

Stock code: 2101



Nankang Rubber Tire

2023 Annual Shareholders' Meeting Deliberative manual

The shareholders' meeting was held on May 24, 2023,

The place of the shareholders' meeting is Xinfeng Factory of the Company
(No. 399, Xinxing Road, Yuanshan Village, Xinfeng Township, Hsinchu County).

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I、Meeting procedures and meeting agenda

Nangang Tire Co., Ltd 2023 Annual Shareholders' Meeting Procedures and Meeting Agenda

Time: 9 a.m. sharp, Wednesday, May 24, 2023, Republic of
China

Location: Xinfeng Factory of the Company (No. 399, Xinxing
Road, Yuanshan Village, Xinfeng Township, Hsinchu County).

Holding method: Held in physical mode

- I. Announcement of the meeting (reporting of the number of
units present)
- II. Address by the Chairman
- III. Matters to be reported
 - (一)2022 Annual Business Status Report
 - (二)2022 Annual Audit Committee Audit Report
 - (三)2022 Annual Report on Fund Lending to Others and
Endorsement Guarantees
 - (四)2022 Annual Report on Directors' Remuneration
- IV. Approvals
 - (一)Recognition of the Company's 2022 annual financial
statements
 - (二)Recognized the Company's 2022 loss allowance
- V. Provisional motions
- VI. Meeting

II、Matters to be reported

i、2022 Annual Business Status Report

1. Consolidated Production and Sales Report:

(1) Consolidated production: The actual production volume in 2022 was 5,867 thousand, a decrease of 15% compared with 6,975 thousands in the same period of the previous year. 89, the output value was NT\$6,428 and NT\$402,000, a decrease of 3% compared with NT\$6,651 and NT\$285,000 in the same period of the previous year. Three five.

(2) Consolidated Sales:

Domestic sales: NT\$834 and NT\$771,000 sales in 2022 years, an increase of 29% over NT\$645 and NT\$892,000 in the same period of the previous year. Two four.

Exports: 2022 annual sales amount of NT\$6,577,463,000, compared with the same period of the previous year, NT\$7,431,699,000, a decrease of 11%. Four nine.

Total: The amount of domestic and foreign sales in the 2022 years was NT\$7,412, and NT\$234,000, down 8 percent from NT\$8,077,591,000 in the same period of the previous year. Two four.

2. Concise Financial Information Report:

Unit: Yuan

project	Individual - 2022 years		Merger - FY2022	
	amount	%	amount	%
Operating income	3,830,570	100	7,412,234	100
Operating margin	424,272	11	1,074,364	14
Operating expenses	(827,266)	(22)	(1,483,676)	(20)
Operating profit (loss)	(402,994)	(11)	(409,312)	(6)
Net profit before tax (net loss)	(1,078,239)	(28)	(1,070,467)	(15)
Income tax benefits (expenses).	54,657	1	46,885	1

Net income after tax (net loss)	(1,023,582)	(27)	(1,023,582)	(14)
Earnings per share (loss)	(1.23) Yuan	-	(1.23) Yuan	-
Total assets	20,464,234	-	37,316,230	-
Total liabilities	10,153,057	-	27,005,053	-
Total shareholders' equity	10,311,177	-	10,311,177	-

ii · 2023 Annual Audit Committee Audit Report

The Board of Auditors reviews the report

The Board of Directors submitted the 2023 annual business report, financial statements (including individual and consolidated financial statements) and a proposal for loss compensation, of which the financial statements (including individual and consolidated financial statements) have been completed by entrusting accountants Wu Xinliang and Zheng Xianxiu of Zhengfeng United Accounting Firm to complete the inspection, and issue an audit report. The above-mentioned business report, financial statements and loss compensation proposal have been examined by the Audit Committee and found that there is no inconsistency, and this report is issued in accordance with the provisions of relevant laws and regulations.

Please

Verification

on this

The Company's 2023-year regular meeting of shareholders

Nangang Tire Co., Ltd

Convenor of the Audit

Committee: Wu Siyi

A handwritten signature in blue ink, appearing to read '吴思仪' (Wu Siyi).

R e p u b l i c o f C h i n a , M a r c h 2 9 , 2 0 2 3

iii、2023 Annual Report on Fund Lending to Others and E n d o r s e m e n t G u a r a n t e e s

Description: The summary report of the implementation of the 2023 annual fund loan to others and endorsement guarantee is as follows (including subsidiaries):

(1) Fund Loan and Schedule:

Unit: Yuan

Funds are loaned to companies	Credits and objects	Funds are credited with balances		Actual mobilization		Funds are loaned with cause	remark
		This issue Highest Amount	Final balance	This issue Highest Amount	Final balance		
Southport International (Shares) firm	Southport Tire (shares). firm	805,375	460,650	460,650	460,650	Operating turnover, Invest and manage your finances	
Nam Rong Development Construction (Unit). firm	Southport Tire (shares). firm	700,000	0	600,000	0	Operational turnaround	
Total subsidiaries			460,650		460,650		

Note: (1) The maximum amount of external capital loan of the Company is 4,124,471 thousand yuan.

(2) The fund loan of Nangang International (Shares) Company, a subsidiary, has a closing balance of USD15,000 million yuan with the company, and the actual amount of expenditure is USD15,000 thousand yuan.

(2)Endorsement Assurance Schedule:

Unit: Yuan

Endorsement Guarantee Company	Endorsement guarantee object	Endorsement guarantee amount		Actual mobilization		remark
		This issue Highest Amount	Final balance	This issue Highest Amount	Final balance	
Southport Tire (shares). firm	Southport International (Shares) firm	647,712	647,712	613,000	613,000	
Nangang Tire (shares) firm	Nam Rong Development Construction (Shares) Company	450,000	450,000	450,000	450,000	
Nangang Tire (shares) firm	Zhikai Development (shares)	33,350	33,350	33,350	33,350	

	firm					
Nangang Tire (shares) firm	Yuanrui Development Industrial (shares) company	16,650	16,650	16,650	16,650	
The company totals			1,147,712		1,113,000	
Nam Rong Development Construction (Shares) Company	Nangang Tire (shares) firm	7,000,000	7,000,000	7,000,000	7,000,000	
Total subsidiaries			7,000,000		7,000,000	

Note: The company's maximum endorsement guarantee amount is 10,311,177 thousand yuan.

iv、2023 Annual Report on Directors' Remuneration

Description:

- 一、The Company's remuneration policy for the payment of directors is in accordance with the Articles of Association, the Measures for the Administration of Remuneration and Bonuses of Directors and Managers, etc., please refer to Page 10 - Annex I for the relevant policies, individual remuneration content and amount.
- 二、The Company's annual director's remuneration for the 2023 was NT\$3,627,642 (excluding the relevant remuneration received by part-time employees), accounting for approximately 0.35% of the net loss after tax.

IV、 Approvals

i、 Subject: Recognition of the Company's 2023 annual financial statements (proposed by the Board of Directors).

Description:

1. The 2023 annual financial statements (individual and consolidated financial statements) of the Company, including: balance sheet, comprehensive profit and loss statement, statement of changes in equity and cash flow statement, have been verified by Wu Xinliang and Zheng Xianxiu of Zhengfeng United Accounting Firm.
2. For the 2023 Annual Individual Accountant and Consolidated Audit Report and Financial Statements (Individual and Consolidated Financial Statements), please refer to pages 11 - Annex II and 21 - of this manual Annex III.

Resolution:

ii 、 Cause of action: Recognition of the Company's 2023 annual loss appropriation (proposed by the Board of Directors).

Description: The Company's 2023 loss allowance table is as follows:

Nangang Tire Co., Ltd
Statement of Loss Reimbursement
2023 years



	Unit: yuan
Undistributed surplus at the beginning of the period	0
Less: Net loss after tax for the current period	(1,023,581,910)
Add: 2023 years to determine the actuarial plan (loss) gain and loss of employee benefits	23,324,345
Plus: Changes in related enterprises and joint ventures recognized using the equity method	<u>166,401</u>
Losses to be covered for the current year	(1,000,091,164)

Chairman:



Manager:



Accounting Supervisor:



Resolution:

V 、 Provisional motions

VI 、 Meeting

VII、Annex

- i、2022 Remuneration received by directors (including independent directors).
- ii、Accountant's audit report and 2022 solidated financial statements
- iii、Accountant's audit report and 2022 annual individual financial statements

Annex I

i、 2023 Remuneration received by annual directors (including independent directors).

職稱	姓名	董事酬金								A、B、C及D等四項總額占稅後淨損之比例(註10)		兼任員工領取相關酬金						A、B、C、D、E、F及G等七項總額占稅後淨損之比例(註10)		領取來自子公司以外轉投資事業或母公司酬金(註11)		
		報酬(A)(註2)		退職退休金(B)		董事酬勞(C)(註3)		業務執行費用(D)(註4)		薪賞、獎金及特支費等(E)(註5)		退職退休金(F)		員工酬勞(G)(註6)		本公司	財務報告內所有公司(註7)	本公司	財務報告內所有公司(註7)			
		本公司	財務報告內所有公司(註7)	本公司	財務報告內所有公司(註7)	本公司	財務報告內所有公司(註7)	本公司	財務報告內所有公司(註7)	本公司	財務報告內所有公司(註7)	本公司	財務報告內所有公司(註7)	現金金額	股票金額						現金金額	股票金額
董事長	詮暉投資(股)公司 代表人：郭林諒	240,000	240,000	-	-	-	-	42,000	42,000	0.03%	0.03%	2,773,444	2,773,444	-	-	-	-	-	-	0.30%	0.30%	無
董事長	詮暉投資(股)公司 代表人：趙國帥	100,000	100,000	-	-	-	-	18,000	18,000	0.01%	0.01%	612,235	612,235	39,510	39,510	-	-	-	-	0.08%	0.08%	無
董事	詮暉投資(股)公司 代表人：詹彩雲	24,667	24,667	-	-	-	-	-	-	0.00%	0.00%	372,329	372,329	2,100	2,100	-	-	-	-	0.04%	0.04%	無
董事	詮暉投資(股)公司 代表人：林君穎	240,000	240,000	-	-	-	-	36,000	36,000	0.03%	0.03%	1,563,766	1,563,766	63,072	63,072	-	-	-	-	0.19%	0.19%	無
董事	詮暉投資(股)公司 代表人：陳恒寬	154,082	154,082	-	-	-	-	24,000	24,000	0.02%	0.02%	-	-	-	-	-	-	-	-	0.02%	0.02%	無
董事	詮暉投資(股)公司 代表人：黃佳盈	154,082	154,082	-	-	-	-	24,000	24,000	0.02%	0.02%	-	-	-	-	-	-	-	-	0.02%	0.02%	無
董事	詮暉投資(股)公司 代表人：江慶興	92,000	92,000	-	-	-	-	18,000	18,000	0.01%	0.01%	246,845	246,845	9,624	9,624	-	-	-	-	0.04%	0.04%	無
董事	詮暉投資(股)公司 代表人：郭勝文	92,000	92,000	-	-	-	-	-	-	0.01%	0.01%	1,100,925	1,100,925	42,750	42,750	-	-	-	-	0.12%	0.12%	無
董事	崇神開發實業(股)公司 代表人：侯嘉騏	154,082	154,082	-	-	-	-	12,000	12,000	0.02%	0.02%	-	-	-	-	-	-	-	-	0.02%	0.02%	無
董事	崇神開發實業(股)公司 代表人：黃銘祐	239,582	239,582	-	-	-	-	42,000	42,000	0.03%	0.03%	-	-	-	-	-	-	-	-	0.03%	0.03%	無
董事	崇神開發實業(股)公司 代表人：陳學聖	-	-	-	-	-	-	-	-	0.00%	0.00%	-	-	-	-	-	-	-	-	0.00%	0.00%	無
獨立董事	吳思儀	663,493	663,493	-	-	-	-	42,000	42,000	0.07%	0.07%	-	-	-	-	-	-	-	-	0.07%	0.07%	無
獨立董事	陳孟秀	378,082	378,082	-	-	-	-	24,000	24,000	0.04%	0.04%	-	-	-	-	-	-	-	-	0.04%	0.04%	無
獨立董事	許妙靜	378,082	378,082	-	-	-	-	24,000	24,000	0.04%	0.04%	-	-	-	-	-	-	-	-	0.04%	0.04%	無
獨立董事	鄭惠蓉	285,745	285,745	-	-	-	-	18,000	18,000	0.03%	0.03%	-	-	-	-	-	-	-	-	0.03%	0.03%	無
獨立董事	陳珠雀	89,745	89,745	-	-	-	-	18,000	18,000	0.01%	0.01%	-	-	-	-	-	-	-	-	0.01%	0.01%	無

一、請敘明獨立董事酬金給付政策、制度、標準與結構，並依所擔負之職責、風險、投入時間等因素敘明與給付酬金數額之關聯性：依本公司章程第十五條之一，全體董事之報酬，不論盈虧均支給之，董事長報酬上限不得超過總經理薪資1.5倍，副董事長報酬上限不得超過總經理薪資1倍，其餘董事報酬依同業水準支給之，惟獨立董事報酬得略高於非獨立董事報酬，本公司並為董事購買責任保險以降低董事因依法執行職務致被股東或其他關係人控訴之風險。

二、除上表揭露外，最近年度公司董事為財務報告內所有公司提供服務(如擔任非屬員工之顧問等)領取之酬金：

1. 獨立董事吳思儀兼任審計及薪酬委員，酬金142仟元。
2. 獨立董事陳孟秀兼任審計及薪酬委員，酬金86.7仟元。
3. 獨立董事許妙靜兼任審計及薪酬委員，酬金86.7仟元。
4. 獨立董事鄭惠蓉兼任審計及薪酬委員，酬金56仟元。
5. 獨立董事陳珠雀兼任審計及薪酬委員，酬金56仟元。

Annex II

ii、accountant Check report 2023 annual merge financial statement

Accountant audit report

NO.000320220CA

Nangang Tire Co., Ltd.:

Check opinions

The consolidated balance sheet of Nangang Tire Co., Ltd. and its subsidiaries as of December 31, 2023 and December 31, 2021, and the consolidated consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement for the periods from January 1 to December 31, 2023 and January 1 to December 31, 2021, and notes to the consolidated financial reports (including summary of major accounting policies) have been reviewed by this accountant.

