relating to inventory valuation, and Note 6(5) for details of inventories. As of December 31, 2022, the carrying amount of inventories and allowance for inventory valuation losses are NT\$960,493 thousand and NT\$29,650 thousand, respectively.

The Group is primarily engaged in manufacturing and sales of plant protection agents and geosynthetics, which are chemicals with long shelf life but still subject to climate, production technology and market demand, etc. Therefore, there is a certain risk of inventory losses due from market value decline or obsolescence. The Group's inventories are stated at the lower of cost and net realisable value. For aged over a certain period and individually recognised as obsolete inventories, the net realisable value was calculated based on the inventory clearance and historical data of discounts.

The determination of net realisable value for inventories aged over a certain period and obsolete inventories are subject to management's judgment and involves uncertainty. Considering that the amounts of the Group's inventories and allowance for inventory valuation losses are material to the consolidated financial statements, we considered the valuation of allowance for inventories as one of the key audit matters.

#### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of the policy and procedures on allowance for inventory valuation losses.
2. Obtained an understanding of the warehousing management procedures, reviewed the annual physical inventory count plan and participated in the annual inventory count in order to assess the effectiveness of the procedures used to identify and control obsolete inventories.
3. Verified the accuracy of the aged inventory judged by management to confirm whether the classification of the inventory is consistent with its policies.
4. Sampled individual inventory item and checked its net realisable value in order to assess the reasonableness of the Group's allowance for inventory valuation losses.

### Existence of sales revenue of geosynthetics

Refer to Note 4(26) for details on revenue recognition. Sales is recognised based on the contract price, net of the estimated output tax and sales returns and discounts, when control right of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the sales of products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

The Group's sales revenue mainly arises from the sales of plant protection agents and geosynthetics. Sales revenue from geosynthetics has a high proportion of export sales based on the nature of its industry, mainly in response to the needs of customers for large-scale construction projects. Also, the Group has a large number of customers and distributors which are located all over the world, such as Mainland China, South Africa, Australia, Asia, etc., and it takes a long time to verify the existence of the transactions. Thus, we considered the existence of sales revenue from geosynthetics as one of the key audit matters.

### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Confirmed the process of the recognition of sales revenue, and reviewed customers' credit information, the basis of revenue recognition, approval procedure and cash collection procedures in order to assess the effectiveness of the internal controls over revenue recognition.
2. Confirmed the basic information of the significant customers and analysed sales amount and conditions compared to the prior period in order to assess the reasonableness of the amount and nature related to the sales.
3. Selected samples of sales transactions from geosynthetics for the year, and examined customer orders, delivery orders, export declarations, sign off records, and sales invoices or subsequent collection condition to ascertain the occurrence of sales revenue from geosynthetics.

### ***Other matter – Parent company only financial reports***

We have audited and expressed an unqualified opinion on the parent company only financial statements of Huikwang Corporation as of and for the years ended December 31, 2022 and 2021.

## ***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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretation, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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 audit committee, are responsible for overseeing the Group's financial reporting process.

## ***Auditors' responsibilities for the audit of the consolidated financial statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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.

Yeh, Fang-Ting

Independent Auditors

Lin, Yung-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

March 27, 2023

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.



HUIKWANG CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 593,791	18	\$ 549,034	17
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	35,612	1
1136	Financial assets at amortised cost - current	6(1)(3) and 8	2,064	-	88,330	3
1150	Notes receivable, net	6(4)	166,499	5	199,410	6
1170	Accounts receivable, net	6(4) and 12	637,975	20	423,672	13
1200	Other receivables		2,935	-	4,615	-
130X	Inventories	5(2) and 6(5)	930,843	29	911,162	29
1410	Prepayments		49,541	1	26,641	1
11XX	<b>Total current assets</b>		<u>2,383,648</u>	<u>73</u>	<u>2,238,476</u>	<u>70</u>
<b>Non-current assets</b>						
1535	Financial assets at amortised cost - non-current	6(1)(3)	17,409	1	66,545	2
1600	Property, plant and equipment	6(6) and 8	684,192	21	708,116	22
1755	Right-of-use assets	6(8)	2,409	-	4,567	-
1760	Investment property, net	6(7)(9) and 8	137,093	4	138,407	5
1780	Intangible assets	6(10)(11)	238	-	351	-
1840	Deferred income tax assets	6(25)	14,456	1	15,124	1
1915	Prepayments for equipment	6(6)	1,838	-	1,935	-
1920	Guarantee deposits paid		9,165	-	2,004	-
1990	Other non-current assets		8,383	-	7,610	-
15XX	<b>Total non-current assets</b>		<u>875,183</u>	<u>27</u>	<u>944,659</u>	<u>30</u>
1XXX	<b>Total assets</b>		<u>\$ 3,258,831</u>	<u>100</u>	<u>\$ 3,183,135</u>	<u>100</u>

(Continued)

HUIKWANG CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(12) and 8	\$ 290,000	9	\$ 279,000	9
2130	Contract liabilities - current	6(17)	56,841	2	42,978	1
2150	Notes payable	7	58,313	2	53,928	2
2170	Accounts payable		35,518	1	62,910	2
2200	Other payables		95,358	3	102,907	3
2220	Other payables - related parties	7	8,528	-	7,962	-
2230	Current income tax liabilities	6(25)	85,543	2	83,773	3
21XX	<b>Total current liabilities</b>		<u>630,101</u>	<u>19</u>	<u>633,458</u>	<u>20</u>
<b>Non-current liabilities</b>						
2570	Deferred income tax liabilities	6(25)	70,696	2	84,778	3
2640	Net defined benefit liabilities - non-current	6(13)	8,465	1	9,962	-
2645	Guarantee deposits received		1,570	-	2,585	-
25XX	<b>Total non-current liabilities</b>		<u>80,731</u>	<u>3</u>	<u>97,325</u>	<u>3</u>
2XXX	<b>Total liabilities</b>		<u>710,832</u>	<u>22</u>	<u>730,783</u>	<u>23</u>
<b>Equity attributable to owners of parent</b>						
Share capital						
3110	Common stock	6(14)	860,612	26	856,702	27
3200	Capital surplus	6(14)(15)	210,106	7	196,666	6
Retained earnings						
3310	Legal reserve	6(16)	356,041	11	323,059	10
3320	Special reserve		206,486	6	206,486	6
3350	Unappropriated retained earnings		1,000,616	31	975,055	31
3400	Other equity interest		( 85,862)	( 3)	( 105,616)	( 3)
3XXX	<b>Total equity</b>		<u>2,547,999</u>	<u>78</u>	<u>2,452,352</u>	<u>77</u>
Significant Contingent Liabilities and Unrecognized Contract Commitments						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 3,258,831</u>	<u>100</u>	<u>\$ 3,183,135</u>	<u>100</u>

