



Annual Shareholders' Meeting 2023 Meeting Agenda

(Translation)

Stock Code **9939**



May 31, 2023

-----DISCLAIMER-----

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1 、 Meeting Procedure

Taiwan Hon Chuan Enterprise Co., Ltd.

Procedure for the 2023 Annual Meeting of Shareholders

- 1. Call to Order**
- 2. Chairman's Opening remarks**
- 3. Report Items**
- 4. Approvals**
- 5. Discussion and Election**
- 6. Other Business and Special Motion**
- 7. Meeting Adjourned**

2 、 Meeting Agenda

Taiwan Hon Chuan Enterprise Co., Ltd.

2023 Annual Shareholders' Meeting Agenda

(Translation)

Convening Meeting : For physical shareholders meeting

Time : 9:00 a.m., May 31, 2023

Place : Hon Chuan Headquarters (International Convention Hall)

(3F, No.6, 2 Rd., Taichung Industrial Park, Taiwan)

Meeting Procedure :

1. Call to Order

2. Chairman's Opening remarks

3. Report Items

- (1) 2022 Business Report
- (2) Audit Committee's Review Report on the 2022 Financial Statements
- (3) Distribution of Cash Dividend from 2022 Earnings
- (4) 2022 Employees' Compensation and Directors' Remuneration Report

4. Approvals

- (1) 2022 Financial Statements and Business Report
- (2) 2022 Profit Distribution Proposal

5. Discussion and Election

- (1) Amendments to Articles of Incorporation
- (2) Amendments to Rules of Procedure for Shareholders Meetings
- (3) Re-election of Directors
- (4) Discussion to Approve the Lifting of Non-Competition Restrictions for the Directors and Independent Directors

6. Other Business and Special Motion

7. Meeting Adjourned

Report Items

Item 1 : 2022 Business Report. Please submit for review.

Explanatory Notes :

- (1) 2022 Business Report, Financial Statements and CPA Audit Report are attached as Attachment 1 and 2. (Please refer to page 8~30)
- (2) Please review.

Item 2 : Audit Committee's Review Report on the 2022 Financial Statements. Please submit for review.

Explanatory Notes :

- (1) The Company's 2022 financial statements have been duly audited and certified by the CPA and further reviewed by Audit Committee. The CPA and Audit Committee issue auditors' report and Audit Committee's review report respectively. Please refer to Attachment 2 and 3. (page 11~31)
- (2) Please review.

Item 3 : Distribution of Cash Dividend from 2022 Earnings. Please submit for review.

Explanatory Notes :

- (1) This distribution of cash dividends of ordinary shares is NT\$ 1,381,372,220 (NT\$ 4.8 per share).
- (2) The cash dividends will be distributed to each shareholder and be rounded down to one NT\$. The fractional stocks less than NT\$1 in the allocation were transferred to other income of the Company.
- (3) If the number of total shares outstanding, prior to the ex-dividend date for the distribution, has changed so that the ratios of dividends are affected, the Board of Directors is authorized to make such adjustments.
- (4) Please review.

Item 4 : 2022 Employees' Compensation and Directors' Remuneration Report. Please submit for review.

Explanatory Notes :

- (1) In accordance with the 28th Article of the Company's Articles of Incorporation.
- (2) The 2022 profit of the Company is NT\$ 2,471,227,099. (That represents the pretax income before distribution of employees' compensation and directors' remuneration.) The Company proposes to distribute 1.80% or NT\$ 44,457,000 as 2022 employees' compensation and 0.79% or NT\$ 19,414,161 as directors' remuneration.
- (3) The remuneration to employees and directors is to be distributed in cash. There is no discrepancy between the amount to be distributed

- and expenses recognized in 2022.
- (4) The aforementioned amount of employees' compensation and directors' remuneration has been approved by the Remuneration Committee and Audit Committee on March 10, 2023.
 - (5) Please review.

Approvals

Approval 1: Approval of 2022 Financial Statements and Business Report. Please ratify. (Proposed by the Board of Directors)

Explanatory Notes :

- (1) The 2022 Financial Statements and Business Report have been duly audited and certified by the CPA firm of Deloitte & Touche, and have been approved by the Board of Directors. Also, the Audit Committee has reviewed 2022 Financial Statements and Business Report and issued review report.
- (2) The 2022 Financial Statements and Business Report are attached as Attachment 2. (Please refer to page 11~30)
- (3) Please ratify.

Resolution :

Approval 2: Approval of 2022 Profit Distribution Proposal. Please ratify. (Proposed by the Board of Directors)

Explanatory Notes :

- (1) The Company's 2022 net income is NT\$ 2,215,137,354. After adding the remeasurement of the defined benefit obligation of NT\$ 8,183,834 and the deduction of the remeasurement of the defined benefit obligation on subsidiaries of NT\$ 2,750,736, the net income and other items adjusted to the current year's undistributed earnings is NT\$ 2,220,570,452. Except for setting aside a legal reserve of NT\$ 222,057,045 and reversing a special reserve of NT\$ 467,713,811, after adding the adjusted unappropriated retained earnings of previous years of NT\$ 1,931,854,797, a total of NT\$ 4,398,082,015 is to be allocated in accordance with the Articles of Incorporation.
- (2) The Board of Directors has drafted proposal for Distribution of 2022 Profit as shown below. Please refer to Attachment 4 (page 32)
 - I . Shareholders' Dividend – Cash dividend NT\$4.8 per share, NT\$1,381,372,220.
- (3) Please ratify.

Resolution :

Discussion and Election

Proposal 1 : To amend the “Articles of Incorporation.” Please proceed to discuss.
(Proposed by the Board of Directors)

Explanatory Notes :

- (1) Considering the Company’s actual needs, the Company hereby proposes to amend part of the Articles of Incorporation. Please refer to Attachment 5 (page 33-35) for details of the proposed amendments.
- (3) Please proceed to discuss.

Resolution :

Proposal 2 : To amend the “Rules of Procedure for Shareholders Meetings.”
Please proceed to discuss. (Proposed by the Board of Directors)

Explanatory Notes :

- (1) To comply with the applicable acts, the Company hereby proposes to amend its “Rules of Procedure for Shareholders Meetings.” Please refer to Attachment 6 (page 36~51) for details of the proposed amendments.
- (2) Please proceed to discuss.

Resolution :

Proposal 3 : Re-election of directors
Please proceed to discuss. (Proposed by the Board of Directors)

Explanatory Notes :

- (1) The original directors’ term of office has expired. In accordance with Article 16 of the Company’s Articles of Incorporation and related provisions of Company Act, the Company hereby proposes to re-elect completely new Board members at this year’s Annual Meeting of Shareholders.
- (2) According to Article 16 of the Company’s Articles of Incorporation, the Company shall have seven to nine directors, including no less than three independent directors. For the new term, the Company shall elect nine directors, three independent directors included. All of the directors shall serve for a term of three years and be eligible for re-election. Moreover, in accordance with Article 23 of the Company’s Articles of Incorporation, the Company shall establish Audit Committee, composed of all independent directors.
- (3) In accordance with Article 16 of the Company’s Articles of Incorporation, directors shall be elected from the nomination list prepared by the company. The shareholders’ meeting shall elect directors and independent directors from the nomination list. The educational and professional background and other related information of nominated directors (and independent directors are attached as Attachment 7. (Please refer to page52~53).
- (4) The three-year term of the newly elected directors is from May 31, 2023 to May 30, 2026.

(5) Please proceed to elect.

Resolution :

Proposal 4 : To approve the lifting of non-competition restrictions for newly elected directors and independent directors.

Please proceed to discuss. (Proposed by the Board of Directors)

Explanatory Notes :

- (1) In accordance with Article 209 of Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the Company's business shall explain in the meeting of shareholders the essential contents of such an act and obtain permission.
- (2) To leverage the expertise and relevant experience of directors, the Company hereby proposes to release newly elected directors and its representatives from non-competition restrictions.
- (3) Details subject to releasing newly elected directors from non-competition are as follows:

Company Positions	Name	Position with Other Companies	Position
Director	Tsao, Hung Yu	Hon Chuan Enterprise (Suzhou) Company Limited Suzhou Hongxin Food Packing Co., Ltd. Shimada International Limitada Hon Shi Mozambique Co., Ltd.	Director Director Director Director
Director	Liu, Yun Chang	Hon Chuan Enterprise (Suzhou) Company Limited Suzhou Hongxin Food Packing Co., Ltd. Hon Chuan Food Packing (Qingxin) Co., Ltd. Hon Chuan Enterprise (Changsha) Co., Ltd. Hon Chuan Food Packing (Jinan) Co., Ltd. Hon Chuan Food Packing (Taiyuan) Co., Ltd. Hon Chuan Food Packing (Zhangzhou) Co., Ltd. Hon Chuan Food Packing (Chuzhou) Co., Ltd. Hon Chuan Food Packing (Xiantao) Co., Ltd. Hon Chuan Food Packing (Louhe) Co., Ltd.	Director Director Director Director Director Director Director Director Director Director
Director	Chang, Chun Shu	Hon Chuan Enterprise (Changsha) Co., Ltd.	Director
Director	Tsao, Hsin Wen	Hon Chuan Enterprise (Changsha) Co., Ltd. Hon Chuan Food Packing (Taiyuan) Co., Ltd. Hon Chuan Food Packing (Quzhou) Co., Ltd.	Director Director Director

(4) Please proceed to discuss.

Other Business and Special Motion

Meeting Adjourned

3 、 Attachment

Attachment 1

Business Report

Looking back at the previous year, the global geopolitical environment in 2022 was a year marked by turbulence and instability, exacerbated by recurrent surges of the COVID-19 pandemic, global warming threatening the ecology and our living environment, geopolitical conflicts, rising raw materials costs and inflation. All of the above have posed challenges and uncertainties to the business and market environment faced by companies. Under such a rapidly-evolving business environment, Taiwan Hon Chuan remains cautiously optimistic. We have continued to work diligently, actively strive to overcome any challenges and achieve new developments. As demonstrated in our resiliency and competitiveness, we have once again achieved a record high. In 2022, consolidated sales reached NTD\$ 24,696,308,000, increased by 15.50% from NTD\$ 21,382,534,000 in 2021. Profit after tax totaled at NTD\$ 2,277,184,000, an increase of 12.27% from last year's NTD\$ 2,028,358,000. Earnings per share were 7.70 dollars for the year of 2022 conclusively.

The year 2022 was the starting point and catalyst of Taiwan Hon Chuan's key development, where we placed even more focus on "product quality, customer service, international distribution, talent cultivation, innovation and research and development," etc. We have gained remarkable business results through dedication and diligence despite all hardships and challenges. We will continue to improve, focusing on the customer needs, insisting on food safety and quality and pursuing corporate sustainability.