In accordance with the opinion of this accountant, the consolidated financial statements of Shanghai Kai are prepared in all material respects in accordance with the standards for the preparation of financial reports of securities issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations and explanatory announcements approved by the Financial Supervisory Commission and issued in effect, which are sufficient to express the consolidated financial position of Nangang Tire Co., Ltd. and its subsidiaries on December 31, 2023 and December 31, 2022 of the Republic of China. and consolidated financial results and consolidated cash flows for the periods January 1 to December 31, 2022 and January 1 to December 31, 2021.

Basis for checking opinions

The accountant performs the audit in accordance with the rules for the audit of visa financial statements and auditing standards by accountants. The accountant's responsibilities under these standards are further explained in the section on the accountant's responsibility for reviewing the consolidated financial statements. The personnel of the firm under the independent standard have maintained a detached independence from Nangang Tire Co., Ltd. and its subsidiaries in accordance with the professional ethics of accountants, and have performed other responsibilities under the code. The accountant believes that sufficient and appropriate evidence has been obtained as a basis for expressing an opinion on the audit.

Key checkpoints

The key audit matters refer to the most important matters in the examination of the consolidated financial report of Nangang Tire Co., Ltd. and its subsidiary Minguo 2022 according to the professional judgment of the accountant. These matters have been dealt with in the process of reviewing the consolidated financial

statements as a whole and forming an audit opinion, and the Accountant does not express a separate opinion on these matters.

The key audit matters of the consolidated financial report of Nangang Tire Co., Ltd. and its subsidiary Minguo 2022 are described as follows:

Inventory evaluation

The total consolidated inventory of Nangang Tire Co., Ltd. and its subsidiaries is 17,836,391 thousand yuan, accounting for 48% of the total assets, including 1,627,797 thousand yuan of inventory of tire manufacturing and 16,208,594 thousand yuan of construction and development in progress. For inventory accounting policies, please refer to Note IV (11) to the consolidated financial statements.

The inventory of Nangang Tire Co., Ltd. and its subsidiaries is measured by cost and net realization value, and the profit of the tire industry is affected by the price fluctuation of the main material natural rubber and the uncertain external economic environment, which may cause the inventory cost and product selling price to fluctuate sharply, resulting in a higher risk that the net realization value of inventory is lower than the book value and sluggish. In addition, the construction department of the subsidiary is still under development, and the amount of construction in progress accounts for 91% of the consolidated inventory, which affects the decline in the consolidated inventory turnover, because the assessment of the net realized value of the inventory is related to the material judgment and estimation and the inventory amount is significant to the consolidated report, so the accountant believes that the inventory evaluation of Nangang Tire Co., Ltd. and its subsidiaries is one of the most important matters for this year's audit.

The accountant mainly responds to the above key audit matters according to the following audit procedures:

1. Evaluate the reasonableness of the inventory evaluation of the merged company and the price reduction policy of the listed of sluggish products.
2. Evaluate the inventory evaluation data of the consolidated company by sampling and calculating to confirm the reasonableness of the net realization value.
3. Evaluate the inventory status through the annual inventory and inventory age analysis table to confirm the completeness of the inventory decline of the merged company's inactive products.
4. For the input of the project under construction, check the relevant costs and confirm the appropriate attribution and classification, and understand the progress of the project and the rationality of the project input. and assess the reasonableness of no impairment in the carrying amount of land under construction and works.

Impairment of real estate, plant and equipment

The amount of real estate, plant and equipment of Nangang Tire Co., Ltd. and its subsidiaries on December 31, 2022 was 7,863,473 thousand yuan, accounting for 21% of the total assets.

The management of Nangang Tire Co., Ltd. and its subsidiaries regularly assess whether the real estate, plant and equipment have signs of impairment, and since the measurement of the recoverable amount of each cash-generating unit in assessing the impairment involves many assumptions and estimates, the estimation method directly affects the recoverable amount measurement results may change, and the amount of real estate, plant and equipment is material to the consolidated report, so the accountant believes that the real estate of Nangang Tire Co., Ltd. and its subsidiaries, The assessment of plant and equipment impairment is listed as one of the most important matters in this year's audit.

The accountant mainly responds to the above key audit matters according to the following audit procedures:

1. Understand, analyze and evaluate the reasonableness of the cash-generating units identified by the management of Nangang Tire Co., Ltd. and its subsidiaries as having no signs of impairment.
2. Evaluate and analyze the hypothetical data of the impairment test, including cash flow forecast, discount rate, etc., and confirm the appropriateness of the hypothetical data.

Other matters

Nangang Tire Co., Ltd. has prepared the individual financial reports of the 2022th and 2021th years of the Republic of China, and the audit report issued by the accountant with an unqualified opinion is on the record for reference.

Responsibilities of management and governance units for consolidated financial reporting

Management's responsibility is to prepare the consolidated financial statements that are properly expressed in accordance with the standards for the preparation of financial reports for securities issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations and interpretations and announcements approved and issued by the Financial Supervisory Commission, and to maintain the necessary internal controls in relation to the preparation of consolidated financial statements to ensure that the consolidated financial statements do not contain material misrepresentations that lead to fraud or error.

In preparing the consolidated financial report, management's responsibilities also include assessing the ability of Nangang Tire Co., Ltd. and its subsidiaries to continue operating, disclosing relevant matters, and adopting the accounting basis for continued operations, unless the management intends to liquidate Nangang Tire Co., Ltd. and its subsidiaries or cease business, or there is no other practicable alternative to liquidation or cessation.

The governance units (including the audit committee) of Nangang Tire Co., Ltd. and its subsidiaries are responsible for overseeing the financial reporting process.

The duty of the accountant to check the consolidated financial reports

The purpose of the accountant's examination of the consolidated financial statements is to obtain reasonable confidence as to whether the consolidated financial statements as a whole are materially false expressions that cause fraud or errors, and to issue an audit report. A reasonable assurance is a high degree of assurance that an audit performed in accordance with auditing standards cannot guarantee that material misrepresentations in the consolidated financial statements will be detected. Misrepresentation may result from fraud or error. Individual amounts or aggregates that are not misrepresented are considered material if they can reasonably be expected to affect the economic decisions made by users of consolidated financial statements.

The accountant uses professional judgment and professional suspicion in conducting audits in accordance with auditing standards. The Accountant also performs the following tasks:

1. Identify and assess the risk of material misrepresentation due to fraud or error in consolidated financial reporting; Design and implement appropriate response measures to the assessed risks; and obtain sufficient and appropriate evidence to serve as the basis for the audit opinion. Since fraud may involve collusion, forgery, willful omission, misrepresentation or overstepping of internal controls, the risk of not detecting material misrepresentations caused by fraud is higher than that caused by errors.
2. Obtain the necessary understanding of the internal control related to the audit to design the appropriate audit procedure under the circumstances, but the purpose is not to express opinions on the effectiveness of the internal control of Nangang Tire Co., Ltd. and its subsidiaries.
3. Evaluate the appropriateness of the accounting policies adopted by management and the reasonableness of the accounting estimates and related disclosures.
4. Based on the audit evidence obtained, conclude whether there are significant uncertainties about the appropriateness of the management to adopt the accounting basis for continuing operations, and whether there are significant doubts about the events or circumstances that may give rise to material doubts about the ability of Nangang Tire Co., Ltd. and its subsidiaries to continue operating. If the accountant considers that there is material uncertainty in such events or circumstances, he or she shall remind the users of the consolidated financial reports of the relevant disclosures in the audit report or amend the audit opinion if such disclosures are inappropriate. The accountant's conclusion is based on the audit evidence obtained as at the date of the audit report. However, future events or circumstances may cause Nangang Tire Co., Ltd. and its subsidiaries to no longer have the ability to continue operating.
5. Evaluate the overall expression, structure and content of the consolidated financial statements (including relevant notes) and whether the consolidated

financial statements allow the relevant transactions and events to be expressed.

6. Obtain sufficient and appropriate verification evidence for the financial information of the constituent individuals of Nangang Tire Co., Ltd. and its subsidiaries to express opinions on the consolidated financial reports. The accountant is responsible for the guidance, supervision and implementation of group audit cases, and is responsible for forming group audit opinions.

The matters communicated between the accountant and the governance unit, including the scope and timing of the planned audit, and the findings of the major audit (including significant deficiencies in internal control identified during the audit).

The accountant also provides the governance unit with the statement of independence of the independent personnel of the firm under the professional code of ethics of accountants, and communicates with the governance unit all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of the accountant.

From the matters communicated with the governance unit, the accountant decided the key audit matters for the audit of the consolidated financial report of Nangang Tire Co., Ltd. and its subsidiary Minguo 2022. The accountant sets out such matters in the audit report, unless the law does not permit the public disclosure of the specific matter, or in rare cases, the accountant decides not to disclose the specific matter in the audit report because it can reasonably be expected that the negative impact of such communication will outweigh the public interest promoted.

Z h e n g f e n g
A c c o u n t i n g F i r m

U n i t e d



Accountant:

吳欣亮

Wu Xinliang



Accountant:

鄭憲修

Zheng Xianxiu



Approval number: Financial Management Certificate No.

