



Stock Code: 4564

Mosa Industrial Corp.

2024 Annual General Shareholders' Meeting Handbook

Time: 10:00 a.m. on May 30, 2024

Place: No. 18, Kehu 3rd Road, Huwei Township, Yunlin County

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Mosa Industrial Corp.

Procedures of 2024 Annual General Shareholders' Meeting

- I. Call the Meeting to Order**
- II. Message from the Chair**
- III. Report Items**
- IV. Ratifications**
- V. Discussions**
- VI. Extraordinary Motions**
- VII. Meeting Adjourned**

Mosa Industrial Corp.

Agenda of 2024 Annual General Shareholders' Meeting

Time: 10:00 am on May 30, 2024 (Thursday)

Place: No. 18, Kehu 3rd Road, Huwei Town, Yunlin County

Type of Meeting: Physical Shareholders' Meeting

I. Call the Meeting to Order

II. Chairman Remarks

III. Report Items

(I) 2023 Business Report

(II) Audit Committee's Review Report on the 2023 Final Accounting Documents.

(III) Report on the Company issued 1st Domestic Unsecured Convertible Corporate Bonds.

IV. Ratifications:

(I) Proposal on the 2023 Business Report and Financial Statements.

(II) Proposal on the 2023 deficit compensation.

V. Discussions:

(I) Proposal on amendments to the Company's "Articles of Incorporation".

(II) Proposal on amendments to the Company's "Rules of Procedure for Shareholders' Meetings".

(III) Proposal for the private placement with issuance of common shares.

(IV) Proposal to lift non-competition restrictions on the Company's directors.

VI. Extemporaneous Motions:

VII. Meeting Adjourned

I. Report Items:

Proposal No.1:

Case: 2023 Business Report; hereby submitted for review.

Description: For the Company's 2023 Business Report, please refer to Attachment 1 (pp.10-12).

Proposal No.2:

Case: Audit Committee's Review Report on the 2023 Final Accounting Documents; hereby submitted for review.

Description: For the Company's 2023 Audit Committee Review Report, please refer to Attachment 2(p.13).

Proposal No.3:

Case: Report on the Company issued 1st Domestic Unsecured Convertible Corporate Bonds; hereby submitted for review.

Description: The Company's 1st Domestic Unsecured Convertible Bonds offered and issued is as follows:

1. Use of funds: Entire amount to be used for repaying bank loans.
2. The total face value of the issue: NTD 550,000 thousand, to be issued at the full face value.
3. Issuance date: September 26, 2023.
4. Maturity: September 26, 2026.
5. Issuance period: 3 years.
6. Bond interest rate: 0% coupon rate.
7. The bank borrowings were repaid in full in the fourth quarter of 2023 as planned.

II. Ratifications:

Proposal No.1 (proposed by the Board of Directors)

Case: Proposal on the 2023 Business Report and Financial Statements; hereby submitted for ratification.

- Description:
1. The Company's 2023 Business Report and Financial Statements Proposal were audited by the Audit Committee and approved by the Board of Directors. The Financial Statements were further audited by CPA Tseng Tung-Yun and CPA Su Ting-Chien from Deloitte Taiwan, who also furnished an independent auditors' report.
 2. For the Company's 2023 Business Report, Financial Statements and Independent Auditors' Report, please refer to Attachment 1 (pp.10-12) and Attachment 3 (pp.14-33).
 3. Hereby submitted for ratification.

Resolutions:

Proposal No.2 (proposed by the Board of Directors)

Case: Proposal on the Company's 2023 deficit compensation; hereby submitted for ratification.

- Description:
1. The Company's net loss after tax for 2023 is NTD 371,062,430, and it is intended to use the legal reserve to compensate for the loss in accordance with Article 239 of the Company Act, and the deficit yet to be compensated at the end of the period is NTD 0. For the Company's 2023 deficit compensation statement, please refer to Attachment 4 (p.34).
 2. The Company settled with a loss in 2023, so it is proposed that no dividend be distributed in this year.
 3. Hereby submitted for ratification.

Resolutions:

III. Discussions:

Proposal No.1 (proposed by the Board of Directors)

Case: Proposal on amendments to the Company's "Articles of Incorporation"; hereby submitted for discussion.

Description: 1. To align with the Company's operational and development needs, the Company intended to amend its "Articles of Incorporation"; for the table of comparison of provisions before and after amendment, please refer to Attachment 5 (p.35).
2. Hereby submitted for discussion.

Resolutions:

Proposal No.2 (proposed by the Board of Directors)

Case: Proposal on amendments to the Company's "Rules of Procedure for Shareholders' Meetings"; hereby submitted for discussion.

Description: 1. To align with the requirements announced on the TWSE's official letter titled Tai-Zheng-Zhi-Li-Zi No.1120004167 dated March 17, 2023, some of the articles of the "Rules of Procedure for Shareholder Meetings of OO Co., Ltd." were amended. Therefore, the Company's "Rules of Procedure for Shareholders' Meetings" are amended, for the table of comparison of provisions before and after amendment, please refer to Attachment 6 (pp.37-38).
2. Hereby submitted for discussion.

Resolutions:

Proposal No.3 (proposed by the Board of Directors)

Case: Proposal for the private placement with issuance of common shares, hereby submitted for discussion.

Description: 1. In response to the Company's future development needs, the Company plans to issue common shares for cash capital increase through private placements in accordance with Article 43-6 of the "Securities and Exchange Act" and "Directions for Public Companies Conducting Private Placements of Securities" at an appropriate time depending on market conditions and the Company's funding needs.

2. In accordance with Article 43-6 of the Securities and Exchange Act and the "Directions for Public Companies Conducting Private Placements of Securities", the following are established:

(1) The basis and reasonableness of pricing:

A. The reference price is set based on the higher of the following two standards:

a. Calculate the simple average of the closing price of the common stock less the ex-right and dividends of the stock dividends, and add the stock price after decapitalization and reversal of the ex-right one, three or five business days before the pricing day.

b. The simple average of the closing price of the common stock in the 30 business days prior to the pricing day less the ex-right and ex-dividend shares paid as dividend, and the stock price after decapitalization and reversal of ex-right.

B. The actual issuance price of this private placement shall not be lower than 80% of the reference price as the basis for setting the private placement price. It is proposed to the shareholders' meeting to authorize the board of directors to decide based on the situation of the specific person to be approached and the market condition in the future.

C. In response to changes in the market, the private placement of common shares

may be issued at a price lower than the face value for the Company's stable operation and financial structure safety. The market price should be necessary and reasonable. If the private placement price of common shares is conducted in accordance with the aforementioned pricing method, the private placement price is lower than the face value of the shares, resulting in the Company's accumulated loss, which will be made up according to the statutory methods in the future depending on the Company's operating conditions.

- D. The private placement price was determined in accordance with the relevant regulations of the competent authority, in addition to the consideration given to the fact that there are restrictions on the transferees and quantity of the privately placed securities within three years from the delivery date, and For the application for supplementary public offering and listing, it should be formulated in a reasonable manner.

(2) Selection Method for the Specific Persons:

The private placement of common shares is based on the Securities and Exchange Act and the specified persons specified in Article 43-6 of the Securities and Exchange Act and the Financial Supervisory Commission's Order Jin-Guan-Zheng-Fa-Zi No. 1120383220 dated September 12, 2023.

A. If the placees are strategic investors

- a. The method and purpose of the selection: on the premise of not causing a significant change in the Company's management, the selection of individuals or legal persons that will help the Company to improve technology, reduce costs, develop products, expand markets, or strengthen customer relations.
- b. Necessity and expected benefits: assisting the Company in improving its operating performance and future competitive advantages through its experience, technology, knowledge, brands or channels.

B. If the placees are insiders or related parties of the company

- a. Method and purpose of selection: Selection of directors and managers who are familiar with the Company's operations, and preference is given to those who can directly or indirectly benefit future operations.
- b. List of potential investors and their relationship with the Company:

Potential Placee	Relationship with the Company
The-Hsin Wang	Chairman and President of the Company
Yong Xin International Investment Co., Ltd.	Corporate Director of the Company
Wen-Hui Lin	The Company's corporate director representative
Kao Investment Corporation	Corporate Director of the Company
Mei-Li Tsai	The Company's corporate director representative
Chao-Kao Chen	Director of the Company
Ching-Jung Chen	Director of the Company
Ho-Chung Fu	Executive Vice President of the Company
Yu-Ying Wang	Vice President of the Company
Chia-Hsin Lee	Assistant Vice President of the Company
Chun Chai Lin	Assistant Vice President of the Company
Nung-Shan Yeh	Assistant Vice President of the Company
Hui-Ping Chuang	Assistant Vice President of the Company
Chun-Hsiang Hsieh	Accounting officer of the Company
Chia- Jung Lin	Assistant Vice President of Subsidiary Mosa Safety System Corp.

The relationship between the Corporate Placee's top 10 shareholders and the Company:

Corporate Placee	Names of the top ten shareholders and their shareholdings	Relationship with the Company
Yong Xin International Investment Co., Ltd.	Wen-Hui Lin, 60.39%	The juridical person representative of the Company and the spouse of the Chairman of the Company
	The-Hsin Wang, 33.23%	Chairman of the Company
	Guan-Han Wang, 2.32%	Children of the Company's Chairman
	Guan-Ling Wang, 2.32%	Children of the Company's Chairman
	Guan-Yu Wang,	Children of the Company's Chairman
Kao Investment Corporation	Ming-Luan Gao Zhang, 29.221%	None.
	Jih Yueh Kao Investment Co., Ltd. ,15.584%	None.
	Yu-Ren Kao, 25.974%	None.
	Wan-Qian Kao, 9.740%	None.
	Si-Bo Kao, 9.740%	None.
	Si-Fu Kao, 9.740%	None.

(3) The reasons for the necessity for conducting the private placement:

- A. The reasons for not using a public offering: Considering the state of the capital market, the timeliness and feasibility of raising capital, the cost of issuance, and the actual needs of introducing investors, the Company does not propose the Shareholders Meeting to authorize the Board of Directors to arrange private placements depending on the operational needs of the Company, in order to effectively improve the mobility and flexibility of fundraising.
- B. The limit on the private placement: capped at 30,000 thousand shares, with a par value of NTD 10 per share, and all are registered common shares. This private placement of common shares may be authorized to the Board of Directors in two tranches within one year from the date of the resolution of the shareholders' meeting.
- C. The anticipated number of closings, the use of the funds for each closing of the private placement, and the anticipated benefits for each closing:

Estimated number of transactions	Estimated number of private placement shares	Use of private placement funds	Expected benefits
First time	15,000 thousand shares	To enrich working capital, repay bank loans, or meet other capital needs for future development of the Company.	Improve the financial structure, reduce debt ratio, enhance the Company's operating effectiveness and overall competitiveness.
Second round	15,000 thousand shares		
If the transaction is made in one lump sum, the number of shares expected to be issued for the second time may be combined with the number of shares issued for the first time; if it is done in two stages, the full amount of shares not yet issued in			

the previous issue may be issued, provided that the total number of shares to be issued shall not exceed 30,000 thousand shares.