Foundation Through Quality

Valuing product quality and food safety is the Company 's primary responsibility. Therefore, we established the Quality Improvement Management Committee in 2022, including members from quality control, manufacturing (including warehousing and transportation), sales, human resources, equipment(mold) improvement, procurement, and auditing to formulate methods and respective responsibilities to reach the quality goals the Company set through cross-department coordination, actions from meetings' resolutions, and subsequent follow-up.

Customer Service and Continued Growth

We shall continue to build long-term strategic partnerships with our customers to create new market opportunities. In 2022, we have been creating tailored innovative business models for our customers in Taiwan, China and Southeast Asia, meeting their demands through product innovation and manufacturing excellence to increase our customers'

competitiveness in the market.

Global Distribution and Marketing

In 2022, as the global pandemic gradually subsided, Taiwan Hon Chuan's business development team traveled to the U.S., Japan, Southeast Asia and Europe to participate in overseas trade fairs and exhibitions, actively visit customers and engage in on-site market studies, and expanded distribution opportunities by combining online and offline sales through e-commerce platforms. In 2022, we planned the set-up of production sites such as Taiwan Free Trade Plant, China Chuzhou 2nd Plant, Zhejiang Quzhou Plant and Indonesia KIIC Plant in West Java, all of which will start commercial operations between 2022 to 2024.

Talent Cultivation and Elite Program

Hon Chuan academy set up an “Elite Program” in October 2021 to carry out professional training plans and introduce a learning platform to meet the demand for group talents in the future.

Innovation and Development for Continued Sustainability

Taiwan Hon Chuan has continued to develop new products as the main direction to sustain the vitality of the Company. We focus on its own industry and expands its cross-domain products such as flavoring bottles, dairy bottles, cosmetics bottles and eco-friendly products such as rPET bottles, rHDPE caps, and flexographic printing labels.

Promoting Corporate ESG

Taiwan Hon Chuan continues to strive towards our corporate purposes: “acquiring good business reputation, developing global markets, respecting our customers, caring for our employees, and fulfilling our social responsibilities.” Meanwhile, we actively promote the aspect of ESG (environment, society, corporate governance) and respond to the Sustainable Development Goals adopted by the United Nations. In 2022, we won the TCSA “Taiwan Top 100 Sustainability Model Corporate Award” and “Enterprise Sustainability Award – sustainability report gold award.” In terms of employees – we won the Taichung City Government Happiness Career the ultimate accolade – “Happiness Benchmark Award” and “Five Stars Award” and won the Workforce Development Agency “Gold Award and Honorable Mention Award in Labor Affairs.” In terms of the environment – We have been recognized with numerous accolades, such as the "Taichung City Government's Outstanding Public and Private Sector Award for Pollution and Carbon Emissions Reduction Award" and signed the E. Sun Bank's Sustainability Partnership Initiative, declaring our commitment to zero carbon emissions by 2050 and conducting corporate greenhouse gas inventories to move toward the goal of net-zero emissions. In terms of innovative products – we won Taiwan Association for Food Science and Technology “Innovative Packaging Design – Gold Medal Award and Silver Medal Award”; also won Taichung City General Industrial Association “Distinguished Innovative R&D Manufacturer.”

In terms of society – we continue to participate in social care to give back to society and care for disadvantaged groups to fulfill our corporate social responsibility.

Prospect

The long-term operating direction is to continuously promote the goal of “structural transformation, increase efficiency, reduce costs, foster innovation, deepen cooperation, and improve profitability.” The operation directions of the Company are as follows:

- (1) Structural transformation: continuously promote the aspect of ESG (environment, society, corporate governance) in order to implement comprehensive quality assurance, meet client demand, cultivate talents, optimize the organizational operation and operational efficiency in each plant.
- (2) Increase efficiency: uplift automation processes and introduce Manufacturing Execution Systems to timely mastery of manufacturing information.
- (3) Reduce costs: through open tendering procurement, lean management, and internal audit to implement cost control.
- (4) Foster innovation: develop innovative products, such as niche products, products for the circular economy, and cross-industry packaging.
- (5) Deepen cooperation: promote a customer-oriented culture which is led by a win-win business model and partnership via improving service quality, and focusing on the clients' needs to win their trust.
- (6) Improve profitability: implement business policies and targets, continuously create value for the Company, employees, society, and shareholders.

Taiwan Hon Chuan will continue to pursue a global strategy through our innovative business model, agile management, strong integration, extensive domestic and international customer experience, and to enhance production and manufacturing technology and corporate governance. We will continue to commit to professional developments, innovative research, talent cultivation and operational efficiency.

Looking to the future, THC will continue to focus on strong execution with headquarters in Taiwan and global footprints across Mainland China, Southeast Asia and Africa to replicate our expertise in Taiwan globally. We hope to achieve sustainable development, carry our past successes and forge ahead, and continue to create values for our customers, our partners, and our shareholders in the future.

Chairman :
Dai, Hung-Chuan

President :
Tsao, Hsih-Chung

Chief Accounting officer :
Cheng, Ya-Wen

**Independent Auditors' Report
(Financial Statements)**

The Board of Directors and Shareholders
Taiwan Hon Chuan Enterprise Co., Ltd.

Opinion

We have audited the accompanying financial statements of Taiwan Hon Chuan Enterprise Co., Ltd. (the "Corporation"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Corporation's financial statements for the year ended December 31, 2022 is described as follows:

Revenue recognition

The Corporation manufactures and sells plastic caps and PET bottles, PET preforms and provides beverage filling OEM services. Because revenue from high-growth companies from the aforementioned main products is significant to both the Corporation's revenue and profit, we identified revenue from high-growth companies' recognition as a key audit matter. Refer to Note 4 to the financial statements for the accounting policies on revenue recognition.

The key audit procedures that we performed in respect of revenue recognition included the following:

1. We understood the design of the internal controls related to revenue recognition and tested the operating effectiveness of the key controls. We also sampled and tested the effective continued operations of relevance controls.
2. We selected sample entries from the main products and we checked the entries against the original order, delivery order, invoices and receipt vouchers. We also checked the entries against the documents acknowledged by customers for their receipts, deliveries and orders.

Other Matter

We did not audit the financial statements of Hon Chuan Vietnam Co., Ltd., Hon Chuan Malaysia Sdn. Bhd., Hon Chuan (Thailand) Co., Ltd. and Hon Chuan FD Packaging Co., Ltd., which are investees of the Corporation and are accounted for using the equity method for the year ended December 31, 2022 and 2021, but such financial statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the Corporation's financial statements for these investees, is based solely on the reports of other auditors. The total assets of the aforementioned investments accounted for using the equity method were NTD3,753,100 thousand and NTD3,317,752 thousand, representing 11.37% and 10.91%, respectively, of the Corporation's total assets as of December 31, 2022 and 2021. The comprehensive income of these investees was NTD429,400 thousand and NTD420,219 thousand, representing 15.97% and 29.59%, respectively, of the Corporation's comprehensive income for the years ended December 31, 2022 and 2021.

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

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

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shao-Chun Wu and Hsiao-Feng Yen.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 10, 2023

Notice to Readers

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

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

Independent Auditors' Report

(Consolidated Financial Statements)

The Board of Directors and Shareholders
Taiwan Hon Chuan Enterprise Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Taiwan Hon Chuan Enterprise Co., Ltd. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2022 is described as follows:

Revenue recognition

The Group manufactures and sells plastic caps and PET bottles, PET preforms and provides beverage filling OEM services. Because revenue from high-growth companies from the aforementioned main products is significant to both the Group's revenue and profit, we identified revenue from high-growth companies' recognition as a key audit matter. Refer to Note 4 to the consolidated financial statements for the accounting policies on revenue recognition.

The key audit procedures that we performed in respect of revenue recognition included the following:

1. We understood the design of the internal controls related to revenue recognition and tested the operating effectiveness of the key controls. We also sampled and tested the effective continued operations of the relevant controls.
2. We selected sample entries from the main products and checked the entries against the original orders, delivery orders, invoices and receipt vouchers. We also checked the entries against the documents acknowledged by customers for their receipts, deliveries and orders.

Other Matter

We did not audit the financial statements of Hon Chuan Vietnam Co., Ltd., Hon Chuan Malaysia Sdn. Bhd., Hon Chuan (Thailand) Co., Ltd. and Hon Chuan FD Packaging Co., Ltd., which are investees of the Group and are included in the consolidated financial statements as of and for the year ended December 31, 2022 and 2021, but such statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the Group's consolidated financial statements for these investees, is based solely on the reports of the other auditors. The total assets of the aforementioned investees were NTD4,399,428 thousand and NTD4,040,075 thousand, representing 12.01% and 12.04%, respectively, of the Group's consolidated assets as of December 31, 2022 and 2021. The total sales of the aforementioned investees were NTD3,771,699 thousand and NTD3,075,600 thousand, representing 15.27% and 14.38%, respectively, of the Group's consolidated net sales for the years ended December 31, 2022 and 2021.

We have also audited the parent company only financial statements of Taiwan Hon Chuan Enterprise Co., Ltd. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified report with other matter paragraph.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shao-Chun Wu and Hsiao-Feng Yen.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 10, 2023

Notice to Readers

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

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

TAIWAN HON CHUAN ENTERPRISE CO., LTD.

BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 1,256,069	4	\$ 911,993	3
Financial assets at amortized cost - current (Notes 9 and 28)	214,970	1	-	-
Notes receivable from unrelated parties	142,158	-	180,418	1
Trade receivables from unrelated parties (Note 9)	1,088,094	3	1,006,027	3
Trade receivables from related parties (Note 27)	11,413	-	20,958	-
Inventories (Note 11)	984,177	3	1,024,130	4
Prepayments (Note 12)	567,503	2	-	-
Other current assets (Notes 15 and 27)	374,192	1	355,305	1
Total current assets	4,638,576	14	3,498,831	12
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 8)	19,599	-	24,894	-
Long-term investments accounted for using the equity method (Note 12)	21,035,670	64	19,971,100	66
Property, plant and equipment (Notes 13 and 27)	6,459,265	20	6,260,952	20
Right-of-use assets (Note 14)	320,731	1	336,932	1
Intangible assets	8,084	-	10,515	-
Deferred tax assets (Note 22)	3,892	-	10,868	-
Net defined benefit assets - non-current (Note 19)	20,380	-	-	-
Prepayments for equipment	455,663	1	258,445	1
Other non-current assets (Note 15)	35,074	-	32,143	-
Total non-current assets	28,358,358	86	26,905,849	88
TOTAL	\$ 32,996,934	100	\$ 30,404,680	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 3,264,024	10	\$ 2,067,000	7
Short-term bills payable (Note 16)	1,700,000	5	1,200,000	4
Financial liabilities at fair value through profit or loss - current (Note 7)	111	-	-	-
Notes payable to unrelated parties	53	-	29	-
Trade payables to unrelated parties	419,839	1	385,227	2
Trade payables to related parties (Note 27)	5,858	-	2,341	-
Current tax liabilities (Note 22)	163,188	1	348,381	1
Lease liabilities - current (Note 14)	15,031	-	14,797	-
Deferred revenue - current (Note 24)	17,655	-	16,562	-
Current portion of long-term liabilities (Notes 16, 17 and 24)	4,419,190	13	955,744	3
Other current liabilities (Note 18)	820,016	3	679,221	2
Total current liabilities	10,824,965	33	5,669,302	19
NON-CURRENT LIABILITIES				
Bonds payable (Note 17)	2,995,846	9	5,993,313	20
Long-term borrowings (Note 16 and 24)	3,862,346	12	4,862,932	16
Deferred tax liabilities (Note 22)	38,865	-	24,283	-
Lease liabilities - non-current (Note 14)	312,571	1	327,445	1
Deferred revenue - non-current (Note 24)	46,003	-	59,786	-
Net defined benefit liabilities - non-current (Note 19)	1,057	-	3,144	-
Guarantee deposits received	4,250	-	4,250	-
Total non-current liabilities	7,260,938	22	11,275,153	37
Total liabilities	18,085,903	55	16,944,455	56
EQUITY				
Ordinary shares	2,877,859	9	2,877,859	9
Capital surplus	5,395,572	16	5,395,572	18
Retained earnings				
Legal reserve	2,017,461	6	1,821,033	6
Special reserve	2,855,215	9	2,311,175	7
Unappropriated earnings	4,152,425	12	3,909,801	13
Other equity	(2,387,501)	(7)	(2,855,215)	(9)
Total equity	14,911,031	45	13,460,225	44
TOTAL	\$ 32,996,934	100	\$ 30,404,680	100