09600000880

Financial Management Certificate No.
0930146900

Republic of China 11 2 March 29

Nangang Tire Co., Ltd. and its subsidiaries

Consolidated balance sheet

December 31, 2022 and 2021

Unit: New Taiwan dollar thousand

asset		annotations	3 Dec2022		31 Dec 2021	
code	Accounting items		amount	%	amount	%
11xx	liquid asset					
2021 0	Cash and cash equivalent	Six	\$ 1,413,760	4	\$ 3,238,003	9
2022 0	Financial assets at fair value through profit and loss - liquidity	Seven	101,370	—	220,311	1
1150	Net notes receivable	Eight	321,871	1	432,066	1
1170	Net accounts receivable	Eight	883,865	2	1,469,825	4
1200	Other receivables		28,466	—	51,726	—
1220	Current income tax assets		670	—	19,418	—
130x	stocks	Nine	17,836,391	48	13,581,140	36
1410	Advance payment		606,830	2	453,167	1
1476	Other financial assets	Ten	1,890,288	5	2,806,071	8
1479	Other liquid assets	Eleven	1,369,776	4	1,209,766	3
	Total current assets		24,453,287	66	23,481,493	63
15xx	Non-current assets					
1550	Investments using the equity method	XII	4,218,569	11	4,851,354	13
1600	Real estate, plant and equipment	XIII	7,863,473	21	8,318,961	22
1755	Right-of-use assets	XIV	201,388	1	194,283	1
1760	Net investment real estate	Fifteen	331,289	1	331,318	1
1780	intangible asset		2,081	—	2,284	—
1840	Deferred tax assets	Twenty-six	108,532	—	36,049	—
1915	Prepayment for equipment		72,607	—	52,293	—
1920	Deposit the deposit		65,004	—	55,047	—
	Total non-current assets		12,862,943	34	13,841,589	37
1xxx	Total assets		\$ 37,316,230	100	\$ 37,323,082	100

(The attached notes are part of this consolidated financial report)

Nangang Tire Co., Ltd. and its subsidiaries

Consolidated Balance Sheet (continued)

December 31, 2022 and 2021

Unit: New Taiwan dollar thousand

Liabilities and Equity		annotations	3 Dec2022		31 Dec 2021	
code	Accounting items		amount	%	amount	%
21xx	Current liabilities					
2100	Short-term borrowing	XVI	\$ 7,462,289	20	\$ 8,868,901	24
2202						
1	Short-term tickets payable	XVII	329,543	1	459,354	1
2130	Contractual liabilities	Twenty-four	7,681,427	20	6,568,177	18
2150	Notes payable		959	—	2,961	—
2170	Accounts payable		257,469	1	533,572	1
2200	Other payables	XVIII	491,426	1	696,610	2
2230	Current income tax liabilities		41,731	—	152,510	—
2250	Debt Reserve - Current	XIX	7,200	—	9,300	—
2280	Lease liabilities - current	fourteen	14,733	—	15,248	—
2320	Long-term liabilities due within one year	twenty	257,000	1	492,606	2
2399	Other current liabilities		32,603	—	79,424	—
	Total current liabilities		16,576,380	44	17,878,663	48
25xx	Non-current liabilities					
2540	Long-term borrowing	twenty	9,587,436	26	7,336,435	20
2571	Deferred tax liability - land value added tax	Twenty-six	733,196	2	733,196	2
2572	Deferred tax liabilities - non-current	Twenty-six	51,906	—	35,539	—
2580	Lease liabilities - non-current	fourteen	20,221	—	8,692	—
2640	Net Defined Benefits Liabilities - Non-current	Twenty-one	34,499	—	79,066	—
2670	Other non-current liabilities		1,415	—	2,106	—
	Total non-current liabilities		10,428,673	28	8,195,034	22
2xxx	Total liability		27,005,053	72	26,073,697	70
31xx	Equity vested in the owners of the parent company					
3100	Equity	XXII (i).	8,339,349	22	8,339,349	22
3200	Capital reserve	XXII (ii).	290,880	1	290,880	1
3300	Retain surplus	XXII (iii).	1,479,446	4	2,479,537	7
3310	Statutory surplus reserve		176,641	—	388,893	1
3320	Special surplus reserve		2,302,896	6	2,302,896	6
3350	Undistributed surplus		(1,000,091)	(2)	(212,252)	—
3400	Other Benefits	XXII (iv).	201,502	1	139,619	—
3500	Treasury stocks	Twenty-three	—	—	—	—

	The total equity attributable to the owners of the parent company		10,311,177	28	11,249,385	30
36xx	Non-controlling interests		—	—	—	—
3xxx	Total benefits		10,311,177	28	11,249,385	30
	Total liabilities and equity		\$ 37,316,230	100	\$ 37,323,082	100

(The attached notes are part of this consolidated financial report)

CEO: Manager of Accounting:



Nangang Tire Co., Ltd. and its subsidiaries
Consolidated consolidated income statement
January 1 to December 31, 2022 and 2021

Unit: New Taiwan dollar thousand

code	project	annotations	2022 years		2021 years	
			amount	%	amount	%
4000	Operating income	Twenty-four	\$7,412,234	100	\$8,077,591	100
5000	Operating costs	Nine	(6,337,724)	(86)	(6,748,804)	(84)
5900	Operating margin		1,074,510	14	1,328,787	16
5910	Unrealized benefits with affiliated companies	Twenty-nine	(285)	—	(139)	—
5920	Realized benefits with affiliated companies	Twenty-nine	139	—	876	—
5950	Net operating margin		1,074,364	14	1,329,524	16
6000	Operating expenses					
6100	Promotional expenses		(1,009,216)	(14)	(1,537,670)	(19)
6200	Management fees		(395,2021)	(5)	(534,655)	(6)
6300	Research and development costs		(76,583)	(1)	(108,078)	(1)
6450	Expected credit impairment (loss) benefit		(2,767)	—	19,521	—
	Total operating expenses		(1,483,676)	(20)	(2,160,882)	(26)
6900	Operating profit (loss)		(409,312)	(6)	(831,358)	(10)
7000	Non-operating income and expenses					
7100	Interest income		8,862	—	15,727	—
7010	Other income	Twenty-five (one).	49,809	1	26,585	—
7020	Other Profits and Losses	XXV(ii).	48,477	1	826,678	10
7050	Financial costs	Twenty-five (iii).	(126,695)	(2)	(92,242)	(1)
7060	Share of profits and losses of affiliates and joint ventures using the equity method	twelve	(641,608)	(9)	(164,800)	(2)
	Total non-operating income and expenses		(661,155)	(9)	611,948	7
7900	Net profit before tax (net loss)		(1,070,467)	(15)	(219,410)	(3)
7950	Income tax benefits (expenses)	Twenty-six	46,885	1	(23,844)	—
8200	Net income (net loss) for the period		(1,023,582)	(14)	(243,254)	(3)
	Other comprehensive gains and losses					
8310	Items not reclassified to profit or loss:					
8311	Determine the number of re-measures of the benefit plan	Twenty-one	29,155	—	(5,481)	—
8321	Re-measurement of the determined benefit plan of affiliated enterprises and joint ventures		167	—	11,946	—
8349	Income tax related to non-reclassified items subtotal	Twenty-six	(5,831)	—	1,096	—
	Items that may subsequently be reclassified to profit and loss:					
8360	Exchange difference in the conversion of financial statements of foreign operating institutions		53,080	1	(38,648)	(1)
8371	The difference in the conversion of the financial statements of affiliated enterprises and foreign operating institutions of joint ventures		8,803	—	2,629	—
8399	Income tax (expense) benefits related to other comprehensive profit and loss components		—	—	—	—
	subtotal		61,883	1	(36,019)	(1)

8300	Other consolidated gains and losses (net after tax) for the period		85,374	1	(28,458)	(1)
8500	Total consolidated profit and loss for the period		\$(938,208)	(13)	\$(271,712)	(4)
8600	Net profit attributable to:					
8610	Parent company owners		\$(1,023,582)	(14)	\$(243,254)	(3)
8620	Non-controlling interests		—	—	—	—
8700	Total consolidated profit and loss attributable to:					
8710	Parent company owners		\$(938,208)	(13)	\$(271,712)	(4)
8720	Non-controlling interests		—	—	—	—
	Earnings per share (loss) (yuan)	Twenty-seven				
9750	Basic earnings per share (loss)		\$ (1.23)		\$ (0.29)	
9850	Diluted earnings per share (loss)		\$ (1.23)		\$ (0.29)	

(The attached notes are part of this consolidated financial report)

CEO: Manager in Charge of Accounting:



Nangang Tire Co., Ltd. and its subsidiaries
Consolidated Equity Change Table
January 1 to December 31, 2022 and 2021

Unit: New Taiwan dollar thousand

project	Rights attributable to the owner of the parent company								Non-controlling rights	Total equity
	Equity	Capital reserve	Retain surplus			Other Benefits	Treasury stocks	total		
			Statutory surplus reserve	Special surplus reserve	Undistributed surplus	Exchange difference in the conversion of financial statements of foreign operating institutions				
Balance of January 1, 2021 of the Republic of China	\$8,339,349	\$18,970	\$348,586	\$2,302,896	\$545,097	\$175,638	\$(943,229)	\$10,787,307	\$—	\$10,787,307
Surplus Allocation and Distribution:										
Provision of statutory surplus reserves	—	—	40,307	—	(40,307)	—	—	—	—	—
Cash dividends on common stocks	—	—	—	—	(481,349)	—	—	(481,349)	—	(481,349)
Treasury shares are transferred to employees	—	271,910	—	—	—	—	943,229	1,215,139	—	1,215,139
2021 Annual Net Income (Net Loss)	—	—	—	—	(243,254)	—	—	(243,254)	—	(243,254)
2021 other comprehensive profit and loss	—	—	—	—	7,561	(36,019)	—	(28,458)	—	(28,458)
Total consolidated profit and loss for the period	—	—	—	—	(235,693)	(36,019)	—	(271,712)	—	(271,712)

Balance of December 31, 2021 of the Republic of China	8,339,349	290,880	388,893	2,302,896	(212,252)	139,619	—	11,249,385	—	11,249,385
The statutory surplus reserve covers the loss	—	—	(212,252)	—	212,252	—	—	—	—	—
2022 Annual Net Income (Net Loss)	—	—	—	—	(1,023,582)	—	—	(1,023,582)	—	(1,023,582)
Other comprehensive profit and loss for 2022 years	—	—	—	—	23,491	61,883	—	85,374	—	85,374
Total consolidated profit and loss for the period	—	—	—	—	(1,000,091)	61,883	—	(938,208)	—	(938,208)
Balance of December 31, 2022 of the Republic of China	\$8,339,349	\$290,880	\$176,641	\$2,302,896	\$(1,000,091)	\$201,502	\$—	\$10,311,177	\$—	\$10,311,177

(The attached notes are part of this consolidated financial report)

CEO: Manager: Head of Accounting



Nangang Tire Co., Ltd. and its subsidiaries

Consolidated cash flow statements

January 1 to December 31, 2022 and 2021

Unit: New Taiwan dollar thousand

project	2022 years	2021 years
Cash flow from operating activities:		
Net profit before tax (net loss) for the period	\$(1,070,467)	\$(219,410)
Adjust the project:		
Revenue and loss items:		
Depreciation expense	748,854	769,322
Amortization expense	359	375
Expected credit impairment loss (benefit)	2,767	(19,521)
Measure net loss (benefit) of financial assets and liabilities at fair value through profit or loss	62,830	(889,619)
Interest expense	126,695	92,242
Interest income	(8,862)	(15,727)
Dividend income	(12,878)	(12,252)
The cost of remuneration on a share-based basis	—	274,708
Share of profits and losses of affiliates and joint ventures using the equity method	641,608	164,800
Disposal and scrapping of real estate, plant and equipment loss (profit).	(18,016)	(4,430)
Unrealized gains on sales	285	139
Realized gains on sales	(139)	(876)
Other losses	—	418
Changes in assets/liabilities related to business activities		
Notes receivable (increase) decreased	115,508	12,578
Notes receivable - related persons (increase) decrease	(1,348)	(1,688)
Accounts receivable (increase) decreased	681,319	306,642
Accounts receivable - related persons (increase) decrease	(32,065)	(899)
Other receivables (increase) decrease	24,138	42,444
Inventory (increase) decreased	(4,242,193)	(3,619,032)
Decrease in prepayments (increase).	(134,388)	(180,021)
Other current assets (increase) decreased	6,692	(875)
The incremental cost (increase) of obtaining a contract decreases	(166,552)	(469,940)
Increase (decrease) in contractual liabilities	1,202,356	1,245,932
Increase (decrease) in notes payable	(2,002)	(15,570)
Increase (decrease) in accounts payable	(278,688)	(16,671)
Accounts payable - increase (decrease) in related persons	(3,265)	3,265
Increase (decrease) in other payables	(228,569)	15,329
Increase (decrease) in liability provision	(2,100)	(800)
Increase (decrease) in other current liabilities	(48,135)	(1,393)
Increase (decrease) in net defined benefit liabilities	(15,412)	(17,261)

Cash inflow (outflow) generated by operations	(2,742,668)	(2,557,791)
Interest Charged	9,142	17,510
Interest paid	(121,527)	(91,429)
Refund (payment) of income tax	(106,856)	(230,242)
Net cash inflow (outflow) from operating activities	(2,961,909)	(2,861,952)

Nangang Tire Co., Ltd. and its subsidiaries



Consolidated cash flow table (continued)

January 1 to December 31, 2022 and 2021

Unit: New Taiwan dollar thousand

project	2022 years	2021 years
Cash flow from investment activities:		
Acquisition of financial assets measured at fair value by profit or loss	(5,525)	(2,715,302)
Dispose of financial assets measured at fair value through profit or loss	61,636	1,547,958
Acquisition of real estate, plant and equipment	(292,440)	(845,002)
Disposition of real estate, plant and equipment	75,478	71,641
Deposit margin (increase) decreases	(9,175)	(45,448)
Acquisition of intangible assets	(119)	(323)
Other financial assets (increase) decreased	916,652	(140,498)
Net (increase) decrease in prepaid equipment	(20,314)	40,213
Dividends received	12,878	15,227
Net cash inflow (outflow) from investing activities	739,071	(2,071,534)
Cash flow from fund-raising activities:		
Increase (decrease) in short-term borrowings	(1,414,177)	1,977,997
Increase (decrease) in short-term tickets payable	(129,811)	(20,259)
Take a long-term loan	2,490,000	2,730,000
Repayment of long-term borrowings	(492,606)	(897,242)
Increase (decrease) in deposit margin	(708)	1,050
Repayment of lease principal	(17,166)	(17,076)
Payment of cash dividends	—	(481,341)
Employees buy buybacks	—	940,430
Net cash inflow (outflow) from financing activities	435,532	4,233,559
The impact of exchange rate changes on cash and approximate cash	(36,937)	(34,427)
Cash for the period and approximate cash increases (decreases).	(1,824,243)	(734,354)
Cash at the beginning and cash balances at the beginning	3,238,003	3,972,357
Cash at the end of the period and approximate cash balances	\$1,413,760	\$3,238,003

(The attached notes are part of this consolidated financial report)

Chairman: Manager: Head of :
 



i 、 Accountant audit report 2022 annual individual financial statement

Accountant audit report

NO.000320220A

Check opinions

The individual balance sheet of Nangang Tire Co., Ltd. as of December 31, 2022 and December 31, 2021, and the individual comprehensive income statement, statement of changes in individual equity, statement of individual cash flows, and notes to individual financial reports (including summary of major accounting policies) for the period from January 1 to December 31, 2022 and January 1 to December 31, 2021 of the Republic of China have been reviewed by this accountant.