- D. The cap for the private placement of common shares is 30,000,000 shares, and the potential placees include the Company's insiders or related parties and strategic investors. Based on the evaluation of the Company, there is no significant change in the operating rights within one year prior to the decision made by the Board of Directors for the private placement, and the introduction of strategic investors through the private placement will not result in significant changes in the operating rights.
3. Where the private placement by installments is not expected to be carried out within the prescribed period, or there are no further plans for private placement by installments within the remaining period, and the original scheme is still feasible, the share payments or payments for private securities shall be deemed as received in full.
 4. The privately placed common shares have the same rights and obligations as the common shares already issued by the Company, except that pursuant to the Securities and Exchange Act, within three years from the delivery date of the private placement securities. It is not freely transferable except for those specified in Article 43-8. The Company will file an application for the supplementary offering and apply for listing and trading with the competent authority three years after the delivery date in accordance with the Securities and Exchange Act and related regulations.
 5. The main contents of this private placement plan, including the actual issue price, number of shares issued, issuance conditions, planned items, raising amount, expected progress and expected benefits, etc. All matters related to the issuance plan will be submitted to the shareholders' meeting for approval and the Board of Directors will be authorized to adjust, formulate and handle according to the market conditions. The Board of Directors will also be authorized to handle any future amendments due to instructions from the competent authorities, or changes based on operational assessments or objective circumstances.
 6. In response to the issuance of common shares for cash by way of private placement, it is intended to authorize the Chairman of the Company to handle and sign all contracts and documents related to the private placement of common shares with full authority and on behalf of the Company.
 7. Hereby submitted for discussion.

Resolutions:

Proposal No.4 (proposed by the Board of Directors)

Case: Proposal to lift non-competition restrictions on the Company's directors, hereby submitted for discussion.

- Description:
1. Article 209 of the Company Act specifies that a company director who does anything for himself or herself on behalf of another person that is within the scope of the company's business shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
 2. The table below enumerates the positions concurrently held by the Company's directors at other companies; it is proposed that the Shareholders' Meeting agree to lift the non-compete restriction on such directors as long as their holding of such position does not damage the Company's interests.

Title	Name	Company name and Position concurrently held at other company	Main scope of business
Independent Director	Feng-Tsung Cheng	Independent Director, China Fineblanking Technology Co.,LTD.	Processing, manufacturing and trading of various electronic and automotive components.

3. Hereby submitted for discussion.

Resolutions:

IV. Extemporaneous Motions

V. Meeting Adjourned

Mosa Industrial Corp. Business Report

I. 2023 Business Report

(I) Business Plan implementation results

In 2023, due to factors such as high interest rates, high inflation, and geopolitical interference, the end consumer demand was weak. In addition, Chinese manufacturers competed for the market by cutting prices. As a result, the shipment volume and average selling price of high-pressure chargers both declined from 2022. In the inflator, due to the decline in the sales of used cars matched with some products and the fierce price war for electric vehicles, the shipment and average selling price also declined from 2022. As a result, the 2023 consolidated operating revenue decreased by 31.02% from 2022. Affected by factors such as insufficient utilization rate and the decline in average product prices caused by reduced shipments, a consolidated gross loss was incurred in 2023, resulting in a consolidated net loss of NTD 371,062 thousand in 2023, or a loss of NTD 1.87 per share.

Unit: NT\$ thousands

Year Item	2023		2022		Percentage of increase (decrease) (%)
	Amount	Percentage (%)	Amount	Percentage (%)	
Operating revenue	1,304,718	100	1,891,491	100	(31.02)
Operating costs	1,406,299	108	1,648,810	87	(14.71)
Gross profit	(101,581)	(8)	242,681	13	(141.86)
Operating expenses	236,236	18	183,771	10	28.55
Operating profit	(337,817)	(26)	58,910	3	(673.45)
Profit before tax	(416,413)	(32)	56,122	3	(841.98)
Net profit (loss) for the year	(371,062)	(28)	55,802	3	(764.96)

(II) Budget implementation status

The Company did not disclose its financial forecast for 2023.

(III) Financial structure and profitability

Year		2023	2022
Analysis item			
Financial structure	Debt to assets ratio (%)	43.12	45.74
	Ratio of long-term capital to property, plant, and equipment (%)	151.58	137.77
Solvency	Current ratio (%)	266.16	136.90
	Quick ratio (%)	199.13	99.32
Profitability	Return on assets (%)	(4.22)	1.14
	Return on equity (%)	(8.62)	1.27
	Ratio of net profit before tax to paid-in capital (%)	(20.53)	3.07
	Profit margin (%)	(28.44)	2.95

(IV) Research and Development Status

Since incorporation the Company has been stuck to the principle of acquiring and developing independent technologies. By actively recruiting professional R&D talents, the Company not only taps into different fields of technology but also approximates to customers' needs. Aside from advancing manufacturing process, the Company actively transforming and accelerating the development of new products to enhance employee innovation and operational efficiency, thus consolidating the company's competitiveness.

1. To cope with labor shortage in the manufacturing industry and meet the need to continuously improve the precision of products and process, the Company operates mainly liquid gas automatic filling production lines by leveraging Industry 4.0 technologies. By gathering big data and performing analysis for the most optimal production conditions, the Company overcomes the

manual setting centered on subjective factors, to increase equipment stability and reduce the defect rate.

2. The Company will continuously improve and optimize the process equipment to increase production efficiency and reduce production costs, and will develop and design reliable and safe new models or customized products to meet the demand of customers and the market.
3. List of the main R&D achievements in 2023:

Optimized Soda Water Machine, Developed a quick tire repair kit for motorcycles and automobiles (including tire repair agent bottles and inflator), Automotive/Commercial electronic expansion valve, Automotive/commercial precision flow control ball valve, Seat cushion airbag inflator, Three stages heavy duty gas generator and Cooperate with customers to develop inflator s for personal safety protection products.

II. Summary of the 2024 Business Plan

(I) Business policy and future development strategy

1. High-pressure chargers

- (1) Refine production technology and efficiency, improve product quality, build strong relationship with current customers and continue to develop new customers.
- (2) Use the core technology of gas filling to develop products for high value-added applications, to reduce the operational risk that comes from excessive concentration on customers and industry.

2. Inflators

- (1) Optimize the manufacturing process and production technology, reduce production costs, and improve competitive advantages.
- (2) Develop and design various hybrid and air-conditioning inflators in accordance with customer needs to provide safe and reliable inflators for various systems and devices to protect the safety of personnel..

3. Improve the working conditions and create friendly workplaces, actively develop and retain exceptional talents and strengthen internal control processes in order to satisfy the Company's growth and development need.

4. Pay close attention to the environment, social obligation, and corporate governance, put into practice applicable measures and strive for constant enhancement, with the aim of attaining the Company's objective of sustainable growth.

(II) Expected volume of sale, and the basis for such expectation

For high-pressure chargers, as the global economy is still facing many challenges, including inflation, currency movements of central banks, geopolitics and climate changes, and the price competition from low-priced products and counterfeit products in mainland China, customers are more conservative in placing orders ; For inflators, in the face of high interest rates and many macroeconomic uncertainties, electric vehicle manufacturers are forced to launch a price war, and parts and components suppliers are relatively under pressure to cut prices. Therefore, the Company treats the expected sales volume of high-pressure chargers and inflators in 2024 cautiously..

(III) Important production and marketing policies

1. High-pressure chargers

- (1) Deepen the relationship with long-term cooperative distributors and actively develop new customers.
- (2) Strict quality inspection to maintain the brand image of high safety and high quality.
- (3) Continue to develop various high-pressure chargers application products to expand the business scale.

2. Inflators

- (1) In response to the need for airbag system manufacturers, the Company will continue to develop products and reduce production costs, in order to provide competitive prices to expand the business scale.
- (2) Continue to develop wearable protection products with the niche of rapid and flexible design and services, and expand customers in protection product-related industries, thereby increasing sales and profits.

3. Actively pursue various certifications to meet customer needs and market regulations

The Company has obtained the AEO safety and high-quality enterprise certificate and passed the ISO 45001 occupational safety and health management system certification and CNS 45001 certification. To ensure that the high-pressure inflators and automotive airbag inflators are safe and compliant with the safety regulations of the Europe and the US, the Company had its quality system pass a variety of international certification, e.g., ISO9001, ISO22000, Halal for high-pressure chargers; TUV for high-pressure chargers/cream whippers/soda makers; NSF for cream whippers and soda makers; ANFOR (NF D 21-901), REACH, RoHS, LFGB; IATF 16949:2016, INERIS-MODULE D (2013/29/EU), and EU CE (2013/29/EU) for inflators, plus a series of product certification, e.g., DOT, BAM, National Chung Shan Institute of Science and Technology, REACH, and ELV. To demonstrate that its products fulfill regulatory requirements, the Company keeps passing certification and developing new products to cater to customer requirements and industry regulations.

(IV) Impact of external competition, regulatory environment, and macroeconomic environment

External environmental factors such as the increase in raw materials price, labor shortage, tightening environmental regulations, and the launch of the carbon fee have driven up the Company's operating costs. Whether it is labor shortage, environmental protection regulations, or net zero carbon emissions, they are all negative factors for the Company's operations. Therefore, the Company continues to introduce automation equipment, purchase environmental protection facilities, improve process carbon emissions and establish a safe operating environment in order to retain employees, improve production efficiency and comply with laws and regulations. In response to the challenges faced by the global economy, the Company has adopted a prudent attitude, actively transformed itself to enhance competitiveness, continued to develop customers and new products, and practiced corporate social responsibility in the spirit of "sincere, persistent, innovative, cherishing chance, and grateful", to promote economic, environmental and social progress, to achieve the goal of sustainable development, and to create good investment returns for all shareholders.

Chairman:

Manager:

Accounting Officer:

Audit Committee Review Report

The Board of Directors has prepared and submitted the Company's 2023 Business Report, Financial Statements, and Deficit Compensation Proposal, of which the Financial Statements were audited by CPAs from Deloitte Taiwan, who have also furnished an independent auditors' report. The Audit Committee reviewed the said Business Report, financial statements, and deficit compensation proposal, and did not find any non-conformity. Therefore, those documents are submitted for your approval according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act,

To

Mosa Industrial Corp. 2024 General Shareholders' Meetings

Mosa Industrial Corp.