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

(With Deloitte & Touche auditors' report dated March 10, 2023)

TAIWAN HON CHUAN ENTERPRISE CO., LTD.

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

	For the Year Ended December 31			
	2022		2021	
	Amount	%	Amount	%
SALES (Note 27)	\$ 8,647,895	100	\$ 8,013,934	100
COST OF GOODS SOLD (Notes 10, 21 and 27)	6,560,374	76	5,953,584	74
GROSS PROFIT	2,087,521	24	2,060,350	26
OPERATING EXPENSES (Note 21)				
Selling and marketing expenses	694,126	8	649,234	8
General and administrative expenses	378,557	4	342,718	5
Research and development expenses	83,150	1	85,582	1
Total operating expenses	1,155,833	13	1,077,534	14
PROFIT FROM OPERATIONS	931,688	11	982,816	12
NON-OPERATING INCOME AND EXPENSES				
Finance costs (Notes 21 and 24)	(161,583)	(2)	(124,103)	(1)
Share of profit of subsidiaries (Note 12)	1,485,906	17	1,278,398	16
Interest income	18,201	-	703	-
Other gains and losses (Note 21)	32,277	1	32,570	-
Net foreign exchange gain (loss)	100,868	1	(25,918)	-
Total non-operating income and expenses	1,475,669	17	1,161,650	15
PROFIT BEFORE INCOME TAX	2,407,357	28	2,144,466	27
INCOME TAX EXPENSE (Note 22)	192,219	2	179,735	2
NET PROFIT FOR THE YEAR	2,215,138	26	1,964,731	25
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 18)	10,230	-	(1,019)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	(1,295)	-	(3,003)	-

(Continued)

TAIWAN HON CHUAN ENTERPRISE CO., LTD.

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

	For the Year Ended December 31			
	2022		2021	
	Amount	%	Amount	%
Share of the other comprehensive income of associates accounted for using the equity method (Note 12)	\$ (1,639)	-	\$ 1,029	-
Income tax expense relating to items that will not be reclassified subsequently to profit or loss (Note 22)	(2,046)	-	204	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>467,897</u>	<u>5</u>	<u>(541,699)</u>	<u>(7)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>473,147</u>	<u>5</u>	<u>(544,488)</u>	<u>(7)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,688,285</u>	<u>31</u>	<u>\$ 1,420,243</u>	<u>18</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 7.70</u>		<u>\$ 6.83</u>	
Diluted	<u>\$ 7.68</u>		<u>\$ 6.81</u>	

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

(With Deloitte & Touche auditors' report dated March 10, 2023)

(Concluded)

TAIWAN HON CHUAN ENTERPRISE CO., LTD.

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

	Share Capital (Note 20)	Capital Surplus (Note 20)	Retained Earnings (Notes 19 and 20)			Other Equity		Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Investments in Equity Instruments at Fair Value Through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2021	\$ 2,877,859	\$ 5,395,572	\$ 1,670,003	\$ 1,955,038	\$ 3,488,714	\$ (2,299,814)	\$ (11,361)	\$ 13,076,011
Appropriation of 2020 earnings								
Legal reserve	-	-	151,030	-	(151,030)	-	-	-
Special reserve	-	-	-	356,137	(356,137)	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(1,036,029)	-	-	(1,036,029)
Net profit for the year ended December 31, 2021	-	-	-	-	1,964,731	-	-	1,964,731
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	(448)	(541,699)	(2,341)	(544,488)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	1,964,283	(541,699)	(2,341)	1,420,243
BALANCE AT DECEMBER 31, 2021	2,877,859	5,395,572	1,821,033	2,311,175	3,909,801	(2,841,513)	(13,702)	13,460,225
Appropriation of 2021 earnings								
Legal reserve	-	-	196,428	-	(196,428)	-	-	-
Special reserve	-	-	-	544,040	(544,040)	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(1,237,479)	-	-	(1,237,479)
Net profit for the year ended December 31, 2022	-	-	-	-	2,215,138	-	-	2,215,138
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	5,433	467,897	(183)	473,147
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	2,220,571	467,897	(183)	2,688,285
BALANCE AT DECEMBER 31, 2022	\$ 2,877,859	\$ 5,395,572	\$ 2,017,461	\$ 2,855,215	\$ 4,152,425	\$ (2,373,616)	\$ (13,885)	\$ 14,911,031

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

(With Deloitte & Touche audit report dated March 10, 2023)

TAIWAN HON CHUAN ENTERPRISE CO., LTD.

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

	For the Year Ended December 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,407,356	\$ 2,144,466
Adjustments for:		
Depreciation and amortization expenses	717,927	725,318
Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	111	-
Finance costs	161,583	124,103
Interest income	(18,201)	(703)
Share of profit of subsidiaries	(1,485,906)	(1,278,398)
Loss on disposal of property, plant and equipment	5,670	995
Write-down of inventories	(7,219)	9,442
Unrealized net loss (gain) on foreign currency exchange	(53,584)	24,630
Reversal of deferred revenue	(17,180)	(14,573)
Net changes in operating assets and liabilities		
Financial instruments mandatorily classified as at fair value through profit or loss	-	15,521
Notes receivable	38,260	(36,618)
Trade receivables	(71,893)	(217,272)
Inventories	47,172	(231,168)
Other current assets	(14,107)	(38,434)
Notes payable	24	(608)
Trade payables	38,163	(25,974)
Other current liabilities	18,375	69,280
Net defined benefit plans	(12,237)	(11,871)
Deferred revenue	-	10,500
Cash generated from operations	1,754,314	1,268,636
Interest received	13,513	641
Interest paid	(135,871)	(101,206)
Income tax paid	(357,900)	(6,639)
Net cash generated from operating activities	<u>1,274,056</u>	<u>1,161,432</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Return of capital from financial assets at fair value through other comprehensive income	4,000	-
Purchase of financial assets at amortized cost	(200,428)	-
Increase in prepayments for investments	(567,503)	-
Proceeds from capital reduction of associates	871,662	337,467
Payments for property, plant and equipment	(583,705)	(848,127)
Proceeds from disposal of property, plant and equipment	1,608	11,056
Increase in refundable deposits	(1,303)	(1,517)
Payments for intangible assets	-	(10,922)
Increase in other current assets	(3,513)	-
		(Continued)

TAIWAN HON CHUAN ENTERPRISE CO., LTD.

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

	For the Year Ended December 31	
	2022	2021
Increase in prepayments for equipment	(394,679)	(159,717)
Dividends received from subsidiaries	<u>15,932</u>	<u>10,522</u>
Net cash used in investing activities	<u>(857,929)</u>	<u>(661,238)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,197,024	652,624
Increase (decrease) in short-term bills payable	500,000	(1,900,000)
Proceeds from issuance of bonds	-	2,994,700
Proceeds from long-term borrowings	1,221,396	2,030,208
Repayments of long-term borrowings	(1,775,888)	(2,670,000)
Decrease in guarantee deposits received	-	(1,000)
Repayment of the principal portion of lease liabilities	(14,816)	(14,623)
Dividends paid	<u>(1,237,479)</u>	<u>(1,036,029)</u>
Net cash generated from (used in) financing activities	<u>(109,763)</u>	<u>55,880</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>37,712</u>	<u>(24,253)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	344,076	531,821
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>911,993</u>	<u>380,172</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,256,069</u>	<u>\$ 911,993</u>

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

(With Deloitte & Touche auditors' report dated March 10, 2023)

(Concluded)