According to the opinion of this accountant, the individual financial report of the Shanghai Development Company has been prepared in all material respects in accordance with the standards for the preparation of financial reports of securities issuers, which is sufficient to allow the expression of the individual financial position of Nangang Tire Co., Ltd. as of December 31, 2022 and December 31, 2021 of the Republic of China, as well as the individual financial performance and individual cash flow of the Republic of China from January 1 to December 31, 2022 and January 1 to December 31, 2021 of the Republic of China.

Basis for checking opinions

The accountant performs the audit in accordance with the rules for the audit of visa financial statements and auditing standards by accountants. The accountant's responsibilities under these standards are further explained in the section on the accountant's responsibility for reviewing individual financial reports. The personnel of the independent standard of the firm under the accounting firm have maintained a detached independence from Nangang Tire Co., Ltd. in accordance with the professional ethics of accountants, and have performed other responsibilities of the code. The accountant believes that sufficient and appropriate evidence has been obtained as a basis for expressing an opinion on the audit.

Key checkpoints

The key audit matters refer to the most important matters in the examination of the 2022 annual individual financial report of Nangang Tire Co., Ltd. according to the professional judgment of the accountant. These matters have been dealt with

in the process of reviewing the individual financial reports as a whole and forming an audit opinion, and the accountant does not express a separate opinion on these matters. The key audit matters of the 2022th annual individual financial report of Nangang Tire Co., Ltd. are explained as follows:

Inventory evaluation

Nangang Tire Co., Ltd. has an inventory amount of 917,387 thousand yuan on December 31, 2022, please refer to Note 4 (10) to the individual financial report for inventory accounting policies.

The inventory of Nangang Tire Co., Ltd. is measured by cost and net realisation value, because the evaluation of the net realisation value of inventory is related to major judgment and estimation, and the profit of the tire industry is affected by the price fluctuation of the main material natural rubber and uncertainties in the external economic environment, which may cause the inventory cost and product selling price to fluctuate sharply, resulting in a net realisation value of inventory lower than the book value and a higher risk of sluggishness, so the accountant believes that the inventory evaluation of Nangang Tire Co., Ltd. is listed as one of the most important matters in this year's audit.

The accountant mainly responds to the above key audit matters according to the following audit procedures:

1. Evaluate the reasonableness of the company's inventory evaluation and price reduction policy for sluggish products.
2. Spot check and calculate the company's inventory evaluation based on data to confirm the reasonableness of the net realization value.
3. Evaluate the inventory status through the annual inventory and inventory age analysis table to confirm the completeness of the inventory price decline.

Impairment of real estate, plant and equipment

The amount of real estate, plant and equipment of Nangang Tire Co., Ltd. as at December 31, 2022 was 5,594,484 thousand, please refer to Note 4 (15) to the individual financial report for the accounting policy for impairment of non-financial assets.

Since the assessment of the recoverable amount of cash generating units involves many assumptions and estimates, and the estimation method directly affects the recoverable amount of recoverable amount that may change, the

accountant believes that the assessment of the impairment of the real estate, plant and equipment of Nangang Tire Co., Ltd. is one of the most important matters in this year's audit.

The accountant mainly responds to the above key audit matters according to the following audit procedures:

1. Understand, analyze and evaluate the reasonableness of the cash generating unit identified by the management of Nangang Tire Co., Ltd. as having no signs of impairment.
2. Evaluate and analyze the hypothetical data of the impairment test, including cash flow forecast, discount rate, etc., and confirm the appropriateness of the hypothetical data.

The responsibility of management and governance units for individual financial reporting

Management's responsibility is to prepare properly expressed individual financial reports in accordance with the financial reporting standards for securities issuers and to maintain the necessary internal controls in relation to the preparation of individual financial reports to ensure that individual financial reports do not contain material misrepresentations that are the result of fraud or error.

In preparing individual financial reports, management's responsibilities also include assessing the ability of Nangang Tire Co., Ltd. to continue operating, disclosing relevant matters, and adopting an accounting basis for continued operation, unless management intends to liquidate or cease business or has no practicable alternative to liquidation or cessation of business.

The governance unit (including the audit committee) of Nangang Tire Co., Ltd. is responsible for supervising the financial reporting process.

The responsibility of accountants to audit individual financial reports

The purpose of the accountant's examination of individual financial reports is to obtain reasonable confidence as to whether there are material misrepresentations caused by fraud or errors in the individual financial reports as a whole, and to issue an audit report. A reasonable assurance is a high degree of certainty, but the audit carried out in accordance with the auditing standards cannot guarantee that material misrepresentations in an individual's financial reports will be detected. Misrepresentation may result from fraud or error. Individual amounts or aggregated figures that are misrepresented are considered material if they can reasonably be expected to affect the economic decisions made by individual financial report users.

The accountant uses professional judgment and professional suspicion in conducting audits in accordance with auditing standards. The Accountant also performs the following tasks:

1. Identify and assess the risk of material misrepresentation of individual financial reports due to fraud or errors; Design and implement appropriate response measures to the assessed risks; and obtain sufficient and appropriate evidence to serve as the basis for the audit opinion. Since fraud may involve collusion, forgery, willful omission, misrepresentation or overstepping of internal controls, the risk of not detecting material misrepresentations caused by fraud is higher than that caused by errors.
2. Obtain the necessary understanding of the internal control related to the audit to design the appropriate audit procedure under the circumstances, but the purpose is not to express opinions on the effectiveness of the internal control of Nangang Tire Co., Ltd.
3. Evaluate the appropriateness of the accounting policies adopted by management and the reasonableness of the accounting estimates and related disclosures.
4. Based on the audit evidence obtained, conclude whether there are significant uncertainties about the appropriateness of the management to adopt the accounting basis for continuing operations, and whether there are significant doubts about the events or circumstances that may give rise to major doubts about the ability of Nangang Tire Co., Ltd. to continue operating. If the accountant considers that there is material uncertainty in such events or circumstances, he or she shall alert the individual financial report users to the relevant disclosures in the audit report or amend the audit opinion when such disclosure is inappropriate. The accountant's conclusion is based on the audit evidence obtained as at the date of the audit report. However, future events or circumstances may cause Nangang Tire Co., Ltd. to no longer have the ability to continue operating.
5. Evaluate the overall expression, structure and content of individual financial reports (including relevant notes), and whether individual financial reports allow the relevant transactions and events.
6. Obtain sufficient and appropriate verification evidence for the financial information of the constituent individuals in Nangang Tire Co., Ltd. to express opinions on the financial reports of the individuals. The accountant is responsible for the guidance, supervision and execution of the audit case, and is responsible for forming the audit opinion of Nangang Tire Co., Ltd.

The matters communicated between the accountant and the governance unit, including the scope and timing of the planned audit, and the findings of the major

audit (including significant deficiencies in internal control identified during the audit).

The accountant also provides the governance unit with the statement of independence of the independent personnel of the firm under the professional code of ethics of accountants, and communicates with the governance unit all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of the accountant.

From the matters communicated with the governance unit, the accountant decided the key audit matters for the audit of the 2022 annual individual financial report of Nangang Tire Co., Ltd. The accountant sets out such matters in the audit report, unless the law does not permit the public disclosure of the specific matter, or in rare cases, the accountant decides not to disclose the specific matter in the audit report because it can reasonably be expected that the negative impact of such communication will outweigh the public interest promoted.

Z h e n g f e n g
A c c o u n t i n g F i r m



U n i t e d

Accountant:

吳欣亮

Wu Xinliang



Accountant:

鄭憲修

Zheng Xianxiu



Approval number: Financial Management Certificate No.
09600000880

Financial Management Certificate No.
0930146900

Republic of China 11 2 March 29


Nangang Tire Co., Ltd
Individual balance sheets
 December 31, 2022 and 2021

Unit: New Taiwan dollar thousand

asset		annotations	3 Dec2022		31 Dec 2021	
code	Accounting items		amount	%	amount	%
11xx	liquid asset					
20210	Cash and cash equivalent	Six	\$ 61,322	—	\$ 1,775,904	8
20220	Financial assets at fair value through profit and loss - liquidity	Seven	101,370	1	220,311	1
1160	Notes receivable - net related persons	VIII. XXVII	8,819	—	8,917	—
1170	Net accounts receivable	Eight	206,062	1	594,464	3
1180	Accounts receivable - net related persons	VIII. XXVII	168,323	1	103,084	—
1200	Other receivables		13,609	—	39,504	—
1210	Other receivables - related persons	Twenty-seven	14,436	—	1,681	—
1220	Current income tax assets		130	—	—	—
130x	stocks	Nine	917,387	5	819,664	4
1410	Advance payment		16,844	—	33,521	—
1476	Other financial assets	Twenty-eight	307	—	277	—
1479	Other liquid assets		43,232	—	50,336	—
	Total current assets		1,551,841	8	3,647,663	16
15xx	Non-current assets					
1550	Investments using the equity method	Ten	12,758,147	62	13,278,742	57
1600	Real estate, plant and equipment	Eleven	5,594,484	27	5,953,366	26
1755	Right-of-use assets	twelve	20,530	—	11,743	—
1760	Net investment real estate	XIII	331,289	2	331,318	1
1840	Deferred tax assets	Twenty-four	107,184	1	34,722	—
1915	Prepayment for equipment		72,607	—	52,293	—
1920	Deposit the deposit		28,152	—	26,990	—
	Total non-current assets		18,912,393	92	19,689,174	84

1xxx	Total assets		\$ 20,464,234	100	\$ 23,336,837	100
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(The attached notes are part of this individual financial report)

Nangang Tire Co., Ltd

Individual Balance Sheet (continued)

December 31, 2022 and 2021

Unit: New Taiwan dollar thousand

Liabilities and Equity		annotations	3 Dec2022		31 Dec 2021	
code	Accounting items		amount	%	amount	%
21xx	Current liabilities					
2100	Short-term borrowing	XIV	\$ 7,891,610	39	\$ 9,061,199	39
22021	Short-term tickets payable	Fifteen	329,543	2	459,354	2
2130	Contractual liabilities	Twenty-two	37,699	—	28,561	—
2150	Notes payable		959	—	2,961	—
2170	Accounts payable		56,988	—	120,349	1
2180	Accounts Payable - Related persons	Twenty-seven	86,401	1	152,303	1
2200	Other payables	XVI	269,212	2	344,849	1
2230	Current income tax liabilities		38,118	—	149,216	1
2250	Debt Reserve - Current	XVII	7,200	—	9,300	—
2280	Lease liabilities - current	twelve	7,651	—	9,009	—
2320	Long-term liabilities due within one year	eighteen	257,000	1	769,406	3
2399	Other current liabilities		28,708	—	63,954	—
	Total current liabilities		9,011,089	45	11,170,461	48
25xx	Non-current liabilities					
2540	Long-term borrowing	eighteen	403,000	2	160,000	1
2571	Deferred tax liability - land value added tax		639,709	3	639,709	3
2572	Deferred tax liabilities - non-current	Twenty-four	51,906	—	35,539	—
2580	Lease liabilities - non-current	twelve	12,794	—	2,677	—
2640	Net Defined Benefits Liabilities - Non-current	nineteen	34,499	—	79,066	—
2645	Deposit a margin		60	—	—	—
	Total non-current liabilities		1,141,968	5	916,991	4
2xxx	Total liabilities		10,153,057	50	12,087,452	52
3100	Equity	Twenty (one).	8,339,349	41	8,339,349	36
3200	Capital reserve	Twenty (two).	290,880	1	290,880	1
3300	Retain surplus	Twenty (iii).	1,479,446	7	2,479,537	10
3310	Statutory surplus reserve		176,641	1	388,893	1