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

HUIKWANG CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(17) and 7	\$ 2,491,218	100	\$ 2,088,965	100
5000	Operating costs	6(5)(10)(13)(23)(24)	( 1,883,395)	( 75)	( 1,545,559)	( 74)
5900	Operating margin		<u>607,823</u>	<u>25</u>	<u>543,406</u>	<u>26</u>
	Operating expenses	6(10)(13)(23)(24) and 12				
6100	Selling expenses		( 147,200)	( 6)	( 136,493)	( 6)
6200	General and administrative expenses		( 118,257)	( 5)	( 131,434)	( 6)
6300	Research and development expenses		( 35,743)	( 1)	( 34,697)	( 2)
6450	Expected credit loss		( 15,186)	( 1)	( 2,698)	-
6000	Total operating expenses		( 316,386)	( 13)	( 305,322)	( 14)
6500	Other income and expense, net	6(7)(9)(18)	<u>4,806</u>	<u>-</u>	<u>3,690</u>	<u>-</u>
6900	Operating profit		<u>296,243</u>	<u>12</u>	<u>241,774</u>	<u>12</u>
	Non-operating income and expenses					
7100	Interest income	6(19)	7,144	-	10,022	1
7010	Other income	6(20)	4,254	-	4,244	-
7020	Other gains and losses	6(8)(10)(11)(21) and 12	91,961	4	218,555	10
7050	Finance costs	6(22)	( 3,003)	-	( 2,625)	-
7000	Total non-operating income and expenses		<u>100,356</u>	<u>4</u>	<u>230,196</u>	<u>11</u>
7900	<b>Profit before income tax</b>		<u>396,599</u>	<u>16</u>	<u>471,970</u>	<u>23</u>
7950	Income tax expense	6(25)	( 82,137)	( 4)	( 142,892)	( 7)
8200	<b>Profit for the year</b>		<u>\$ 314,462</u>	<u>12</u>	<u>\$ 329,078</u>	<u>16</u>
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
8311	Gains on remeasurements of defined benefit plan	6(13)	\$ 1,365	-	\$ 931	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	( 273)	-	( 186)	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Exchange differences on translation		<u>19,754</u>	<u>1</u>	<u>( 27,252)</u>	<u>( 2)</u>
8300	<b>Other comprehensive income (loss) for the year</b>		<u>\$ 20,846</u>	<u>1</u>	<u>( \$ 26,507)</u>	<u>( 2)</u>
8500	<b>Total comprehensive income for the year</b>		<u>\$ 335,308</u>	<u>13</u>	<u>\$ 302,571</u>	<u>14</u>
	Profit attributable to:					
8610	Owners of the parent		<u>\$ 314,462</u>	<u>12</u>	<u>\$ 329,078</u>	<u>16</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		<u>\$ 335,308</u>	<u>13</u>	<u>\$ 302,571</u>	<u>14</u>
	Earnings per share (in dollars)	6(26)				
9750	Basic		<u>\$ 3.66</u>		<u>\$ 3.85</u>	
9850	Diluted		<u>\$ 3.63</u>		<u>\$ 3.82</u>	

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

HUIKWANG CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent						Other Equity Interest Exchange differences on translation of foreign operations	Total equity
	Notes	Share capital - common stock	Capital surplus	Retained Earnings				
				Legal reserve	Special reserve	Unappropriated retained earnings		
<u>For the year ended December 31, 2021</u>								
Balance at January 1, 2021		\$ 852,970	\$ 188,943	\$ 304,129	\$ 206,486	\$ 800,637	(\$ 78,364)	\$ 2,274,801
Profit for the year		-	-	-	-	329,078	-	329,078
Other comprehensive income (loss) for the year		-	-	-	-	745	(\$ 27,252)	(\$ 26,507)
Total comprehensive income (loss)		-	-	-	-	329,823	(\$ 27,252)	302,571
Distribution of 2020 income:								
Legal reserve		-	-	18,930	-	(\$ 18,930)	-	-
Cash dividends	6(16)	-	-	-	-	(\$ 136,475)	-	(\$ 136,475)
Employees' compensation transferred to common stock	6(14)(27)	3,732	7,723	-	-	-	-	11,455
Balance at December 31, 2021		\$ 856,702	\$ 196,666	\$ 323,059	\$ 206,486	\$ 975,055	(\$ 105,616)	\$ 2,452,352
<u>For the year ended December 31, 2022</u>								
Balance at January 1, 2022		\$ 856,702	\$ 196,666	\$ 323,059	\$ 206,486	\$ 975,055	(\$ 105,616)	\$ 2,452,352
Profit for the year		-	-	-	-	314,462	-	314,462
Other comprehensive income for the year		-	-	-	-	1,092	19,754	20,846
Total comprehensive income		-	-	-	-	315,554	19,754	335,308
Distribution of 2021 income:								
Legal reserve		-	-	32,982	-	(\$ 32,982)	-	-
Cash dividends	6(16)	-	-	-	-	(\$ 257,011)	-	(\$ 257,011)
Employees' compensation transferred to common stock	6(14)(27)	3,910	13,411	-	-	-	-	17,321
Executing the right of disgorgement		-	29	-	-	-	-	29
Balance at December 31, 2022		\$ 860,612	\$ 210,106	\$ 356,041	\$ 206,486	\$ 1,000,616	(\$ 85,862)	\$ 2,547,999

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

HUIKWANG CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2022	2021
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 396,599	\$ 471,970
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit loss	12	15,186	2,698
(Reversal of allowance) provision for inventory market price decline	6(5)	( 78 )	2,944
Gain on disposal of non-current assets for sale	6(8)(21)	-	( 265,114 )
Depreciation	6(6)(8)(9)	55,727	53,989
Loss on disposal of property, plant and equipment	6(21)	166	6,193
Impairment loss on non-financial assets	6(10)(11)(21)	-	11,487
Amortisation	6(10)(23)	113	116
Interest income	6(19)	( 7,144 )	( 10,022 )
Interest expense	6(22)	3,003	2,625
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		32,911	( 23,428 )
Accounts receivable		( 230,060 )	( 231,352 )
Other receivables		2,211	1,004
Inventories		( 19,612 )	( 78,005 )
Prepayments		( 22,900 )	3,662
Changes in operating liabilities			
Contract liabilities - current		13,863	16,175
Notes payable		3,930	23,373
Accounts payable		( 27,392 )	32,432
Other payables		10,229	23,110
Receipts in advance		-	( 2,915 )
Net defined benefit liabilities - non-current		( 132 )	( 1,130 )
Cash inflow generated from operations		226,620	39,812
Interest received		6,613	9,676
Interest paid		( 2,914 )	( 2,555 )
Income tax paid		( 94,202 )	( 133,690 )
Net cash flows from (used in) operating activities		<u>136,117</u>	<u>( 86,757 )</u>

(Continued)

