

Stock Code: 4562



穎漢科技股份有限公司  
YING HAN TECHNOLOGY CO., LTD.

# **2023 Annual Meeting of Shareholders Meeting Handbook**

**Meeting Time: June 07, 2023 (Wed)**

**Location: No. 50, Keji 1st Rd., Annan Dist.,  
Tainan City, Taiwan (R.O.C.) (Audio-Visual  
Center of Ying Han Technology Co., Ltd.)**

**Method: Physical Shareholders Meeting**

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# **YING HAN TECHNOLOGY CO., LTD.**

## **2023 Annual Meeting of Shareholders**

### **Meeting Procedure**

I. Call the Meeting to Order

II. Chairperson Remarks

III. Report Items

IV. Ratification Items

V. Discussion Items

VI. Questions and Motions

VII. Adjournment

# **YING HAN TECHNOLOGY CO., LTD.**

## **2023 Annual Meeting of Shareholders**

### **Meeting Agenda**

Time: 9:00 a.m. on Wednesday, June 07, 2023

Location: No. 50, Keji 1st Rd., Annan Dist., Tainan City, Taiwan (R.O.C.)  
(Audio-Visual Center of Ying Han Technology Co., Ltd.)

I. Call the Meeting to Order (Report the total number of shares)

II. Chairperson Remarks

III. Report Items

(1) 2022 Business Report

(2) 2022 Audit Committee's Review Report

(3) Report of 2022 Private Offering of Ordinary Shares

(4) Report of 2022 Capital Injection and Sound Business Plan

IV. Ratification Items

(1) 2022 Business Report and Financial Statements

(2) Proposal for 2022 Deficit Compensation

V. Discussion Items

(1) Private Offering of Ordinary Shares

VI. Questions and Motions

VII. Adjournment

# Report Items

## 1. 2022 Business Reports

Description: The 2022 Business Report is attached as pp. 7-10, Attachment I.

## 2. 2022 Audit Committee's Review Report

Description: The 2022 Audit Committee's Review Report is attached as pp. 11-12, Attachment II.

## 3. Report of 2022 Private Offering of Ordinary Shares

Description: The Company approved a private offering of ordinary shares at the annual shareholders' meeting held on June 14, 2022, with a limit of up to 20,000,000 shares to be issued in installments. However, since the private placement of securities must be completed within one year from the date of the resolution and the Company had other fund-raising plans, it decided to cancel the above non-issued shares from June 13, 2023.

## 4. Report of 2022 Capital Injection and Sound Business Plan

Description: The report of 2022 Capital Injection and Sound Business Plan is attached as pp. 13-15, Attachment III.

# Ratification Items

Proposal 1

(Proposed by the Board of Directors)

Subject: The Company's 2022 business report and financial statements are submitted for ratification.

Description: 1. The 2022 individual financial statements and consolidated financial statements have been prepared by the Board of Directors and audited by CPAs WU, CHANG-JUN and LIAO, HUNG-JU of Deloitte & Touche, by whom an unqualified opinion audit report was issued, while the business report has been audited by the audit committee.

2. The 2022 Business Report, Independent Auditors' Report and each financial statement above is attached as pp. 7-10, Attachment I, and pp. 16-34, Attachment IV.

Resolution:

Proposal 2

(Proposed by the Board of Directors)

Subject: Adoption of the Proposal for 2022 Deficit Compensation.

Description: The 2022 Deficit Compensation Statement is attached as pp. 34, Attachment V.

Resolution:

# Discussion Items

Proposal 1

(Proposed by the Board of Directors)

Subject: Private Offering of Ordinary Shares

Description: 1. To have sufficient working capital and to fulfill the future development needs of the Company, we proposed to the shareholder's meeting to authorize the Board of Directors for the private offering of ordinary shares within the limit of 20,000,000 shares with a par value of NT\$10 per share. We also propose to the shareholder's meeting to authorize the Board of Directors for raising funds in one or multiple issuances (not exceeding 4 times) within one year from the date of the resolution depending on the market status and operation needs.

2. Description items required by Article 43-6 of the Securities and Exchange Act:

(1) Basis for the pricing and rationality:

The price of the private offering of ordinary shares shall not be lower than 80% of the higher result of the two following calculations before the pricing date:

(1) The simple average closing price of the common shares for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

(2) The simple average closing price of the common shares for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction. The actual pricing date and private offering price shall not be lower than 80% of the resolution of the shareholders' meeting. The Board of Directors is authorized to determine the price depending on the market and the Company operational condition at the time of the issuance.

(3) Since the privately offered securities cannot be freely transferred within three years after the delivery date, their liquidity is relatively low. Therefore, the pricing method for this private offering of ordinary shares may be considered reasonable.

(4) If the subscription price of the private offering of ordinary shares is lower than the par value due to the fluctuation of the trading price in the centralized trading market, this reflects the market price conditions and should be considered reasonable. If the increase in losses has affected the shareholders' rights, the Company shall handle it through methods such as earnings, capital reserves, or reduction of capital, depending on the future business and market conditions.

(2) Selection method for designated persons:

The targets for the private offering are limited to designated persons who comply with requirements under Article 43-6 of the Securities Exchange Act and the Letter No.: (91)-Tai-Cai-Certificate(1) No. 0910003455 on June 13, 2002.

(1) Selection methods and purpose designated persons: The priority consideration is given to those who can benefit the future business and operation of the Company and comply with the regulation.

- (2)Insiders or related parties as subscribers: The list of insiders or related parties as the subscriber, selection method and purpose, relation with the Company, and information required to be disclosed when the subscriber is a juristic person is attached as pp. 35, Attachment VI.
- (3) Necessary reason for the private offering:
  - (1) Reason not to adopt public offering: Compared to the feasibility, timeliness, and issuance cost of public offerings, private offerings are timelier and more convenient, and are less affected by uncertainties in the capital market. Therefore, it is necessary to raise funds through the private offering to designated persons at an appropriate time.
  - (2)Maximum private offering: We proposed that the shareholders' meeting authorize the Board of Directors to conduct a private offering of ordinary shares within the limit of 20,000,000 shares, one or more times, within one year from the date of the resolution depending on the market status and operation needs within one year from the date of the resolution depending on the market status and operation needs (up to maximum of 4 times).
  - (3)How to use the funds raised from private offerings and the estimated benefit:
    - How to use the funds: To increase the working capital and repay bank loans.
    - Estimated benefit: To improve the financial structure, and enhance company operations and profitability.
- 3. After conducting this private offering, based on the limit of 20,000,000 ordinary shares for this private offering, the number of shares issued will be approximately 22.85% of paid-in capital and there is expected to be more than one participant in this private offering. Therefore, it is not expected to result in any significant changes to management rights from 1 year before private offering to 1 year after the assurance of the ordinary shares.
- 4. The ordinary shares by private offering shall have the same obligation and authority as the outstanding ordinary shares. Unless specified by Article 43-8 of the Securities and Exchange Act, they cannot be transferred within three years after the delivery date, and after three years from the delivery date, they shall be declared for public offering and listed for trading under relevant regulations.
- 5. If matters related to this private offering, except for the pricing factor, need to be changed or amended due to legal revisions or regulations by competent authorities, or based on operational evaluation or objective environmental impact, we will propose that the shareholder's meeting to authorize the Board of Directors to fully handle it under regulations and market conditions at that time.
- 6. We propose that the shareholders' meeting authorize the chairman of the board to sign contracts or documents and to handle related matters related to the private offering of ordinary shares on behalf of the Company.

Resolution:

## Questions and Motions

## Adjournment



## YING HAN TECHNOLOGY CO., LTD.



## Business Report

## I. 2022 Operation Result:

Below is the Company's revenue in the year of 2022. As the epidemic is coming to an end, majorities of the industries and business have started reawakening and blooming. However, under the ongoing inflation and lifting rates situation, the costs are gradually increased and the investors are more cautious in assessing the expense with the concern for the overall recession in the future. Even so with the devaluation of New Taiwan Dollar, our revenue has slightly decreased but our gross margin has improved, and revenue in 2022 from the external market has declined 10% in compare to 2021. The extent of the decreasing is slightly higher than overall revenue. For 2022, the net operating revenue is NTD \$ 762,235,000 which is NTD \$61,357,000 less than the year of 2021 by 7.45%, the net operating loss is NTD \$65,452,000, the net loss before tax is NTD \$ 15,817,000, the net loss after tax is NTD \$14,064,000, the net income margin is 2%, and the loss of each share after tax is NTD \$0.14. Even the epidemic is coming to an end and our downstream clients have gradually resume production, the business of the Company in the year of 2022 has slightly decreased due to the global inflation and lifted rates and the investors' cautions in assessing the expense. However difficult it may be, the Company will continue to thrive in expending our market and developing innovation products. We hope to continue in winning over your favor and support that we are on the same path with our beliefs and our core value. With your support and our teamwork, we will keep improving and so as to improve our performance. (Note: It is not disclosed yet with our 2022 financial forecasting, hence no budget attainment will be taking in to consideration.) Below is the detailed description of our accomplishment of the year and our plan for the future.