3320	Special surplus reserve		2,302,896	11	2,302,896	10
3350	Undistributed surplus		(1,000,091)	(5)	(212,252)	(1)
3400	Other Benefits	Twenty (iv)	201,502	1	139,619	1
3500	Treasury stocks	Twenty-one	—	—	—	—
3xxx	Total equity		10,311,177	50	11,249,385	48
	Total liabilities and equity		\$ 20,464,234	100	\$ 23,336,837	100

(The attached notes are part of this individual financial report)

CEO: Manager of Accounting:



Nangang Tire Co., Ltd



Individual consolidated income statement

January 1 to December 31, 2022 and 2021

Unit: New Taiwan dollar thousand

code	project	annotations	2022 years		2021 years	
			amount	%	amount	%
4000	Operating income	Twenty-two	\$3,830,570	100	\$4,125,446	100
5000	Operating costs	Nine	(3,404,926)	(89)	(3,651,276)	(89)
5900	Operating margin		425,644	11	474,170	11
5910	Unrealized sales benefits	Twenty-seven	(2,759)	—	(1,387)	—
5920	Sales benefits have been realized		1,387	—	7,485	—
5950	Net operating margin		424,272	11	480,268	11
6000	Operating expenses					
6100	Promotional expenses		(462,736)	(12)	(672,465)	(16)
6200	Management fees		(287,560)	(8)	(436,778)	(10)
6300	Research and development costs		(76,583)	(2)	(108,078)	(3)
6450	Expected credit impairment losses		(387)	—	(400)	—
	Total operating expenses		(827,266)	(22)	(1,217,721)	(29)
6900	Operating profit (loss)		(402,994)	(11)	(737,453)	(18)
7000	Non-operating income and expenses					
7100	Interest income		473	—	1,010	—
7010	Other income	Twenty-three (one)	41,352	1	16,393	—
7020	Other Profits and Losses	XXIII (2)	(8,243)	—	910,348	22
7050	Financial costs	XXIII (Wed)	(119,445)	(3)	(86,827)	(2)
7070	Share of profits and losses of subsidiaries, affiliates and joint ventures using the equity method		(589,382)	(15)	(334,777)	(8)
	Total non-operating income and expenses		(675,245)	(17)	506,147	12
7900	Net profit before tax (net loss)		(1,078,239)	(28)	(231,306)	(6)
7950	Income tax benefits (expenses)	Twenty-four	54,657	1	(11,948)	—
8200	Net income (net loss) for the period		(1,023,582)	(27)	(243,254)	(6)
8310	Other comprehensive gains and losses					
8310	Items not reclassified to profit or loss:					
8311	Determine the number of re-measures of the benefit plan	nineteen	29,155	1	(5,481)	—

8321	Re-measurement of the determined benefit plan of affiliated enterprises and joint ventures	Twenty-four	167	—	11,946	—
8349	Income tax related to non-reclassified items		(5,831)	—	1,096	—
	subtotal		23,491	1	7,561	—
8360	Items that may subsequently be reclassified to profit and loss:					
8361	Exchange difference in the conversion of financial statements of foreign operating institutions		53,080	1	(38,648)	(1)
8371	The difference in the conversion of the financial statements of affiliated enterprises and foreign operating institutions of joint ventures		8,803	—	2,629	—
8399	Income tax (expense) benefits related to other comprehensive profit and loss components		—	—	—	—
	subtotal		61,883	1	(36,019)	(1)
8300	Other consolidated gains and losses (net after tax) for the period		85,374	2	(28,458)	(1)
8500	Total consolidated profit and loss for the period		\$(938,208)	(25)	\$(271,712)	(7)
	Earnings per share (loss) (yuan)	Twenty-five				
9750	Basic earnings per share (loss)		\$ (1.23)		\$ (0.29)	
9850	Diluted earnings per share (loss)		\$ (1.23)		\$ (0.29)	

(The attached notes are part of this individual financial report)

CEO: Manager Head Accounting:



Nangang Tire Co., Ltd

Statement of Changes in Individual Equity

January 1 to December 31, 2022 and 2021

Unit: New Taiwan dollar thousand

project	Equity	Capital reserve	Retain surplus			Other Benefits	Treasury stocks	Total equity
			Statutory surplus reserve	Special surplus reserve	Undistributed surplus	Exchange difference in the conversion of financial statements of foreign operating institutions		
Balance of January 1, 2021 of the Republic of China	\$8,339,349	\$18,970	\$348,586	\$2,302,896	\$545,097	\$175,638	\$(943,229)	\$10,787,307
Surplus Allocation and Distribution:								
Provision of statutory surplus reserves	—	—	40,307	—	(40,307)	—	—	—
Cash dividends on common stocks	—	—	—	—	(481,349)	—	—	(481,349)
Treasury shares are transferred to employees	—	271,910	—	—	—	—	943,229	1,215,139
2021 Annual Net Income (Net Loss)	—	—	—	—	(243,254)	—	—	(243,254)
2021 other comprehensive profit and loss	—	—	—	—	7,561	(36,019)	—	(28,458)
Total consolidated profit and loss for the period	—	—	—	—	(235,693)	(36,019)	—	(271,712)
Balance of December 31, 2021 of the Republic of China	8,339,349	290,880	388,893	2,302,896	(212,252)	139,619	—	11,249,385

The statutory surplus reserve covers the loss	—	—	(212,252)	—	212,252	—	—	—
2022 Annual Net Income (Net Loss)	—	—	—	—	(1,023,582)	—	—	(1,023,582)
Other comprehensive profit and loss for 2022 years	—	—	—	—	23,491	61,883	—	85,374
Total consolidated profit and loss for the period	—	—	—	—	(1,000,091)	61,883	—	(938,208)
Balance of December 31, 2022 of the Republic of China	\$8,339,349	\$290,880	\$176,641	\$2,302,896	\$(1,000,091)	\$201,502	\$—	\$10,311,177

Note 1: The remuneration of employees in the 2022th year of the Republic of China and January 1 to December 31, 2021 of the Company is 0,000 yuan.

(The attached notes are part of this individual financial report)

CEO: Manager: Head of Accounting:



Nangang Tire Co., Ltd

Individual cash flow statement

January 1 to December 31, 2022 and 2021

Unit: New Taiwan dollar thousand

project	2022 years	2021 years
Cash flow from operating activities:		
Net income before tax (net loss) for the period	\$(1,078,239)	\$(231,306)
Adjustment items :		
Revenue and loss items:		
Depreciation expense	470,828	485,132
Expected credit impairment losses	387	400
Net loss (benefit) of financial assets and liabilities measured at fair value through profit or loss	62,830	(889,619)
Interest expense	119,445	86,827
Interest income	(473)	(1,010)
Dividend income	(12,878)	(12,252)
The cost of remuneration on a share-based basis	—	274,708
Share of profit and loss of subsidiaries and affiliates using the equity method	589,382	334,777
Disposal of loss (profit) of real estate, plant and equipment	(35,196)	(19,839)
Unrealized sales benefits	2,759	1,387
Sales benefits have been realized	(1,387)	(7,485)
Unrealized benefits with subsidiaries and affiliates	3,221	(792)
Other losses	—	418
Changes in assets/liabilities related to business activities		
Notes receivable - related persons (increase) decrease	98	(3,090)
Accounts receivable (increase) decreased	388,015	410,542
Accounts receivable - related persons (increase) decrease	(65,239)	(12,737)
Other receivables (increase) decrease	25,895	49,792
Inventory (increase) decreased	(97,723)	(100,095)
Decrease in prepayments (increase).	16,677	(2,461)
The cost of obtaining contract increment (increase) decreases	—	(34,793)
Other current assets (increase) decreased	7,103	(759)
Increase (decrease) in contractual liabilities	9,138	(26,478)
Increase (decrease) in notes payable	(2,002)	(15,570)
Increase (decrease) in accounts payable	(63,360)	(70,460)
Accounts payable - increase (decrease) of related persons	(65,902)	12,261
Increase (decrease) in other payables	(80,227)	(24,100)

Other payables - increase (decrease) of related persons	(89)	(630)
Liability reserves increase (decrease).	(2,100)	(800)
Increase (decrease) in other current liabilities	(35,246)	5,655
Increase (decrease) in net defined benefit liabilities	(15,412)	(17,261)
Cash inflow (outflow) from operations	140,305	190,362
Interest Charged	473	93
Interest paid	(114,694)	(86,217)
Income tax paid	(118,497)	(178,927)
Net cash inflow (outflow) from operating activities	(92,413)	(74,689)

Nangang Tire Co., Ltd

Statement of individual cash flows (continued)

January 1 to December 31, 2022 and 2021

Unit: New Taiwan dollar thousand

project	2022 years	2021 years
Cash flow from investing activities:		
Acquisition of financial assets measured at fair value by profit or loss	(5,525)	(2,715,302)
Dispose of financial assets measured at fair value through profit or loss	61,636	1,547,958
The investee company using the equity method reduces capital and returns the share payment	—	276,865
Receive dividends on investments using the equity method	22,000	709,209
Acquisition of real estate, plant and equipment	(145,216)	(493,825)
Disposition of real estate, plant and equipment	74,685	58,325
Deposit margin (increase) decreases	(1,162)	(19,499)
Other receivables - related persons (increase) decrease	(12,754)	114
Other financial assets (increase) decreased	(30)	8
Net (increase) decrease in prepaid equipment	(20,314)	40,213
Other dividends are collected	12,878	12,252
Net cash inflow (outflow) from investing activities	(13,802)	(583,682)
Cash flow from fund-raising activities:		
Short-term borrowings increased (decreased).	(1,187,074)	2,568,587
Increase (decrease) in short-term tickets payable	(129,811)	(20,259)
Take a long-term loan	500,000	637,311
Repayment of long-term borrowings	(782,461)	(1,311,524)
Deposit margin increases (decreases).	60	—
Repayment of lease principal	(9,081)	(9,627)

Payment of cash dividends	—	(481,341)
Employees buy buybacks	—	940,430
Net cash inflow (outflow) from financing activities	(1,608,367)	2,323,577
Cash for the period and approximate cash increases (decreases).	(1,714,582)	1,665,206
Cash at the beginning and cash balances at the beginning	1,775,904	2021,698
Cash at the end of the period and approximate cash balances	\$61,322	\$1,775,904

(The attached notes are part of this individual financial report)



Chairman: Manager: Head of Accounting:



2. appendix

- 一、 Rules of Procedure of the Shareholders' Meeting
- 二、 Articles of Association
- 三、 Shareholding by all directors
(As of March 25, 2023 on the date of cessation of transfer)



Nangang Tire Co., Ltd Rules of Procedure of the Shareholders' Meeting

1 Amended at the regular meeting of shareholders on 1 May8, 2022

Article 1

In order to establish a good governance system for shareholders' meetings, improve supervision functions and strengthen management functions of the Company, these Rules are formulated in accordance with Article 5 of the Code of Practice for the Governance of Listed OTC Companies for compliance.

Article II

The rules of procedure of the shareholders' meeting of the Company shall be governed by these Rules unless otherwise provided by law or the articles of association.

Article 3

The shareholders' meeting of the Company shall be convened by the Board of Directors unless otherwise provided by laws and regulations.

Any change in the method of convening the shareholders' meeting of the Company shall be subject to a resolution of the board of directors and shall be made no later than before the notice of the shareholders' meeting is sent.