HUIKWANG CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2022	2021
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Decrease (increase) in financial assets at fair value through profit or loss - current		\$ 35,612	(\$ 35,612 )
Decrease (increase) in financial assets at amortised cost - current		86,266	( 88,330 )
Cash proceeds from disposal of non-current assets for sale	6(27)	-	144,343
Decrease (increase) in financial assets at amortised cost - non-current		49,136	( 66,545 )
Cash paid for acquisition of property, plant and equipment	6(27)	( 7,554 )	( 13,749 )
Proceeds from disposal of property, plant and equipment		-	199
Acquisition of intangible assets	6(10)	-	( 158 )
Increase in prepayments for equipment		( 8,675 )	( 3,339 )
Interest paid for prepayment for equipment	6(6)(22)	( 8 )	( 7 )
Increase in guarantee deposits paid		( 7,161 )	( 45 )
(Increase) decrease in other non-current assets		( 773 )	1,882
Net cash flows from (used in) investing activities		146,843	( 61,361 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings	6(28)	110,000	369,000
Decrease in short-term borrowings	6(28)	( 99,000 )	( 320,000 )
Decrease in short-term notes and bills payable	6(28)	-	( 190,000 )
(Decrease) increase in guarantee deposits received	6(28)	( 1,023 )	1,191
Payment of cash dividends	6(16)(27)	( 257,011 )	( 136,475 )
Proceeds from disgorgement		29	-
Net cash flows used in financing activities		( 247,005 )	( 276,284 )
Effect of foreign exchange rate changes		8,802	( 9,683 )
Net increase (decrease) in cash and cash equivalents		44,757	( 434,085 )
Cash and cash equivalents at beginning of year	6(1)	549,034	983,119
Cash and cash equivalents at end of year	6(1)	\$ 593,791	\$ 549,034

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

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Huikwang Corporation

### ***Opinion***

We have audited the accompanying parent company only balance sheets of Huikwang Corporation (the “Company”) as of December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies. In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### ***Basis for opinion***

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

### ***Key audit matters***

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

Key audit matters for the Company's 2022 parent company only financial statements are stated as follows:

#### Valuation of allowance for inventories

Refer to Note 4(8) for the accounting policy on inventory valuation, Note 5(2) for the uncertainty of accounting estimations and assumptions relating to inventory valuation, and Note 6(4) for details of inventories. As of December 31, 2022, the carrying amount of inventories and allowance for inventory valuation losses are NT\$690,673 thousand and NT\$29,214 thousand, respectively.

The Company is primarily engaged in manufacturing and sales of plant protection agents and geosynthetics, which are chemicals with long shelf life but still subject to climate, production technology and market demand, etc. Therefore, there is a certain risk of inventory losses due from market value decline or obsolescence. The Company's inventories are stated at the lower of cost and net realisable value. For aged over a certain period and individually recognised as obsolete inventories, the net realisable value was calculated based on the inventory clearance and historical data of discounts.

The determination of net realisable value for inventories aged over a certain period and obsolete inventories is subject to management's judgment and involves uncertainty. Considering that the amounts of the Company's inventories and allowance for inventory valuation losses are material to the parent company only financial statements, we considered the valuation of the allowance for inventories as one of the key audit matters.

#### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of the policy and procedures on allowance for inventory valuation losses.
2. Obtained an understanding of the warehouse management procedures, reviewed the annual physical inventory count plan and participated in the annual inventory count in order to assess the effectiveness of the procedures used to identify and control obsolete inventories.
3. Verified the accuracy of the aged inventory judged by management to confirm whether the classification of the inventory is consistent with its policies.
4. Sampled individual inventory item and checked its net realisable value in order to assess the reasonableness of the Company's allowance for inventory valuation losses.

#### Existence of sales revenue of geosynthetics



Refer to Note 4(24) for details on revenue recognition. Sales is recognised based on the contract price, net of the estimated output tax and sales returns and discounts, when control right of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the sales of products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products.

The Company's sales revenue mainly arises from the sales of plant protection agents and geosynthetics. Sales revenue from geosynthetics has a high proportion of export sales based on the nature of its industry, mainly in response to the needs of customers for large-scale construction projects. Also, the Company has a large number of customers and distributors which are located all over the world, such as Mainland China, South Africa, Australia, Asia, etc., and it takes a long time to verify the existence of the transactions. Thus, we considered the existence of sales revenue from geosynthetics as one of the key audit matters.

#### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Confirmed the process of the recognition of sales revenue, and reviewed customers' credit information, the basis of revenue recognition, approval procedure and cash collection procedures in order to assess the effectiveness of the internal controls over revenue recognition.
2. Confirmed the basic information of the significant customers and analysed sales amount and conditions compared to the prior period in order to assess the reasonableness of the amount and nature related to the sales.
3. Selected samples of sales transactions from geosynthetics for the year, and examined customer orders, delivery orders, export declarations, sign off records, sales invoice or subsequent collection condition to ascertain the occurrence of sales revenue from geosynthetics.

#### ***Responsibilities of management and those charged with governance for the parent company only financial statements***

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

In preparing the parent company only financial statements, management is responsible for assessing the 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 audit committee, are responsible for overseeing the Company's financial reporting process.

### ***Auditors' responsibilities for the audit of the parent company only financial statements***

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period 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.

Yeh, Fang-Ting

Independent Auditors

Lin, Yung-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

March 27, 2023

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The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

HUIKWANG CORPORATION  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 367,017	12	\$ 379,306	12
1150	Notes receivable, net	6(3)	157,193	5	150,520	5
1170	Accounts receivable, net	6(3) and 12	576,326	18	373,701	12
1180	Accounts receivable - related parties	7	41,011	2	49,402	2
1200	Other receivables		3,994	-	3,970	-
1210	Other receivables - related parties	7	102,689	3	77,506	3
130X	Inventories	5(2) and 6(4)	661,459	21	712,596	23
1410	Prepayments		8,343	-	8,844	-
11XX	<b>Total current assets</b>		<u>1,918,032</u>	<u>61</u>	<u>1,755,845</u>	<u>57</u>
<b>Non-current assets</b>						
1535	Financial assets at amortised cost-non-current	6(1)(2)	17,409	1	23,116	1
1550	Investments accounted for using equity method	6(5) and 7	631,939	20	694,057	22
1600	Property, plant and equipment	6(6) and 8	448,823	14	474,470	15
1760	Investment property, net	6(7)(8) and 8	137,093	4	138,407	4
1780	Intangible assets	6(9)	238	-	351	-
1840	Deferred income tax assets	6(23)	14,456	-	15,124	1
1915	Prepayments for equipment	6(6)	870	-	1,065	-
1920	Guarantee deposits paid		603	-	603	-
1990	Other non-current assets		33	-	53	-
15XX	<b>Total non-current assets</b>		<u>1,251,464</u>	<u>39</u>	<u>1,347,246</u>	<u>43</u>
1XXX	<b>Total assets</b>		<u>\$ 3,169,496</u>	<u>100</u>	<u>\$ 3,103,091</u>	<u>100</u>

(Continued)