Convener of the Audit Committee:

March 12, 2024

Independent Auditors' Review Report

To: Mosa Industrial Corp.

Audit opinion

We have reviewed the parent company only balance sheet of Mosa Industrial (the "Company") from January 1 to December 31, 2023 and 2022 and the related parent company only statements of comprehensive income, changes in equity and cash flow for the years then ended, and relevant notes, including a summary of significant accounting policies "(hereinafter collectively referred to as the parent company only financial statements)".

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, 2023 and 2022 and for the years then ended, and its individual financial performance and its individual cash flows for the years then ended in conformity 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 the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibility under those standards is further described in the section of "Auditor's Responsibilities for the Audit of the Parent-only Financial Statements". The personnel from our public accounting firm who are subject to the requirements for independence has maintained independence from Mosa Industrial Corporation in accordance with the Code of Professional Ethics for Certified Public Accountants and have fulfilled other ethical responsibilities accordingly. 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 2023 Parent Company Only Financial Statements of Mosa Industrial Group. These matters were addressed in our audit of the parent-only financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

Key audit matters of the Parent Company Only Financial Statements of the Group for the year 2023, are stated as follows:

Operating revenue

The revenue sources of Mosa Industrial Company are the consumer goods sector. The sales revenue of some of the important customers has increased significantly compared to the previous year, because the aforementioned operating revenue is listed as a key audit item. The accounting policy for the recognition of operating income is disclosed in Note 4.

The main audit procedures we performed for said matter are as follows:

1. Understand and evaluate the appropriateness of the design and implementation of risk-related internal control over operating procedures related to operating revenue recognition and collection, and test the effective and continuing operation of related operations in the middle of the year.
2. We send letters to important customers that meet specific risk characteristics. If no reply is received, the Company will check the follow-up collection or check the corresponding order and delivery documents to confirm the authenticity of operating revenue.

Responsibilities of the management and the governing body for the parent-only financial statements

The responsibilities of the management are to prepare the parent-only financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain necessary internal control associated with the preparation in order to ensure that the financial statements are free from material misstatement arising from fraud or error.

In preparing the parent company only financial statements, management is also responsible for assessing Mosa Industrial Company's ability to continue as a going concern, disclosure of relevant matters and adoption of the going concern basis of accounting unless management either intends to liquidate Mosa Industrial Company or to cease operations or has no realistic alternative but to do so.

Those charged with Mosa Industrial Company's corporate governance (including Audit Committee) are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the parent-only financial statements

Our objectives are to obtain reasonable assurance on whether the parent-only financial statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If the misstated individual amount or the aggregate sum can be reasonably expected to influence the economic decision of the users of parent company only financial statements, it is deemed material.

As part of an audit in accordance with the generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following:

1. Identify and assess the risks of material misstatement arising from fraud or error within the parent-only financial statements; design and execute countermeasures in response to said risks, and obtain sufficient and appropriate audit evidence to provide a basis of our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Obtain a necessary understanding of internal control relevant to the audit in order to design audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mosa Industrial Company's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting, based on the audit evidence obtained, and whether a material uncertainty exists related to events or conditions that may cast significant doubt on Mosa Industrial Company's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the parent-only financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Mosa Industrial Company no longer able to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the parent-only financial statements (including relevant notes), and whether the parent-only financial statements adequately present the relevant transactions and events.

The matters communicated between us and the governing body include the planned scope and times of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provided the governing body with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and communicated with them all relationships and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with those charged with governance, we determine the key audit matters for our audit of Mosa Industrial Company's 2023 parent company only financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine not to communicate specific matters in the auditor's because the adverse consequences of such communication would reasonably be expected to outweigh the public interest benefits that would be enhanced.

Deloitte Touche
CPA Tseng Tung-Yun

CPA Su Ting-Chien

Securities and Futures Commission Approval
Document No.
Tai-Cai-Zheng-Liu-Zi No. 0920123784

The Financial Supervisory Commission R.O.C.
Approved No.
Jin-Guan-Zheng-Shen-Zi No. 1070323246

March 12, 2024

Mosa Industrial Corp.
parent-only Balance Sheet
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ Thousand

Code	Asset	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash (Notes 4 and 6)	\$ 727,139	10	\$ 395,210	5
1110	Current financial assets at fair value through profit or loss (Notes 4 and 7)	545	-	-	-
1150	Notes receivable - non-related parties (Notes 4, 8 and 20)	9	-	1,201	-
1170	Accounts receivable - non-related parties (Notes 4, 8 and 20)	114,506	1	292,959	4
1180	Accounts receivable - related parties (Notes 4, 20 and 27)	17	-	-	-
1200	Other receivables (Note 4 and 27)	6,526	-	9,422	-
130X	Inventories (Notes 4 and 9)	60,671	1	190,771	2
1410	Pre-payments	46,813	1	50,463	1
1476	Other financial assets — current (Notes 4, 6 and 28)	-	-	9,000	-
1479	Other current assets	357	-	1,725	-
11XX	Total current assets	<u>956,583</u>	<u>13</u>	<u>950,751</u>	<u>12</u>
	Non-current assets				
1550	Investment under the equity method (Notes 4 and 10)	1,259,516	17	1,319,018	17
1600	Property, plant and equipment (Notes 4, 11 and 28)	3,315,511	45	3,525,283	46
1755	Right-of-use assets (Note 4 and 12)	1,036,552	14	1,059,629	14
1760	Investment property (Notes 4, 13 and 27)	645,880	9	661,600	9
1780	Intangible assets (Note 4 and 14)	3,595	-	4,383	-
1840	Deferred tax assets (Note 4 and 22)	30,573	-	6,981	-
1915	Pre-payments for equipment	104,550	2	165,210	2
1920	Guarantee deposits paid	5,037	-	1,881	-
15XX	Total non-current assets	<u>6,401,214</u>	<u>87</u>	<u>6,743,985</u>	<u>88</u>
1XXX	Total assets	<u>\$ 7,357,797</u>	<u>100</u>	<u>\$ 7,694,736</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term bank loans (Note 15)	\$ 210,840	3	\$ 590,277	8
2110	Short-term bill payable (Note 15)	-	-	79,838	1
2130	Contract liabilities - Current (Notes 4 and 20)	5,937	-	12,302	-
2150	Note payable - non related parties	1,709	-	9,657	-
2170	Accounts payable - non related parties	36,596	1	43,219	-
2200	Other payables (Note 17)	93,803	1	168,698	2
2230	Current tax liabilities - current (Note 4 and 22)	18,208	-	48,362	1
2280	Lease liabilities - current (Note 4 and 12)	15,785	-	15,507	-
2320	Current portion of long-term bank loans (Notes 15 and 28)	100,000	2	130,000	2
2399	Other current liabilities	17,289	-	895	-
21XX	Total current liabilities	<u>500,167</u>	<u>7</u>	<u>1,098,755</u>	<u>14</u>
	Non-current liabilities				
2530	Bonds payables (Notes 4 and 16)	523,906	7	-	-
2540	Long-term bank loans (Note 15 and 28)	960,000	13	1,225,000	16
2570	Deferred tax liabilities (Notes 4 and 22)	-	-	1,435	-
2580	Lease liabilities - non-current (Note 4 and 12)	1,061,314	14	1,077,100	14
2645	Deposits received	10	-	10	-
25XX	Total non-current liabilities	<u>2,545,230</u>	<u>34</u>	<u>2,303,545</u>	<u>30</u>
2XXX	Total liabilities	<u>3,045,397</u>	<u>41</u>	<u>3,402,300</u>	<u>44</u>
	Equity				
3110	Common stock	2,027,883	28	1,827,883	24
3200	Capital surplus	2,086,402	28	1,854,680	24
	Retained earnings				
3310	Legal reserves	243,636	3	238,056	3
3320	Special reserves	4,501	-	4,557	-
3350	Undistributed earnings	(45,383)	-	371,761	5
3400	Other equities	(4,639)	-	(4,501)	-
3XXX	Total equity	<u>4,312,400</u>	<u>59</u>	<u>4,292,436</u>	<u>56</u>
	Total liabilities and equity	<u>\$ 7,357,797</u>	<u>100</u>	<u>\$ 7,694,736</u>	<u>100</u>

The accompanying notes are an integral part of the parent-only financial statements

Chairman: Wang Te-Hsin

Manager: Wang Te-Hsin

Accounting Supervisor: Hsieh Chun-Hsiang

Mosa Industrial Corp.
Parent Company Only Statement of Comprehensive Income
From January 1 to December 31, 2023 and 2022

Unit: NT\$ thousands, except earnings per share, which is expressed in NT\$1

Code		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4 and 20)	\$ 742,992	100	\$ 1,237,214	100
5000	Operating costs (Notes 9 and 21)	871,218	117	1,099,704	89
5900	Gross profit (loss)	(128,226)	(17)	137,510	11
	Operating expenses (Note 21)				
6100	Selling expenses	14,767	2	23,762	2
6200	General and administrative expenses	86,394	12	79,339	6
6300	R&D expenses	17,531	2	18,984	1
6450	Expected credit impairment losses				
	(Note 8)	59,483	8	8,932	1
6000	Total operating expenses	178,175	24	131,017	10
6900	Net operating income (loss)	(306,401)	(41)	6,493	1
	Non-operating revenues and expenses				
7010	Other revenues (Notes 21 and 27)	68,850	9	53,933	4
7100	Interest Income	3,797	-	530	-
7020	Other gains or losses (Note 21)	(68,486)	(9)	(24,394)	(2)
7050	Financial costs (Note 21)	(52,803)	(7)	(44,109)	(3)
7070	Share of profit or loss of subsidiaries accounted for using equity method (Note 4 and 10)	(59,364)	(8)	62,285	5
7000	Total non-operating income and expenses	(108,006)	(15)	48,245	4
7900	Pretax profit (loss)	(414,407)	(56)	54,738	5
7950	Income tax gains (Notes 4 and 22)	(43,345)	(6)	(1,064)	-
8200	Net profit (loss) for the year	(371,062)	(50)	55,802	5