The Company shall, 30 days before the meeting of ordinary shareholders or 15 days before the extraordinary meeting of shareholders, make an electronic file and transmit to the Public Information Observatory the reasons for the notice, the paper used in the power of attorney, the reasons for the proposals, the matters of recognition, discussion, the election or dismissal of directors and supervisors, etc. In addition, before the 21st day of the ordinary meeting of shareholders or 15 days before the extraordinary meeting of shareholders, the handbook of the shareholders' meeting and supplementary materials of the meeting shall be made and transmitted to the public information observatory. Fifteen days before the shareholders' meeting, prepare the handbook of the current shareholders' meeting and the supplementary materials of the meeting for shareholders to request at any time, display them in the company and its stock agency, and distribute them at the shareholders' meeting.

The notice and announcement shall specify the reason for the convocation; If the notice is approved by the counterparty, it may be done electronically. Matters concerning the appointment or dismissal of directors, change of articles of association, capital reduction, application for suspension of public offering, directors' non-compete license, conversion of surplus into capital increase, conversion of reserve into capital increase, dissolution, merger, division of a company, or the first paragraph of Article 185 of the Company Law, Article 26-1 and Article 43-6 of the Securities and Exchange Law, and Articles 56-1 and 60-2 of the Guidelines for the Offering and Issuance of Negotiable Securities by Issuers shall be listed and explained in the reasons for convening and shall not be raised by ad hoc motions.

Shareholders holding more than 1% of the total number of issued shares may submit in writing to the Company a resolution of an ordinary meeting of shareholders. However, if there is only one proposal, more than one proposal shall not be included in the motion. In addition, if the proposal proposed by the shareholders falls under one of the circumstances of Article 172-1, Item 4 of the Company Law, the board of directors may not be listed as a proposal.

The Company shall announce the acceptance of the shareholders' proposal, the acceptance premises and the acceptance period before the cessation of stock transfer date before the ordinary meeting of shareholders; The period of its processing shall not be less than ten days.

Proposals proposed by shareholders are limited to 300 words, and those exceeding 300 words will not be included in the proposal; The shareholders of the proposal shall attend the ordinary meeting of shareholders in person or by proxy and participate in the discussion of the proposal.

The Company shall notify the proposing shareholders of the result of the disposition before the notice of the convening of the shareholders' meeting, and the proposal that complies with the provisions of this Article shall be included in the notice of the meeting. For a shareholders' proposal that is not included in the proposal, the board of directors shall explain the reasons for the non-inclusion at the shareholders' meeting.

Article IV

At each shareholders' meeting, shareholders may issue a power of attorney issued by the company, specifying the scope of authorization, and entrust a proxy to attend the shareholders' meeting.

A shareholder shall issue a power of attorney, limited to one entrustment, which shall be delivered to the Company or the stock agent five days before the meeting of the shareholders' meeting, and if there is a duplication of the power of attorney, the first of the proxy shall prevail. However, this does not apply to those who declare the revocation of the previous entrustment.

After the power of attorney is delivered to the Company, if the shareholder wishes to attend the shareholders' meeting in person or wishes to exercise his voting rights in writing or electronically, he or she shall notify the Company in writing of the revocation of the proxy two days before the meeting of the shareholders; In case of revocation within the time limit, the voting rights exercised by proxy shall prevail.

After the power of attorney is delivered to the Company, if the shareholders wish to attend the shareholders' meeting by video, they shall notify the Company in writing of the revocation of the proxy two days before the shareholders' meeting; In case of revocation within the time limit, the voting rights exercised by proxy shall prevail.

Article V

The place where the shareholders' meeting shall be held shall be at the seat of the Company or at a place convenient for shareholders to attend and suitable for the convening of the shareholders' meeting, and the start time of the meeting shall not be earlier than 9 a.m. or later than 3 p.m.

When the Company convenes a video shareholders' meeting, it shall not be restricted by the location of the preceding paragraph.

Article VI

The Company shall specify in the notice of meeting the time and place of reporting to the accepting shareholders, solicitors, and trustee agents (hereinafter referred to as shareholders), as well as other matters to be noted. If the shareholders' meeting is convened by video conference, it shall record the method of shareholders' participation and exercise of rights, the handling of obstacles to the video conference platform or video participation due to force majeure, and the date when the meeting needs to be postponed or renewed, and other points to note; If a video shareholders' meeting is held, appropriate alternatives to shareholders who have difficulties in participating by video conference shall be recorded.

The reporting time of shareholders accepted in the preceding paragraph shall be at least 30 minutes before the start of the meeting; The check-in place

should be clearly marked and appropriate personnel should be assigned to handle it; The video meeting of the shareholders' meeting shall be accepted and reported on the video conference platform of the shareholders' meeting 30 minutes before the start of the meeting, and the shareholders who have completed the registration shall be deemed to have attended the shareholders' meeting in person.

The Company shall set up a signature book for the attending shareholders or their proxies entrusted by the shareholders (hereinafter referred to as "shareholders") to sign in, or the participating shareholders shall pay the sign-in cards to sign in on their behalf.

The Company shall deliver the handbook, annual report, attendance card, speech slip, voting papers and other meeting materials to the shareholders attending the shareholders' meeting; If there are elected directors or supervisors, additional electoral votes shall be attached.

Shareholders should present their attendance card, attendance sign-in card, identity card or health insurance card to attend the shareholders' meeting; The solicitor who is requesting a power of attorney should bring the identity card or health insurance card supporting documents for verification.

When the government or legal person is a shareholder, the number of representatives attending the shareholders' meeting is not limited to one person. When a legal person is entrusted to attend a shareholders' meeting, it may appoint only one representative to attend.

If a shareholder of a legal person appoints a representative to attend the shareholders' meeting, a letter of appointment shall be issued during the registration procedure, and the designated person shall bring the identity card or health insurance card certification document for verification.

If a shareholder of a legal person entrusts another person to attend by proxy and appoints a representative to attend, the appointment of a representative shall prevail.

If the shareholders' meeting is held by video conference, and the shareholders wish to participate by video conference, they should register with the Company two days before the shareholders' meeting.

If the shareholders' meeting is held by video conference, the company shall upload the meeting manual, annual report and other relevant materials to the shareholders' meeting video conference platform at least 30 minutes before the start of the meeting, and continue to disclose until the end of the meeting.

Article VII

If the shareholders' meeting is convened by the board of directors, the chairman of the board of directors shall be the chairman of the board, and the chairman of the board of directors shall take leave or is unable to exercise his or her powers for any reason, it shall be handled in accordance with Article 208 of the Company Law.

If the shareholders' meeting is convened by a person with convener other than the board of directors, the chairman shall be the convener, and if there are two or more convener holders, one person shall be elected to serve as the convener.

The Company may appoint appointed lawyers, accountants or relevant personnel to attend the shareholders' meeting as observers.

Article VIII

The Company shall continuously and continuously record the entire process of the reporting of shareholders, the process of meeting and the counting of votes from the time of acceptance of the reporting of shareholders.

The audio-visual materials in the preceding paragraph shall be kept for at least one year. However, if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law, it shall be kept until the end of the lawsuit.

If the shareholders' meeting is held by video conference, the company shall record and keep the shareholders' registration, registration, registration, questions, voting and the company's vote counting results, and continuously and continuously record and record the entire video conference.

The Company shall properly preserve the information and audio and video recordings in the preceding paragraph during the period of existence, and provide the audio and video recordings to the person entrusted with the video conference affairs for preservation.

Article IX

Attendance at shareholders' meetings shall be calculated on the basis of shares. The number of shares present shall be calculated according to the number of shares reported to the signing book or the signed card and video conferencing platform, plus the number of shares exercising voting rights in writing or electronically.

When the meeting has begun, the President shall declare the meeting open

and at the same time announce the number of non-voting rights and the number of shares present.

However, if no shareholder representing a majority of the total number of issued shares is present, the chairman may announce the postponement of the meeting, the number of postponements shall be limited to two times, and the total postponement shall not exceed one hour. If the second postponement is still insufficient for shareholders representing more than one-third of the total number of issued shares to attend, the chairman shall announce the meeting; If the shareholders' meeting is held by video conference, the company shall also announce the streaming meeting on the video conference platform of the shareholders' meeting.

If the second postponement of the preceding paragraph is still insufficient and more than one-third of the total number of issued shares is present, the shareholders may make a false resolution in accordance with the provisions of Article 175, Paragraph 1 of the Company Law, and notify the shareholders of the false resolution to convene the shareholders' meeting within one month; If the shareholders' meeting is held by video conference, and the shareholders wish to participate by video conference, they shall re-register with the Company in accordance with Article 6.

Before the end of the meeting, if the number of shares represented by the shareholders present reaches more than half of the total number of issued shares, the chairman may submit the false resolution to the shareholders' meeting for voting in accordance with Article 174 of the Company Law.

Article X

If the shareholders' meeting is convened by the board of directors, the agenda shall be determined by the board of directors, and the meeting shall be held in accordance with the scheduled agenda and shall not be changed without a resolution of the shareholders' meeting.

If the shareholders' meeting is convened by a person other than the board of directors with convening power, the provisions of the preceding paragraph shall apply.

The agenda set forth in the preceding two items shall not be adjourned by the President without a resolution before the conclusion of the proceedings (including provisional motions); If the Chairman violates the rules of procedure and declares the meeting adjourned, he or she may elect a person to serve as the Chairman with the consent of a majority of the voting rights of the shareholders

present and continue the meeting.

The chairman shall give full explanation and discussion of the proposal and the amendment or provisional motion proposed by the shareholders, and may declare the discussion suspended and put to the vote if he considers that it has reached the level of being put to a vote.

Article 11

Before attending a shareholder speech, a statement slip must be filled in stating the gist of the speech, the shareholder's account number (or attendance card number) and the account name, and the chairman shall determine the order of their speeches.

A shareholder present who merely gives a statement and does not speak shall be deemed to have not spoken. If the content of the speech does not match the content of the speech, the content of the speech shall prevail.

Each shareholder speaking on the same proposal shall not exceed two times and shall not exceed five minutes each time without the consent of the Chairman, except that the Chairman may refrain from speaking by a shareholder if it violates the rules or exceeds the scope of the issue.

When attending a shareholder speech, other shareholders shall not interfere with their speeches except with the consent of the chairman and the speaking shareholder, and the chairman shall stop the violator.

When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one person may speak on the same proposal.

After attending a statement by a shareholder, the chairman may reply in person or by designating a relevant person.

If the shareholders' meeting is held by video conference, the shareholders who participate by video conference may ask questions in text on the video conference platform of the shareholders' meeting after the chairman announces the opening of the meeting and before the announcement of the adjournment of the meeting, and the number of questions for each proposal shall not exceed two times, each time shall be limited to 200 words, and the provisions of Paragraphs 1 to 5 shall not apply.

If the question in the preceding paragraph does not violate the provisions or does not exceed the scope of the proposal, it is advisable to disclose the question on the video conference platform of the shareholders' meeting for public knowledge.

Article 12

Voting at the shareholders' meeting shall be calculated on the basis of shares.

The resolution of the shareholders' meeting does not include the number of shares of non-voting shareholders in the total number of issued shares.

If a shareholder has his or her own interest in the matters of the meeting that would be detrimental to the interests of the Company, he or she shall not join the voting and shall not exercise his voting rights on behalf of other shareholders.

The number of shares that may not exercise voting rights in the preceding paragraph shall not be counted in the number of voting rights of shareholders present. Except for trust undertakings or stock agencies approved by the competent securities authority, when a person is entrusted by two or more shareholders at the same time, the voting rights of his proxy shall not exceed 3% of the total voting rights of the issued shares, and the voting rights exceeding the number shall not be counted.

Article 13

Shareholders have one voting right per share; However, this does not apply to those who are restricted or who do not have the right to vote as listed in Article 179, Paragraph 2 of the Companies Act.

When the Company convenes a general meeting of shareholders, it shall exercise its voting rights electronically and in writing; When it exercises its voting rights in writing or electronically, the method of exercise of its exercise shall be set forth in the notice of convening the shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically shall be deemed to have attended the shareholders' meeting in person. However, the provisional motion and amendment of the original proposal of the shareholders' meeting shall be regarded as a waiver and the Company may avoid filing the provisional motion and amendment of the original proposal.

If the voting rights are exercised in writing or electronically in the preceding paragraph, the intention shall be delivered to the company two days before the shareholders' meeting, and in the event of duplication of the intention expression, the first service shall prevail. However, this does not apply to the indication of intent before the withdrawal of the declaration.