HUIKWANG CORPORATION  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(10) and 8	\$ 290,000	9	\$ 279,000	9
2130	Contract liabilities - current	6(15)	2,260	-	1,529	-
2150	Notes payable		44,525	2	46,579	2
2170	Accounts payable		19,986	1	55,191	2
2180	Accounts payable - related parties	7	10,746	-	11,799	-
2200	Other payables		72,956	2	71,540	2
2230	Current income tax liabilities	6(23)	82,854	3	75,557	2
21XX	<b>Total current liabilities</b>		<u>523,327</u>	<u>17</u>	<u>541,195</u>	<u>17</u>
<b>Non-current liabilities</b>						
2570	Deferred income tax liabilities	6(23)	70,696	2	84,778	3
2640	Net defined benefit liabilities - non-current	6(11)	8,465	-	9,962	-
2645	Guarantee deposits received		1,040	-	2,150	-
2670	Other non-current liabilities	6(5)	17,969	1	12,654	1
25XX	<b>Total non-current liabilities</b>		<u>98,170</u>	<u>3</u>	<u>109,544</u>	<u>4</u>
2XXX	<b>Total liabilities</b>		<u>621,497</u>	<u>20</u>	<u>650,739</u>	<u>21</u>
<b>Equity</b>						
Share capital						
3110	Common stock	6(12)	860,612	27	856,702	28
3200	Capital surplus	6(12)(13)	210,106	7	196,666	6
Retained earnings						
3310	Legal reserve	6(14)	356,041	11	323,059	10
3320	Special reserve		206,486	6	206,486	7
3350	Unappropriated retained earnings		1,000,616	32	975,055	31
3400	Other equity interest	6(5)	( 85,862)	( 3)	( 105,616)	( 3)
3XXX	<b>Total Equity</b>		<u>2,547,999</u>	<u>80</u>	<u>2,452,352</u>	<u>79</u>
Significant Contingent Liabilities and Unrecognized Contract Commitments						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 3,169,496</u>	<u>100</u>	<u>\$ 3,103,091</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

HUIKWANG CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars, except for earning per share amounts)

	Items	Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(15) and 7	\$ 2,166,906	100	\$ 1,604,563	100
5000	Operating costs	6(4)(9)(11)(21)(22) and 7	( 1,694,529)	( 78)	( 1,245,762)	( 77)
5900	Operating margin		472,377	22	358,801	23
	Operating expenses	6(9)(11)(21)(22), 7 and 12				
6100	Selling expenses		( 82,451)	( 4)	( 71,794)	( 4)
6200	General and administrative expenses		( 85,190)	( 4)	( 77,315)	( 5)
6300	Research and development expenses		( 11,265)	-	( 10,692)	( 1)
6450	Expected credit loss		( 17,322)	( 1)	( 920)	-
6000	Total operating expenses		( 196,228)	( 9)	( 160,721)	( 10)
6500	Other income and expense, net	6(7)(8)(16)	4,806	-	3,690	-
6900	Operating profit		280,955	13	201,770	13
	Non-operating income and expenses					
7100	Interest income	6(17) and 7	4,213	-	3,644	-
7010	Other income	6(18)	4,231	-	3,647	-
7020	Other gains and losses	6(19) and 12	85,469	4	( 25,379)	( 1)
7050	Finance costs	6(6)(20)	( 2,956)	-	( 2,510)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(5)	22,750	1	228,033	14
7000	Total non-operating income and expenses		113,707	5	207,435	13
7900	<b>Profit before income tax</b>		394,662	18	409,205	26
7950	Income tax expense	6(23)	( 80,200)	( 4)	( 80,127)	( 5)
8200	<b>Profit for the year</b>		\$ 314,462	14	\$ 329,078	21
	<b>Other comprehensive income (loss)</b>					
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
8311	Gains on remeasurements of defined benefit plan	6(11)	\$ 1,365	-	\$ 931	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(23)	( 273)	-	( 186)	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Exchange differences on translation	6(5)	19,754	1	( 27,252)	( 2)
8300	<b>Other comprehensive income (loss) for the year</b>		\$ 20,846	1	( \$ 26,507)	( 2)
8500	<b>Total comprehensive income for the year</b>		\$ 335,308	15	\$ 302,571	19
	Earnings per share (in dollars)	6(24)				
9750	Basic		\$ 3.66		\$ 3.85	
9850	Diluted		\$ 3.63		\$ 3.82	

The accompanying notes are an integral part of these parent company only financial statements.

HUIKWANG CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Capital surplus	Retained Earnings			Other Equity Interest	Total equity
				Legal reserve	Special reserve	Unappropriated retained earnings	Exchanges differences on translation of Foreign operations	
<u>For the year ended December 31, 2021</u>								
Balance at January 1, 2021		\$ 852,970	\$ 188,943	\$ 304,129	\$ 206,486	\$ 800,637	(\$ 78,364)	\$ 2,274,801
Profit for the year		-	-	-	-	329,078	-	329,078
Other comprehensive income (loss) for the year	6(5)	-	-	-	-	745	(27,252)	(26,507)
Total comprehensive income (loss)		-	-	-	-	329,823	(27,252)	302,571
Distribution of 2020 net income:								
Legal reserve		-	-	18,930	-	(18,930)	-	-
Cash dividends	6(14)	-	-	-	-	(136,475)	-	(136,475)
Employees' compensation transferred to common stock	6(12)(25)	3,732	7,723	-	-	-	-	11,455
Balance at December 31, 2021		\$ 856,702	\$ 196,666	\$ 323,059	\$ 206,486	\$ 975,055	(\$ 105,616)	\$ 2,452,352
<u>For the year ended December 31, 2022</u>								
Balance at January 1, 2022		\$ 856,702	\$ 196,666	\$ 323,059	\$ 206,486	\$ 975,055	(\$ 105,616)	\$ 2,452,352
Profit for the year		-	-	-	-	314,462	-	314,462
Other comprehensive income for the year	6(5)	-	-	-	-	1,092	19,754	20,846
Total comprehensive income		-	-	-	-	315,554	19,754	335,308
Distribution of 2021 net income:								
Legal reserve		-	-	32,982	-	(32,982)	-	-
Cash dividends	6(14)	-	-	-	-	(257,011)	-	(257,011)
Employees' compensation transferred to common stock	6(12)(25)	3,910	13,411	-	-	-	-	17,321
Executing the right of disgorgement		-	29	-	-	-	-	29
Balance at December 31, 2022		\$ 860,612	\$ 210,106	\$ 356,041	\$ 206,486	\$ 1,000,616	(\$ 85,862)	\$ 2,547,999

The accompanying notes are an integral part of these parent company only financial statements.



HUIKWANG CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 394,662	\$ 409,205
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit losses	12	17,322	920
Provision for inventory market price decline	6(4)	25	3,032
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(5)	( 22,750 )	( 228,033 )
Depreciation	6(6)(8)	34,817	35,422
Loss (gain) on disposal of property, plant and equipment	6(19)	44	( 162 )
Amortisation	6(9)(21)	113	116
Interest income	6(17)	( 4,213 )	( 3,644 )
Interest expense	6(20)	2,956	2,510
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		( 6,673 )	( 34,752 )
Accounts receivable		( 219,947 )	( 222,658 )
Accounts receivable - related parties		8,391	16,921
Other receivables		396	73
Inventories		51,112	( 98,308 )
Prepayments		501	14,411
Changes in operating liabilities			
Contract liabilities - current		731	531
Notes payable		( 2,509 )	16,218
Accounts payable		( 35,205 )	35,779
Accounts payable - related parties		( 1,053 )	1,827
Other payables		19,060	24,163
Net defined benefit liabilities - non-current		( 132 )	( 1,130 )
Cash inflow (outflow) generated from operations		237,648	( 27,559 )
Interest received		3,793	3,289
Dividends received	6(5)	109,937	363,029
Interest paid		( 2,868 )	( 2,440 )
Income tax paid		( 86,590 )	( 73,967 )
Net cash flows from operating activities		<u>261,920</u>	<u>262,352</u>

(Continued)

The accompanying notes are an integral part of these parent company only financial statements.