## (1) The results of the 2022 business plan:

Unit: NTD \$1,000

Items	2021	2022	Increase (decrease)	Amount (%)
Net operating revenue	823,592	762,235	(61,357)	(7.45)
Net operating loss	(93,450)	(65,452)	27,998	29.96
Net loss before tax	(132,288)	(15,817)	116,471	88.04
Income tax expense (Benefit)	4,183	(1,753)	5,936	141.91
Loss for the year	(136,471)	(14,064)	122,407	89.69

The annual revenue of 2022 has decreased by 7.45% compare to 2021, and the net loss has decreased by 29.96%. We will continue to aim to develop the new products, and keep assist our clients to develop and automation the integrated machine. We will also expand the distribution in different physical channels, and amplify our core competence in order to pursue the greater improvement and to be able to well profit.

## (2) The analysis of profitability of 2022:

Items	2021	2022
Return on assets (%)	(4.91)	(0.53)
Return on equity (%)	(13.11)	(1.25)
Net loss before tax to paid-in capital (%)	(15.11)	(1.81)
Net profit margin (%)	(16.57)	(1.85)
Net loss per share (NTD\$)	(2.01)	(0.14)

(3) 2022 Financial balance:

Unit: NTD \$ thousand

Items	2021	2022	Note
Cash flows from operating activities	(24,373)	18,384	1
Cash flows from investing activities	(98,458)	239,643	2
Cash flows from financing activities	181,015	(352,913)	3

Note 1: The increase of cash flows from operating activities is due to the decrease in net loss before tax and cash payment.

Note 2: The increase of cash flows from investing activities is due to the decrease in pledged time deposits in order to pay the loan.

Note 3: The increase of cash flows from financing activities is due to the pay-off of long- and short-term debt.

## II. Research & Development Conditions

The Company will push to develop high value-added products that are fit to the current market trends and based on the clients' needs. We will continue in developing products that are qualified for international standards and clients' needs using the current products. In order to lower the costs of the research and development process, we will boost the capacity of R&D, and accelerate the introduction of the new products. We will also increase teamwork efficiency to have better control over the process of invention. The plan for developing new products and summary is as follow:

### (1) "Artificial Intelligence" and "Data Management" Software Series

In the era of Global Industry 4.0, data collation and analysis are now considered to be the top priorities for every enterprise. Thus, as top management makes decisions on the direction of company development and problem-solving, they are turning to data management as a promising trend. The top management requires a data management system to manage their factories, similar to how drivers rely on a dashboard to monitor and control the features of their cars. Data management system developed by the Company visualizes all production data in graphical charts and displays them on the screen, allowing for easy comprehension of machine operating instructions through a user-friendly interface. It offers real-time display of machine status, automatic recording of production quantities, computerized calculation to reduce error rates, automatic summarization and analysis of overall machine efficiency, and quick access to historical data. In addition, the system provides management with the necessary information and warnings to be the basis of management decision-making and to ensure efficient and successful operation.

The bending industry is facing a significant problem due to the absence of a flexible method to record the bending process which has led to increased testing expenses and losses. Moreover, customer complaints often arise from the inconsistent ability of their operator to bend pipes. Although pipe can be bent and tested successfully before delivery, customers often encounter difficulties in completing pipe bending after receiving the machine, and thus often attributed to the issues of pipe bending machine. As a result, workers are required to assist with pipe bending training or machine inspection which indirectly raising labor expenses. Our company has developed an AI pipe bender that utilizes machine reinforcement learning. Through a bending quality scoring system, the machine is informed of the correctness of its steps. Based on our feedback of right or wrong, the AI intelligent bending machine can learn and progressively correct itself like a human, ultimately achieving the correct result. When the pipe bender is upgraded to AI, the use of the machine is replaced by computer, allowing the machine to have the ability to judge its own condition and adjust parameters. Through machine learning algorithms, it can record bending experience, replace human setting of pipe bender parameters, diagnose abnormalities, and provide the best plan for pipe bending, achieving the goal of transforming and upgrading to Industry 4.0.

### (2) Laser Processing Series

As technology continue to advance, high-power laser cutting technology has gradually replaced metal processing technology. Laser cutting differs from traditional processing

in that the laser beam can be concentrated on the object through optical design, heating the object to the point of melting or vaporization with extremely high energy. Because the laser beam is a non-contact, it does not cause wear, deformation, or damage to the object.

As the demand for complex curved tubes, hydro-formed, extruded/stretched tubes have grown, traditional laser straight tube cutting machines can no longer meet the required processing standards. Instead, advanced, flexible, and fast "arm laser cutting systems" are utilized to better accommodate cutting irregular work pieces in a wider range. Our company's developed system employs a six-axis robot arm with an external servo rotating platform and utilizes a fiber optic laser source. By reducing cutting power loss, saving energy, and being environmentally friendly, this system can satisfy the demands for high-efficiency precision cutting. A variety of materials, including iron, high-hardness steel, stainless steel, copper, and aluminum alloys, can be cut by using the "arm laser cutting system" with several degrees of freedom. The cutting path can be created from a 3D drawing file by importing it into CAD/CAM software, and the path can then be optimized via interference simulation. Saving samples and procedures while shortening the production preparation cycle can minimize production costs and increase productivity.

### (3) Pipe Processing Automation Equipment

The main manufacturing process for End-Forming Machine is to fixate with the object and to process the end of pipe by moving the stamping die, therefore the time for stamping shall be superimposed which result in the longer total processing time. Speed and accuracy are the two main points in designing the machine used in the automatic production line. The close integration of the moving module and the robot arm has a great impact on the efficiency of the automatic production line. The Company has designed the moving module to replace what was manually needed for 8 workers to finish. The Company has designed the servo-driven moving module, which can move the object directly and can replace the eight-station die movement to achieve the continuous production. Because the production tempo is equals to the processing time of one station, the module can significantly reduce the processing time. It can be used in the auto parts industry such as in a critical part required for each seat belt of each car seat. Therefore, any clients that produce the products related to car seat and its supply chain will all be our potential target group. The modularized design allows clients to produce more reliable products and further enhances the stability and availability of the system.

## III. Summary of the 2023 Business Plan:

### (1) Operating policies

1. Because the demand characteristic of the global industry is gradually moving toward larger-scale, detail-orientated, and diverse, the sophisticated, high-speed, compound, and systemized tooling machine shall be developing. Therefore, improving the product level, lowering the costs, and developing new products will be the key to our success.
2. To start with the products that are widely known and to take over the market under functions that can fit well into the niche market. Not only it can reduce the risks from marketing the new product but also allows the Company to establish the basic production management in which further controls the costs of the products. To enable the Company from receiving the latest news upon the market and stay competitive by working with clients closely. To promote the high-value products gradually to help clients saving human resources and capacity, and create a win-win situations for the Company and the clients.
3. Strengthen performance management, enhance problem-solving ability, and improve policy execution.
4. Continue research and development, lead the industry, develop, and enhance customer technical services in response to their needs to make sure the differences and competitiveness of the products and maintain the role as the pioneer of the industry.

(2) Important production and marketing policies

1. To develop laser cutting machine with the latest technology and continuously promote the Smart Automation Cell, and to adopt high precision robotic arms and combine with the requirements from different industries to plan and manufacture the automatic process, reduce the needs of manpower, and stabilize the quality of the finished pipes. To adopt the systematic program to support multitasking which can process numerous pipes at the same time and greatly improve the production efficiency. Moreover, to adjust the self-developed central controlling system to align with the production needs, or to set the system into the singular use, multiple use or full-built mode which can lower the costs, save the manpower, improve the quality, and with remote monitoring, realize the goal of 24-hour unattended factory and intelligent production.
2. To further develop the new clients in South Asia and South East Asia while maintaining the current existing clients based among China, North America, and the rest of overseas business. This may diversify the market risk and increase our market share to grow income and revenue simultaneously.

Much appreciated to our beloved shareholders for the love and support in the past year. We will continue in developing highly competitive and innovation products in the upcoming year. It is our goal to achieve better efficiency and lowering the costs that enables our clients to receive the best prices, to help us and our clients in obtaining market opportunities, and to bring a prosperous future to all.

Last but not least, to wish our dearest shareholders,  
Healthy body, wealthy life.