After a shareholder has exercised his or her voting rights in writing or electronically, if he or she wishes to attend the shareholders' meeting in

person or by video, he or she shall revoke the expression of the exercise of voting rights in the preceding paragraph in the same manner as the exercise of voting rights two days before the shareholders' meeting; In the event of revocation within the time limit, the voting rights exercised in writing or electronically shall prevail. If the voting rights are exercised in writing or electronically and the proxy is entrusted to attend the shareholders' meeting by proxy with a power of attorney, the voting rights exercised by proxy shall prevail.

Unless otherwise provided in the Company Law and the Articles of Association, voting on a proposal shall be passed with the consent of a majority of the voting rights of the shareholders present. At the time of voting, the chairman or his designee shall announce the total number of voting rights of the shareholders present on a case-by-case basis, and the shareholders shall vote on a case-by-case basis, and on the day after the shareholders' meeting, the results of the shareholders' approval, opposition and abstention shall be entered into the Public Information Observatory.

If there is an amendment or replacement for the same motion, the Chairman shall determine the order in which it shall be voted on with the original motion. If one of the motions has already been passed, the other motions shall be considered rejected and no further vote shall be taken.

If the proposal is consulted by the chairman and there is no objection from all shareholders present, it shall be deemed to have been passed, and its effect shall be the same as that of voting; If there is an objection, it shall be voted by vote in accordance with the provisions of the preceding paragraph.

The scrutineers and counting personnel for voting on motions shall be designated by the Chairman, provided that the scrutineers shall have the status of shareholders.

The counting of votes for voting or election proposals at the shareholders' meeting shall be carried out in a public place in the shareholders' meeting venue, and the voting results, including the weights of statistics, shall be announced on the spot after the counting of votes is completed, and a record shall be made.

The Company convenes a video meeting of the shareholders' meeting, and the shareholders participating by video shall vote on various proposals and election proposals through the video conference platform after the chairman announces the meeting, and shall vote on the chairman of the board

Voting is declared to be completed before the end of the vote, and those who

have expired will be deemed to have abstained.

If the shareholders' meeting is convened by videoconference, the votes shall be counted in one lump sum after the chairman announces the end of the vote, and the voting and election results shall be announced.

When the Company convenes a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video conference in accordance with Article 6, and who wish to attend the physical shareholders' meeting in person, shall cancel their registration in the same manner as registration two days before the opening of the shareholders' meeting; If the cancellation is cancelled within the time limit, it can only attend the shareholders' meeting by video.

A person who exercises the right to vote in writing or electronically, does not revoke his expression of intent, and participates in the shareholders' meeting by video message, shall not exercise the right to vote on the original proposal or propose amendments to the original proposal or exercise the right to vote on the amendment of the original proposal, except for an interim motion

Article 14

When the shareholders' meeting elects directors, it shall handle the election in accordance with the relevant election standards formulated by the Company, and announce the election results on the spot, including the list of elected directors and their election rights, and the list of unelected directors and supervisors and the number of voting rights obtained.

The ballot papers for the election items referred to in the preceding paragraph shall be sealed and signed by the scrutineers and shall be kept properly and kept for at least one year. However, if the shareholders file a lawsuit in accordance with Article 189 of the Company Law, they shall be kept for one year. However, if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law, it shall be kept until the end of the lawsuit.

Article 15

The matters resolved at the shareholders' meeting shall be made into a record of the meeting, signed or sealed by the chairman, and the minutes shall be distributed to the shareholders within 20 days after the meeting. The preparation and distribution of minutes may be done electronically.

For the distribution of the minutes of the preceding paragraph, the Company may enter the public information observatory in the form of announcement.

The minutes shall be recorded in accordance with the year, month, day, venue, name of the chairman, method of resolution, the essentials of the proceedings and the voting results (including the number of weights counted), and when there is an election of directors and supervisors, the number of votes obtained by each candidate shall be disclosed. It shall be stored permanently for the duration of the Company's existence.

If a shareholders' meeting is convened by video, the minutes of the meeting shall record the time from and to the beginning of the meeting, the method of convening the meeting, the name of the chairman and the record, and the handling methods and circumstances of the obstruction caused by natural disasters, incidents or other force majeure events to the video conference platform or video participation.

In addition to the provisions of the preceding paragraph, the Company shall convene a video shareholders' meeting, and shall specify in the minutes of the meeting the alternative measures provided by shareholders who have difficulties in participating in shareholders by video.

Article 16

The number of shares acquired by the solicitor, the number of shares represented by the proxy and the number of shares attended by shareholders in writing or electronically shall be clearly disclosed by the Company in the shareholders' meeting on the day of the shareholders' meeting in accordance with the prescribed format; If the shareholders' meeting is held by video conference, the Company shall upload the aforesaid information to the shareholders' meeting video conference platform at least 30 minutes before the start of the meeting and continue to disclose it until the end of the meeting.

The Company shall convene a video conference of the shareholders' meeting, and when announcing the meeting, the total number of shares of the shareholders present shall be disclosed on the video conference platform. The same applies if the total number of shares and voting rights of shareholders present at the meeting is otherwise counted.

If there is material information stipulated by laws and regulations and prescribed by the Taiwan Stock Exchange Co., Ltd. (the OTC Trading Center of the Republic of China Securities), the Company shall transmit the content to the Public Information Observatory within the specified time.

Article XVII

The meeting staff handling the shareholders' meeting shall wear identification cards or armbands.

The Chairman may direct pickets or security personnel to assist in maintaining order at the venue. Pickets or security personnel shall wear pickets armbands or identification badges when present to assist in maintaining order.

If a shareholder violates the rules of procedure and disobeys the Chairman's correction, obstructs the conduct of the meeting and fails to comply, the Chairman may command pickets or security personnel to ask him to leave the venue.

Article 18

While a meeting is in progress, the President may declare a break at such time as he may decide, and in the event of irresistible circumstances, the President may suspend the meeting temporarily and, as the case may be, declare the time for resumption of the meeting.

Article 19

If the shareholders' meeting is held by video conference, the Company shall immediately disclose the voting results and election results of various proposals to the video conference platform of the shareholders' meeting in accordance with the regulations after the voting is completed, and shall continue to disclose the meeting for at least 15 minutes after the chairman announces the adjournment of the meeting.

Article XX

When the Company convenes a video shareholders' meeting, the chairman and the recorder shall be at the same place in the country, and the chairman shall announce the address of the place at the time of the meeting.

Article 21

If a shareholders' meeting is held by video conference, the Company may provide a simple connection test for shareholders before the meeting, and provide relevant services immediately before and during the meeting to assist in handling technical problems in communication.

If a shareholders' meeting is convened by videoconference, the chairman shall, at the time of announcing the meeting, separately declare that the provisions of Article 182 of the Company Law shall not apply to the date on

which the meeting is postponed or renewed, except for the case stipulated in Article 44-20 of the Guidelines for the Handling of Shares of a Public Offering Company, which does not require postponement or resumption of the meeting as stipulated in Article 44-20 of the Guidelines for the Handling of Shares of a Public Offering Company.

In the event of the postponement or resumption of a meeting of shareholders in accordance with the provisions of the preceding paragraph, there is no need to re-discuss and resolve a motion that has completed voting and counting the votes and announced the voting results or the list of directors elected.

If the Company postpones or resumes the meeting in accordance with the provisions of Paragraph 2, it shall handle the relevant preliminary work in accordance with the date of the original shareholders' meeting and the provisions of each article in accordance with the provisions of Item 24 of Article 44-24 of the Guidelines for the Handling of Shares of a Public Offering Company, and the shareholders listed in the register of shareholders where the transfer of the original shareholders' meeting is scheduled to cease shall have the right to attend the shareholders' meeting.

During the period specified in the latter paragraph of Article 12 and Article 13.3 of the Rules for the Use of Power of Attorney for Shareholders' Meetings of a publicly offered company, and the second paragraph of Article 44-5, Article 44-15 and Article 44-17, Paragraph 1 of the Guidelines for the Handling of Shares of a Public Offering Company, the Company shall postpone or resume the date of the shareholders' meeting in accordance with the provisions of Paragraph 2.

If the total number of shares present at the shareholders' meeting still reaches the statutory quota of the resolution of the shareholders' meeting after deducting the number of shares attended by video conference, the shareholders' meeting may continue without postponing or continuing the meeting in accordance with the provisions of Paragraph 2

When the Company convenes a video shareholders' meeting, it shall provide appropriate alternative measures for shareholders who have difficulties in attending shareholders by video conference.

Article 22

Matters not covered by these Rules shall be handled in accordance with the provisions of the Company Law and relevant laws and regulations and

articles of association.

These Rules shall come into force upon approval by the shareholders' meeting and shall apply when amended.

Articles of Association of Nangang Tire Co., Ltd

May 18, 2022

Chapter I General Provisions

Article 1: The company is organized in accordance with the provisions of the Company Law Co., Ltd. and named "Nangang Tire Co., Ltd." THE ENGLISH NAME IS "NANKANG RUBBER TIRE CORP., LTD."

Article 2: The Company's main business is as follows:

1. C804010 tire manufacturing industry.
2. CC01010 Power generation, transmission and distribution machinery manufacturing industry.
3. CC01030 electrical and audio-visual electronic products manufacturing industry.
- IV. CC01060 Wired communication equipment manufacturing industry.
- V. CC01070 Wireless communication machinery and equipment manufacturing industry.
6. CC01080 electronic components manufacturing industry.
7. CC01990 Other electrical and electronic machinery equipment manufacturing industry.
8. F114050 tire wholesale industry.
9. F214050 tire retail.
10. F301020 supermarket industry.
11. F401010 International Trade Industry.
12. F501060 Restaurant industry.
13. G202010 parking lot operation.
14. G801010 warehousing industry.
15. H701010 Residential and building development, rental and sales.
16. H701020 Industrial plant development, rental and sales.
17. H701040 Development industry of specific professional areas.
18. H701050 Investment in the construction of public construction industry.
19. H701060 New town, new community development industry.
20. I301010 Information software service industry.
21. J701020 Amusement park industry.
- Twenty-two, J901020 General Hotel Business.
23. JE01010 Leasing industry.
24. ZZ999999 may operate businesses that are not prohibited or restricted by law except for licensed business.

The operation of the business shall be handled in accordance with the relevant laws and regulations.

Article 2 1: Investment in other related undertakings shall not be subject to the

restriction of 40% of the paid-in share capital of the Company under Article 13 of the Company Law, and shall be authorized by the board of directors to handle it.

Article 2-2: The Company may endorse the guarantee in accordance with the Company's external endorsement guarantee measures for business needs.

Article 3: The company has set up its head office in Taipei City, and may set up branches in various places according to actual needs.

Article 4: The company's announcement method shall be handled in accordance with the Company Law and relevant regulations.

Chapter II Shares

Article 5: The total capital of the Company is set at NT\$1 million, each share is collected, and the Board of Directors is authorized to issue in installments, and the capital can be issued in excess of the par amount when issuing new shares.

Article 5-1: The Company may, with the consent of more than two-thirds of the voting rights of shareholders present at a shareholders' meeting representing a majority of the total number of issued shares, issue employee stock option certificates at a subscription price lower than the closing price of the common shares of the Japanese company, or transfer them to employees at a price lower than the average price of the shares actually repurchased.

The treasury shares purchased by the Company in accordance with the Company Law or the Stock Exchange Law and the employee stock option certificates, employee new share subscription rights, and new shares with restricted employee rights are subject to payment, including employees of controlled or affiliated companies who meet certain conditions.

Article 6: The company's shares shall be issued in a registered form, signed or sealed by three or more directors, and issued after being issued by the competent authority or its approved issuance registration agency. Shares issued by the Company are exempt from printed shares, as well as other marketable securities; You should also ask the securities centralized custody institution to register. In the event of transfer or loss of shares, the handling of stock affairs shall be handled in accordance with the "Guidelines for the Handling of Shares of Public Offering Companies"

promulgated by the competent authority and relevant laws and regulations.

Chapter III Shareholders' Meeting

Article 7: There are two types of shareholders' meetings: ordinary meetings and extraordinary meetings, which shall be convened once a year and convened by the board of directors within six months after the end of each fiscal year. Extraordinary meetings shall be convened in accordance with relevant laws and regulations when necessary.

Article 7-1: When the shareholders' meeting of the Company is held, it may be held by video conference or other means announced by the Ministry of Economic Affairs.

Article 8: If the shareholders' meeting is convened by the board of directors, the chairman of the board of directors shall be the chairman of the board, and the chairman of the board of directors shall take leave or is unable to exercise his or her powers for any reason, it shall be handled in accordance with the provisions of Article 208 of the Company Law; If there are two or more convenors other than the board of directors, one of them shall be elected to serve as the convener.