HUIKWANG CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2022	2021
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Decrease (increase) in financial assets at amortised cost - non-current		\$ 5,707	(\$ 23,116 )
(Increase) decrease in other receivables - related parties		( 25,183 )	15,801
Acquisition of investments accounted for using equity method	6(5) and 7	-	( 55,565 )
Proceeds from capital reduction of investments accounted for using equity method	6(5)	-	23,472
Cash paid for acquisition of property, plant and equipment	6(25)	( 2,928 )	( 9,161 )
Proceeds from disposal of property, plant and equipment		-	162
Acquisition of intangible assets	6(9)	-	( 158 )
Increase in prepayments for equipment		( 4,725 )	( 1,058 )
Interest paid for prepayments for equipment	6(6)(20)	( 8 )	( 7 )
Decrease in other non-current assets		20	22
Net cash flows used in investing activities		( 27,117 )	( 49,608 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings	6(26)	110,000	369,000
Decrease in short-term borrowings	6(26)	( 99,000 )	( 320,000 )
Decrease in short-term notes and bills payable	6(26)	-	( 190,000 )
(Decrease) increase in guarantee deposit received	6(26)	( 1,110 )	1,190
Payment of cash dividends	6(14)	( 257,011 )	( 136,475 )
Proceeds from disgorgement		29	-
Net cash flows used in financing activities		( 247,092 )	( 276,285 )
Net decrease in cash and cash equivalents		( 12,289 )	( 63,541 )
Cash and cash equivalents at beginning of year	6(1)	379,306	442,847
Cash and cash equivalents at end of year	6(1)	\$ 367,017	\$ 379,306

The accompanying notes are an integral part of these parent company only financial statements.

【Attachment 4】

**Huikwang Corporation**

**Comparison Table of amendments to Rules of Procedure for Board of Directors' Meetings**

Propose to revise	Existing	Remark
<p>Article 3 (Convening and notice of board meetings):            A board of directors shall meet at least quarterly, which shall be set out in the rules of procedure.            A notice of the reasons for convening a board meeting shall be given to each director and supervisor before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.            The notice to be given under the preceding paragraph may be affected by means of electronic transmission with the prior consent of the recipients.            All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion.</p>	<p>Article 3 (Convening and notice of board meetings):            A board of directors shall meet at least quarterly, which shall be set out in the rules of procedure.            A notice of the reasons for convening a board meeting shall be given to each director and supervisor before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.            The notice to be given under the preceding paragraph may be affected by means of electronic transmission with the prior consent of the recipients.            All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion <del>except in the case of an emergency or for other legitimate reason.</del></p>	<p>Amendment Pursuant to FSC, letter No.1110383263 dated August 5, 2022, and TPEX, letter No.1110064012 dated August 9, 2022.</p>
<p>Article 12 (Matters requiring discussion at a board meeting) :            The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:            1. The Corporation's business plan.            2. Annual and semi-annual financial reports, except for semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by an accountant.            3. Adoption or amendment of an internal control system pursuant to Article 14-1 and assessment of the effectiveness of the internal control system.            4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.            5. The offering, issuance, or private placement of equity-type securities.            6. The appointment or removal of a chairman.            7. The appointment or discharge of a financial, accounting, or internal audit officer.            8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster</p>	<p>Article 12 (Matters requiring discussion at a board meeting) :            The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:            1. The Corporation's business plan.            2. Annual and semi-annual financial reports, except for semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by an accountant.            3. Adoption or amendment of an internal control system pursuant to Article 14-1 and assessment of the effectiveness of the internal control system.            4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.            5. The offering, issuance, or private placement of equity-type securities.            6. The appointment or discharge of a financial, accounting, or internal audit officer.            7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following</p>	<p>Amendment Pursuant to FSC, letter No.1110383263 dated August 5, 2022, and TPEX, letter No.1110064012 dated August 9, 2022.</p>

Propose to revise	Existing	Remark
<p>relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p>9. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholder meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital and audited by accountant for financial report in the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under paragraph 2.</p> <p>At least one independent director of the Company shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a</p>	<p>board of directors meeting for retroactive recognition.</p> <p>8. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholder meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital and audited by accountant for financial report in the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under paragraph 2.</p> <p>At least one independent director of the Company shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.</p>	

Propose to revise	Existing	Remark
written opinion in advance, which shall be recorded in the board meeting minutes.		
<p>Article 16 (Meeting minutes and sign-in matters):</p> <p>9. Other matters required to be recorded. The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes, and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting:</p> <p>1. Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.</p> <p>2. A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of the Company.</p> <p>The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of the Company.</p> <p>The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.</p> <p>The meeting minutes of paragraph 1 may produce and distributed in electronic form.</p>	<p>Article 16 (Meeting minutes and sign-in matters):</p> <p>9. Other matters required to be recorded. The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes, and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting:</p> <p>1. Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.</p> <p>2. A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of the Company.</p> <p>The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of the Company.</p> <p>The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director <del>and supervisor</del> within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.</p> <p>The meeting minutes of paragraph 1 may produce and distributed in electronic form.</p>	<p>The Company has established an audit committee and deleted the term supervisor.</p>
<p>Article 17 (Supplementary Provisions):</p> <p>These rules of procedure shall be implemented only after approval by the Board of Directors and any amendments shall also be subject to the same process of approval.</p> <p>These rules of procedure were established on June 29, 1988, revised for the first time on March 25, 1999, revised for the second time on March 22, 2020, and revised for the third time on March 27, 2006 date, the fourth revision was on November 7, 106, and the fifth revision was on November 8, 111.</p>	<p>Article 17(Supplementary Provisions):</p> <p><del>The establishment and revision of</del> These rules of procedure shall be subject to the approval of the Board of Directors <del>and shall be reported to the shareholders' meeting.</del></p> <p>These rules of procedure were established on June 29, 1988, revised for the first time on March 25, 1999, revised for the second time on March 22, 2020, and revised for the third time on March 27, 2006 date, and the fourth revision was on November 7, 106.</p>	<p>Amended in accordance with relevant laws and regulations and the operational needs of the Company.</p>

**Huikwang Corporation of Articles of Incorporation**



**Chapter 1 General Provisions**

Article 1: The Company is incorporated in Joint-stock company under the Company Act, and its name shall be Huikwang Corporation, English name shall be Huikwang Corporation.

Article 2: Scope of business as left:

1. C805010 Plastic Sheets, Pipes and Tubes Manufacturing.
2. C805020 Plastic Sheets and Bags Manufacturing.
3. C805050 Industrial Plastic Products Manufacturing.
4. C801030 Precision Chemical Material Manufacturing.
5. C801100 Synthetic Resin and Plastic Manufacturing.
6. C801110 Fertilizer Manufacturing.
7. C802070 Agro-pesticide Manufacturing.
8. C802080 Environmental Agents Manufacturing.
9. C802990 Other Chemical Products Manufacturing.
10. F401010 International Trade.
11. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company headquartered in Tainan, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices within or outside the territory of the Republic of China when deemed necessary.