Chairman of the Board: HU, PING-KUN



Manager: HU, CHUN-CHIA



Accounting Supervisor: HUANG, KUO-CHANG



YING HAN TECHNOLOGY CO., LTD.  
Audit Committee's Review Report

The Board of Directors prepared the Company's 2022 business report and financial statements, among which the financial statements were audited by CPAs WU, CHANG-JUN and LIAO, HUNG-JU of Deloitte & Touche, by whom an audit report was issued. The business report and financial statements stated above have been audited by the supervisors and found to be in compliance with Article 14-4 in the Securities and Exchange Act and Article 219 in the Company Act.

It is hereby presented to

The 2023 Annual Meeting of Shareholders of YING HAN TECHNOLOGY CO., LTD.

Audit Committee Convener: Cai, Ming-Zhi

A handwritten signature in black ink, appearing to read '蔡明志' (Cai Ming-Zhi), with a long horizontal stroke extending to the right.

March 14, 2023

YING HAN TECHNOLOGY CO., LTD.  
Audit Committee's Review Report

The Board of Directors prepared the Company's 2022 Deficit Compensation Statements which have been audited by the supervisors and found to be in compliance with Article 14-4 in the Securities and Exchange Act and Article 219 in the Company Act.

It is hereby presented to

The 2023 Annual Meeting of Shareholders of YING HAN TECHNOLOGY CO., LTD.

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March 14, 2023

## Report of 2022 Capital Injection and Sound Business Plan

According to the Letter No.:Jin-Guan-Certificate No. 1100371929 issued by the Financial Supervision Commission, the Company shall report the implementation of sound business plan to the Board of Directors and the shareholders' meeting quarterly. The implementation and result of sound business plan are as follow:

Description:

I.Purpose of Capital Injection: The purpose of capital injection is to repay bank loans. The issue has been approved by the Letter No.:Jin-Guan-Certificate No. 1100371929 issued by the Financial Supervision Commission on November 22, 2021, and the Board of Directors has authorized the Chairman to establish the record date of capital injection as December 27, 2021. Until now, the full amount of the capital has been received, and the registration has been changed.

II.The Company shall continue strengthen the sound business strategies on business, R&D, and management aspect. The sound business strategies are as follow:

1. Business Aspect

(1) To start with the products that are widely known and to take over the market under functions that can fit well into the niche market. Not only it can reduce the risks from marketing the new product but also allows the Company to establish the basic production management in which further controls the costs of the products.

(2) To enable the Company from receiving the latest news upon the market and stay competitive by working with clients closely. To promote the high-value products gradually to help clients saving human resources and capacity, and create a win-win situations for the Company and the clients.

2. R&D Aspect:

The Company will accelerate the development of high-value products that meet market trends and customer needs. In addition to continuing to develop products that meet international standards and customer needs based on current products, we will also strengthen the development to shorten the new product introduction schedule and reduce overall development costs, and enhance the efficiency of team-work to control the progress of new product development. The new product development plan and summary are as follow:

(1) "Artificial Intelligence" and "Data Management" Software Serie

In the era of Global Industry 4.0, data collation and analysis are now considered to be the top priorities for every enterprise. Thus, as top management makes decisions on the direction of company development and problem-solving, they are turning to data management as a promising trend. The top management requires a data management system to manage their factories, similar to how drivers rely on a dashboard to monitor and control the features of their cars. Data management system developed by the Company visualizes all production data in graphical charts and displays them on the screen, allowing for easy comprehension of machine operating instructions through a user-friendly interface. It offers real-time display of machine status, automatic recording of production quantities, computerized calculation to reduce error rates, automatic summarization and analysis of overall machine efficiency, and quick access to historical data. In addition, the system provides management with the necessary information and warnings to be the basis of management decision-making and to ensure efficient and successful operation.

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and can replace the eight-station die movement to achieve the continuous production. Because the production tempo is equals to the processing time of one station, the module can significantly reduce the processing time. It can be used in the auto parts industry such as in a critical part required for each seat belt of each car seat. Therefore, any clients that produce the products related to car seat and its supply chain will all be our potential target group. The modularized design allows clients to produce more reliable products and further enhances the stability and availability of the system

### 3. Management Aspect:

(1) The Company will repay the bank loans immediately when receiving the funds from the offering to use long-term funds to support short-term bank financing. This will improve our solvency, enhancing capital deployment, improving financial structure, and achieving our goal of improving operational efficiency.

(2) The Company will review daily operating expenses and cost structure regularly to enhance operational efficiency and improve profitability by streamlining manpower and reducing expenses.

(3) The Company will maintain internal control system to promote the routine business by system and procedure, and improve the operation. At the same time, we will review and test the system from time to time, and propose amendments in accordance with the procedures if necessary to meet the needs and comply with the law.

### III. Results:

Unit: NTD\$ 1,000

Year Items	2021 (Actual)	2022 (Actual)	2022 (Estimated)
Operating revenue	823,592	762,235	977,281
Operating costs	619,080	526,333	688,011
Gross profit	204,512	235,902	289,270
Operating expenses	299,737	301,369	280,504
Other Revenue or expenses	1,775	15	-
Operating Income	(93,450)	(65,452)	8,766
Non-operating revenue (expenses)	(38,838)	49,635	(1,201)
Income before Tax	(132,288)	(15,817)	7,565

As the epidemic is coming to an end, the automobile industry gradually resumed production and the tooling machine market recovered, the orders received by the Company have been gradually increase. In addition, the Company has improved the operating efficiency, and thus, the consolidated net operating loss of NTD \$ 65,452,000 and net loss before tax of NTD \$15,817,000 for FY2022 are lower than NTD \$93,450,000 and NTD \$132,288,000 for FY2021. The net loss before tax has been gradually decrease and the Company will keep an eye on currency exchange rate to reduce the risk of exchange rate fluctuations. Moreover, as the received orders have become stable, the quotation has been adjusted to reflect the costs and exchange rate fluctuations, and depreciation of the New Taiwan dollar resulted in gross margin increasing for 2022, we expect that the revenue will increase steadily in the future. At the same time, the Company will reduce operating expenses to move toward profit gradually. After completing the capital injection, all the funds have been used to repay the short-term loans, which will reduce expenses of interest and further enhance profitability.

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
YING HAN Technology Co., Ltd.

### **Opinion**

We have audited the accompanying consolidated financial statements of YING HAN Technology Co., Ltd. And Subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

### **Basis for Opinion**

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

### **Key Audit Matters**

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

Key audit matter for the Company's consolidated financial statements for the year ended December 31, 2022, is stated as follows:

#### The revenue authenticity of specific customer

The Company is dedicated in designing, manufacturing, installing and sales of parts for automatic machinery such as intelligent pipe bender, forming machine, vertical working machine. The Company's major revenue is from the sales of machinery. The machinery is small in quantity but has higher unit price. The revenue for specific customers has significant impact on the Company's Operating Revenue which is shown on the customer sales report of machineries for year 2022 and 2021. In consequence, we listed the authenticity of the revenue of specific customers for the Company as a key audit matter.

Our audit procedures based on the key audit matter found above includes:

1. Understand and test the internal control systems of operating procedures related to sales cycle and evaluate the effectiveness of the rationale behind the set up and implementation.

2. Sampling the year sales transaction report of specific customers, review the sales orders, customs declarations, invoices, and shipment or loading certificates with customer's signature. And tally the payment afterwards or notices to verify the revenue authenticity.

### **Other Matter**

We have also audited the parent company only financial statements of the Company Limited as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

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

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

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Deloitte & Touche  
Taipei, Taiwan Republic of China  
Auditor WU CHANG JUN

Auditor LIAO HUNG JU

No. Financial-Supervisory-Securities-Auditing-1110348898

No. Financial-Supervisory-Securities-Auditing - 0990031652

14 March 2023

YING HAN Technology Co., Ltd. and Subsidiaries  
**CONSOLIDATED BALANCE SHEETS**  
December 31, 2022 & 2021