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Code		2023		2022	
		Amount	%	Amount	%
	Other comprehensive income (Note 4)				
8360	Items that may subsequently be reclassified to profit or loss				
8370	Share of other comprehensive income of subsidiaries accounted for using the equity method	(\$ <u>138</u>)	<u>-</u>	\$ <u>56</u>	<u>-</u>
8500	Total comprehensive income of the current year	(\$ <u>371,200</u>)	(<u>50</u>)	\$ <u>55,858</u>	<u>5</u>
	Earnings (loss) per share (Note 23)				
9750	Basic	(\$ <u>1.87</u>)		\$ <u>0.31</u>	
9850	Diluted	(\$ <u>1.87</u>)		\$ <u>0.30</u>	

The accompanying notes are an integral part of the parent-only financial statements

Chairman: Wang Te-Hsin

Manager: Wang Te-Hsin

Accounting Supervisor: Hsieh Chun-Hsiang

Mosa Industrial Corp. and Subsidiaries
Parent-Only Statement of Changes in Equity
From January 1 to December 31, 2023 and 2022

Unit: In NT\$ thousand;
dividend per share in NT\$

Code		Common stock (Note 19)	Capital surplus (Notes 16, 19 and 24)	Retained earnings (Note 19)			Other equities Exchange differences arising from the translation of financial statements of foreign operations (Note 4)	Total equity
				Statutory reserves	Special reserve	Undistributed earnings (Losses to be compensated)		
A1	Balance at January 1, 2022	<u>\$ 1,827,883</u>	<u>\$ 1,854,680</u>	<u>\$ 206,076</u>	<u>\$ 4,529</u>	<u>\$ 585,592</u>	<u>(\$ 4,557)</u>	<u>\$ 4,474,203</u>
	Earning appropriation and distribution for 2021							
B1	Legal reserves	<u>-</u>	<u>-</u>	<u>31,980</u>	<u>-</u>	<u>(31,980)</u>	<u>-</u>	<u>-</u>
B3	Special reserves	<u>-</u>	<u>-</u>	<u>-</u>	<u>28</u>	<u>(28)</u>	<u>-</u>	<u>-</u>
B5	Cash dividends to shareholders	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(237,625)</u>	<u>-</u>	<u>(237,625)</u>
D1	2022 net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,802</u>	<u>-</u>	<u>55,802</u>
D3	Other comprehensive net income for year 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56</u>	<u>56</u>
D5	2022 total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,802</u>	<u>56</u>	<u>55,858</u>
Z1	Balance at December 31, 2022	<u>1,827,883</u>	<u>1,854,680</u>	<u>238,056</u>	<u>4,557</u>	<u>371,761</u>	<u>(4,501)</u>	<u>4,292,436</u>
	Earning appropriation and distribution for 2022							
B1	Legal reserves	<u>-</u>	<u>-</u>	<u>5,580</u>	<u>-</u>	<u>(5,580)</u>	<u>-</u>	<u>-</u>
B3	Special reserves	<u>-</u>	<u>-</u>	<u>-</u>	<u>(56)</u>	<u>56</u>	<u>-</u>	<u>-</u>
B5	Cash dividends to shareholders	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,558)</u>	<u>-</u>	<u>(40,558)</u>
E1	Proceeds from issuing shares	<u>200,000</u>	<u>199,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>399,000</u>
N1	Share-Based Payments	<u>-</u>	<u>8,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,633</u>
C5	Recognized equity components from the Company's issuance of convertible bonds	<u>-</u>	<u>24,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,089</u>
D1	2023 net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(371,062)</u>	<u>-</u>	<u>(371,062)</u>
D3	Other comprehensive net income for year 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(138)</u>	<u>(138)</u>
D5	2023 total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(371,062)</u>	<u>(138)</u>	<u>(371,200)</u>
Z1	Balance at December 31, 2023	<u>\$ 2,027,883</u>	<u>\$ 2,086,402</u>	<u>\$ 243,636</u>	<u>\$ 4,501</u>	<u>(\$ 45,383)</u>	<u>(\$ 4,639)</u>	<u>\$ 4,312,400</u>

The accompanying notes are an integral part of the parent-only financial statements

Chairman: Wang Te-Hsin

Manager: Wang Te-Hsin

Accounting Supervisor: Hsieh Chun-Hsiang

Mosa Industrial Corp.
Parent Company Only Statement of Cash Flows
For the Year Ended December 31, 2023 and 2022

Unit: NTD thousand

Code		2023	2022
	Cash flows from operating activities		
A10000	Net income (loss) before tax of the current year	(\$ 414,407)	\$ 54,738
A20010	Income and expenses		
A20100	Depreciation	339,279	332,679
A20200	Amortization expenses	973	1,429
A20300	Expected credit impairment losses	59,483	8,932
A20900	Financial costs	52,803	44,109
A21200	Interest Income	(3,797)	(530)
A21900	Share-based payments	8,633	-
A22400	Share of profit or loss of subsidiaries and associates accounted for using equity method	59,364	(62,285)
A22500	Losses (gains) on disposal of property, plant and equipment	17,403	(43)
A23700	Loss on inventory valuation falling and obsolescence (gain on recovery)	(9,881)	18,721
A24100	Net foreign exchange gains	(3,940)	(5,195)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	1,192	972
A31150	Accounts receivable	122,740	92,163
A31180	Other receivables	2,896	17,872
A31200	Inventories	139,981	26,425
A31230	Pre-payments	3,650	(2,803)
A31240	Other current assets	1,368	4,134
A32125	contract liability	(6,365)	1,627
A32130	Note payable	-	(48,195)
A32150	Accounts payable	(6,418)	(81,457)
A32180	Other payables	(75,521)	(87,352)
A32230	Other current liabilities	<u>16,394</u>	<u>37</u>
A33000	Cash from operations	305,830	315,978
A33100	Interest received	3,797	530
A33300	Interest paid	(49,218)	(43,359)
A33500	Income tax paid	(<u>11,836</u>)	(<u>84,995</u>)
AAAA	Net cash inflows from operating activities	<u>248,573</u>	<u>188,154</u>

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Code		2023	2022
	Cash flows from investing activities		
B01800	Acquisition of investment using the equity method	\$ -	(\$ 2,500)
B02700	Acquisition of property, plant and equipment	(36,747)	(61,939)
B02800	Proceeds from disposal of property, plant and equipment	35	43
B03800	Increase in guarantee deposits paid	(3,156)	(1,844)
B04500	Acquisition of intangible assets	(185)	(161)
B06500	Decrease (increase) in other financial assets	9,000	(9,000)
B07100	Increase in pre-payments for equipment	(18,689)	(48,338)
BBBB	Net cash outflows from investing activities	(49,742)	(123,739)
	Cash flows from financing activities		
C00100	Increase in short-term bank loans	1,176,937	1,774,784
C00200	Decrease in short-term bank loans	(1,556,374)	(1,550,048)
C00500	Increase in short-term bills payable	130,000	49,600
C00600	Decrease in net short-term notes payable	(210,399)	-
C01200	Issuance of convertible bonds	545,000	-
C01600	Proceeds from long-term bank loans	300,000	-
C01700	Repayments of long-term bank loans	(595,000)	(90,000)
C04020	Repayment of the principal portion of leases	(15,508)	(15,233)
C04500	Cash dividends distributed	(40,558)	(237,625)
C04600	Issuance of new shares	399,000	-
CCCC	Net cash inflows (outflows) from financing activities	133,098	(68,522)
EEEE	Net increase (decrease) in cash	331,929	(4,107)
E00100	Beginning cash balance	395,210	399,317
E00200	Year-end cash balance	\$ 727,139	\$ 395,210

The accompanying notes are an integral part of the parent-only financial statements

Chairman: Wang Te-Hsin

Manager: Wang Te-Hsin

Accounting Supervisor: Hsieh Chun-Hsiang

Independent Auditors' Review Report

To: Mosa Industrial Corp.

Audit opinion

We have reviewed the accompanying consolidated balance sheets of Mosa Industrial Corp. (the "Company") and its subsidiaries (collectively, the "Group") for the years ended December 31, 2023 and 2022 and the relevant consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies "(collectively referred to as the consolidated financial statements)".

In our opinion, the accompanying consolidated financial statements were prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations endorsed and effected issued into effect by the Financial Supervisory Commission, for a fair presentation of Mosa Industrial Group's consolidated financial position as of December 31, 2023 and 2022 and consolidated financial performance and consolidated cash flows from January 1 to December 31, 2023 and 2022, respectively.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibility under those standards is further described in the section of "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements". The personnel from our public accounting firm who are subject to the requirements for independence has maintained independence from Mosa Industrial Corporation in accordance with the Code of Professional Ethics for Certified Public Accountants and have fulfilled other ethical responsibilities accordingly. 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 2023 consolidated financial statements of Mosa Industrial Group. These matters were addressed in our audit of the consolidated financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

Key audit matters of the consolidated financial statements of the Group for the year 2023, are stated as follows:

Operating revenue

The revenue sources of Mosa Industrial Group are the consumer goods sector and the industrial product sector. The sales revenue of some of the important customers has increased significantly compared to the previous year, because the aforementioned operating revenue is listed as a key audit item. The accounting policy for the recognition of operating income is disclosed in Note 4.

The main audit procedures we performed for said matter are as follows:

1. Understand and evaluate the appropriateness of the design and implementation of risk-related internal control over operating procedures related to operating revenue recognition and collection, and test the effective and continuing operation of related operations in the middle of the year.
2. We send letters to important customers that meet specific risk characteristics. If no reply is received, the Company will check the follow-up collection or check the corresponding order and delivery documents to confirm the authenticity of operating revenue.

Other Matters

We have issued an auditor's report with an unqualified opinion on the 2023 and 2022 parent company only financial statements prepared by Mosa Industrial Corporation.

Responsibilities of the management and the governing body for the consolidated financial statements

The responsibilities of the management are to prepare the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS and IAS, as well as IFRIC and SIC interpretations endorsed and entered into effect by the FSC, and to maintain necessary internal control associated with the preparation in order to ensure that the financial statements are free from material misstatement arising from fraud or error.

In preparing the consolidated financial statements, management is also responsible for assessing Mosa Industrial Group's ability to continue as a going concern, disclosure of relevant matters and adoption of the going concern basis of accounting unless management either intends to liquidate Mosa Industrial Group or to cease operations or has no realistic alternative but to do so.

Those charged with Mosa Industrial Group's corporate governance (including Audit Committee) are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If the misstated individual amount or the aggregate sum can be reasonably expected to influence the economic decision of the users of consolidated financial statements, it is deemed material.