TAIWAN HON CHUAN ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 5,243,226	14	\$ 4,952,118	15
Financial assets at fair value through profit or loss - current (Note 7)	3,891	-	-	-
Financial assets at amortized cost - current (Notes 9 and 29)	214,970	1	-	-
Notes receivable from unrelated parties	174,308	-	267,621	1
Trade receivables from unrelated parties (Note 10)	3,964,951	11	3,454,535	10
Trade receivables from related parties (Note 28)	1,807	-	2,773	-
Inventories (Note 11)	3,381,267	9	2,990,817	9
Other current assets (Notes 16, 28 and 29)	<u>1,428,863</u>	<u>4</u>	<u>1,235,009</u>	<u>3</u>
Total current assets	<u>14,413,283</u>	<u>39</u>	<u>12,902,873</u>	<u>38</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 8)	29,702	-	33,241	-
Long-term investments accounted for using the equity method (Note 13)	12,929	-	13,849	-
Property, plant and equipment (Notes 14 and 29)	18,246,321	50	17,197,599	51
Right-of-use assets (Note 15)	1,187,092	3	1,169,916	4
Intangible assets	377,384	1	347,622	1
Deferred tax assets (Note 23)	268,227	1	241,321	1
Prepayments for equipment	2,008,347	6	1,561,965	5
Net defined benefit assets - non-current (Note 20)	20,380	-	-	-
Other non-current assets (Note 16)	<u>74,538</u>	<u>-</u>	<u>75,631</u>	<u>-</u>
Total non-current assets	<u>22,224,920</u>	<u>61</u>	<u>20,641,144</u>	<u>62</u>
TOTAL	<u>\$ 36,638,203</u>	<u>100</u>	<u>\$ 33,544,017</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 17)	\$ 4,003,173	11	\$ 2,617,521	8
Short-term bills payable (Note 17)	1,700,000	5	1,200,000	4
Financial liabilities at fair value through profit or loss - current (Note 7)	1,312	-	26	-
Notes payable to unrelated parties	330	-	195	-
Trade payables to unrelated parties	1,237,119	3	1,087,314	3
Current tax liabilities (Note 23)	313,330	1	492,019	1
Lease liabilities - current (Note 15)	45,081	-	46,548	-
Deferred revenue - current (Note 24)	17,655	-	16,562	-
Current portion of long-term liabilities (Notes 17 and 25)	4,419,190	12	955,744	3
Other current liabilities (Notes 19 and 28)	<u>1,761,574</u>	<u>5</u>	<u>1,390,426</u>	<u>4</u>
Total current liabilities	<u>13,498,764</u>	<u>37</u>	<u>7,806,355</u>	<u>23</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 18)	2,995,846	8	5,993,313	18
Long-term borrowings (Notes 17, 25 and 29)	3,925,886	11	4,929,313	15
Deferred tax liabilities (Note 23)	95,661	1	76,558	-
Lease liabilities - non-current (Note 15)	446,287	1	419,258	2
Deferred revenue - non-current (Note 25)	46,476	-	60,484	-
Net defined benefit liabilities - non-current (Note 20)	37,802	-	35,611	-
Guarantee deposits received	<u>49,497</u>	<u>-</u>	<u>32,882</u>	<u>-</u>
Total non-current liabilities	<u>7,597,455</u>	<u>21</u>	<u>11,547,419</u>	<u>35</u>
Total liabilities	<u>21,096,219</u>	<u>58</u>	<u>19,353,774</u>	<u>58</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION				
Ordinary shares	2,877,859	8	2,877,859	9
Capital surplus	5,395,572	15	5,395,572	16
Retained earnings				
Legal reserve	2,017,461	5	1,821,033	5
Special reserve	2,855,215	8	2,311,175	7
Unappropriated earnings	4,152,425	11	3,909,801	12
Other equity	<u>(2,387,501)</u>	<u>(7)</u>	<u>(2,855,215)</u>	<u>(9)</u>
Total equity attributable to owners of the Corporation	14,911,031	40	13,460,225	40
NON-CONTROLLING INTERESTS	<u>630,953</u>	<u>2</u>	<u>730,018</u>	<u>2</u>
Total equity	<u>15,541,984</u>	<u>42</u>	<u>14,190,243</u>	<u>42</u>
TOTAL	<u>\$ 36,638,203</u>	<u>100</u>	<u>\$ 33,544,017</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 10, 2023)

TAIWAN HON CHUAN ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

	For the Year Ended December 31			
	2022		2021	
	Amount	%	Amount	%
SALES (Note 28)	\$ 24,696,308	100	\$ 21,382,534	100
COST OF GOODS SOLD (Notes 11, 22 and 28)	<u>19,551,765</u>	<u>79</u>	<u>16,471,847</u>	<u>77</u>
GROSS PROFIT	<u>5,144,543</u>	<u>21</u>	<u>4,910,687</u>	<u>23</u>
OPERATING EXPENSES (Notes 22 and 28)				
Selling and marketing expenses	1,082,471	5	1,003,197	5
General and administrative expenses	1,041,322	4	972,623	5
Research and development expenses	<u>221,207</u>	<u>1</u>	<u>106,895</u>	<u>-</u>
Total operating expenses	<u>2,345,000</u>	<u>10</u>	<u>2,082,715</u>	<u>10</u>
PROFIT FROM OPERATIONS	<u>2,799,543</u>	<u>11</u>	<u>2,827,972</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES				
Other gains and losses (Notes 22 and 33)	120,425	1	(9,951)	-
Finance costs (Notes 22 and 25)	(180,780)	(1)	(138,183)	-
Interest income	54,553	-	52,197	-
Net foreign exchange gains (losses)	<u>46,619</u>	<u>-</u>	<u>(27,062)</u>	<u>-</u>
Total non-operating income and expenses	<u>40,817</u>	<u>-</u>	<u>(122,999)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	2,840,360	11	2,704,973	13
INCOME TAX EXPENSE (Note 23)	<u>563,176</u>	<u>2</u>	<u>676,615</u>	<u>3</u>
NET PROFIT FOR THE YEAR	<u>2,277,184</u>	<u>9</u>	<u>2,028,358</u>	<u>10</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	6,703	-	(548)	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(183)	-	(2,341)	-
Income tax expense relating to items that will not be reclassified subsequently to profit or loss (Note 23)	(1,270)	-	100	-
Items that may be reclassified subsequently to profit or loss:				

(Continued)

TAIWAN HON CHUAN ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

	For the Year Ended December 31			
	2022		2021	
	Amount	%	Amount	%
Exchange differences on translation of the financial statements of foreign operations	\$ 432,707	2	\$ (626,903)	(3)
Other comprehensive loss for the year, net of income tax	437,957	2	(629,692)	(3)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 2,715,141	11	\$ 1,398,666	7
NET INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 2,215,138	9	\$ 1,964,731	9
Non-controlling interests	62,046	-	63,627	-
	\$ 2,277,184	9	\$ 2,028,358	9
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 2,688,285	11	\$ 1,420,243	7
Non-controlling interests	26,856	-	(21,577)	-
	\$ 2,715,141	11	\$ 1,398,666	7
EARNINGS PER SHARE (Note 24)				
Basic	\$ 7.70		\$ 6.83	
Diluted	\$ 7.68		\$ 6.81	

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

(With Deloitte & Touche auditors' report dated March 10, 2023)

(Concluded)

TAIWAN HON CHUAN ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Corporation						Other Equity		Non-controlling Interests	Total Equity
	Share Capital (Note 21)	Capital Surplus (Note 21)	Retained Earnings (Notes 21 and 22)			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Investments in Equity Instruments at Fair Value Through Other Comprehensive Income	Total		
			Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2021	\$ 2,877,859	\$ 5,395,572	\$ 1,670,003	\$ 1,955,038	\$ 3,488,714	\$ (2,299,814)	\$ (11,361)	\$ 13,076,011	\$ 807,894	\$ 13,883,905
Appropriation of 2020 earnings										
Legal reserve	-	-	151,030	-	(151,030)	-	-	-	-	-
Special reserve	-	-	-	356,137	(356,137)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(1,036,029)	-	-	(1,036,029)	-	(1,036,029)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(13,705)	(13,705)
Cash dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(42,594)	(42,594)
Net profit for the year ended December 31, 2021	-	-	-	-	1,964,731	-	-	1,964,731	63,627	2,028,358
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	(448)	(541,699)	(2,341)	(544,488)	(85,204)	(629,692)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	1,964,283	(541,699)	(2,341)	1,420,243	(21,577)	1,398,666
BALANCE AT DECEMBER 31, 2021	2,877,859	5,395,572	1,821,033	2,311,175	3,909,801	(2,841,513)	(13,702)	13,460,225	730,018	14,190,243
Appropriation of 2021 earnings										
Legal reserve	-	-	196,428	-	(196,428)	-	-	-	-	-
Special reserve	-	-	-	544,040	(544,040)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(1,237,479)	-	-	(1,237,479)	-	(1,237,479)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(30,098)	(30,098)
Cash dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(95,823)	(95,823)
Net profit for the year ended December 31, 2022	-	-	-	-	2,215,138	-	-	2,215,138	62,046	2,277,184
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	5,433	467,897	(183)	473,147	(35,190)	437,957
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	2,220,571	467,897	(183)	2,688,285	26,856	2,715,141
BALANCE AT DECEMBER 31, 2022	\$ 2,877,859	\$ 5,395,572	\$ 2,017,461	\$ 2,855,215	\$ 4,152,425	\$ (2,373,616)	\$ (13,885)	\$ 14,911,031	\$ 630,953	\$ 15,541,984

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

(With Deloitte & Touche auditors' report dated March 10, 2023)

TAIWAN HON CHUAN ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

	For the Year Ended December 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,840,360	\$ 2,704,973
Adjustments for:		
Depreciation and amortization expenses	2,312,682	2,289,724
Expected credit loss recognized on trade receivables	23,680	19,186
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	(2,617)	29,216
Finance costs	180,780	138,183
Interest income	(54,553)	(52,197)
Dividend income	(855)	-
Share of loss of associates accounted for using the equity method	2,365	1,272
Loss on disposal of property, plant and equipment	29,688	54,683
Write-down of inventories	14,105	16,739
Impairment loss on non-financial assets	521	-
Unrealized net loss (gain) on foreign currency exchange	(16,688)	41,810
Gain on lease modification	-	(163)
Reversal of deferred revenue	(17,418)	(15,734)
Net changes in operating assets and liabilities		
Financial instruments mandatorily classified as at fair value through profit or loss	-	14,171
Notes receivable	95,219	(111,100)
Trade receivables	(484,701)	(667,806)
Inventories	(365,667)	(770,599)
Other current assets	(120,974)	(94,847)
Notes payable	121	(944)
Trade payables	132,615	287,009
Other current liabilities	181,510	197,550
Net defined benefit plans	(12,745)	5,142
Deferred revenue	-	10,500
Cash generated from operations	4,737,428	4,096,768
Interest received	45,090	51,199
Interest paid	(145,498)	(114,945)
Income tax paid	(794,327)	(426,644)
Net cash generated from operating activities	<u>3,842,693</u>	<u>3,606,378</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Return of capital from financial assets at fair value through other comprehensive income	4,000	-
Purchase of financial assets at amortized cost	(200,428)	-
Payments for property, plant and equipment	(841,979)	(1,133,838)
Proceeds from disposal of property, plant and equipment	11,625	30,371
Decrease (increase) in refundable deposits	(3,470)	5,737

(Continued)

TAIWAN HON CHUAN ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

	For the Year Ended December 31	
	2022	2021
Payments for intangible assets	\$ (469)	\$ (12,316)
Payments for right-of-use assets	(1,289)	(39,020)
Increase in other non-current assets	(15,587)	(31,619)
Increase in prepayments for equipment	(2,628,651)	(1,002,029)
Other dividends received	<u>855</u>	<u>-</u>
Net cash used in investing activities	<u>(3,675,393)</u>	<u>(2,182,714)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	1,331,561	1,023,906
Increase (decrease) in short-term bills payable	500,000	(1,900,000)
Proceeds from issuance of bonds	-	2,994,700
Proceeds from long-term borrowings	1,432,054	2,031,511
Repayments of long-term borrowings	(1,985,321)	(3,344,069)
Proceeds from guarantee deposits received	16,062	901
Repayment of the principal portion of lease liabilities	(48,582)	(50,063)
Dividends paid to owners of the Corporation	(1,237,479)	(1,036,029)
Changes in non-controlling interests	(30,098)	(13,705)
Dividends paid to non-controlling interests	<u>(6,167)</u>	<u>(42,594)</u>
Net cash used in financing activities	<u>(27,970)</u>	<u>(335,442)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>151,778</u>	<u>(183,228)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	291,108	904,994
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>4,952,118</u>	<u>4,047,124</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,243,226</u>	<u>\$ 4,952,118</u>

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

(With Deloitte & Touche auditors' report dated March 10, 2023)

(Concluded)

Taiwan Hon Chuan Enterprise Co., Ltd.