Unit: Thousands of New Taiwan Dollars

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					
1100	Cash and cash equivalents (Note 4 and 6)	\$ 265,115	11	\$ 338,883	12
1136	Current Financial assets carried at amortized cost (Note 4, 7 and 29)	-	-	250,739	9
1150	Notes receivable ( Note 4, 8 and 21 )	107,694	4	78,651	3
1170	Accounts receivable (Note 4, 8 and 21)	189,762	8	243,581	9
1180	Receivables from related parties ( Note 4, 8, 21 and 28 )	44,281	2	48,949	2
1200	Other receivables ( Note 4 and 8 )	4,073	-	6,062	-
1210	Receivables from related parties ( Note 4, 8 and 28 )	115	-	-	-
1220	Tax assets (Note 23)	1,329	-	3,328	-
130X	Inventories (Note 4 and 9)	820,034	33	824,022	29
1410	Prepayments (Note 28)	67,681	3	19,636	1
1479	Other current assets	3,316	-	3,951	-
11XX	Total current assets	<u>1,503,400</u>	<u>61</u>	<u>1,817,802</u>	<u>65</u>
<b>NONCURRENT ASSETS</b>					
1600	Property, plant and equipment (note 4,11 and 29)	804,531	33	832,867	29
1755	Right-of-use assets (Note 4 and 12)	83,640	3	81,382	3
1760	Investment properties (Note 4, 13 and 29)	18,694	1	19,241	1
1805	Goodwill (Note 14 and 25)	5,333	-	-	-
1821	Other intangible assets (Note 4 and 15)	350	-	424	-
1840	Deferred income tax assets (Note 4 and 23)	27,487	1	24,540	1
1915	Prepayment for equipment	-	-	2,932	-
1931	Long term Notes receivable (Note 8 and 21)	7,773	-	7,211	-
1942	Long term Receivables from related parties ( Note 8, 21 and 28 )	15,917	1	19,298	1
1920	Refundable deposits (Note 4)	6,026	-	4,049	-
1990	Other noncurrent assets	400	-	400	-
15XX	Total noncurrent assets	<u>970,151</u>	<u>39</u>	<u>992,344</u>	<u>35</u>
1XXX	Total Assets	<u>\$ 2,473,551</u>	<u>100</u>	<u>\$ 2,810,146</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
2100	Short-term borrowings (Note 16 and 29)	\$ 360,000	15	\$ 564,000	20
2110	Short-term notes and bills payable (Note 16)	82,058	3	145,428	5
2130	Current contracts liabilities (Note 21)	84,567	4	66,418	3
2150	Notes payable	-	-	1	-
2170	Accounts payable	108,863	5	132,768	5
2180	Accounts payable from related parties (Note 28)	3,458	-	4,344	-
2219	Other payables (Note 17)	70,730	3	65,605	2
2220	Other payables from related parties (Note 28)	4,752	-	5,270	-
2230	Current tax liabilities (Note 23)	72	-	1,582	-
2250	Current Provision for Liabilities (Note 4 and 18)	4,003	-	2,879	-
2280	Current Lease liabilities (Note 4, 12 and 28)	8,605	-	8,065	-
2320	Long-term loans due within one year (Note 16 and 29)	82,902	3	74,275	3
2399	Other current liabilities	3,336	-	6,486	-
21XX	Total current liabilities	<u>813,346</u>	<u>33</u>	<u>1,077,121</u>	<u>38</u>
<b>NONCURRENT LIABILITIES</b>					
2540	Long-term bank loans (Note 16 and 29)	414,270	17	496,135	18
2570	Deferred income tax liabilities	3,275	-	-	-
2580	Non-current Lease liability (Note 4, 12 and 28)	75,657	3	73,521	3
2640	Non-current Net defined benefit liability (Note 4 and 19)	10,840	-	14,832	-
2645	Guarantee deposits (Note 28)	25,104	1	25,104	1
25XX	Total noncurrent liabilities	<u>529,146</u>	<u>21</u>	<u>609,592</u>	<u>22</u>
2XXX	Total liabilities	<u>1,342,492</u>	<u>54</u>	<u>1,686,713</u>	<u>60</u>
<b>Equity attributable to owners (Note 20)</b>					
3110	Common stock	875,460	35	875,460	31
3200	Capital reserve	347,593	14	347,593	12
<b>Accumulated deficits</b>					
3310	Legal reserve	86,606	3	86,606	3
3320	Special reserve	16,373	1	16,373	1
3350	Accumulated deficit	( 206,732 )	( 8 )	( 197,774 )	( 7 )
3300	Total accumulated deficit	( 103,753 )	( 4 )	( 94,795 )	( 3 )
3400	Other interests	( 2,601 )	-	( 11,370 )	-
31XX	Total of owners' equity	<u>1,116,699</u>	<u>45</u>	<u>1,116,888</u>	<u>40</u>
36XX	Non-controlling interest	14,360	1	6,545	-
3XXX	Total equity	<u>1,131,059</u>	<u>46</u>	<u>1,123,433</u>	<u>40</u>
<b>Total liabilities and equity</b>					
		<u>\$ 2,473,551</u>	<u>100</u>	<u>\$ 2,810,146</u>	<u>100</u>

The appended notes are parts of this consolidated financial statements.

YING HAN Technology Co., Ltd. and Subsidiaries  
**Consolidated Statements of Comprehensive Income**  
January 1 – December 31, 2022 & 2021

Unit: Thousands of New Taiwan Dollars  
\*The net loss per share is New Taiwan Dollars

Code		Year 2022		Year 2021	
		Amount	%	Amount	%
4100	Operating revenues (Note 4, 21 and 28)	\$ 762,235	100	\$ 823,592	100
5110	Operating costs (Note 9, 22 and 28)	<u>526,333</u>	<u>69</u>	<u>619,080</u>	<u>75</u>
5900	Operating margin	<u>235,902</u>	<u>31</u>	<u>204,512</u>	<u>25</u>
	Operating expenses (Note 8, 22 and 28)				
6100	Sales and marketing expenses	156,059	21	165,518	20
6200	General and administrative expenses	86,507	11	78,227	10
6300	Research expenses	50,708	7	53,160	6
6450	Expected credit impairment losses( Rotation benefits )	<u>8,095</u>	<u>1</u>	<u>2,832</u>	<u>-</u>
6000	Total of operating expenses	<u>301,369</u>	<u>40</u>	<u>299,737</u>	<u>36</u>
6500	Other non-operating income and expenses (Note 22)	<u>15</u>	<u>-</u>	<u>1,775</u>	<u>-</u>
6900	Operating Loss	( <u>65,452</u> )	( <u>9</u> )	( <u>93,450</u> )	( <u>11</u> )
	Non-operating revenue and expenses (Note 4, 22 and 28)				
7100	Interest income	4,159	1	2,763	-
7010	Other income	17,333	2	34,740	4
7020	Other gains and losses	48,001	6	( 56,424 )	( 7 )
7050	Finance costs	( <u>19,858</u> )	( <u>2</u> )	( <u>19,917</u> )	( <u>2</u> )
7000	Total of Non-operating revenue and expenses	<u>49,635</u>	<u>7</u>	( <u>38,838</u> )	( <u>5</u> )
7900	Loss before tax	( 15,817 )	( 2 )	( 132,288 )	( 16 )
7950	Income tax expense (or Benefit) (Note 4 and 23)	( <u>1,753</u> )	<u>-</u>	<u>4,183</u>	<u>1</u>

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( Continued )

Code		Year 2022		Year 2021	
		Amount	%	Amount	%
8200	Current year loss	( <u>14,064</u> )	( <u>2</u> )	( <u>136,471</u> )	( <u>17</u> )
	Other comprehensive income				
	Items not classified to profit or loss:				
8311	Remeasurements of the net defined benefit (Note 19)	<u>3,367</u>	<u>1</u>	( <u>1,004</u> )	<u>-</u>
8360	Items may be classified to profit or loss:				
8361	Exchange Differences on Translation of Foreign Financial Statements	11,378	1	6,112	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss. (Note 20)	( <u>2,192</u> )	<u>-</u>	( <u>1,425</u> )	<u>-</u>
		<u>9,186</u>	<u>1</u>	<u>4,687</u>	<u>1</u>
8300	Other comprehensive income (Net of tax )	<u>12,553</u>	<u>2</u>	<u>3,683</u>	<u>1</u>
8500	Total of Other comprehensive income	( <u>\$ 1,511</u> )	<u>-</u>	( <u>\$ 132,788</u> )	( <u>16</u> )
	Net losses belongs to:				
8610	Owners	( \$ 12,325 )	( 2 )	( \$ 136,400 )	( 17 )
8620	Non-controlling interests	( <u>1,739</u> )	<u>-</u>	( <u>71</u> )	<u>-</u>
8600		( <u>\$ 14,064</u> )	( <u>2</u> )	( <u>\$ 136,471</u> )	( <u>17</u> )
	Comprehensive profit and loss belongs to:				
8710	Owners	( \$ 189 )	-	( \$ 131,705 )	( 16 )
8720	Non-controlling interests	( <u>1,322</u> )	<u>-</u>	( <u>1,083</u> )	<u>-</u>
8700		( <u>\$ 1,511</u> )	<u>-</u>	( <u>\$ 132,788</u> )	( <u>16</u> )
	Net loss per share (Note 24)				
9750	Basic	( \$ 0.14 )		( \$ 2.01 )	
9850	Dilution	( 0.14 )		( 2.01 )	

The appended notes are parts of this consolidated financial statements.