As part of an audit in accordance with the generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following:

1. Identify and assess the risks of material misstatement arising from fraud or error within the consolidated financial statements; design and execute countermeasures in response to said risks, and obtain sufficient and appropriate audit evidence to provide a basis of our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Obtain a necessary understanding of internal control relevant to the audit in order to design audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mosa Industrial Group's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting, based on the audit evidence obtained, and whether a material uncertainty exists related to events or conditions that may cast significant doubt on Mosa Industrial Group's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the consolidated financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Mosa Industrial Group no longer able to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately present the relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Group.

The matters communicated between us and the governing body include the planned scope and times of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provided the governing body with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and communicated with them all relationships and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with those charged with governance, we determine the key audit matters for our audit of Mosa Industrial Group's 2023 consolidated financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine not to communicate specific matters in the auditor's because the adverse consequences of such communication would reasonably be expected to outweigh the public interest benefits that would be enhanced.

Deloitte Touche
CPA Tseng Tung-Yun

CPA Su Ting-Chien

The Financial Supervisory Commission R.O.C.
Approved No.
Tai-Cai-Zeng-Liu-Zi No. 0920123784

The Financial Supervisory Commission R.O.C.
Approved No.
Jing-Guang-Zheng-Liu-Zi No. 1070323246

March 12, 2024

Mosa Industrial Corp. and Subsidiaries
Consolidated Statement of Balance Sheet
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ Thousand

Code	Asset	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash (Notes 4 and 6)	\$ 933,674	12	\$ 573,915	7
1110	Current financial assets at fair value through profit or loss (Notes 4 and 7)	545	-	-	-
1150	Notes receivable - non-related parties (Notes 4, 8 and 20)	210,293	3	297,467	4
1170	Accounts receivable - non-related parties (Notes 4, 8 and 20)	158,828	2	386,580	5
1200	Other receivables (Note 4)	14,815	-	17,605	-
1220	Current tax assets (Note 4 and 22)	85	-	44	-
130X	Inventories (Notes 4 and 9)	391,738	5	430,727	6
1410	Pre-payments	56,111	1	63,481	1
1476	Other financial assets — current (Notes 4, 6 and 28)	-	-	9,000	-
1479	Other current assets	12,140	-	21,311	-
11XX	Total current assets	<u>1,778,229</u>	<u>23</u>	<u>1,800,130</u>	<u>23</u>
	Non-current assets				
1550	Investment under the equity method (Notes 4 and 11)	688	-	1,318	-
1600	Property, plant and equipment (Notes 4, 12 and 28)	4,561,077	60	4,787,635	61
1755	Right-of-use assets (Note 4 and 13)	1,036,552	14	1,059,629	13
1780	Intangible assets (Note 4 and 14)	3,948	-	4,446	-
1840	Deferred tax assets (Note 4 and 22)	40,603	1	14,986	-
1915	Pre-payments for equipment	147,156	2	236,612	3
1920	Guarantee deposits paid	13,600	-	6,126	-
15XX	Total non-current assets	<u>5,803,624</u>	<u>77</u>	<u>6,110,752</u>	<u>77</u>
1XXX	Total assets	<u>\$ 7,581,853</u>	<u>100</u>	<u>\$ 7,910,882</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term bank loans (Note 15)	\$ 295,296	4	\$ 620,277	8
2110	Short-term bill payable (Note 15)	-	-	79,838	1
2130	Contract liabilities - Current (Notes 4 and 20)	8,654	-	15,275	-
2150	Note payable - non related parties	1,709	-	9,657	-
2170	Accounts payable - non related parties	66,445	1	124,624	2
2200	Other payables (Note 17)	142,532	2	269,906	3
2230	Current tax liabilities (Notes 4 and 22)	18,214	-	48,622	1
2280	Lease liabilities - current (Note 4 and 13)	15,785	-	15,507	-
2320	Current portion of long-term bank loans (Notes 15 and 28)	101,875	2	130,000	2
2399	Other current liabilities	17,588	-	1,195	-
21XX	Total current liabilities	<u>668,098</u>	<u>9</u>	<u>1,314,901</u>	<u>17</u>
	Non-current liabilities				
2530	Bonds payables (Notes 4 and 16)	523,906	7	-	-
2540	Long-term bank loans (Note 15 and 28)	1,016,125	13	1,225,000	15
2570	Deferred tax liabilities (Notes 4 and 22)	-	-	1,435	-
2580	Lease liabilities - non-current (Note 4 and 13)	1,061,314	14	1,077,100	14
2645	Deposits received	10	-	10	-
25XX	Total non-current liabilities	<u>2,601,355</u>	<u>34</u>	<u>2,303,545</u>	<u>29</u>
2XXX	Total liabilities	<u>3,269,453</u>	<u>43</u>	<u>3,618,446</u>	<u>46</u>
	Equity attributable to owners of the company				
3110	Common stock	2,027,883	27	1,827,883	23
3200	Capital surplus	2,086,402	27	1,854,680	23
	Retained earnings				
3310	Legal reserves	243,636	3	238,056	3
3320	Special reserves	4,501	-	4,557	-
3350	Undistributed earnings	(45,383)	-	371,761	5
3400	Other equities	(4,639)	-	(4,501)	-
3XXX	Total equity	<u>4,312,400</u>	<u>57</u>	<u>4,292,436</u>	<u>54</u>
	Total liabilities and equity	<u>\$ 7,581,853</u>	<u>100</u>	<u>\$ 7,910,882</u>	<u>100</u>

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

Chairman: Wang Te-Hsin

Manager: Wang Te-Hsin

Accounting Supervisor: Hsieh Chun-Hsiang

Mosa Industrial Corp. and Subsidiaries
Consolidated Statement of Comprehensive Income
From January 1 to December 31, 2023 and 2022

Unit: In NT\$ thousand; Earnings per share (NT\$)

Code		2023		2022	
		Amount	%	Amount	%
4000	Net operating revenue (Notes 4 and 20)	\$ 1,304,718	100	\$ 1,891,491	100
5000	Operating costs (Notes 9 and 21)	<u>1,406,299</u>	<u>108</u>	<u>1,648,810</u>	<u>87</u>
5900	Gross profit (loss)	(<u>101,581</u>)	(<u>8</u>)	<u>242,681</u>	<u>13</u>
	Operating expenses (Note 21)				
6100	Selling expenses	29,162	2	37,714	2
6200	General and administrative expenses	100,390	8	96,920	5
6300	R&D expenses	47,217	4	40,121	2
6450	Expected credit impairment losses (Note 8)	<u>59,467</u>	<u>4</u>	<u>9,016</u>	<u>1</u>
6000	Total operating expenses	<u>236,236</u>	<u>18</u>	<u>183,771</u>	<u>10</u>
6900	Net operating income (loss)	(<u>337,817</u>)	(<u>26</u>)	<u>58,910</u>	<u>3</u>
	Non-operating revenues and expenses				
7010	Other revenues (Note 21)	24,280	2	11,111	-
7100	Interest Income	4,992	-	1,102	-
7020	Other gains or losses (Note 21)	(52,342)	(4)	30,370	2
7050	Financial costs (Note 21)	(54,896)	(4)	(44,189)	(2)
7060	Share of profit or loss of associates accounted for using equity method	(<u>630</u>)	<u>-</u>	(<u>1,182</u>)	<u>-</u>
7000	Total non-operating income and expenses	(<u>78,596</u>)	(<u>6</u>)	(<u>2,788</u>)	<u>-</u>
7900	Pretax profit (loss)	(416,413)	(32)	56,122	3
7950	Income tax expense (gain) (Notes 4 and 22)	(<u>45,351</u>)	(<u>4</u>)	<u>320</u>	<u>-</u>
8200	Net profit (loss) for the year	(<u>371,062</u>)	(<u>28</u>)	<u>55,802</u>	<u>3</u>

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Code		2023		2022	
		Amount	%	Amount	%
	Other comprehensive income				
8360	Items that may subsequently be reclassified to profit or loss				
8361	Exchange differences arising from the translation of financial statements of foreign operations	(\$ 138)	-	\$ 56	-
8500	Total comprehensive income of the current year	(\$ 371,200)	(28)	\$ 55,858	3
	Earnings (loss) per share (Note 23)				
9750	Basic	(\$ 1.87)		\$ 0.31	
9850	Diluted	(\$ 1.87)		\$ 0.30	

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

Chairman: Wang Te-Hsin

Manager: Wang Te-Hsin

Accounting Supervisor: Hsieh Chun-Hsiang

Mosa Industrial Corp. and Subsidiaries
Consolidated Statement of Changes in Equity
From January 1 to December 31, 2023 and 2022

Unit: NT\$ thousands, except dividends
per share, which is expressed in NT\$

Code		Common stock (Note 19)	Capital surplus (Notes 16, 19 and 24)	Retained earnings (Note 19)			Other equities Exchange differences arising from the translation of financial statements of foreign operations (Note 4)	Total equity
				Statutory reserves	Special reserve	Undistributed earnings (Losses to be compensated)		
A1	Balance at January 1, 2022	<u>\$ 1,827,883</u>	<u>\$ 1,854,680</u>	<u>\$ 206,076</u>	<u>\$ 4,529</u>	<u>\$ 585,592</u>	<u>(\$ 4,557)</u>	<u>\$ 4,474,203</u>
	Earning appropriation and distribution for 2021							
B1	Legal reserves	<u>-</u>	<u>-</u>	<u>31,980</u>	<u>-</u>	<u>(31,980)</u>	<u>-</u>	<u>-</u>
B3	Special reserves	<u>-</u>	<u>-</u>	<u>-</u>	<u>28</u>	<u>(28)</u>	<u>-</u>	<u>-</u>
B5	Cash dividends to shareholders	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(237,625)</u>	<u>-</u>	<u>(237,625)</u>
D1	2022 net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,802</u>	<u>-</u>	<u>55,802</u>
D3	Other comprehensive net income for year 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56</u>	<u>56</u>
D5	2022 total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,802</u>	<u>56</u>	<u>55,858</u>
Z1	Balance at December 31, 2022	<u>1,827,883</u>	<u>1,854,680</u>	<u>238,056</u>	<u>4,557</u>	<u>371,761</u>	<u>(4,501)</u>	<u>4,292,436</u>
	Earning appropriation and distribution for 2022							
B1	Legal reserves	<u>-</u>	<u>-</u>	<u>5,580</u>	<u>-</u>	<u>(5,580)</u>	<u>-</u>	<u>-</u>
B3	Special reserves	<u>-</u>	<u>-</u>	<u>-</u>	<u>(56)</u>	<u>56</u>	<u>-</u>	<u>-</u>
B5	Cash dividends to shareholders	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,558)</u>	<u>-</u>	<u>(40,558)</u>
E1	Proceeds from issuing shares	<u>200,000</u>	<u>199,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>399,000</u>
N1	Share-Based Payments	<u>-</u>	<u>8,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,633</u>
C5	Recognized equity components from the Company's issuance of convertible bonds	<u>-</u>	<u>24,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,089</u>
D1	2023 net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(371,062)</u>	<u>-</u>	<u>(371,062)</u>
D3	Other comprehensive net income for year 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(138)</u>	<u>(138)</u>
D5	2023 total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(371,062)</u>	<u>(138)</u>	<u>(371,200)</u>
Z1	Balance at December 31, 2023	<u>\$ 2,027,883</u>	<u>\$ 2,086,402</u>	<u>\$ 243,636</u>	<u>\$ 4,501</u>	<u>(\$ 45,383)</u>	<u>(\$ 4,639)</u>	<u>\$ 4,312,400</u>