Audit Committees' Review Report

We hereby state as following:

This proposal is the presentation by the Board of Directors of the Company's 2022 Business Report, Financial Statements, and the Profit Allocation Proposal. Of these items, the Individual and Consolidated Financial Statements have been audited by external auditors Wu, Shao Chun and Yen, Hsiao-Feng of Deloitte & Touche, Taiwan, and an opinion and report have been issued on the Financial Statements. The aforementioned items have been reviewed and determined to be correct and accurate by the Audit Committee. Per the regulations in Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To

2023 Annual Shareholders' Meeting of Taiwan Hon Chuan Enterprise Co., Ltd.

Taiwan Hon Chuan Enterprise Co., Ltd.

Audit Committee Chairman : Hung, Chao - Nan

Commissioner : Huang, Hsiang - Ying

Commissioner : Kung, Yi - Lu

March 10, 2023

Taiwan Hon Chuan Enterprise Co., Ltd.

Proposal for Distribution of 2022 Profits

Items	Subtotal	Unit : NTD Amount
Unappropriated retained earnings of previous years		1,931,854,797
2022 Net income	2,215,137,354	
Remeasurement of defined benefit obligation	8,183,834	
Remeasurement of defined benefit obligation - subsidiaries	(2,750,736)	
Net income and other profit items adjusted to the current year's undistributed earnings		2,220,570,452
Legal capital reserve		(222,057,045)
Reversing special reserve		467,713,811
Retained Earnings Available for Distribution		<u>4,398,082,015</u>
Shareholders' Dividend - Cash		(1,381,372,220)
Unappropriated Retained Earnings at the end of year		<u>3,016,709,795</u>

(Note1) Shareholders' Dividend -- Cash :

287,785,879 shares * NT\$ 4.8 = NT\$ 1,381,372,220.

(Note2) The cash dividend distribution will be calculated to the nearest NT dollar. For fractional shares distributed which are less than one dollar that will be included in the Company's other revenue.

(Note3) In response to the implementation of Imputation System, when computing tax levied at the rate of 5% on undistributed surplus earnings in accordance with Article 66-9 of Income Tax Act, the Company will adopt specific identification method to distribute preferably from earnings of recent years based upon official letter No. 871941343 issued by Ministry of Finance on April 30, 1998.

(Note4) Afterward, if there is any reason to influence the total amount of outstanding shares of the Company, based on the proposed total amount of cash distributed to shareholders which resolved by this shareholders' meeting and actual amount of outstanding shares on the base day of interest distribution, please authorize the Board of Directors to adjust distribution rate.

Chairman :
Dai, Hung-Chuan

President :
Tsao, Hsih-Chung

Chief Accounting officer :
Cheng, Ya-Wen

Taiwan Hon Chuan Enterprise Co., Ltd.

“Articles of Incorporation” Amendment Comparison Table

Date : 2023.05.31 (Amended)

Article No.	Original	Proposed Revision	Description
Article 2	<p>The scope of business of the Company shall be as follows:</p> <ol style="list-style-type: none"> 1. C805010 Plastic Sheets, Pipes and Tubes Manufacturing. 2. C805990 Other Plastic Products Manufacturing. 3. C110010 Beverage Manufacturing. 4. C102010 Dairy Products Manufacturing. 5. CB01010 Machinery and Equipment Manufacturing. 6. CB01990 Other Machinery Manufacturing Not Elsewhere Classified. 7. F206030 Retail Sale of Die. 8. F206010 Retail Sale of Ironware. 9. CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified. 10. CA02010 Metal Architectural Components Manufacturing. 11. CA02060 Metal Containers Manufacturing. 12. C801100 Synthetic Resin & Plastic Manufacturing. 13. C701010 Printing. 14. C805020 Plastic Sheets & Bags Manufacturing. 15. C805030 Plastic Made Grocery Manufacturing. 16. CC01090 Batteries Manufacturing. 17. CC01080 Electronic Parts 	<p>The scope of business of the Company shall be as follows:</p> <ol style="list-style-type: none"> 1. C805010 Plastic Sheets, Pipes and Tubes Manufacturing. 2. C805990 Other Plastic Products Manufacturing. 3. C110010 Beverage Manufacturing. 4. C102010 Dairy Products Manufacturing. 5. CB01010 Machinery and Equipment Manufacturing. 6. CB01990 Other Machinery Manufacturing Not Elsewhere Classified. 7. F206030 Retail Sale of Die. 8. F206010 Retail Sale of Ironware. 9. CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified. 10. CA02010 Metal Architectural Components Manufacturing. 11. CA02060 Metal Containers Manufacturing. 12. C801100 Synthetic Resin & Plastic Manufacturing. 13. C701010 Printing. 14. C805020 Plastic Sheets & Bags Manufacturing. 15. C805030 Plastic Made Grocery Manufacturing. 16. CC01090 Batteries Manufacturing. 17. CC01080 Electronic Parts 	<p>The business that has not been imported for over two years must apply for registration of changes required by the Ministry of Finance, R.O.C.</p>

<p>and Components Manufacturing.</p> <p>18. F401010 International Trade.</p> <p>19. F102030 Wholesale of Tobacco Products and Alcoholic Beverages.</p> <p>20. F102040 Wholesale of Nonalcoholic Beverages.</p> <p>21. <u>F401171 Alcohol Drink Import.</u></p> <p>22. C801010 Basic Industrial Chemical Manufacturing.</p> <p>23. F213080 Retail Sale of Machinery and Equipment.</p> <p>24. F299990 Retail Sale of Other Retail Trade Not Elsewhere Classified.</p> <p>25. CA01990 Other Non-ferrous Metal Basic Industries.</p> <p>26. CZ99990 Other Industrial Products Manufacturing Not Elsewhere Classified.</p> <p>27. IZ06010 Cargoes Packaging.</p> <p>28. F103010 Wholesale of Animal Feeds.</p> <p>29. F202010 Retail sale of Animal Feeds.</p> <p>30. F107050 Wholesale of Manure.</p> <p>31. F207050 Retail Sale of Manure.</p> <p>32. F121010 Wholesale of food additives.</p> <p>33. F221010 Retail of food additives.</p> <p>34. F102180 Wholesale of Ethanol.</p> <p>35. F203030 Retail Sale of Ethanol.</p> <p>36. F203020 Retail Sale of Tobacco and Alcoholic Drinks.</p> <p>37. <u>F401161 Tobacco Products</u></p>	<p>and Components Manufacturing.</p> <p>18. F401010 International Trade.</p> <p>19. F102030 Wholesale of Tobacco Products and Alcoholic Beverages.</p> <p>20. F102040 Wholesale of Nonalcoholic Beverages.</p> <p>21. C801010 Basic Industrial Chemical Manufacturing.</p> <p>22. F213080 Retail Sale of Machinery and Equipment.</p> <p>23. F299990 Retail Sale of Other Retail Trade Not Elsewhere Classified.</p> <p>24. CA01990 Other Non-ferrous Metal Basic Industries.</p> <p>25. CZ99990 Other Industrial Products Manufacturing Not Elsewhere Classified.</p> <p>26. IZ06010 Cargoes Packaging.</p> <p>27. F103010 Wholesale of Animal Feeds.</p> <p>28. F202010 Retail sale of Animal Feeds.</p> <p>29. F107050 Wholesale of Manure.</p> <p>30. F207050 Retail Sale of Manure.</p> <p>31. F121010 Wholesale of food additives.</p> <p>32. F221010 Retail of food additives.</p> <p>33. F102180 Wholesale of Ethanol.</p> <p>34. F203030 Retail Sale of Ethanol.</p> <p>35. F203020 Retail Sale of Tobacco and Alcoholic Drinks.</p> <p>36. A102060 Grain Commerce.</p> <p>37. F201010 Retail sale of Agricultural Products.</p>
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	<u>Import.</u> 38. A102060 Grain Commerce. 39. F201010 Retail sale of Agricultural Products. 40. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.	38. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.	
Article 32	These Articles of Incorporation were adopted on 16 June 1969. The 45th Amendment was made on 19 June 2019. <u>The 45th Amendment was made on 17 June 2021.</u>	These Articles of Incorporation were adopted on 16 June 1969. The 45th Amendment was made on 17 June 2021. <u>The 46th Amendment was made on 31 May 2023.</u>	Add revision date

Taiwan Hon Chuan Enterprise Co., Ltd.

“Rules and Procedures for Shareholders' Meeting ”

Amendment Comparison Table

Date : 2023.05.31 (Amended)

Article No.	Original	Proposed Revision	Description
Article 2	The term “shareholders” set forth herein includes the shareholders themselves and the proxies authorized by shareholders.	<p><u>Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.</u></p> <p><u>Unless otherwise provided by the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company convenes a virtual shareholders meeting, which shall be specified in its Articles of Incorporation. It shall obtain approval by a majority vote of the directors in attendance at a board of directors meeting attended by two-thirds or more of the directors before proceeding to convene the meeting.</u></p> <p><u>Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</u></p>	Amended in accordance with the applicable regulations
Article 3	<p>The Company shall specify in its shareholders' meeting notices the time to register for the Meeting, the place to register for attendance, and other matters for attention.</p> <p>The time for shareholders to register, as stated in the preceding paragraph, shall start at least 30 minutes prior to the time the Meeting commences. The place for registration shall be clearly marked and a sufficient number of qualified</p>	<p>The Company shall specify in its shareholders meeting notices the time during which attendance registrations <u>for shareholders, solicitors and proxies (collectively "shareholders")</u> will be accepted, the place to register for attendance, and other matters for attention.</p> <p>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</p>	Amended in accordance with the applicable regulations

Article No.	Original	Proposed Revision	Description
	<p>staffs shall be assigned to handle the registrations.</p> <p>Shareholders <u>and their proxies (collectively, "shareholders")</u> shall attend shareholders' meetings based on 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 attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall prepare an attendance book for shareholders to sign, or attending shareholders may hand in a sign-in card in lieu of signing on the attendance book.</p> <p>When the government or a legal entity is a shareholder, it may be represented by more than one representative at Meeting. When a legal entity is appointed to attend as proxy, it may designate only one representative to attend the Meeting.</p>	<p>registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>For virtual shareholders meetings, shareholders shall begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u></p> <p><u>Shareholders</u> shall attend shareholders' meetings based on 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 attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall prepare an attendance book for shareholders to sign, or attending shareholders may hand in a sign-in card in lieu of signing on the attendance book.</p> <p>When the government or a legal entity is a shareholder, it may be represented by more than one representative at Meeting. When a legal entity is appointed to attend as proxy, it may designate only one representative to attend the Meeting.</p> <p><u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.</u></p> <p><u>In the event of a virtual shareholders meeting, the</u></p>	