YING HAN Technology Co., Ltd. and Subsidiaries  
**Consolidated Statements of Changes in Equity**  
January 1 – December 31, 2022 & 2021

Unit: Thousands of New Taiwan Dollars

		Equity attributable to owners								
		Stock	Accumulated loss			Other Equity Interest				
Code		Common Stock	Capital Reserve	Legal Reserve	Special Reserve	Accumulated Deficits	Exchange Differences on Translation of Foreign Financial Statements	Total	Non-controlling Interest	Total Equity
A1	Balance as of January 1, 2021	\$ 675,460	\$ 248,555	\$ 86,606	\$ 16,373	(\$ 60,370)	(\$ 17,069)	\$ 949,555	\$ 7,628	\$ 957,183
D1	Net Loss of Year 2021	-	-	-	-	( 136,400)	-	( 136,400)	( 71)	( 136,471)
D3	Other Comprehensive Income of Year 2021 (net of tax)	-	-	-	-	( 1,004)	5,699	4,695	( 1,012)	3,683
D5	Total comprehensive income of Year 2021	-	-	-	-	( 137,404)	5,699	( 131,705)	( 1,083)	( 132,788)
E1	Capital increase (Note 20)	200,000	98,500	-	-	-	-	298,500	-	298,500
N1	Employee stock options (Note 20)	-	538	-	-	-	-	538	-	538
Z1	Balance as of December 31, 2021	875,460	347,593	86,606	16,373	( 197,774)	( 11,370)	1,116,888	6,545	1,123,433
D1	Net Loss of Year 2022	-	-	-	-	( 12,325)	-	( 12,325)	( 1,739)	( 14,064)
D3	Other Comprehensive Income of Year 2022 (net of tax)	-	-	-	-	3,367	8,769	12,136	417	12,553
D5	Total comprehensive income of Year 2022	-	-	-	-	( 8,958)	8,769	( 189)	( 1,322)	( 1,511)
O1	Non-controlling interest (Note 10 and 20)	-	-	-	-	-	-	-	9,137	9,137
Z1	Balance as of December 31, 2022	\$ 875,460	\$ 347,593	\$ 86,606	\$ 16,373	(\$ 206,732)	(\$ 2,601)	\$ 1,116,699	\$ 14,360	\$ 1,131,059

The appended notes are parts of this consolidated financial statements.



YING HAN Technology Co., Ltd. and Subsidiaries  
**Consolidated Statements of Cash Flows**  
January 1 – December 31, 2022 & 2021

Unit: Thousands of New Taiwan Dollars

Code		Year 2022	Year 2021
	Operating Cash Flow		
A10000	Net loss before tax	(\$ 15,817)	(\$ 132,288)
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation	50,253	49,382
A20200	Amortization	74	94
A29900	Expected Credit Losses	8,095	2,832
A20900	Finance costs	19,858	19,917
A21100	Profit from lease modification	( 45)	( 1,707)
A21200	Interest income from bank deposits	( 4,159)	( 2,763)
A21900	Employee compensation payable	-	538
A22500	Loss from disposal of fixed assets	30	( 38)
A23700	Inventory Valuation and Obsolescence Losses		
		507	6,955
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	( 29,883)	( 1,002)
A31150	Accounts receivable	46,170	( 86,538)
A31160	Accounts receivable from related parties	8,049	87,457
A31180	Other receivables	1,989	( 1,177)
A31190	Other receivable from related parties	( 115)	-
A31200	Inventory	3,360	24,503
A31230	Prepayments	( 47,785)	( 2,987)
A31240	Other current assets	649	( 1,764)
A32130	Notes payable	( 1)	( 48)
A32150	Accounts payable	( 23,905)	25,559
A32160	Other payables from related parties	( 886)	1,480
A32180	Other payables	4,896	( 2,996)
A32190	Other payables from related parties	( 518)	1,284
A32200	Liability reserve	1,124	( 1,574)
A32125	Contracts liabilities	18,149	3,247
A32230	Other current liabilities	( 4,268)	2,988
A32240	Liability – defined benefit liability	( 3,992)	( 387)
A33000	Operating cash flow	31,829	( 9,033)
A33100	Interest chargeable	4,159	2,763
A33300	Interest payment	( 19,599)	( 20,241)

( Continue on the next page )

( Continued )

Code		Year 2022	Year 2021
AC0500	Rebate of income tax	1,995	2,138
AAAA	Net cash inflow from operating activities	<u>18,384</u>	<u>( 24,373 )</u>
	<b>Cash Flows from Investing Activities</b>		
B00050	Financial assets measured at amortized cost are assets	250,739	10,875
B02200	Net cash outflow from subsidiaries	( 654 )	-
B02700	Purchase of property, plant and equipment	( 8,508 )	( 108,566 )
B02800	Gain on disposal of property, plant and equipment	-	38
B03700	Increase of refundable deposit	( 1,934 )	( 1,596 )
B03800	Decrease of refundable deposit	-	2,845
B04500	Intangible assets	-	( 85 )
B06700	Increase of other non-current assets	-	( 400 )
B07100	Increase of prepayments for equipment	-	( 1,569 )
BBBB	Net cash inflow from investment activities	<u>239,643</u>	<u>( 98,458 )</u>
	<b>Cash Flows from Financing Activities</b>		
C00100	Increase of short-term borrowings	852,000	1,269,000
C00200	Decrease of short-term borrowings	( 1,056,000 )	( 1,454,500 )
C00500	Increase of short term Notes receivable	871,600	675,500
C00600	Decrease of short term Notes receivable	( 935,000 )	( 650,000 )
C01600	Borrowing of long-term loan	-	131,580
C01700	Repayment of long-term loan	( 75,944 )	( 78,962 )
C04020	Payments of lease liabilities	( 9,569 )	( 10,103 )
C04600	Capital increase	-	298,500
CCCC	Net Cash Flows from Financing Activities	<u>( 352,913 )</u>	<u>181,015</u>
DDDD	Effect of exchange rate changes on cash and cash	<u>21,118</u>	<u>1,734</u>
EEEE	Net increase (decrease) in cash and cash equivalents	( 73,768 )	59,918
E00100	Cash and cash equivalents at the beginning of year	<u>338,883</u>	<u>278,965</u>
E00200	Cash and cash equivalents at the end of year	<u>\$ 265,115</u>	<u>\$ 338,883</u>

The appended notes are parts of this consolidated financial statements.

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
YING HAN Technology Co., Ltd.

### **Opinion**

We have audited the accompanying individual financial statements of YING HAN Technology Co., Ltd. (the "Company"), which comprise the individual balance sheets as of December 31, 2022 and 2021, and the individual statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the individual financial statements, including a summary of significant accounting policies.

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

### **Basis for Opinion**

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

### **Key Audit Matters**

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

Key audit matter for the Company's individual financial statements for the year ended December 31, 2022, is stated as follows:

#### The revenue authenticity of specific customer

The Company is dedicated in designing, manufacturing, installing and sales of parts for automatic machinery such as intelligent pipe bender, forming machine, vertical working machine. The Company's major revenue is from the sales of machinery. The machinery is small in quantity but has higher unit price. The revenue for specific customers has significant impact on the Company's Operating Revenue which is shown on the customer sales report of machineries for year 2022 and 2021. In consequence, we listed the authenticity of the revenue of specific customers for the Company as a key audit matter.

Our audit procedures based on the key audit matter found above includes:

1. Understand and test the internal control systems of operating procedures related to sales cycle and evaluate the effectiveness of the rationale behind the set up and implementation.
2. Sampling the year sales transaction report of specific customers, review the sales orders, customs declarations, invoices, and shipment or loading certificates with customer's signature. And tally the payment afterwards or notices to verify the revenue authenticity.