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

Chairman: Wang Te-Hsin

Manager: Wang Te-Hsin

Accounting Supervisor: Hsieh Chun-Hsiang

Mosa Industrial Corp. and Subsidiaries
Consolidated Statement of Cash Flows
From January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand

Code		2023	2022
	Cash flows from operating activities		
A10000	Net income (loss) before tax of the current year	(\$ 416,413)	\$ 56,122
A20010	Income and expenses		
A20100	Depreciation	406,592	397,075
A20200	Amortization expenses	1,057	1,451
A20300	Expected credit impairment losses	59,467	9,016
A20900	Financial costs	54,896	44,189
A21200	Interest Income	(4,992)	(1,102)
A21900	Share-based payments	8,633	-
A22300	Share of profit (loss) on associates and joint ventures using the equity method	630	1,182
A22500	Losses (gains) on disposal of property, plant and equipment	45,385	(43)
A23700	Loss on inventory valuation falling and obsolescence	6,010	18,411
A24100	Net foreign exchange gains	(3,887)	(4,934)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	87,174	(157,302)
A31150	Accounts receivable	171,847	50,919
A31180	Other receivables	2,790	12,416
A31200	Inventories	33,416	(16,492)
A31230	Pre-payments	7,370	(4,002)
A31240	Other current assets	9,171	(2,953)
A32125	contract liability	(6,621)	(2,290)
A32150	Accounts payable	(57,805)	(53,258)
A32180	Other payables	(80,515)	(29,258)
A32230	Other current liabilities	16,393	191
A33000	Cash from operations	340,598	319,338
A33100	Interest received	4,992	1,102
A33300	Interest paid	(51,160)	(43,403)
A33500	Income tax paid	(12,156)	(86,460)
AAAA	Net cash inflows from operating activities	282,274	190,577

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Code		2023	2022
	Cash flows from investing activities		
B01800	Acquisition of investment using the equity method	\$ -	(\$ 2,500)
B02700	Acquisition of property, plant and equipment	(96,023)	(92,665)
B02800	Proceeds from disposal of property, plant and equipment	-	43
B03800	Decrease (increase) in refundable deposits	(7,474)	487
B04500	Acquisition of intangible assets	(561)	(161)
B06500	Decrease (increase) in other financial assets	9,000	(9,000)
B07100	Increase in pre-payments for equipment	(72,448)	(150,476)
BBBB	Net cash outflows from investing activities	(167,506)	(254,272)
	Cash flows from financing activities		
C00100	Increase in short-term bank loans	1,587,483	1,804,784
C00200	Decrease in short-term bank loans	(1,912,464)	(1,550,048)
C00500	Increase in short-term bills payable	130,000	49,600
C00600	Decrease in net short-term notes payable	(210,399)	-
C01200	Issuance of convertible bonds	545,000	-
C01600	Proceeds from long-term bank loans	358,000	-
C01700	Repayments of long-term bank loans	(595,000)	(90,000)
C04020	Repayment of the principal portion of leases	(15,508)	(15,233)
C04500	Cash dividends distributed	(40,558)	(237,625)
C04600	Issuance of new shares	399,000	-
CCCC	Net cash inflows (outflows) from financing activities	245,554	(38,522)
DDDD	Effect of exchange rate changes on cash	(563)	446
EEEE	Net increase (decrease) in cash	359,759	(101,771)
E00100	Beginning cash balance	573,915	675,686
E00200	Year-end cash balance	\$ 933,674	\$ 573,915

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

Chairman: Wang Te-Hsin

Manager: Wang Te-Hsin

Accounting Supervisor: Hsieh Chun-Hsiang

Mosa Industrial Corp.
Deficit Compensation Statement
2023

Unit: NTD

Undistributed earnings at the beginning of the period	325,680,819
Less: Net Loss of the period	(371,062,430)
Less: Appropriation of special reserves - Exchange differences on translation of foreign financial statements	(137,830)
Deficit yet to be compensated of the period	(45,519,441)
Compensation items:	
Add: Legal reserve used to compensate for deficit	45,519,441
Deficit yet to be compensated at the end of the period	0

Chairman:

Manager:

Accounting Officer:

Mosa Industrial Corp.**Table of Comparison of Provisions of the "Articles of Incorporation" before and after Amendment**

Provision after amendment	Provision before amendment	Description of amendment
Article 2: The Company is mainly engaged in the following trades: Research, design, development, manufacture, and sales of the following: 1.Ultra-high pressure high-speed gas filling machine. 2.All kinds of mini high-pressure inflatable steel-made chargers and various high-pressure containers (made of a mixture of aluminum, steel cylinders, and plastics). 3.<u>Various types of precision flow regulating valves.</u> 4.<u>Commercial unmanned aerial vehicle systems and their parts.</u> 5.<u>Hydrogen energy mobile vehicle fuel cell system and its parts.</u> 6.<u>Entrusted design and development and consulting services for the above products.</u> The line of business to which the said products belong, and the code therefor, are as follows: 1.CE01010 General Instrument Manufacturing. 2.CA02990 Other Metal Products Manufacturing. 3.C114010 Food Additives Manufacturing. 4.F121010 Wholesale of Food Additives. 5.F221010 Retailing of Food Additives. 6.F102170 Wholesale of Foods and Groceries. 7.C199990 Manufacture of Other Food Products Not Elsewhere Classified. 8.<u>CA02050 Valves Manufacturing.</u> 9.<u>CC01990 Other electrical and electronic machinery equipment manufacturing.</u> 10.<u>CC01090 Battery Manufacturing.</u> 11.<u>CZ99990 Other industrial products not classified.</u> 12.F401010 International Trade (to the extent associated with the said products). 13.I501010 Product Designing. The following line of business is carried out outside the Science Park. 14.ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.	Article 2: The Company is mainly engaged in the following trades: Research, design, development, manufacture, and sales of the following: 1.Ultra-high pressure high-speed gas filling machine. 2.All kinds of mini high-pressure inflatable steel-made chargers and various high-pressure containers (made of a mixture of aluminum, steel cylinders, and plastics). The line of business to which the said products belong, and the code therefor, are as follows: 1.CE01010 General Instrument Manufacturing. 2.CA02990 Other Metal Products Manufacturing. 3.C114010 Food Additives Manufacturing. 4.F121010 Wholesale of Food Additives. 5.F221010 Retailing of Food Additives. 6.F102170 Wholesale of Foods and Groceries. 7.C199990 Manufacture of Other Food Products Not Elsewhere Classified. 8.F401010 International Trade (to the extent associated with the said products). The following line of business is carried out outside the Science Park. 9.I501010 Product Designing. 10.ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.	To align with the Company's operational and development needs, Add the Company's business items.
Article 5: The Company's registered capital was NT\$5 billion, divided into 500 million shares at NT\$10 per share; the board of directors is authorized to issue such shares in installments. Among them, a total of 30 million shares amounting to NT\$300 million are reserved for	Article 5: The Company's registered capital was NT\$2.5 billion, divided into 250 million shares at NT\$10 per share; the board of directors is authorized to issue such shares in installments. Among them, a total of 14 million shares amounting to NT\$140 million are reserved for	To align with the Company's operational and development needs, increase the Company's registered capital and the amount reserved for the

Provision after amendment	Provision before amendment	Description of amendment
the issuance of employee stock option certificates, and may be issued in installments according to a resolution of the Board of Directors.	the issuance of employee stock option certificates, and may be issued in installments according to a resolution of the Board of Directors.	issuance of employee stock option certificates.
Article 13: The Company shall have five to nine directors, among whom no less than there shall be independent directors, who shall constitute no less than <u>one-third</u> of the director seats. The number of seats to be elected shall be determined by the Board of Directors through a resolution. Directors are elected through the nomination system under Article 192-1 of the Company Act by the Shareholders Meeting from the persons on the candidate list for a term of three years, and for any further term if re-elected. Provisions below omitted.	Article 13: The Company shall have five to nine directors, among whom no less than there shall be independent directors, who shall constitute no less than one-fifth of the director seats. The number of seats to be elected shall be determined by the Board of Directors through a resolution. Directors are elected through the nomination system under Article 192-1 of the Company Act by the Shareholders Meeting from the persons on the candidate list for a term of three years, and for any further term if re-elected. Provisions below omitted.	To strengthen the supervisory function and independence of independent directors, increase the proportion of independent director seats.
Article 22 These Articles of Incorporation were formulated on July 8, 1988. The 1st revision was made on April 13, 1991. ° The 23rd revision was made on June 25, 2019. The 24th revision was made on May 27, 2020. The 25th revision was made on July 22, 2021. The 26th revision was made on May 26, 2022. The 27th revision was made on June 28, 2023. <u>The 28th revision was made on May 30, 2024.</u>	Article 22 These Articles of Incorporation were formulated on July 8, 1988. The 1st revision was made on April 13, 1991. ° The 23rd revision was made on June 25, 2019. The 24th revision was made on May 27, 2020. The 25th revision was made on July 22, 2021. The 26th revision was made on May 26, 2022. The 27th revision was made on June 28, 2023.	Add revision times and dates.