Article No.	Original	Proposed Revision	Description
		<u>Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u>	
Article 3-1	Article added	<p><u>To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:</u></p> <ol style="list-style-type: none"> 1. <u>How shareholders attend the virtual meeting and exercise their rights.</u> 2. <u>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:</u> <ol style="list-style-type: none"> A. <u>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.</u> B. <u>Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u> C. <u>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</u> 	Amended in accordance with the applicable regulations

Article No.	Original	Proposed Revision	Description
		<p><u>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.</u></p> <p>D. <u>Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></p> <p>3. <u>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. In addition to the regulations of Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company at least provided for shareholders connection equipment and assistance. It shall specify a period of shareholders applying to the Company and other matters for attention.</u></p>	
Article 4	Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The	Chairman shall call the Meeting to order at the time scheduled for the Meeting <u>and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the Meeting.</u> If the number of shares represented by the shareholders present at the	Amended in accordance with the applicable regulations

Article No.	Original	Proposed Revision	Description
	<p>postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one - third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Law of the Republic of China.</p> <p>If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Law of the</p>	<p>Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one - third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Law of the Republic of China; <u>all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 3.</u></p> <p><u>If the quorum is not met after two postponements as referred to in the preceding paragraph 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.</u></p> <p>If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Law of the Republic of</p>	

Article No.	Original	Proposed Revision	Description
	Republic of China.	China.	
Article 6	During the Meeting, the chairman may, at his discretion, set time for intermission.	<p>During the Meeting, the chairman may, at his discretion, set time for intermission. <u>If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.</u></p> <p><u>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.</u></p> <p><u>A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.</u></p>	Amended in accordance with the applicable regulations
Article 8	<p>When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman. If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.</p> <p>If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall</p>	<p>When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman. If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.</p> <p>If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall</p>	Amended in accordance with the applicable regulations

Article No.	Original	Proposed Revision	Description
	prevail. Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders; otherwise the chairman shall stop such interruption.	<p>prevail. Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders; otherwise the chairman shall stop such interruption.</p> <p><u>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</u></p> <p><u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 2 do not apply.</u></p> <p><u>As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</u></p>	
Article 15	<p>The Company, beginning from the time it accepts shareholders' 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.</p> <p>The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording</p>	<p>The Company, beginning from the time it accepts shareholders' 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.</p> <p>The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the</p>	Amended in accordance with the applicable regulations

Article No.	Original	Proposed Revision	Description
	shall be retained until the conclusion of the litigation.	<p>conclusion of the litigation.</p> <p><u>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.</u></p> <p><u>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.</u></p> <p><u>In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u></p>	
Article 16	Unless otherwise provided by the Company Act or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the meeting.	<p>Unless otherwise provided by the Company Act or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the meeting. <u>At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</u></p> <p><u>When there is an amendment or an alternative to a proposal, the chair</u></p>	Amended in accordance with the applicable regulations

Article No.	Original	Proposed Revision	Description
	<p>Relevant motions shall be resolved by way of vote on a case-by-case basis with sufficient voting time allowed.</p> <p>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.</p>	<p><u>shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.</u></p> <p>Relevant motions shall be resolved by way of vote on a case-by-case basis with sufficient voting time allowed.</p> <p>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.</p> <p><u>When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>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.</u></p> <p><u>When the Company convenes a</u></p>	

Article No.	Original	Proposed Revision	Description
		<p><u>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.</u></p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p> <p><u>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.</u></p> <p><u>The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by The Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.</u></p> <p><u>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of</u></p>	

Article No.	Original	Proposed Revision	Description
Article 17	These Regulations shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be affected in the same manner.	<p><u>the litigation.</u></p> <p><u>Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.</u></p> <p><u>The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</u></p> <p><u>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.</u></p> <p><u>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.</u></p>	Amended in accordance with the applicable regulations

Article No.	Original	Proposed Revision	Description
		<u>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, The Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online</u>	
Article 18	Article added	<p><u>On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p> <p><u>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.</u></p> <p><u>If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange</u></p>	Amended in accordance with the applicable regulations

Article No.	Original	Proposed Revision	Description
		<u>Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</u>	
<u>Article 19</u>	Article added	<u>In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u>	Amended in accordance with the applicable regulations
<u>Article 20</u>	Article added	<u>When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u>	Amended in accordance with the applicable regulations
<u>Article 21</u>	Article added	<u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u> <u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to</u>	Amended in accordance with the applicable regulations

Article No.	Original	Proposed Revision	Description
		<p><u>participate in the affected shareholders meeting online shall not attend the postponed or resumed session.</u></p> <p><u>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 the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u></p> <p><u>During a postponed or resumed session of a shareholders meeting held under the first paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.</u></p> <p><u>When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the first paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares</u></p>	

Article No.	Original	Proposed Revision	Description
		<p><u>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.</u></p> <p><u>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.</u></p> <p><u>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the first paragraph.</u></p>	
<u>Article 22</u>	Article added	<p><u>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></p> <p><u>In addition to the regulations of Article 44-9, paragraph 6 of the</u></p>	Amended in accordance with the applicable regulations

Article No.	Original	Proposed Revision	Description
		<u>Regulations Governing the Administration of Shareholder Services of Public Companies, the Company at least provided for shareholders connection equipment and assistance. It shall specify a period of shareholders applying to the Company and other matters for attention.</u>	
<u>Article 23</u>	Article added	<u>These Regulations shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be affected in the same manner.</u>	Amended in accordance with the applicable regulations

Attachment 7

The Slate of Director Candidates

Name	Main education	Main Experience	Concurrent Position	Shareholding
Cheng, Ya Wen	(1) B.S. in Economics, National Taiwan University (2) M.S. in Accounting, University of Illinois at Urbana Champaign, U.S.A (3) CPA of Taiwan, U.S.A and Australia	(1) Manager, Senior Assistant Vice President, Vice President, and Group Vice President of Financial Dept. of HON CHUAN (2) Assistant Manager of KPMG, Taiwan	Group Vice President of Financial Dept. of HON CHUAN	577,352
Tsao, Hung Yu	B.S. in Economics, York University	Special Assistant and Manager of General Administration Dept. of HON CHUAN	Manager of General Administration Dept. of HON CHUAN	6,529,134
Dai, Hong I	(1) M.S. in urban design, University of Sydney, Australia (2) B.S. in Architecture, Tamkang University	(1) Chartered Architect in ROC (2) Committee of Urban Design Application Review Committee, Taichung City Government (3) Assistant professor of Department of Landscape Architecture, National Chin-Yi University of Technology (4) Arbitrator of Chinese Arbitration Association, Taipei	(1) Director of HON CHUAN (2) Dai Hong I Architects (3) Chairman of Ren Sun Construction Co., Ltd.	5,807,111
Chang, Chun Shu	Graduated from National Taichung Institute of Commerce, Taiwan	Director of HON CHUAN	Director of HON CHUAN	2,629,534
Liu, Yun Chang	(1) EMBA, Beijing University, China (2) B.S. in Distribution Management, National Chin-Yi University of Technology	(1) The Outstanding Enterprise Manager Award Of R.O.C in 1995 (2) The Outstanding Food Entrepreneur Award of Taiwan Association for Food Science and Technology in 2002 (3) The Distinguished Alumni Award of National Chin-Yi University of Technology in 2010	Vice President of HON CHUAN	689,303
Tsao, Hsin Wen	B.S. in Economics of University of Toronto	Supervisor and Assistant Manager of Financial Dept. of HON CHUAN	Assistant Manager of Financial Dept. of HON CHUAN	2,065,690

The Slate of Independent Director Candidates

Name	Main education	Main Experience	Concurrent Position	Shareholding
Hung, Chao Nan	(1) M.S. in Politics, Arkansas State University, U.S.A (2) B.S. in Law, Soochow University (3) Pass the Finance Special Examination (Former senior tax officer of Customs Administration, Ministry of Finance)	(1) The 4th member of the Control Yuan (2) Legislator, reappointment for 8 times, Kuomintang (3) Convener of Finance Committee	Independent Director of HON CHUAN and Rexon Industrial Corp., Ltd.	0
Huang, Hsiang Ying	(1) Ph. D. in Public Finance and Tax, Central University of Finance and Economics, Beijing, China (2) M.S. in Accounting, National Chengchi University, Taiwan (3) B.S. in Accounting, Fu Jen Catholic University, Taiwan	(1) Partnership Accountant of BDO Taiwan Joint Accounting Firm (2) Lecturer in Ling Tung University and Tunghai University, Taiwan (3) Independent director of Sino-American Silicon Products Inc. (4) Deputy Section Manager of Finance Division, Administration Department of The Far Eastern Group	(1) Partnership Accountant of EnWise CPAs & Co. (2) Independent Director of HON CHUAN (3) A member of Remuneration Committee in Lelon Electronics Corp. (4) A member of Remuneration Committee in Liton Technology Corp. (5) Independent director of Quaser Machine tools Inc. (6) Independent director of InterServ International Inc. (7) Independent director of WFE Technology Corp.	0
Cho Po yuan	(1) B.S. in Law, National Taiwan University (2) M.S. in Law, National Taiwan Ocean University (3) Honours Ph. D in, National Changhua University of Education (4) Ph. D. student in National Development, National Taiwan University	(1) The 15th and 16th County mayor in Changhua County (2) Secretary General of Kuomintang caucus in Legislative Yuan. (3) The 5th and 6th Members of the Legislative Yuan (4) Deputy County Mayor in Changhua County (5) The 13th and 14th County council member in Changhua County (6) Received Award of Phoenix from National Fire Agency, Ministry of the Interior	Chair Emeritus Professor of General Education in Dayeh University	0

Taiwan Hon Chuan Enterprise Co., Ltd

Rules and Procedures for Shareholders' Meeting (Original)

Article 1

Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with the Rules and Procedures for Shareholders' Meeting ("Rules"). Any matters not provided herein shall be handled in accordance with the Articles of Incorporation, Company Law, and other relevant laws and regulation.

Article 2

The term "shareholders" set forth herein includes the shareholders themselves and the proxies authorized by shareholders.

Article 3

The Company shall specify in its shareholders' meeting notices the time to register for the Meeting, the place to register for attendance, and other matters for attention.

The time for shareholders to register, as stated in the preceding paragraph, shall start at least 30 minutes prior to the time the Meeting commences. The place for registration shall be clearly marked and a sufficient number of qualified staffs shall be assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on 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 attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

When the government or a legal entity is a shareholder, it may be represented by more than one representative at Meeting.

When a legal entity is appointed to attend as proxy, it may designate only one representative to attend the Meeting.

Article 4

Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the

aggregate.

If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one - third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Law of the Republic of China. The aforesaid tentative resolutions shall be executed in accordance with relevant provisions of the Company Law of the Republic of China.