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

Management is responsible for the preparation and fair presentation of the individual financial

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

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

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

### **Auditors' Responsibilities for the Audit of the Individual Financial Statements**

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

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

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

financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Deloitte & Touche

Taipei, Taiwan Republic of China

Auditor WU CHANG JUN

Auditor LIAO HUNG JU

No.Financial-Supervisory-Securities-Auditing-1110348898

No.Financial-Supervisory-Securities-Auditing - 0990031652

14 March 2023

YING HAN Technology Co., Ltd.  
**INDIVIDUAL BALANCE SHEETS**  
December 31, 2022 & 2021

Unit: Thousands of New Taiwan Dollars

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					
1100	Cash and cash equivalents (Note 4 and 6)	\$ 168,202	7	\$ 263,736	10
1136	Current Financial assets carried at amortized cost (Note 4, 7 and 27)	-	-	250,739	10
1150	Notes receivable ( Note 4, 8, 20 and 26 )	39,640	2	17,374	1
1170	Accounts receivable (Note 4, 8 and 20)	94,977	4	130,370	5
1180	Receivables from related parties ( Note 4, 8, 20 and 26 )	209,070	9	196,730	7
1200	Other receivables ( Note 4 and 8 )	1,646	-	3,562	-
1210	Receivables from related parties ( Note 4, 8 and 26 )	87,352	4	25,353	1
1220	Tax assets (Note 22)	213	-	3,131	-
130X	Inventories (Note 4 and 9)	666,467	29	678,472	26
1410	Prepayments (Note 26)	10,983	-	9,961	-
1479	Other current assets	1,875	-	2,147	-
11XX	Total current assets	<u>1,280,425</u>	<u>55</u>	<u>1,581,575</u>	<u>60</u>
<b>NONCURRENT ASSETS</b>					
1550	Investment adjustments for Using Equity Method (Note 4, 10)	240,641	11	234,120	9
1600	Property, plant and equipment (note 4,11 and 27)	719,794	31	749,601	28
1755	Right-of-use assets (Note 4 and 12)	5,175	-	4,570	-
1760	Investment properties (Note 4, 13 and 27)	18,694	1	19,241	1
1821	Other intangible assets (Note 4,14)	350	-	424	-
1840	Deferred income tax assets (Note 4 and 22)	27,487	1	24,540	1
1900	Other noncurrent assets	400	-	400	-
1915	Prepayment for equipment	-	-	2,932	-
1930	Long term Notes receivable (Note 8 and 20)	7,773	-	7,211	-
1940	Long term Receivables from related parties ( Note 8, 20 and 26 )	15,917	1	19,298	1
1920	Refundable deposits (Note 4)	4,611	-	3,284	-
15XX	Total noncurrent assets	<u>1,040,842</u>	<u>45</u>	<u>1,065,621</u>	<u>40</u>
1XXX	Total Assets	<u>\$ 2,321,267</u>	<u>100</u>	<u>\$ 2,647,196</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
2100	Short-term borrowings (Note 15 and 27)	\$ 360,000	16	\$ 564,000	21
2110	Short-term notes and bills payable (Note 15)	82,058	4	145,428	6
2130	Current contracts liabilities (Note 20 and 26)	64,211	3	30,320	1
2170	Accounts payable	108,506	5	132,583	5
2180	Accounts payable from related parties (Note 26)	3,254	-	4,344	-
2219	Other payables (Note 16)	52,136	2	49,813	2
2220	Other payables from related parties (Note 26)	9,651	-	11,146	-
2250	Current Provision for Liabilities (Note 4,17)	3,696	-	2,582	-
2280	Current Lease liabilities (Note 4, 12 and 26)	3,119	-	3,105	-
2320	Long-term loans due within one year (Note 15 and 27)	76,092	3	67,759	3
2399	Other current liabilities	1,651	-	2,773	-
21XX	Total current liabilities	<u>764,374</u>	<u>33</u>	<u>1,013,853</u>	<u>38</u>
<b>NONCURRENT LIABILITIES</b>					
2540	Long-term bank loans (Note 15 and 27)	398,866	17	474,958	18
2570	Deferred income tax liabilities	3,275	-	-	-
2580	Non-current Lease liability (Note 4, 12 and 26)	2,109	-	1,561	-
2640	Non-current Net defined benefit liability (Note 4 and 18)	10,840	1	14,832	1
2645	Guarantee deposits (Note 26)	25,104	1	25,104	1
25XX	Total noncurrent liabilities	<u>440,194</u>	<u>19</u>	<u>516,455</u>	<u>20</u>
2XXX	Total liabilities	<u>1,204,568</u>	<u>52</u>	<u>1,530,308</u>	<u>58</u>
<b>Equity (Note 19)</b>					
3110	Common stock	875,460	38	875,460	33
3200	Capital reserve	347,593	15	347,593	13
<b>Accumulated deficits</b>					
3310	Legal reserve	86,606	4	86,606	3
3320	Accumulated deficit	16,373	-	16,373	1
3350	Accumulated deficit	( 206,732 )	( 9 )	( 197,774 )	( 8 )
3300	Total accumulated deficit	<u>( 103,753 )</u>	<u>( 5 )</u>	<u>( 94,795 )</u>	<u>( 4 )</u>
3400	Other equity	( 2,601 )	-	( 11,370 )	-
3XXX	Total equity	<u>1,116,699</u>	<u>48</u>	<u>1,116,888</u>	<u>42</u>
Total liabilities and equity		<u>\$ 2,321,267</u>	<u>100</u>	<u>\$ 2,647,196</u>	<u>100</u>

The appended notes are parts of this individual financial statements.

YING HAN Technology Co., Ltd.  
**Individual Statements of Comprehensive Income**  
January 1 – December 31, 2022 & 2021

Unit: Thousands of New Taiwan Dollars  
\*The net loss per share is New Taiwan Dollars

Code		Year 2022		Year 2021	
		Amount	%	Amount	%
4100	Operating revenues (Note 4, 20 and 26)	\$ 692,587	100	\$ 663,893	100
5110	Operating costs (Note 9, 21 and 26)	<u>486,762</u>	<u>70</u>	<u>515,926</u>	<u>78</u>
5900	Operating margin	205,825	30	147,967	22
5910	Unrealized interest income with parent companies	( 10,448 )	( 2 )	( 17,497 )	( 3 )
5920	Realized interest income with parent companies	<u>5,536</u>	<u>1</u>	<u>30,745</u>	<u>5</u>
5950	Realized operating margin	<u>200,913</u>	<u>29</u>	<u>161,215</u>	<u>24</u>
	Operating expenses (Note 8, 21 and 26)				
6100	Sales and marketing expenses	107,107	15	117,774	17
6200	General and administrative expenses	61,163	9	58,735	9
6300	Research expenses	49,868	7	53,160	8
6450	Expected credit impairment losses( Rotation benefits )	<u>4,966</u>	<u>1</u>	<u>689</u>	<u>-</u>
6000	Total of operating expenses	<u>223,104</u>	<u>32</u>	<u>230,358</u>	<u>34</u>
6500	Other non-operating income and expenses (Note 21)	<u>-</u>	<u>-</u>	<u>38</u>	<u>-</u>
6900	Operating Loss	( <u>22,191</u> )	( <u>3</u> )	( <u>69,105</u> )	( <u>10</u> )
	Non-operating revenue and expenses (Note 4, 10, 21 and 26)				
7100	Interest income	3,383	1	2,278	-
7010	Other income	15,865	2	33,024	5
7020	Other gains and losses	70,604	10	( 22,015 )	( 3 )
7050	Finance costs	( 17,499 )	( 3 )	( 17,702 )	( 3 )

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( Continued )

Code		Year 2022		Year 2021	
		Amount	%	Amount	%
7070	Share of Profit or Loss of parent company using equity method	( <u>64,351</u> )	( <u>9</u> )	( <u>59,221</u> )	( <u>9</u> )
7000	Total of Non-operating revenue and expenses	<u>8,002</u>	<u>1</u>	( <u>63,636</u> )	( <u>10</u> )
7900	Loss before tax	( 14,189 )	( 2 )	( 132,741 )	( 20 )
7950	Income tax expense (or Benefit) (Note 4 and 22)	( <u>1,864</u> )	<u>-</u>	<u>3,659</u>	<u>1</u>
8200	Current year loss	( <u>12,325</u> )	( <u>2</u> )	( <u>136,400</u> )	( <u>21</u> )
	Other Comprehensive Income				
8310	Items not classified to profit or loss:				
8311	Remeasurements of the net defined benefit (Note 18)	<u>3,367</u>	<u>1</u>	( <u>1,004</u> )	<u>-</u>
8360	Items may be classified to profit or loss:				
8361	Exchange Differences on Translation of Foreign Financial Statements	10,961	1	7,124	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss. (Note 22)	( <u>2,192</u> )	<u>-</u>	( <u>1,425</u> )	<u>-</u>
		<u>8,769</u>	<u>1</u>	<u>5,699</u>	<u>1</u>
8300	Other comprehensive income (Net of tax )	<u>12,136</u>	<u>2</u>	<u>4,695</u>	<u>1</u>
8500	Total of Other comprehensive income	( <u>\$ 189</u> )	<u>-</u>	( <u>\$ 131,705</u> )	( <u>20</u> )
	Net losses (Note 23)				
9750	Basic	( \$ 0.14 )		( \$ 2.01 )	
9850	Dilution	( 0.14 )		( 2.01 )	

The appended notes are parts of this individual financial statements.