Article 4: The Company may act as a guarantor.

Article 5: The outward foreign direct investment of the company shall be approved by the board of directors, except the total amount of its investment is not restricted by Article 13 of Company law.

**Chapter 2 Capital Stock**

Article 6: The total capital stock of the Company shall be in the amount of 1 billion New Taiwan Dollars, divided into 100 million shares with a face value of 10 New Taiwan Dollars per share, to be issued as needed by the Board of Directors. The Company reserves 60 million New Taiwan Dollars for the issuance of stock options to employees, totaling 6 million shares with a value of 10 New Taiwan Dollars per share, which may be issued in installments as determined by the Board of Directors.

Article 6-1: If company issues stock to employees at a price lower than closing price on the issue date or net asset value per share in the most recent audited financial report, or if it issues new shares with restricted employee rights at such a price, the issuance must be approved by a special resolution of the shareholders' meeting. If the company transfers treasury stock to employees at a price lower than the average price at which the stock was repurchased, such transfer must also be approved by a special resolution of the shareholders' meeting.

Article 6-2: The shares purchased by the company in accordance with Company Act, the transferees, the recipient of employee stock option certificates, employees who subscribe to newly issued shares, the recipients restricted stock units may include employees' subsidiary companies who meet certain conditions.

Article 7: The share certificates of the Company shall be in registered form, and before they are issued, shall be signed by, or affixed with the seals. Shares issued by the company may be exempted from printing stocks certificates but shall be registered with the central securities depository.

Article 8: Registration for transfer of shares should be suspended for a period of sixty days before the convening date of the regular shareholders' meeting, thirty days before the

convening date of a special shareholders' meeting, or within five days before the date on which dividends, bonus, or other benefits are scheduled to be paid by the company.

Article 9: The company's stock affairs is carried out accordance with "Guidelines for Handling Stocks Affairs of Publicly listed Companies" issued by regulatory authority.

### Chapter 3 Shareholders' Meeting

Article 10: There are two types of Shareholder meetings: (1) regular meeting and (2) special meeting. Regular meetings shall be convened once a year by the Board of Directors according to the law within six months after close of each fiscal year. Special meeting shall be convened whenever necessary according to the laws and regulations.

Article 10-1: When the meeting of the Board of Directors is held, video conference can be conducted in accordance with the Ministry of Economic Affairs.

Article 11: If attendance in person is not possible, they may, pursuant to the company's articles of incorporation, appoint another director to attend as their proxy. The method of appointing a shareholder to attend the meeting shall be governed by the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" in addition to the provisions of Article 177 of the Company Act.

Article 12: Each shareholder is entitled to one vote for each share held except when Article 179 of the Company Act where voting rights are restricted.

Article 13: The resolution of the shareholders' meeting shall be passed by the shareholders representing more than one-half of the total issued shares who are present in person or by proxy, unless otherwise provided by relevant laws and regulations. Shareholders may exercise the voting rights in writing or electronically. The voting rights in writing or electronically shall be specified in the notice of the shareholders' meeting.

Article 14: Resolutions adopted at a 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 meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting.

### Chapter 4 Directors, Audit Committee, and Managerial Officers

Article 15: The company consists of five to seven Board of Directors, who are elected by the shareholders' meeting with legal capacity, and with a term of three consecutively eligible for re-elected consecutively.

Article 15-1: The board of directors shall include at least two independent directors, who shall account for no less than one-fifth of the total number of directors. The election of directors of the Company shall follow the candidate nomination system stipulated in Article 192-1 of the Company Law. The acceptance and announcement of director candidates shall be handled in accordance with the relevant laws and regulations, such as the Company Law and the Securities and Exchange Act. Independent directors and non-independent directors shall be elected separately, with separate quotas for each. The professional qualifications, shareholding, concurrent employment restrictions, and other matters to be observed by independent directors shall be handled in accordance with the regulations of the competent authority for securities.

Article 16: When the number of vacancies in the board of directors of a company equals to one-third of the total number of directors, or all independent directors are dismissed, the special meeting of shareholders for electing succeeding directors shall be convened by the board of directors within 60 days.

Article 17: The Directors shall constitute the Board of Directors and shall elect one Chairman of the Board from among themselves by a majority at a meeting attended by at least two-thirds of the Directors. The Chairman shall represent the company properly to the

outside.

Article 18: In case the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, a delegate shall be appointed in compliance with Article 208 of the Company Act.

Article 19: The execution of the company shall be determined by the board of directors, except for issues that require resolutions by the shareholders' meeting in accordance with the Company Law, all other issues may be resolved by the board of directors.

Article 19-1: In calling a meeting of the board of directors, a notice shall be given to each director no later than 7 days prior to the scheduled meeting date. In the case of emergency, a meeting of the board of directors may be convened at any time. Notice of the meeting may be given in writing, fax, or electronic mail or any other electronic means.

Article 20: Unless otherwise provided for in this Act, resolutions of the Board of Directors shall be adopted by most of the directors at a meeting attended by most of the directors.

Article 21: According to Article 14-4 of the Securities and Exchange Act, the company has set up an audit committee, which is to perform the supervisor responsibilities under the Company Act, the Securities and Exchange Act, and other relevant laws and regulations. The audit committee is consisted of all independent directors and its organizational regulations as determined by the board of directors.

Article 22: When the directors execute their company duties, they are entitled to receive compensation regardless of the company's profit and loss. The amount of compensation shall be authorized by the Board of Directors and decided based on their participation and contribution to the company's operations, and relevance to industry standards.

Article 23: The appointment, discharge, and remuneration of the manager(s) of the company shall be compliance with Article 29 of the Company Act.

#### Chapter 5 Financial Statements and Distribution of Profit and Loss

Article 24: The accounting period for our company start on January 1st of each year and end on December 31st of the same year.

Article 25: At the close of each fiscal year, the board of directors shall prepare the following statements and records and shall forward the same to the shareholders meeting: 1. The business report; 2. The financial statements; and 3. The surplus earning distribution or loss off-setting proposals.

Article 26: If our company generates profits in a fiscal year, we shall allocate no less than 1% of the profits for employee remuneration, and no more than 5% for director. However, if the company has accumulated losses, we should reserve an amount to offset accumulated losses. The determination of the ratio of employee and director remuneration distribution and whether in the form of stocks or cash shall be decided by a resolution adopted by at least two-thirds of the directors present at a meeting of the Board of Directors. The resolution shall be reported at the shareholders' meeting. In the first paragraph, the term profits generated in a fiscal year referred the profits before the allocation of employee and director compensation and after deducting income taxes for that fiscal year.

The recipients of employee remuneration may include employees of subsidiary companies who meet the criteria established by the Board of Directors or those authorized by the Board.

Article 26-1: A company, when allocating its surplus profits after having paid all taxes and dues, shall first set aside ten percent of said profits as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. Aside from the aforesaid legal reserve, the company may, under its Articles of Incorporation or by resolution of the meeting of shareholders, set aside another sum as special reserve.