If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Law of the Republic of China.

Article 5

The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda. The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.

Article 6

During the Meeting, the chairman may, at his discretion, set time for intermission.

Article 7

Except the motions enumerated on the agenda, any new motion, or any amendment or alternative for one motion shall be seconded by other shareholders.

Article 8

When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman.

If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail. Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders; otherwise the chairman shall stop such interruption.

Article 9

The Chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. If, for any reason,

the Chairman of the Board of Directors cannot preside at the Meeting, the Vice Chairman of the Board of Directors or one of the Directors shall preside at the Meeting. In the event that another person is entitled to convene the Meeting, such person shall be the chairman to preside at the Meeting.

In the event that a director is appointed to chair a meeting as the substitute for the chairperson as mentioned in the preceding paragraph, such director shall be the one who has served as a director for a minimum of six months and who is fully aware of the Company's financial standing. This same provision is equally mutatis mutandis applicable to an event where the chairperson is the representative of an institutional or corporate director.

Article 10

The Company may invite its lawyers, CPAs or other related persons to attend the Meeting. The staff handling affairs of the Meeting shall wear identification cards or badges.

Article 11

Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes). In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder.

Article 12

The chairman may announce to end the discussion of any resolution and go into voting if the Chairman deems it appropriate.

Article 13

If there is an amendment or alternative for one motion, the chairman may combine the amendment or alternative into the original motion, and decide the orders for resolution. If any one of them has been resolved, the others shall be deemed rejected and no further voting is necessary.

Article 14

The person(s) supervising the casting of votes and counting the ballots shall be appointed by the chairman. The person(s) supervising the casting of votes shall be a shareholder(s). The result of voting shall be announced at the Meeting and written into records.

Article 15

The Company, beginning from the time it accepts shareholders' 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. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 16

Unless otherwise provided by the Company Act or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the meeting.

Relevant motions shall be resolved by way of vote on a case-by-case basis with sufficient voting time allowed.

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. 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.

Article 17

These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

Taiwan Hon Chuan Enterprise Co., Ltd.

Articles of Incorporation (Original)

Chapter 1 General Principles

Article 1 The Company is duly incorporated in accordance with Company Act, with the name of 宏全國際股份有限公司 and the English name of Taiwan Hon Chuan Enterprise Co., Ltd. (hereinafter referred to as the Company).

Article 2 The scope of business of the Company shall be as follows :

1. C805010 Plastic Sheets, Pipes and Tubes Manufacturing.
2. C805990 Other Plastic Products Manufacturing.
3. C110010 Beverage Manufacturing.
4. C102010 Dairy Products Manufacturing.
5. CB01010 Machinery and Equipment Manufacturing.
6. CB01990 Other Machinery Manufacturing Not Elsewhere Classified.
7. F206030 Retail Sale of Die.
8. F206010 Retail Sale of Ironware.
9. CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified.
10. CA02010 Metal Architectural Components Manufacturing.
11. CA02060 Metal Containers Manufacturing.
12. C801100 Synthetic Resin & Plastic Manufacturing.
13. C701010 Printing.
14. C805020 Plastic Sheets & Bags Manufacturing.
15. C805030 Plastic Made Grocery Manufacturing.
16. CC01090 Batteries Manufacturing.
17. CC01080 Electronic Parts and Components Manufacturing.
18. F401010 International Trade.
19. F102030 Wholesale of Tobacco Products and Alcoholic Beverages.
20. F102040 Wholesale of Nonalcoholic Beverages.
21. F401171 Alcohol Drink Import.
22. C801010 Basic Industrial Chemical Manufacturing.
23. F213080 Retail Sale of Machinery and Equipment.
24. F299990 Retail Sale of Other Retail Trade Not Elsewhere Classified.
25. CA01990 Other Non-ferrous Metal Basic Industries.
26. CZ99990 Other Industrial Products Manufacturing Not Elsewhere Classified.
27. IZ06010 Cargoes Packaging.
28. F103010 Wholesale of Animal Feeds.
29. F202010 Retail sale of Animal Feeds.
30. F107050 Wholesale of Manure.
31. F207050 Retail Sale of Manure.
32. F121010 Wholesale of food additives.
33. F221010 Retail of food additives.
34. F102180 Wholesale of Ethanol.

- 35. F203030 Retail Sale of Ethanol.
- 36. F203020 Retail Sale of Tobacco and Alcoholic Drinks.
- 37. F401161 Tobacco Products Import.
- 38. A102060 Grain Commerce.
- 39. F201010 Retail sale of Agricultural Products.
- 40. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

- Article 2-1** The total amount of the investment made by the Company may exceed forty percent of its paid-in capital and the Board of Directors is authorized to execute the investment.
- Article 2-2** The Company may provide guarantees to others when necessary for its business.
- Article 3** The Company has its head office in Taichung City, Taiwan and may, when necessary, set up branch offices in other appropriate places; the setting up, address change, or the cancellation of the branch offices shall be made according to the resolutions adopted at the meeting of the Board of Director.
- Article 4** Public announcements of the Company shall be made in accordance with the provisions of Article 28 of the Companies Law.

Chapter 2 Shares

- Article 5** The total authorized capital of the Company shall be in the amount of NT\$3,500,000,000, divided into 350,000,000 shares, at a par value of NT\$10. The remaining unissued shares may be issued in installments subject to the resolution of the Board of Directors upon the Company's operation needs.
- Article 6** The share certificates of the Company shall be issued with signature and seal specimen by three or more directors after being authenticated by competent governmental authority in accordance with law. After the shares being issued to the public, the Company may be exempted from printing any share certificate for the shares issued, but shall appoint a centralized securities custody institution to make recordation of the issue of such shares.
- Article 6-1** The share certificate of the Company may be printed in combination form with a higher denomination upon the request of the Taiwan Securities Depository & Clearing Corporation.
- Article 7** The handling of stock affairs of the Company, except otherwise provided for in applicable laws and regulations, shall be subject to the Guidelines for Handling Stock Affairs by Public Companies prescribed by the Securities and Futures Commission.
- Article 8** Registered share certificates shall be assigned by the holder thereof by way of endorsement and the name or title of the assignee shall be indicated on the share certificate. The transfer of shares shall not be effective against the Company, unless name/title and residence/domicile of the transferee have been recorded in the shareholders' register.

- Article 9** Registration on shareholders' register for share transfer shall be suspended for sixty days before any ordinary shareholders' meeting, thirty days before any extraordinary shareholders' meeting, and five days before the record date for determination of the shareholders entitled to dividends or any other profit distributions by the Company.

Chapter 3 Shareholders' Meeting

- Article 10** Shareholders' meetings of the Company are of two kinds: ordinary shareholders' meetings and extraordinary shareholders' meetings. Ordinary shareholders' meeting shall be convened at least once a year within six months after the close of each accounting year; extraordinary shareholders' meetings shall be convened in accordance with the law whenever necessary.
- The Company's shareholders' meeting can be held by means of video conference or other methods promulgated by the central competent authority.
- Article 11** If a shareholder is unable to attend a shareholders' meeting, he/she may appoint an agent on his/her behalf by executing and issuing a proxy in accordance with Article 177 of Company Act.
- Article 12** The chairman of the Board of the Company shall preside at the shareholders' meeting. In case the chairman of the Board of the Company is absent, the one who shall preside at the shareholders' meeting shall be elected in accordance with Paragraph 3 of Article 208 of Company Act.
- Article 13** Shareholders of the Company shall be entitled to one vote for each share held by them.
- However, shares under limitation or with no voting power in accordance with Company Act enjoy no voting power.
- Article 14** Any resolutions at a shareholders' meeting shall, unless otherwise provided for in Company Act, be adopted by the majority present at a shareholders' meeting at which shareholders of more than one-half of the issued and outstanding shares present.
- Article 15** The resolutions of the shareholders' meeting shall be recorded in the minutes, and shall be distributed in accordance with Article 183 of Company Act.

Chapter 4 Board of Directors Audit Committee

- Article 16** The Company shall have seven to nine directors, all to be elected by shareholders with full legal capacity and with the election be done through the candidate nomination system for a term of three years and shall be eligible for re-election.
- Said directors shall include no less than three independent directors, and the independent directors shall be no less than one-fifths of directors' seats. The independent directors shall be elected from the list of candidates in a shareholders' meeting. The qualification, shareholding, restriction on

part-time jobs, nomination and election of independent directors and other matters to be complied with shall be handled in compliance with Company Act and other relevant requirement of the competent security authority.

The company may acquire liability insurance for all directors every year.

Article 16-1 When the Company's directors perform Company duties, the Company may pay remuneration regardless of whether the Company operates at a profit or loss. The Board of Directors is authorized with powers to resolve the rates of such remuneration based on the extent of their participation in the Company's business operations or value of their contribution, at a level consistent with general practices in the industry. If the Company operates at a profit, they also may allocate remuneration in accordance with Article 28.

Article 17 In the event more than one-third of the directors are discharged, a shareholders' meeting shall be convened to elect replacement directors. The term shall be subject to the original term of the directors.

Article 17-1 The functions of the board of directors shall be as follows:

1. Proposing the amendments to the Articles of Incorporation;
2. Determining, supervising and executing the business plan;
3. Setting up and winding up branches;
4. Reviewing budgets, closing of accounts, and business reports;
5. Approving the investment in other companies or acquirement of the shares of other companies;
6. Appointing and discharging the accountants who certify the financial reports for the Company;
7. Appointing and discharging corporate officials at the level of deputy general manager and higher;
8. Preparing proposals for increase or decrease capital;
9. Proposing appropriation of earnings or make up of loss;
10. Proposing acquisition and disposal of important assets;
11. Approving external endorsements and guarantees of company;
12. Approving important contracts or other material matters;
13. Other duties and powers granted by or in accordance with the Company Act or shareholders' resolutions.

Article 18 In case the Company is unable to elect new directors immediately after the expiration of the term of their office, the existing directors shall continue to perform their duties until re-election within a time limit given by the competent authority.

Article 19 The Board of Directors shall be composed of directors. The Chairman of the Board shall be elected from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman of the Board of Directors shall conduct the Company's all business in accordance with applicable laws, regulations, Articles of Incorporation, resolutions of the shareholders' meeting and the resolutions of the Board of Directors.

Article 20 The business strategy and other important matters of the Company shall be resolved by the Board of Directors. Meetings of the Board of Directors shall be convened and presided by the Chairman of the Board of Directors, except

for the first meeting of each term of the Board of Directors that shall be convened in accordance with Article 203 of Company Act. The Chairman of the Board of Directors shall act as the chairman. In the event that the Chairman of the Board of Directors cannot execute his duties for any cause, the director appointed by the Chairmen shall act on his behalf; in the absence of such appointment, the director who is elected from among the directors shall handle.