YING HAN Technology Co., Ltd. and Subsidiaries  
**Individual Statements of Changes in Equity**  
January 1 – December 31, 2022 & 2021

Unit: Thousands of New Taiwan Dollars

Code		Accumulated deficits				Accumulated Deficits	Other Equity Interest	Total Equity
		Common Stock	Capital Reserve	Legal Reserve	Special Reserve		Exchange Differences on Translation of Foreign Financial Statements	
A1	Balance as of January 1, 2021	\$ 675,460	\$ 248,555	\$ 86,606	\$ 16,373	(\$ 60,370)	(\$ 17,069)	\$ 949,555
E1	Capital increase (Note 19)	200,000	98,500	-	-	-	-	298,500
C17	Employee stock option (Note 19)	-	538	-	-	-	-	538
D1	Net Loss of Year 2021	-	-	-	-	( 136,400)	-	( 136,400)
D3	Other Comprehensive Income of Year 2021 (net of tax)	-	-	-	-	( 1,004)	5,699	4,695
D5	Total comprehensive income of Year 2021	-	-	-	-	( 137,404)	5,699	( 131,705)
Z1	Balance as of December 31, 2021	875,460	347,593	86,606	16,373	( 197,774)	( 11,370)	1,116,888
D1	Net Loss of Year 2022	-	-	-	-	( 12,325)	-	( 12,325)
D3	Other Comprehensive Income of Year 2022 (net of tax)	-	-	-	-	3,367	8,769	12,136
D5	Total comprehensive income of Year 2022	-	-	-	-	( 8,958)	8,769	( 189)
Z1	Balance as of December 31, 2022	<u>\$ 875,460</u>	<u>\$ 347,593</u>	<u>\$ 86,606</u>	<u>\$ 16,373</u>	<u>(\$ 206,732)</u>	<u>(\$ 2,601)</u>	<u>\$ 1,116,699</u>

The appended notes are parts of this individual financial statements.

YING HAN Technology Co., Ltd. and Subsidiaries  
**Individual Statements of Cash Flows**  
January 1 – December 31, 2022 & 2021

Unit: Thousands of New Taiwan Dollars

Code		Year 2022	Year 2021
	<b>Operating Cash Flow</b>		
A10000	Net loss before tax	(\$ 14,189)	(\$ 132,741)
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation	38,367	38,503
A20200	Amortization	74	94
A20300	Expected Credit Losses	4,966	689
A20900	Finance costs	17,499	17,702
A21200	Interest income from bank deposits	( 3,383)	( 2,278)
A21900	Costs of Share-Based compensation payable	-	538
A22400	Share of Profit or Loss of parent company using equity method	64,351	59,221
A22500	Gain from disposal of fixed assets	-	( 38)
A23700	Inventory Valuation and Obsolescence Losses	-	1,300
A23900	Unrealized interest income with parent companies	10,448	17,497
A24000	Realized interest income with parent companies	( 5,536)	( 30,745)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	( 22,828)	1,746
A31150	Accounts receivable	30,427	( 61,291)
A31160	Accounts receivable from related parties	( 8,959)	46,957
A31180	Other receivables	1,916	( 1,280)
A31190	Other receivable from related parties	( 61,999)	( 838)
A31200	Inventory	12,005	( 25,825)
A31230	Prepayments	( 1,022)	( 423)
A31240	Other current assets	272	( 1,252)
A32130	Notes payable	-	( 48)
A32150	Accounts payable	( 24,066)	35,306
A32160	Account payables from related parties	( 1,090)	1,484
A32180	Other payables	2,091	805
A32190	Other payables from related parties	( 1,495)	10
A32200	Liability reserve	1,114	( 730)
A32125	Contracts liabilities	33,891	3,095
A32230	Other current liabilities	( 1,122)	471
A32240	Liability – defined benefit liability	( 625)	( 387)
A33000	Operating cash flow	71,107	( 32,458)
A33100	Interest chargeable	3,383	2,278
A33300	Interest payment	( 17,184)	( 17,646)
A33500	Rebate of income tax	2,918	( 23)
AAAA	Net cash inflow from operating activities	<u>60,224</u>	<u>( 47,849)</u>

( Continue on the next page )

( Continued )

Code		Year 2022	Year 2021
	<b>Cash Flows from Investing Activities</b>		
B00050	Financial assets measured at amortized cost are assets	250,739	10,875
B02200	Net cash outflow from subsidiaries	( 64,823 )	-
B02700	Purchase of property, plant and equipment	( 1,003 )	( 75,541 )
B02800	Gain on disposal of property, plant and equipment	-	38
B03700	Increase of refundable deposit	( 2,163 )	( 650 )
B03800	Decrease of refundable deposit	836	2,100
B04500	Intangible assets	-	( 85 )
B06700	Increase of other non-current assets	-	( 400 )
B07100	Increase of prepayments for equipment	-	( 2,127 )
BBBB	Net cash inflow from investment activities	<u>183,586</u>	<u>( 65,790 )</u>
	<b>Cash Flows from Financing Activities</b>		
C00100	Increase of short-term borrowings	852,000	1,269,000
C00200	Decrease of short-term borrowings	( 1,056,000 )	( 1,454,500 )
C00500	Increase of short term Notes receivable	871,600	675,500
C00600	Decrease of short term Notes receivable	( 935,000 )	( 650,000 )
C01600	Borrowing of long-term loan	-	80,500
C01700	Repayment of long-term loan	( 67,759 )	( 55,575 )
C04020	Payments of lease liabilities	( 4,185 )	( 3,780 )
C04500	Capital increase	-	298,500
CCCC	Net Cash Flows from Financing Activities	<u>( 339,344 )</u>	<u>159,645</u>
EEEE	Net increase (decrease) in cash and cash equivalents	( 95,534 )	46,006
E00100	Cash and cash equivalents at the beginning of year	<u>263,736</u>	<u>217,730</u>
E00200	Cash and cash equivalents at the end of year	<u>\$ 168,202</u>	<u>\$ 263,736</u>

The appended notes are parts of this individual financial statements.


  
**YING HAN TECHNOLOGY CO., LTD.**  
**2022 Deficit Compensation Statement**

Unit: NTD\$

Items	Total
Beginning of Period Retained Earnings	(\$ 197,775,129)
Actuarial Loss as Retained earnings	<u>3,366,890</u>
Unappropriated earnings after adjustments	( 194,408,239)
Net loss for the period	( 12,324,843)
Reversal of 10% Statutory Reserves	-
Reversal of Special Reserve	<u>-</u>
Deficit of This Period Yet to Be Compensated	( 206,733,082)
Distribution Item	
Cash Dividend to Shareholders	<u>-</u>
End of period deficit yet to be compensated	<u>(\$ 206,733,082)</u>
Note:	

  
 Chairman of the Board: HU, PING-KUN

  
 Manager: HU, CHUN-CHIA

  
 Accounting Supervisor: HUANG, KUO-CHANG

## Attachment VI

## YING HAN TECHNOLOGY CO., LTD.

Private Offering of Ordinary Shares – list of insiders as subscribers:

Subscriber	Selection method and purpose	Relation with the Company
Ying Lin Investment Co., Ltd.	Selecting the designated persons according to item 3, paragraph 1, Article 43-6, the Securities and Exchange Act. Selecting the subscriber who may directly or indirectly benefit the future operation of the Company	Director
HU, PING-KUN	Same as above	Representative Director & Chairman of the Board
Hu, Bing-Nan	Same as above	Representative Director
HU, CHUN-CHIA	Same as above	Director & Managing Director
Hu, Bo-Xiang	Same as above	Director
Fang, Ying-Tong	Same as above	Director
Li, Yun-Zhong	Same as above	Vice president
Chen, Ya-Fen	Same as above	Vice president
He, Meng-Jie	Same as above	Vice president
HUANG, KUO-CHANG	Same as above	CFO

The following issue shall be disclosed when the subscriber is juristic person shareholder:

Juristic person subscriber	Name of top 10 shareholders	Shareholding	Relation with the Company
Ying Lin Investment Co., Ltd.	Ying Lin Investment Co., Ltd.	100%	Investor with significant influence

## YING HAN TECHNOLOGY CO., LTD.

### Articles of Incorporation

#### Chapter 1 General Provisions

Article 1: The name of the Company is 穎漢科技股份有限公司 which is incorporated pursuant to the Company Act. The English name is YING HAN TECHNOLOGY CO., LTD.

Article 2: The following is the business scope of the Company:

ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

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

Article 4: Public announcements of the Company shall be made according to Article 28 of the Company Act.

Article 5: The total amount of investment by the Company in other limited liability companies may exceed 40 percent of its paid-up capital and authorizes the Board of Directors to carry out relevant business.

Article 6: The Company may provide guarantees to external parties for business needs according to the lending of funds and endorsement of guarantees procedure of the Company.

#### Chapter 2 Capital Stock

Article 7: The Company's total authorized capital is NTD\$ 1.5 billion, which is divided into 150 million shares, and divided into common shares and preferred shares with a par value of NT\$10 per share. Unissued shares authorize the Board of Directors to decide the issuance terms according to actual needs and are issued in tranches.