Mosa Industrial Corp.**Table of Comparison of Provisions of the "Rules of Procedures for Shareholders' Meeting" before and after Amendment**

Provision after amendment	Provision before amendment	Description of amendment
Article 3 Unless otherwise provided by law or regulation, the Company's Shareholders' Meetings shall be convened by the Board of Directors. <u>The Company convening a shareholders' meeting via videoconference shall be stated in the Articles of Incorporation and resolved by the board of directors, and the videoconference shall be attended by at least two-thirds of the board of directors. A resolution is passed with the consent of a majority of the directors.</u> Provisions below omitted.	Article 3 Unless otherwise provided by law or regulation, the Company's Shareholders' Meetings shall be convened by the Board of Directors. Provisions below omitted.	To reflect the go-ahead to hold a shareholders' meeting by video conferencing, Paragraph 2 is added.
Article 6-1 To convene a virtual shareholders' meeting, the Company shall include the follow particulars in the shareholders' meeting notice: I.to II. omitted. III.To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified. <u>Except for the situations specified in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, at least connection equipment and necessary assistance shall be provided to shareholders, and the period during which shareholders may apply to the Company and other relevant matters should be stated.</u>	Article 6-1 To convene a virtual shareholders' meeting, the Company shall include the follow particulars in the shareholders' meeting notice: I.to II. omitted. III.To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.	Amended to reflect the permission to allow a shareholders' meeting to be held by video conference.
Article 22 When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online. <u>Except for the situations specified in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, at least connection equipment and necessary assistance shall be provided to shareholders, and the period during which shareholders may apply to the Company and other relevant matters should be stated.</u>	Article 22 When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.	Amended to reflect the permission to allow a shareholders' meeting to be held by video conference.
Article 24 These Rules of Procedure were established on June 17, 2014. The 1st revision was made on June 22, 2016.	Article 24 These Rules of Procedure were established on June 17, 2014. The 1st revision was made on June 22, 2016.	Adjust the numeral order of articles and add revision times

Provision after amendment	Provision before amendment	Description of amendment
The 2nd revision was made on June 16, 2017. The 3rd revision was made on June 22, 2018. The 4th revision was made on May 27, 2020. The 5th revision was made on July 22, 2021. The 6th revision was made on June 28, 2023. <u>The 7th revision was made on May 30, 2024.</u>	The 2nd revision was made on June 16, 2017. The 3rd revision was made on June 22, 2018. The 4th revision was made on May 27, 2020. The 5th revision was made on July 22, 2021. The 6th revision was made on June 28, 2023.	and dates to reflect the addition of articles this time.

**Mosa Industrial Corp.
Articles of Incorporation (before Amendment)**

Chapter 1 General Provisions

- Article 1: The Company is duly organized under the Company Act of the Republic of China and shall have the name of “元翎精密工業股份有限公司” in the Chinese language and “Mosa Industrial Corporation” in the English language.
- Article 2: The Company is mainly engaged in the following trades:
Research, design, development, manufacture, and sales of the following:
1. Ultra-high pressure high-speed gas filling machine.
 2. All kinds of mini high-pressure inflatable steel-made chargers and various high-pressure containers (made of a mixture of aluminum, steel cylinders, and plastics).
- The line of business to which the said products belong, and the code therefor, are as follows:
1. CE01010 General Instrument Manufacturing.
 2. CA02990 Other Metal Products Manufacturing.
 3. C114010 Food Additives Manufacturing.
 4. F121010 Wholesale of Food Additives.
 5. F221010 Retailing of Food Additives.
 6. F102170 Wholesale of Foods and Groceries.
 7. C199990 Manufacture of Other Food Products Not Elsewhere Classified.
 8. F401010 International Trade (to the extent associated with the said products).
- The following line of business is carried out outside the Science Park.
9. I501010 Product Designing.
 10. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company is headquartered in Central Taiwan Science Park, and may set up, withdraw, or relocate a branch company or office at home and abroad whenever necessary, subject to a resolution of the Board of Directors.
- Article 4: The Company may make endorsement and guarantee for external parties in accordance with the procedures specified in the Company’s “Procedures for Making Endorsements and Guarantees”.
- Article 4-1: The Company’s indirect external investment is not subject to the restriction set out in Article 13 of the Company Act, and may be determined by the Board of Directors depending on actual needs.

Chapter 2 Shares

- Article 5: The Company’s registered capital was NT\$2.5 billion, divided into 250 million shares at NT\$10 per share; the board of directors is authorized to issue such shares in installments. Among them, a total of 14 million shares amounting to NT\$140 million are reserved for the issuance of employee stock option certificates, and may be issued in installments according to a resolution of the Board of Directors.
- Article 5-1: The Company may transfer shares to employees at a price less than the average actual share repurchase price, or may issue stock option certificates whose price is lower than the closing price of the Company’s common shares on the Issue Date, subject to an approval by at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.
- Article 5-2: Employees eligible for subscription to the Company’s newly issued shares and for new restricted employee shares issued by the Company include employees of a controlled or subordinate company who meet certain criteria, which shall be set by the Board of Directors.
- Article 6: The Company’s stock affairs to be carried out shall comply with the “Regulations Governing the Administration of Shareholder Services of Public Companies” promulgated by the competent authority, unless the laws and regulations state otherwise.
- Article 7: All of the Company’s shares shall be registered ones, and shall bear a serial number and the signature or seal of the director representing the Company, and may be issued after being duly certified or authenticated by a bank which is competent to certify shares under the laws.
The shares issued by the Company need not take the form of physical share certificates, but shall be registered with the centralized securities depository institutions.
- Article 8: Any change recorded in the shareholder register shall be handled in accordance with Article 165 of the Company Act.

Chapter 3. Shareholders' Meeting

- Article 9: Shareholders' meetings of the Company are of two types, namely: (1) regular meetings and (2) special meetings. Regular meetings shall be convened by the Board of Directors within six (6) months after the close of each fiscal year. Special meetings may be convened in accordance with the relevant laws whenever necessary.
- The Company's shareholders' meetings may be held by videoconferencing or other means announced by the competent authority of the central government.
- If the qualifications, operating procedures, and other compliance matters required for holding a video conference are specified otherwise in the regulations of the competent authority, the regulations of the competent authority shall prevail.
- Article 10: If a shareholder is not able to attend the shareholders' meeting in person for any reason, he/she may designate a proxy to attend the shareholders' meeting by executing the proxy form printed by the Company, affixing his/her signature or seal on the proxy form, and stating on the proxy form the scope of authorization. A shareholder may appoint a proxy to attend the meeting in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholders Meetings of Public Companies" that is announced by the competent authority, except under any circumstance set out in Article 177 of the Company Act.
- Article 11: A shareholder shall be entitled to one vote for each share held, unless otherwise provided in laws.
- Article 12: Resolutions at a shareholders' meeting may be adopted only by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares, unless laws provide otherwise.
- Article 12-1: If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is absent, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to make such a designation, the directors shall elect from among themselves one person to serve as the chair. If a shareholders' meeting is convened by a party with power to convene 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 elect a chair from among themselves.
- Article 12-2: Resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed by, or affixed with the seal of, the Chair of the meeting
- and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.
- The production and distribution of the meeting minutes referred to in the preceding paragraph shall be handled in accordance with Article 183 of the Company Act.

Chapter 4. Directors and Audit Committee

- Article 13: The Company shall have five to nine directors, among whom no less than three shall be independent directors, who shall constitute no less than one-fifth of the director seats. The number of seats to be elected shall be determined by the Board of Directors through a resolution. Directors are elected through the nomination system under Article 192-1 of the Company Act by the Shareholders Meeting from the persons on the candidate list for a term of three years, and for any further term if re-elected.
- The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, and other requirements with regard to the independent directors shall comply with the Company Act and the regulations of the competent securities authority.
- The total shareholding ratio of all directors as a whole shall be in accordance with the requirements of the competent securities authority.
- The Company may take out directors liability insurance with respect to liabilities resulting from exercising their duties during their term of occupancy so as to reduce and spread the risk of material harm to the Company and shareholders arising from the unlawful conduct of a director.
- Article 13-1: As required by Article 14-4 of the Securities and Exchange Act, the Company set up its Audit Committee to replace supervisors. The Audit Committee shall be composed of all independent directors, and shall assume the powers and duties assigned to supervisors by the Company Act, Securities and Exchange Act, and other relevant laws and regulations.
- Article 13-2: When the number of vacancies in the board of directors of the Company equals to one third or more of the total number of directors, or when all independent directors are discharged, the board of directors shall call a special meeting of shareholders within 60 days to elect succeeding directors and independent directors to fill the vacancies. However, directors and independent directors so elected shall serve a term equal to the remaining term of the predecessor.
- Article 14: The Board of Directors shall be composed of directors. A Chairman of the Board of Directors shall be elected from among the directors by a majority vote at a Board of Directors meeting attended by two thirds or more of all directors. The Chairman shall represent the Company externally.

- Article 15: When the Chairman asks for leave or cannot exercise his powers for any reason, his proxy shall handle the matters in accordance with Article 208 of the Company Act.
 If a director is unable to attend a Board of Directors meeting for any reason, he/she may present a proxy form specifying the extent of authorization thereon to designate one, and but one, director to attend as proxy.
 Where a Board of Directors meeting is convened by videoconferencing, directors attending the meeting by videoconferencing shall be deemed to have attended the meeting in person.
 Article 204 of the Company Act shall apply to convention of a Board of Directors meeting; the meeting notice may be delivered by correspondence, by fax, or by electronic means.
- Article 15-1: Except as otherwise provided by the Company Act, a Board of Directors meeting shall be convened by the Chairman. Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.
- Article 16: When directors perform duties, the Company must pay them compensation regardless of the Company's being in profit or loss. The Board of Directors is authorized to determine the compensation based on directors' participation in the Company's operations and the value of their contribution; however, such compensation may not exceed the highest bracket of salary specified in the Company's salary approval regulations.
 The Board of Directors may resolve to pay transportation expenses to directors according to the payment standard prevailing in the industry.
 A director concurrently undertaking a job at the Company is entitled to director compensation prescribed in Article 20 of these Articles of Incorporation, and to a monthly salary paid according to the level of salary paid to managers,
 The Company may set reasonable salary and compensation for independent directors that is different from the compensation to directors.

Chapter 5 Managers

- Article 17: The Company may have managers, whose appointment, removal, and compensation shall be conducted in accordance with Article 29 of Company Act.