Article 26-2: Our company authorizes the Board of Directors to distribute all or part of the dividends and profits to be distributed by means of cash payment, with the consent of at least two-thirds of the directors present. Such distribution shall be reported to the shareholders' meeting. This provision shall not be subject to the provisions of the Articles of Incorporation regarding shareholder resolutions.

The Board of Directors of our company is authorized, with the attendance of two-thirds or more of the directors and the approval of most of the directors in attendance, to distribute all or part of the legal reserve and capital reserve provided in Article 241 of the Company Law in the form of cash dividends and to report to the shareholders' meeting.

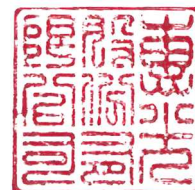
Article 27: The company's dividend policy shall take into consideration on the current and future development plans, investment environment, capital needs, and domestic and foreign competition conditions, and considering shareholders' interests and other factors. the dividend distribution shall not be lower than 10% of the distributable earnings of the current year, and the proportion of cash dividends paid each year shall not be lower than 10% of the total amount of cash and stock dividends distributed in the current year. However, the Board of Directors may adjust the ratio based on the overall operating conditions at the time and submit it to the shareholders' meeting for resolution.

#### Chapter 6 Supplementary Provisions

Article 28: The company's organizational rules and regulations have been separately determined by resolution of the Board of Directors.

Article 29: Regarding all matters not provided for in these Articles of Incorporation, the Company Act shall govern.

Article 30: This article of incorporation was established on December 16th, 1965. It was First amended on July 27th, 1967, Second amended on June 9th, 1972, Third amended on August 10th, 1975, Fourth amended on October 24th, 1978, Fifth amended on November 20th, 1982, Sixth amended on September 17th, 1984, Seventh amended on July 21st, 1989, Eighth amended on July 20th, 1991, Ninth amended on August 16th, 1991, Tenth amended on December 1st, 1991, Eleventh amended on January 4th, 1995, Twelfth amended on September 19th, 1996, Thirteenth amended on October 21st, 1997, Fourteenth amended on November 15th, 1997, Fifteenth amended on August 20th, 1998, Sixteenth amended on June 29th, 1999, Seventeenth amended on June 23rd, 2000, Eighteenth amended on May 21st, 2001, Nineteenth amended on June 26th, 2001, Twentieth amended on June 26th, 2002, Twentieth-one amended on June 26th, 2003, Twentieth-second amended on June 16th, 2004, Twentieth-third amended on June 15th, 2006, Twentieth-fourth amended on June 27th, 2007, Twentieth-fifth amended on June 25th, 2008, Twentieth-sixth amended on June 23th, 2010, Twentieth-seventh amended on June 28th, 2011, Twentieth-eighth amended on June 26th, 2012, Twentieth-ninth amended on June 27th, 2013, Thirtieth amended on June 25th, 2014, Thirtieth-first amended on June 29th, 2016, Thirtieth-second amended on June 28th, 2017, Thirtieth-third amended on June 24th, 2019, and Thirtieth-fourth amended on June 22th, 2022.



Huikwang Coporation

Chairman of the Board of Directors:



## 【Appendix 2】

### Huikwang Corporation Rules of Procedure for Shareholders meetings



#### Article 1

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

#### Article 2

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

#### Article 3 (Convening shareholders meetings and shareholders meeting notices)

Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

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

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, the Company has the paid-in capital of NTD 10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and professional shareholder services agent designated thereby.

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

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

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

Election or dismissal of directors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

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

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

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

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

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

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

#### Article 4

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

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

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

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

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

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

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

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

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

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and enough suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders or appoint proxy (collectively "shareholders") shall attend the shareholders' meeting with their attendance certificate, attendance sign-in card, or other attendance documents. The Company shall not arbitrarily require shareholders to provide other proof documents in addition to the attendance proof relied upon by shareholders for attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

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

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

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

When conducting shareholders' meetings through video conferencing, the Company shall upload the meeting agenda book, annual report, and other meeting materials to the meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

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

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

meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents, or other force majeure events, at least covering the following particulars:
  - A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
  - B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
  - C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
  - D. Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholder meeting online shall be specified.

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

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the appoint proxy shall act in place of the chairperson; if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

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

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by most of the directors, at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

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

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholder meeting in a non-voting capacity.

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

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by most of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

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

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholder meeting in a non-voting capacity.

#### Article 9

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by

shareholders attending the meeting.

However, when the attending shareholders do not represent most of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

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

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

Article 10 (Discussion of proposals)

If a shareholders meeting is convened by a person other than board of directors with right to convene, the provisions of the preceding paragraph shall apply conversely.

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 the order set by the agenda, which may not be altered without a resolution of the shareholders meeting.

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

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

Article 11 (Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

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

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

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

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

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

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

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

Article 12 (Calculation of voting shares and recusal system)

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

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

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

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

Except for a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights more than that percentage shall not be included in the calculation.

#### Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

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

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

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

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of most of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

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

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

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

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

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn

the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

#### Article 14 (Elections)

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

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

#### Article 15

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

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted. The minutes shall be retained for the duration of the existence of the Company.

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

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

#### Article 16 (Public disclosure)

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

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time.

#### Article 17 (Maintaining order at the meeting place)

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

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

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

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

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

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

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



resume the meeting at another venue.

A resolution may be adopted at a shareholder meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19 (Disclosure of information at virtual meetings)

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

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

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

Article 21 (Handling of disconnection)

In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

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

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

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

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

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

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

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

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

Article 22 (Handling of digital divide)

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

Article 23

These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be affected in the same manner.

This regulation was established on June 29, 1999. The first amendment was made on June 26, 2003. The second amendment was made on June 15, 2006. The third amendment was made on June 28, 2017. The fourth amendment was made on June 22, 2021. The fifth amendment was made on June 22, 2022.



## 【Appendix 3】



### **Huikwang Corporation**

## **Rule of Procedure for Board of Directors Meetings**

#### Article 1 (Basis for the adoption of these Rules)

To establish a strong governance system and sound supervisory capabilities for the Company's board of directors and to strengthen management capabilities, these Rules are adopted pursuant to Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

#### Article 2 (Basis for the adoption of these Rules)

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

#### Article 3 (Convening and notice of board meetings)

The board of directors shall meet at least quarterly. A notice of the reasons for convening a board meeting shall be given to each director and supervisor before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.

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

All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.

#### Article 4 (Meeting notification and meeting materials)

The designated unit responsible for the board meetings of the Company shall be Finance Department.

The unit responsible for board meetings shall draft agenda items and prepare sufficient meeting materials and shall deliver them together with the notice of the meeting.

A director of the opinion that the pre-meeting materials provided are insufficiently comprehensive may request the agenda working group to supplement the materials. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the board of directors.

#### Article 5 (Preparation of attendance book and other documents; attendance by proxy)

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

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

A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

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

#### Article 6 (Principles for determining the place and time of a board meeting)

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

#### Article 7 (Chair and acting chair of a board meeting)

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

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

#### Article 8 (Reference materials, non-voting participants, and holding board meetings)

When a board meeting is held, the finance department shall furnish the attending directors with relevant

materials for ready reference.

As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants. When necessary, certified public accountants, attorneys, or other professionals retained by the Company may also be invited to attend the meeting as non-voting participants and to make explanatory statements, if they shall leave the meeting when deliberation or voting takes place.