Article 9: At the shareholders' meeting of the Company, the shareholders present shall have one voting right for each share.

Chapter IV Board of Directors

Article 10: The Company shall have 7 to 11 directors for a term of three years, and may be re-elected. If the term of office of a director expires and is not re-elected, the executive office of a director shall be extended until the re-elected director takes office. The nomination system for candidates under Article 192-1 of the Company Law shall be adopted for the election of directors, and the shareholders' meeting shall select them from the list of candidates for directors. Matters related to the acceptance and announcement of nominations for directors shall be handled in accordance with the relevant laws and regulations of the Company Act and the Securities and Exchange Act. According to Article 14-bis of the Securities and Exchange Act, the number of independent directors of the Company shall not be less than three, and the nomination system shall be adopted by the shareholders' meeting, and the shareholders' meeting shall elect them from the list of candidates for independent directors, and the

non-independent directors and independent directors shall be elected together according to their respective quotas, each of which shall be elected by the person with the greater right to vote representing the votes obtained. The professional qualifications, shareholding, part-time restrictions, nomination and selection methods of independent directors and other matters to be complied with shall be handled in accordance with the relevant regulations of the securities authority. The total number of shares held by all directors shall be handled in accordance with the regulations of the competent authority.

Article 11: The board of directors shall be attended by more than two-thirds of the directors and approved by a majority of the directors present, and one person shall be elected as the chairman of the board of directors, and one of the vice chairmen shall be elected in the same way, the chairman shall represent the company and preside over all business, and the vice chairman shall assist the chairman in handling daily business.

Article 12: The chairman of the board of directors shall oversee all the affairs of the board of directors and the execution of the company's business, which shall be decided by the board of directors. Except for matters stipulated in the Company Law or the Articles of Association, which should be resolved by the shareholders' meeting, they shall be resolved by the board of directors. When the board of directors is not in session, the chairman of the board of directors shall exercise the functions and powers of the board of directors in accordance with the provisions of relevant laws and regulations. In order to avoid the company from encountering emergency disadvantages or to cope with major accidents or to meet the needs of the company's operation, the chairman of the board of directors may, unless otherwise provided by laws and regulations, adjust the necessary institutions of the company and its organization, and decide on relevant business policies and handle regular business.

Article 13: The functions and powers of the Board of Directors are as follows:

- 一、 Examination and approval of important chapters.
- 二、 Decisions on business policies.

- 三、 Preparation of budget accounts.
- 四、 Preparation of surplus distribution.
- 五、 Preparation of capital increases and decreases.
- 六、 Creation and sale of mortgages on immovable property.
- 七、 Decisions on important candidates of the Company.
- 八、 Decisions on the restructuring of the Company and other important matters.
- 九、 Compilation of annual reports.
- 十、 Other powers conferred by the Company Law and the shareholders' meeting.

Article 14: The company's management policy and other important matters shall be resolved by the board of directors. Except for the first meeting of the Board of Directors in accordance with Article 203 of the Company Law, the Chairman of the Board of Directors shall be convened in accordance with Article 203 of the Company Law Article 4 stipulates that when the chairman of the board of directors requests leave or is unable to perform his duties and powers for any reason, it shall be handled in accordance with Article 208 of the Company Law. Directors may appoint other directors to attend meetings of the Board of Directors by proxy, but each time a power of attorney shall be issued to specify the scope of authorization, and the proxy shall be limited to the entrustment of one person, provided that the independent directors shall attend in person for matters that should be attended in person in accordance with the provisions of laws and regulations, and shall not appoint non-independent directors to act as agents, if independent directors have objections or reservations, they shall be specified in the minutes of the board meeting, and the independent directors cannot attend in person for any reason, and if there is an objection or reservation to the proposal, unless there are legitimate reasons, they shall issue a written opinion in advance and set out in the minutes of the board meeting.

Article 14-1: The convening of the board of directors shall be notified to the directors in writing, e-mail or fax seven days in advance. However, in the event of an emergency, it may be summoned at any time.

Article 15: Unless otherwise provided in the Company Law, the resolutions of the board of directors shall be attended by more than half of the directors and

shall be executed with the consent of a majority of the directors present, and the resolution shall be signed or sealed by the chairman. When the board of directors adjourns, the chairman of the board of directors shall execute the functions and powers of the board of directors in accordance with the laws and regulations, the articles of association, the resolutions of the shareholders' meeting and the board of directors.

Article 15-1: The remuneration of all directors, regardless of profit or loss, shall be paid, the upper limit of the remuneration of the chairman shall not exceed 1.5 times the salary of the general manager, the upper limit of the remuneration of the vice chairman shall not exceed 1 times the salary of the general manager, and the remuneration of the remaining directors shall be paid according to the level of the same industry, but the remuneration of independent directors shall be slightly higher than that of non-independent directors.

Article 15 bis: The Company may purchase liability insurance for directors to reduce the risk of directors being sued by shareholders or other related persons due to the lawful performance of duties.

Chapter V Audit Committee

Article 16: The Company shall establish an "Audit Committee" in accordance with Article 14-4 of the Securities and Exchange Act, and the Audit Committee shall be composed of all independent directors. The number, term of office, powers and rules of procedure of the Audit Committee shall be separately formulated in accordance with the relevant provisions of the Measures for the Exercise of Powers by the Audit Committee of a publicly offered company, and shall be formulated separately in accordance with the Organizational Rules of the Audit Committee.

Article 17: Deletion

Article 18: Deletion

Article 18-1: Deletion

Article 18 bis: Deletion

Chapter VI Managers and Staff

Article 19: The company has one general manager, one executive deputy general manager and several deputy general managers, and their appointment,

dismissal and remuneration shall be handled in accordance with Article 29 of the Company Law.

Chapter VII Distribution of surpluses in final accounts

Article 20: At the end of each fiscal year of the Company, the board of directors shall compile a left list and submit it to the shareholders' meeting for recognition.

一、 Business report.

二、 Financial statement.

三、 Proposals for the distribution of surpluses or the provision of losses.

The Company's surplus distribution or loss provision may be made after the end of each half-year fiscal year.

Article 21: If there is any profit (the so-called profit refers to the profit before the profit before the distribution of employee remuneration) at the end of each year, 0.1% (inclusive) to 1% (inclusive) shall be allocated as employee remuneration, which shall be distributed by resolution of the board of directors and reported to the shareholders' meeting. However, if the Company has accumulated losses, it shall reserve the amount to cover the losses before allocating the remuneration of employees, and then allocate the balance according to the proportion of the preceding paragraph.

When the remuneration of the employees in the preceding paragraph is paid in stock or cash, the payment shall include employees of affiliated companies who meet certain conditions.

The Company's surplus distribution or loss allowance may be made after the end of each half-year fiscal year. If there is a surplus in each half-year fiscal year, the taxable contribution should be estimated and retained first, the accumulated loss should be covered, the employee remuneration should be estimated and retained, and the second 10% should be regarded as the statutory surplus reserve; If there is still a surplus, the balance plus the accumulated undistributed surplus in the first half of the fiscal year is a shareholder dividend, and the board of directors intends to make a proposal for the distribution of surplus, and when it is done in cash, it shall be resolved by the board of directors, and when it is done by issuing new shares, it shall be submitted to the shareholders' meeting for distribution after resolution.

If there is a net profit after tax in the company's annual final account, it

should first make up the accumulated loss (including adjusting the amount of undistributed surplus), and deposit 10% as the statutory surplus reserve according to law; However, this is not the case when the statutory surplus accumulation has reached the total paid-in capital of the Company. and make special surplus reserves or retain surpluses as necessary. If there is still surplus together with undistributed surplus at the beginning of the period (including adjustment of the amount of undistributed surplus), the board of directors shall propose a surplus distribution, and if it is done by way of issuing new shares, it shall be submitted to the shareholders' meeting for distribution after resolution. In accordance with Paragraph 5 of Article 240 of the Company Act, the Company authorizes the Board of Directors to distribute all or part of dividends and dividends in cash by means of cash payment with the presence of more than two-thirds of the directors and the resolution of a majority of the directors present, and report to the shareholders' meeting. The company's business is mainly engaged in the tire industry, adopting diversified operations, the tire industry is currently in a mature stage, using the residual dividend policy, in the annual surplus, in view of the next few years there are still equipment maintenance and updating, production technology upgrading and expansion plans and other capital needs, first to retain the surplus financing required funds, the remaining surplus will be distributed in the form of cash dividends; In principle, stock dividends are between 70% and 100% and cash dividends between 0% and 30% in surplus distribution, but the above ratio can still be adjusted according to actual needs. If the funds required for the Company's future investment plan and long-term financial planning are less than 50% of the distributable surplus for the year, the cash dividend payment ratio can be increased to 50%.

Article 21-1: In accordance with Article 241 of the Company Law, the Company shall issue all or part of the statutory surplus reserve and capital reserve to new shares or cash in proportion to the original shares of the shareholders, and when the cash is distributed, the Board of Directors shall authorize the board of directors to attend the presence of more than two-thirds of the directors and the resolution of a majority of the directors, and report to the shareholders' meeting.

Chapter VIII Supplementary Provisions

Article 22: The Company's organizational rules and other articles of association are separately stipulated.

Article 23: Matters not stipulated in the Articles of Association shall be handled in accordance with the provisions of the Company Law.

Article 24: This Charter was established on January 10, 48, and amended for the first time on March 31, 49, the second amendment on March 24, March 51, March 28, 52 March 4, 53/25/53, 6/23/56, 8th on 4/5/57, 9th amendment on 5/5/24/58, The tenth amendment of 30 April 60, the eleventh amendment of 16 April 62, the twelfth amendment of December 62, the thirteenth amendment of April sixty-three, the fourteenth amendment of April sixty-eight, the fifteenth amendment of April sixty-six, the sixteenth amendment of April sixty-five, the sixteenth amendment of August sixty-seven, the seventeenth amendment of April sixty-sixteen, the eighteenth amendment of April 10, sixty-seven, and the nineteenth amendment of September sixty-seven, The twentieth amendment on April 9, 68, the twenty-first amendment on April 14, 69, the twenty-second amendment on April 15, '70, and June 28, '72The twenty-third amendment of the day, the twenty-fourth amendment of May 16, 75, the twenty-fifth amendment of June 15, 76, the twenty-sixth amendment of June 77, the twenty-seventh amendment of May 18, the twenty-seventh amendment of May 78, the twenty-eighth amendment of May 80, the twenty-ninth amendment of April 27, April 81, the thirtieth amendment of April 82, the thirty-first amendment of June 18, 85, and the thirty-second amendment of April 10, 86, Amended 33rd on 16 April 87, 34th on 16th April 87, 35th on 30th 48, 36th on 21st June 89, 37th on 6th June 90, 38th on 6th May 91, 39th on 25th June 92, 40th on 26th May 93, 41st on 28th June 94, Amended 42nd on 23 November 94, 43rd on 99/95, 44th on 4 August 95, 45th on 24/96, 46th on 24/44/96, 47th on 9/1/97, 48th on 9/9/97, ninety-eight years 六月 sixteenThe 49th amendment was made on Sunday, and the fiftieth amendment was made on May 20, 99, —○Fifty-first amendment of June 27, 5, IO502th Amendment of 4 May 7,—○Fifty-third amendment of May 16, 8, IOAmended 54th on May 13, 9, 55th amendment on May 18, 2022,It shall take effect on the date of approval by the shareholders' meeting。

Shareholding by all directors

As of the closing date: 26 March 2023

job title	name		Number of shares held
Chairman	Interpretation of Ye Investment company Representative person (shares)	Guo Linshu	33,921,666
director	Interpretation of Ye Investment company Representative person (shares)	Lin Junying	33,921,666
director	Interpretation of Ye Investment company Representative person (shares)	Chen Hengkuan	33,921,666
director	Interpretation of Ye Investment company Representative person (shares)	Huang Jiaying	33,921,666
director	Chongshen Development Industrial Company Representative person (Shares)	Huang Mingyu	1,709,000
director	Chongshen Development Industrial Company Representative person (Shares)	Chen Xuesheng	1,709,000
Independent Director	Wu Siyi		0
Independent Director	Chen Mengxiu		3,000
Independent Director	Xu Miaoqing		0

Note 1: All Directors hold a total of 35,633,666 shares.

Note 2: The statutory minimum number of shares to be held by all directors shall not be less than 26,685,916 shares.