Article 21 Any resolution at a meeting of the Board of Directors shall be adopted if voted in favor by the majority present at a meeting of the Board of Directors at which more than half of the directors are present unless otherwise stipulated in Company Act. In case a director is unable to attend the meeting of the Board of Directors, the director is unable to attend the meeting of the Board of Directors, the director may, by issuing a proxy specifying the scope of agency, designate one of the other directors to act for and on his/her behalf, but a director may only act for one other director.

Article 22 The resolution of the meeting of Board of Directors shall be recorded in the minutes, and the minutes shall be signed or sealed by the chairman of the meeting and shall be distributed to the directors within twenty days after the meeting. The minutes of the meeting of Board of Directors, shall record a summary of the essential points of the proceedings and results of the meeting. The minutes of the meeting of Board of Directors, the attendance list bearing the signatures of directors present at the meeting, and the powers of attorney of the proxies shall be kept in the Company.

Article 23 In accordance with Article 14-4 of Securities and Exchange Act, the Company shall establish an Audit Committee, which consists of all independent directors. The power and relevant affairs of Audit Committee and its members shall be devised in compliance with laws and regulations of competent authority.

Article 24 The Company may have several managers. The appointment, discharge, and remuneration shall be handled in accordance with Article 29 of the Company Act.

Article 25 The Company may have president, vice president, chief executive officer, vice chief executive officer, consultant and important employees according to the resolution of the Board of Directors. Board of Directors may decide to have remuneration Committee or other functional committees to meet operation needs.

Chapter 5 Managers and Employees

Article 26 The appointment and discharge of the employees of the Company shall be decided by the managers and submitted to the Board of Directors for recordation.

Chapter 6 Accounting

Article 27 At the end of each fiscal year, the Board of Directors shall prepare (1)

business report, (2) financial statements, (3) proposal for appropriation of earnings or covering of loss, etc., and deliver the same to shareholders' meeting for approval.

Article 28 Annual profits before income tax, employees' compensation, and directors' remuneration shall be resolved by board of directors to set aside no less than 1% of said profit as employee compensation and a maximum of 3% of said profit as remuneration to directors.

Employee's compensation may be distributed in the form of shares or in cash, and employees qualified to receive such compensation may include employees from holding or affiliates companies who meet the qualifications which the Board of Directors stipulates.

The issues relevant to distribution of employee compensation and director remuneration shall be set by resolutions of the Board of Directors. If the Company has accumulated losses, it shall first deduct the accumulated losses, and then calculate the compensation from the remaining amount.

Article 29 Upon closing of accounts, if there shall be any net profit, the Company shall make up the losses for the preceding years, then set aside a legal reserve of 10% of the net profit unless the statutory surplus reserve has reached the total capital and then set aside or rotate special reserves; Any further remaining amount shall be added to the unallocated surplus from the prior year as shareholder dividend and bonus. The Board of Directors shall draft a proposal to distribute the surplus, which shall be approved at a shareholders' meeting.

If the distributable dividend, bonus, capital surplus or legal reserve in whole or in part are to be paid in the form of cash, the Board of Directors is authorized to implement by a resolution to be adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The dividend policy of the Company shall be made according to the Company's current and future plan, considering investment environment, fund requirements, overall competition and taking into account the interests of shareholders. The Company may appropriate more than 30% of net profits of current year for dividends to shareholders. However, when accumulated un-appropriated earnings are less than 10% of capital, the Company may decide not to distribute dividend.

The shareholder dividend shall be in the form of cash dividend or stock dividend. More than (or equal to) 50% of the total amount of shareholders dividend shall be in the form of cash dividend.

Chapter 7 Supplementary Provisions

Article 30 The organizational rules and detailed procedures for business operations of the Company shall be determined by Board of Directors.

Article 31 With regard to those matters not provided for in these Articles of Incorporation, the Company Act and other relevant laws and regulations of the Republic of China shall govern.

Article 32 These Articles of Incorporation were adopted on 16 June 1969.
The First Amendment was made on 5 November 1973.
The Second Amendment was made on 1 July 1976.
The Third Amendment was made on 13 March 1979.
The Fourth Amendment was made on 5 December 1980.
The Fifth Amendment was made on 22 March 1982.
The Sixth Amendment was made on 27 April 1982.
The Seventh Amendment was made on 10 November 1983.
The Eighth Amendment was made on 10 November 1984.
The Ninth Amendment was made on 13 October 1985.
The 10th Amendment was made on 1 January 1988.
The 11th Amendment was made on 10 November 1988.
The 12th Amendment was made on 4 July 1989.
The 13th Amendment was made on 10 November 1989.
The 14th Amendment was made on 25 March 1991.
The 15th Amendment was made on 15 July 1991.
The 16th Amendment was made on 24 April 1992.
The 17th Amendment was made on 1 April 1993.
The 18th Amendment was made on 26 April 1993.
The 19th Amendment was made on 13 September 1993.
The 20th Amendment was made on 17 December 1993.
The 21st Amendment was made on 30 May 1994.
The 22th Amendment was made on 5 May 1995.
The 23th Amendment was made on 29 May 1995.
The 24th Amendment was made on 30 November 1995.
The 25th Amendment was made on 31 May 1996.
The 26th Amendment was made on 11 June 1997.
The 27th Amendment was made on 11 June 1998.
The 28th Amendment was made on 20 April 1999.
The 29th Amendment was made on 17 November 1999.
The 30th Amendment was made on 18 April 2000.
The 31th Amendment was made on 31 May 2001.
The 32th Amendment was made on 31 May 2001.
The 33th Amendment was made on 7 May 2002.
The 34th Amendment was made on 18 June 2003.
The 35th Amendment was made on 15 June 2004.
The 36th Amendment was made on 14 June 2005.
The 37th Amendment was made on 23 June 2006.
The 38th Amendment was made on 19 June 2009.
The 39th Amendment was made on 20 June 2012.
The 40th Amendment was made on 19 June 2013.
The 41th Amendment was made on 29 June 2015.
The 42th Amendment was made on 22 June 2016.
The 43th Amendment was made on 15 June 2017.
The 44th Amendment was made on 19 June 2019.
The 45th Amendment was made on 17 June 2022.

Taiwan Hon Chuan Enterprise Co., Ltd.

Procedures for Election of Directors

- Article 1** Election of directors shall be conducted in accordance with relevant laws and the procedures specified herein.
- Article 2** Election of directors shall be held at the shareholders' meeting.
- Article 3** Any shareholder with full legal capacity may be elected to be directors of the Company in accordance with the procedures specified herein.
- Article 4** The registered cumulative voting method shall be used for election of the directors. The name of voter may be replaced with the attendance card serial numbers printed on the ballots. Each share shall have voting rights equivalent to the number of seats to be elected and such voting rights can be combined to vote for one candidate or divided to vote for several candidates. The elections of independent directors and non-independent directors shall be conducted at the same time, but the numbers to be elected shall be separately calculated.
- Article 5** Based upon the number of vacancy in positions specified in the Articles of Incorporation, candidates with the higher number of votes shall be elected as independent directors or directors respectively. When two or more candidates receive the same number of votes, thus exceeding the specified number of positions, such candidates shall draw lots to determine the winner, and the Chairman shall draw lots on behalf of any candidate not in attendance.
- Article 6** The board of directors shall prepare ballots on which should affix company seal. Attendance card numbers and the number of voting rights of voting shareholders shall be specified on the ballots as well.
- Article 7** Before the election begins, the Chairman shall appoint several persons to check and count the ballots.
- Article 8** The ballot boxes used for the voting shall be prepared by the board of directors and are checked in public by the persons described in Article 7 before voting.
- Article 9** If a candidate is a shareholder, a voter must fill in the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall fill in the candidate's full name and identity card number in the said column. However, when the candidate is a government agency or a corporate shareholder, the name of the government agency or a corporate shareholder shall be filled in the "candidate" column in the ballot. Meanwhile, if there is a representative, the name of its representative shall be filled in as well.
- Article 10** A ballot shall be deemed invalid under any of the following circumstances:

1. The ballot is not prepared by the board of directors.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable.
4. Any of the candidate's name, shareholder's account number or the number of votes cast for such candidates altered in the ballot.
5. The candidate 's name filled in the ballot does not conform with that given in the shareholder register.
6. The name of the candidate filled in the ballot is identical to that of another shareholder, but no shareholder account number is provided in the ballot to distinguish them.
7. Ballots contain other written characters or symbols in addition to the candidate's name, shareholder account number and the number of votes cast for the candidate.
8. The number of candidates filled in the ballot is exceeding the number of the seats to be elected.
9. The total votes cast by the voter are more than the total voting rights of such voter.

Article 11 While the total votes cast by the voter is less than the total voting rights of such voters, the reduced amount shall be counted as abstention vote.

Article 12 The voting rights shall be calculated during the meeting immediately after the vote casting, and the results of the election shall be announced by the Chairman at the meeting and kept in agenda as well.

Article 13 With regard to those matters not provided for in these procedures, the Company Act and the regulations of the Company shall govern.

Article 14 The procedures, and any amendments thereof, shall take effect after approval by the shareholders' meeting. It shall be considered as announcement if there is no objection and the effect is equal to vote by ballot.

Article 15 These procedures and any amendments hereto, shall take effect after approval by shareholders' meeting.

Taiwan Hon Chuan Enterprise Co., Ltd

Shareholdings of the Directors

1. The Company Paid-in Capital is NTD\$ 2,877,858,790 and the Company has issued a total of 287,785,879 shares as of April 2, 2023.
2. According to the stipulations of Article 26 of the Securities and Exchange Act and Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the total shareholding of the Company's directors shall not be less than 12,000,000 shares.
3. As of the share transfer suspension date of this Shareholders' meeting, the numbers of shares held by the respective and all directors as denoted in the shareholders list are as follows: (The Company has conformed with minimum shareholding requirement by Article 26 of the Securities Exchange Act):

Position	Name	Date elected	Tenure of office	Current shareholding (Up to April 2, 2023)	
				Shares	Shareholding ratio
Chairman	Dai, Hung-Chuan	2020.06.19	3 years	3,572,019	1.24%
Director	Tsao, Hsih-Chung	2020.06.19	3 years	4,372,243	1.52%
Director	Tsao, Hung-Yu	2020.06.19	3 years	6,529,134	2.27%
Director	Liu, Yun-Chang	2020.06.19	3 years	689,303	0.24%
Director	Chang, Chun-Shu	2020.06.19	3 years	2,629,534	0.91%
Director	Dai, Hung-I	2020.06.19	3 years	5,807,111	2.02%
Independent Director	Hung, Chao-Nan	2020.06.19	3 years	0	0.00%
Independent Director	Huang, Hsiang-Ying	2020.06.19	3 years	0	0.00%
Independent Director	Kung, Yi-Lu	2020.06.19	3 years	0	0.00%
Total number of shares held by all Directors				23,599,344	8.2%

MEMO



宏全國際集團
TAIWAN HON CHUAN GROUP

股票代號9939



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