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

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

#### Article 9 (Documentation of a board meeting by audio or video)

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

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

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

#### Article 10 (Agenda items)

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

1. Matters to be reported:
  - A. Minutes of the last meeting and action taken.
  - B. Important financial and business matters.
  - C. Internal audit activities.
  - D. Other important matters to be reported.
2. Matters to be discussed:
  - A. Items for continued discussion from the last meeting.
  - B. Items for discussion at this meeting.
3. Extraordinary motions.

#### Article 11 (Discussion of proposals)

A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of most directors in attendance at the board meeting.

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

At any time during a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3.

#### Article 12 (Matters requiring discussion at a board meeting)

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

1. The Corporation's business plan.
2. Annual and semi-annual financial report are required to be prepared, except for semi-annual financial reports that are not require under relevant laws and regulations to be audited and certified by an accountant.
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of equity-type securities.
6. The appointment or discharge of a financial, accounting, or internal audit officer.
7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
8. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholder meeting or board meeting, or any material matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the

Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the accountant financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation. (In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under this paragraph.)

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

#### Article 13 (Voting-1)

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

When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.

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

1. show of hands or a vote by voting machine.
2. A roll call vote.
3. A vote by ballot.
4. A vote by a method selected at the Company's discretion.

Attending directors does not include directors that may not exercise voting rights pursuant to Article 15.

#### Article 14 (Voting-II vote monitoring and counting)

Unless otherwise stipulated by the Securities and Exchange and Company Act, the passage of a proposal at a board meeting shall require the approval of most of the directors in attendance at a board of directors meeting attended by most of all directors.

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

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

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

#### Article 15 (The system of conflict-of-interest avoidance for directors)

Directors or other representatives of a legal entity who fall under any of the following circumstances may express their opinions and be questioned but may not participate in discussions or voting on the matter. They must also abstain from discussion and voting, and may not act as a proxy for other directors to exercise their voting rights:

1. Who has a conflicts-of-interest with themselves or legal entity, which may impair the interest of the company.
2. Directors should voluntarily abstain.
3. Those who should abstain as decided by the board of directors.

#### Article 16 (Meeting minutes and sign-in matters)

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

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

The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting:

1. Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.
2. A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of the Company.

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

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


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

#### Article 17 (Supplementary provisions)

The establishment and revision of These rules of procedure shall be subject to the approval of the Board of Directors and shall be reported to the shareholders' meeting.

These rules of procedure were established on June 29, 1988, revised for the first time on March 25, 1999, revised for the second time on March 22, 2020, and revised for the third time on March 27, 2006 date, and the fourth revision was on November 7, 106.

【Appendix 4】

  
**Huikwang Corporation**  
Procedures for Election of Directors

Article 1: Except as otherwise provided by law and regulation or by the Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 2: The election of directors of the Company adopts a cumulative voting system. The name of the voter may be replaced by the attendance certificate number printed on the ballot. Each share has several votes equal to the number of directors to be elected. The votes may be cast for one person or distributed among several candidates.

Article 3: During the election vote counting, several supervisors, vote counters, and recorders will be designated by the chairperson.

Article 4: According to the regulations on the number of directors in the Company, candidates with higher voting rights (calculated based on election rights) will be elected in sequence. If two or more candidates have the same voting rights and exceed the prescribed number of seats, they will be chosen by drawing lots. If any candidate is absent, the chairperson will draw lots on their behalf.

Article 5: The election of directors of the Company shall be conducted at the shareholders' meeting, and the election ballots shall be prepared by the Board of Directors and stamped with the voting rights.

In the election of directors of the Company, the candidate nomination system shall be adopted in accordance with Article 192-1 of the Company Act, and directors shall be elected from the list of director candidates by the shareholders. The election of directors of the Company shall include both independent and non-independent directors, and the elected quotas shall be counted separately. Matters related to the professional qualifications, shareholdings, concurrent employment restrictions, and other compliance matters of independent directors shall be handled in accordance with the relevant regulations of the securities regulatory authority.

Article 5-1: The qualification of the independent Directors of the Company shall comply with the provisions of Article 2, Article 3, and Article 4 of the 「Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies」

Article 5-2: The appointment of independent directors in the Company should comply with Article 5 and Article 6 of the 「Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies」, and should be carried out in accordance with Article 24 of the 「Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies」

Article 6 : If the candidate is a shareholder, the voter should indicate the candidate's household registration number, name, and the number of voting rights in the 「Candidate」' column of the ballot. If the candidate is not a shareholder, the voter should indicate the candidate's name, ID number, and the number of voting rights. However, if the candidate is a corporate shareholder, the voter should indicate the full name of the corporate shareholder or the name of the corporation and the name of its representative.

Article 7 : If any of the following circumstances apply to the ballot, the ballot shall be deemed invalid.

- (1) Failure to use the ballot as stipulated in Article 5
- (2) If the number of candidates filled in exceeds the prescribed quota.
- (3) If any other words are written except for the candidate's name and shareholder's registration number.
- (4) If the handwriting is blurry and cannot be identified or has been altered.

- (5) If the shareholder's name or registration number of the candidate filled in does not match with the shareholder register for a candidate who is a shareholder, or if the name or ID number of the candidate filled in does not match after verification for a candidate who is not a shareholder.
- (6) If the candidate's name filled in is the same as that of another shareholder and no shareholder registration number is provided to identify the candidate.
- (7) If the total number of votes indicated exceeds the number of voting rights held by the shareholder eligible to vote in the election.

Article 8: The vote shall be calculated on site immediately after the end of the poll, and the results of the calculation shall be announced by the chair on the site.

Article 9 : The elected directors will be issued separate notification letters by the Board of Directors.

Article 10: This regulation will be implemented after being approved by the shareholders' meeting and any future amendments will also require the same approval process.

【Appendix 5】

**Huikwang Corporation  
Shareholdings of Directors**

The Company's paid-in capital is NT\$ 860,611,560, and the total number of issued shares is 86,061,156.

1. According to Securities and Exchange Act, all directors of the Company must hold a minimum of 6,884,892 shares.
2. As of April 30, 2023, the book closure date for 2023 Annual Shareholders' Meeting, the individual and aggregate shareholdings of the Directors are listed below:

Book Closure date : April 30, 2023

Title	Name	Number of Shares	Shareholding ratio
Chairman	Kuan-Hua Chen	2,701,000	3.14%
Director	Jung-Tung Chen	7,986,746	9.28%
Director	Representative for Huikwang Investment (Holdings) Corp. : Chiu-Ying Tang	15,343,113	17.83%
Director	Yu-Zheng Guo	0	0%
Independent Director	Ming-Chih Tsai	0	0%
Independent Director	Ming-Tang Tsai	0	0%
Independent Director	Bo-Ren Chang	0	0%
Total		26,030,859	30.25%

Note1 : According to Article 2 of the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, if two or more independent directors are elected, the shareholding percentage of all directors and supervisors, excluding independent directors, shall be reduced to 80% based on the calculated ratio.

Note2 : The Company has established an audit committee, therefore the requirement for a supervisor to hold a minimum number of shares does not apply.