Chapter 6. Accounting

- Article 18: The Company's fiscal year shall be from January 1 through December 31. The Board of Directors shall compile the following documents at the end of a fiscal year and submit them to the Shareholders' Meeting for ratification.
 (I) Business report.
 (II) Financial statements;
 (III) Proposal to distribute earnings or compensate for prior losses.
- Article 19: (deleted).
- Article 20: If the Company has profits at the end of year, it shall distribute 5%~15% of such profits as employee compensation, which may be paid in the form of stock or cash subject to resolution made by the Board of Directors. Employees eligible for such distribution may include employees of a controlled or subordinate company who meet certain criteria. Meanwhile, the Company may distribute no more than 3% of said profits as the compensation to directors subject to the resolution by the Board of Directors. The proposals to distribute compensation to employees and directors shall be reported at the Shareholders' Meeting. However, if the Company is still in losses, an amount equal to such losses shall be reserved before such earnings can be distributed as employee compensation and director compensation in the proportion mentioned above.
- Article 20-1: In the event of surplus earnings after the closing of annual accounts, due taxes shall be paid in accordance with the law, and losses incurred in previous years shall be compensated for. Upon completion of the preceding actions, 10% of the remainder surplus shall be allocated as legal reserves. However, in the event that the accumulated legal reserves are equivalent to or exceed the Company's total paid-in capital, such allocation may be exempted. The remainder may be set aside or reversed as special surplus reserve in accordance with laws and regulations. If there are remainder earnings, the Board of Directors shall draft a earnings distribution proposal regarding the remainder of the earnings plus accumulated undistributed earnings. If such distribution involves issuance of new shares, such distribution may be made after being approved by the shareholders' meeting.
 An amount of undistributed earnings of the previous periods that is equal to the increment in the fair value of the Company's "Deduction to other equity interest" and "investment property" of the previous periods shall be allocated as special reserves; if there is still shortfall, further appropriation shall be made from the sum of undistributed earnings for the current period plus post-tax profit for the current

period plus other items other than the post-tax profits for the current period.

When the Company intends to distribute dividends, bonus, or part or all of legal reserves and capital reserves in cash, an approval must be obtained from the Board of Directors by a majority vote at a Board of Directors meeting attended by two thirds or more of all directors, and a report must be made at a shareholders' meeting.

The Company's dividend policy considers future capital needs, financial structure, and earnings, and stipulates that no less than 50% of the distributable earnings for the current year be allocated as shareholder dividends. However, if the distributable earnings for the current year are lower than 20% of the paid-in capital, such distribution may be exempted. Dividends to shareholders may be distributed in cash or shares, but the amount of cash dividends shall not be less than 10% of total dividends distributed in the current year. However, if the cash dividend is less than NT\$1 per share, dividends may be distributed solely in shares.

Chapter 7. Supplementary Provisions

Article 21: Any matters that are not addressed in the Articles of Incorporation shall be governed by the Company Act and applicable laws and regulations.

Article 22: These Articles of Incorporation were formulated on July 8, 1988.

The 1st revision was made on April 13, 1991.

The 2nd revision was made on September 19, 1998.

The 3rd revision was made on May 25, 2000.

The 4th revision was made on March 4, 2001.

The 5th revision was made on October 25, 2002.

The 6th revision was made on December 25, 2002.

The 7th revision was made on June 12, 2003.

The 8th revision was made on September 1, 2003.

The 9th revision was made on June 23, 2005.

The 10th revision was made on June 23, 2006.

The 11th revision was made on October 5, 2006.

The 12th revision was made on June 28, 2007.

The 13th revision was made on February 4, 2008.

The 14th revision was made on September 11, 2008.

The 15th revision was made on June 21, 2011.

The 16th revision was made on June 27, 2012.

The 17th revision was made on June 19, 2013.

The 18th revision was made on June 17, 2014.

The 19th revision was made on June 25, 2015.

The 20th revision was made on June 22, 2016.

The 21st revision was made on June 16, 2017.

The 22nd revision was made on June 22, 2018.

The 23rd revision was made on June 25, 2019.

The 24th revision was made on May 27, 2020.

The 25th revision was made on July 22, 2021.

The 26th revision was made on May 26, 2022.

The 27th revision was made on June 28, 2023.

Mosa Industrial Corp.

Chairman: Wang Te-Hsin

Mosa Industrial Corp.
Rules of Procedure for Shareholders' Meeting (before Amendment)

Article 1

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

Article 2

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

Article 3

Unless otherwise provided by law or regulation, the Company's Shareholders' Meetings shall be convened by the Board of Directors.

Any changes to the convening of a shareholder meeting shall be resolved in a board meeting, which should be completed at the latest before the notice of the shareholder meeting is sent.

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms and the origins of and explanatory materials related to all proposals, including proposals for ratification, matters for deliberation or the election or dismissal of directors and upload them to the Market Observation Post System (MOPS) at least 30 days before the date of an annual general meeting or 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders' meeting or 15 days before the date of the special shareholders' meeting. Physical copies of the shareholders' meeting handbook and supplementary information shall be prepared at least 15 days before the meeting, and made accessible to shareholders upon request. These documents must also be placed within the Company's premises and at its stock transfer agent.

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

- I. For physical shareholders' meetings, to be distributed on-site at the meeting.
 - II. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
 - III. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.
- The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or de merger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion.

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

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

Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly

announce its acceptance of shareholder proposals submitted in writing, and the location and time period for submission; the period for acceptance of 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 from 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 authorization granted to the proxy.

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 five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail. However, if a declaration is made to cancel the previous proxy appointment, such a declaration shall prevail.

After a proxy form has been delivered to the Company, in case the shareholder issuing the said proxy form intends to attend the shareholders' meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission, a proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue; otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

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

Article 5

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

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

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

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

The Company shall furnish attending Shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election for directors, pre-printed ballots shall also be furnished. Shareholders shall attend the shareholders' meetings with their attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attendance presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. 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 a shareholders' meeting as proxy, it may designate only one person to represent it in the meeting.

If the shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference should register with the Company two days prior to the shareholders' meeting.

In the event of a virtual shareholders' meeting, the Company shall upload the meeting handbook, annual

report, and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1

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

I. How shareholders attend the virtual meeting and exercise their rights.

II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents, or other force majeure events, at least covering the following particulars:

(I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.

(II). Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.

(III). In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

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

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

Article 7

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or for any reason unable to exercise the powers as chairman, the Vice Chairman shall act in place of the Chairman; if there is no vice chairman or the Vice Chairman is also on leave or for any reason unable to exercise the powers as vice chairman, the Chairman shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the Chairman does not make such a designation, the managing directors or 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 applies if the chair is a representative of a corporate director.

Shareholders' meetings convened by the Board of Directors shall be chaired by the Chairman of the board in person and attended by a majority of the directors 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.

For the meeting that is convened by the ones with the convening authority outside of the board, the meeting should be chaired by convening authority. One person should be selected to chair the meeting if there are more than two present.

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

Article 8

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 1 year. However, if a shareholder raises a litigious claim against the Company according to Article 189 of The Company Act, the above-mentioned documents must be retained until the end of the litigation.

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

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

Article 9

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

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

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

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

Article 10

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda (including extraordinary motions and amendments to original proposals) shall be set by Board of Directors.

Discussion shall be made on each separate proposal in the agenda and votes shall be cast in one time. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the powers to convene that is not the Board of Directors.

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

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

Article 11

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.

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

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

Article 12

Votes cast at shareholders' meetings shall be calculated based on numbers of shares.

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

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

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

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

Article 13

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. Shareholders exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, such a shareholder shall be deemed 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 two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail; however, if a declaration is made to cancel the said intent, such a declaration shall prevail.

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

Unless otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When a proposal comes to a vote, if no attending shareholder voices an objection following an inquiry by the chair, the proposal will be deemed approved, and shall be as legally binding as if the proposal were passed through a vote.

Where there are amendments or alternatives to single motion, the chairperson decide the voting order of such alone with original motion. 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; the shareholder failing to do so will be deemed to have 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 may 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

The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

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. However, if a shareholder raises a litigious claim against the Company according to Article 189 of The Company Act, the above-mentioned documents must be retained until the end of the litigation.

Article 15

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 production and the distribution of the meeting minutes can be made electronically.

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, and a summary of the deliberations and their voting results (including statistical tallies of voting rights), and disclose the number of voting rights won by each director-elect in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

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

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

Article 16

The Company shall, on the day of the shareholders' meeting, compile a statistical statement in the prescribed format and disclose the number of shares solicited by the solicitor, the number of shares represented by the proxies, and the number of shares in attendance in writing or by electronic means clearly on site at the shareholders' meeting. When a shareholders' meeting is convened by video conference, the Company shall upload the aforementioned information to the video conference platform at least 30 minutes before the start of the meeting and continue to disclose it until the end of the meeting. During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

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

Article 17

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

The Chair may direct the proctors or security personnel to help maintain order at the meeting place. 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.

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

Article 18

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

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

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

Article 19

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.

Article 20

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

Article 21

In the event of a virtual shareholders' meeting, 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 first paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in at the affected shareholders' meeting but do not attend the postponed or resumed session shall be counted towards the total number of shares, number of voting rights, and number of election rights represented at the postponed or resumed session. During a postponed or resumed session of a shareholders' meeting held under the first paragraph, no further discussion or resolution is required for proposals or the list of elected directors for which votes have been cast and counted and results have been announced.

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in first paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and no postponement or resumption thereof under the first 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 first paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholders' meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the

Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the first paragraph.

Article 22

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

Article 23

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

Article 24

These Rules of Procedure were established on June 17, 2014.

The 1st revision was made on June 22, 2016.

The 2nd revision was made on June 16, 2017.

The 3rd revision was made on June 22, 2018.

The 4th revision was made on May 27, 2020.

The 5th revision was made on July 22, 2021.

The 6th revision was made on June 28, 2023.

Number of shares held by all directors as a whole

- I. The Company has set up an audit committee in accordance with Article 14-4 of the "Securities and Exchange Act" and substituted independent directors for supervisors.
- II. According to Article 26 of the "Securities and Exchange Act" and the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", where a company staffs its board of directors with 2 or more independent directors, the minimum shareholding required of all non-independent directors as a whole may be reduced by 80%. In this way, the minimum number of shares the Company's non-independent directors as whole are required to hold is 12,000,000 shares
- III. As of the book closure date of the 2024 General Shareholders' Meeting (i.e., on April 1, 2024), the Company issued a total of 202,788,303 shares; below is the shareholding of each individual director and all directors as a whole recorded on the shareholders' register.

Title	Name	Number of shares held (shares)	Shareholding percentage (%)
Chairman	The-Hsin Wang	13,926,913	6.87
Director	Yong Xin International Investment Co., Ltd. Representative: Wen-Hui Lin	14,131,735	6.97
Director	Kao Investment Corporation Representative: Mei-Li Tsai	725,093	0.36
Director	Chao-Kao Chen	2,078,000	1.03
Director	Ching-Jung Chen	2,911,208	1.44
Subtotal	Shares held by all directors as a whole (excluding those held by independent directors)	33,772,949	16.67
Independent Director	Feng-Tsung Cheng	120,925	0.06
Independent Director	Tzu-Ping Jen	0	0
Independent Director	Chung-Hung Liao	0	0
Independent Director	Chao-Li Chen	0	0
Subtotal	Number of shares held by all independent directors	120,925	0.06

- IV. The number of shares held by all directors (excluding independent directors) has reached the statutory amount.