Article 7-1: The rights, obligations, and other important issuance terms of preferred shares are as follows:

1. If there is a surplus in the annual financial statements of this company, after paying all taxes and compensating for losses from previous years according to the law, 10% of the surplus shall be allocated as a statutory reserve. However, if the statutory reserve has reached the total amount of paid-in capital, no further allocation is required. Afterward, special reserves shall be allocated or reversed in accordance with regulations or the requirements of the competent authority. The remaining surplus shall be used as the basis for the distribution of dividends to preferred shareholders.
2. The maximum dividend for preferred shares shall be 8% of the annual rate and be calculated based on the issuance price per share. Dividends may be paid in cash once a year. After the financial statements are approved at the annual shareholders' meeting, the Board of Directors shall determine the record date to pay the dividends declared for the previous year. The number of dividends to be paid in the year of issuance and the year of redemption shall be calculated based on the actual number of days the preferred shares were outstanding in that year.
3. The Company has sole discretion on the distribution of preferred share dividends. If, after annual financial statements, there is no surplus or insufficient surplus for distributing preferred share dividends, the

Company may determine not to distribute the preferred share dividends, in which case preferred shareholders shall not raise any objection. If the preferred shares issued are specified as non-cumulative, the distributed dividends or shortfalls in dividends distributed shall not be cumulative or become payable in subsequent profitable years.

4. If the preferred shares are specified as non-participating, except for the dividends stipulated in the 2<sup>nd</sup> subparagraph of this paragraph, the preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard to the common shares derived from surplus or capital reserves.
5. When this company issues new shares in cash, the preferred shareholders have the same preemptive right as the common shareholders.
6. Preferred shareholders have priority over common shareholders in the distribution of the remaining property of the Company. The priority order is the same as all other shareholders of preferred shares issued by the Company and is subordinate to general creditors, but limited to an amount not exceeding the number of outstanding preferred shares issued at the time of distribution, calculated based on the issuance price.
7. Preferred shareholders have no voting and election rights, but are eligible to be elected as directors, and they can vote in the preferred shareholders meeting or matters related to the preferred shareholders' rights and obligations in the general shareholders meeting.
8. If the preferred shares issued by the Company are convertible preferred shares, they shall not be converted within one year after the date of issuance. The Board of Directors is authorized to set the conversion period in the actual issuance terms. Convertible shareholders may, pursuant to the issuance terms, apply for conversion of their preferred shares, in whole or in part, to common shares pursuant to the conversion ratio (i.e., 1:1) set out in the issuance terms. After conversion, the converted shares shall have the same rights and obligations as common shares. Dividend distribution at the year of conversion shall be calculated based on the ratio between the actual issuance days and total days of the conversion year, provided, however, that when said shares are converted prior to the ex-dividend date of any given year, the shareholders may not be entitled to the preferred share dividend distribution of that year and the year afterward, but such shareholders may be entitled to the distribution of profit and capital reserve to common shareholders.
9. The shareholders of the perpetual preferred shares have no right to request redemption of such shares by the Company. However, the Company may redeem the preferred shares by cash, by issuance of mandatory convertible shares, or by other methods specified in other regulations, in whole or in part at the actual issue price and according to the relevant issue terms after the day following the fifth anniversary of issuing. The rights and obligations of the remaining and outstanding preferred Shares will remain unchanged.
10. The Board of Directors is authorized to handle matters related to the listing of preferred shares and converted common shares based on the Company and market conditions.

The Board of Directors is authorized to determine the name, issuance date, issuance terms, and other relevant issues of the preferred shares based on the prevailing market conditions and investors' expectation, and in accordance

with the Articles of Incorporation and applicable laws and regulations.

Article 8: The share certificates of the Company shall be in registered form, and before they are issued, shall be signed by, or affixed with the seals of no less than three Directors of the Company, and be certified pursuant to the law. There is no obligation to print share certificates for the shares of the Company. However, registration shall be made with a securities custodian organization. The same shall be applicable to other securities.

Article 9: Changes to the shareholder register shall base on Article 165 of the Company Act.

### Chapter 3 Shareholders' Meeting

Article 10: There are annual and extraordinary shareholder meetings. The Board of Directors shall convene the annual meeting once a year within six months after the end of each fiscal year except when there is a good cause that is approved by the competent authority. Extraordinary meetings may be convened at any time as needed. The shareholders' meeting of preferred shares may be convened in accordance with relevant laws whenever necessary.

The shareholder's meeting convened by the Board of Directors shall have the chairman of the board as the chair. In the event of the chairman's absence, a director designated by the chairman shall act as the proxy. If no one is designated, a director shall be elected by the board. If the meeting is convened by a person other than the Board of Directors, the person shall serve as the chair, and if there are two or more persons with the power to convene the meeting, they shall elect one person as the chair.

A notice, containing the date, place, and reason for the meeting, to convene an annual shareholder's meeting shall be given to each shareholder and published according to Article 172 of the Company Act.

With the consent of the addressee, the meeting notice may be given by fax or electronic form (e-mail). However, for the shareholders holding fewer than 1,000 shares, the notice may be notified through a public announcement.

Article 11: Any shareholder who cannot attend a shareholder meeting for any reason may issue a proxy printed by the Company, specifying the scope of authorization, and affixed with its signature and seal, to designate a representative to attend the meeting on its behalf. Unless otherwise provided by the Company Act, the designation of a representative and the use of proxy shall base on Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies promulgated by the competent authority.

Article 12: Each shareholder of the Company is entitled to one voting right, except restricted shares or shares without voting rights in accordance with the second paragraph, Article 179 of the Company Act.

Article 13: Unless otherwise provided in the relevant regulations, shareholder resolutions shall be approved by shareholders representing the majority of voting rights attending a meeting that is attended by shareholders representing the majority of all outstanding shares. If no objection is raised by the attending shareholders when the chair consults them during the voting, it shall be deemed as passed, with the same legal effect as voting. According to the regulations of the competent authority, shareholders of the Company may also vote in electronic form. Shareholders who vote in electronic form shall be deemed to be present in person, and relevant matters shall be handled in accordance with relevant regulations.

Article 14: The public offering may only be resolved after the approval of shareholders' meeting, and the same shall apply to the emerging stock market, OTC market,



or stock exchange market.

Article 15: Shareholder resolutions shall be recorded in minutes, and distributed to each shareholder. The distribution shall base on Article 183 of the Company Act. The distribution of the minutes may be made by publication.

#### Chapter 4 Directors and Audit Committee

Article 16: The Company has 7 to 9 directors to be elected from shareholders with full capacity. Directors serve terms of 3 years and may be re-elected upon the expiry of the term. In case no election of new directors is affected after the expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office. However, the competent authority may, ex officio, order the Company to elect new directors within a given time limit; and if no re-election is affected after the expiry of the given time limit, the out-going directors shall be discharged ipso facto from such expiration date. The total shareholding of all directors shall be governed by the regulations of the competent securities authority. The Company may maintain liability insurance for directors during their term of office for liabilities arising from the performance of their business. The Board of Directors is authorized to determine the amount of insurance coverage in accordance with industry insurance levels.

Article 17: The number of independent directors among the directors of the Company shall not be less than three, and shall not be less than one-fifth of the total number of directors. The qualifications, shareholdings, restrictions, nomination and election procedures, and other matters related to independent directors shall be handled in accordance with regulations.

The selection of directors (including independent directors) of the Company shall base on the candidate nomination procedure in Article 192-1 of the Company Act and is selected by shareholders from the list of candidates.

Both independent directors and non-independent directors of the Company shall be elected together, and the number of elected candidates shall be calculated separately.

Article 17-1: The Company shall have an audit committee in accordance with the Securities and Exchange Act.

The audit committee shall be composed of the entire number of independent directors. One of them shall be a convener, and at least one of them shall have accounting or financial expertise.

The audit committee has the authority stipulated by the Securities and Exchange Act, Company Act, and other regulations.

The Board of Directors may set the remuneration committee or other functional committee based on their actual need.

Article 18: The directors' election of the Company adopts the cumulative voting system. Each share has the same voting right as the number of directors to be elected. The shareholder may cast all votes for one candidate or distribute them among several candidates. The candidate who obtains the more votes representing the more voting rights shall be the director.

Article 19: The Board of Directors shall be organized by the directors. A chairman of the board shall be elected by the consent of the majority of the attending directors when two-thirds or more of the directors are present. The chairman of the board shall represent the Company.

The board meeting shall be convened every quarter, and when convening the meeting, the notice specifying the agenda shall be sent to each director within

the period prescribed by the competent authority. However, in case of an emergency, the meeting may be convened at any time.

The notice may be given in writing, by fax, or in electronic form (e-mail).

Article 20: When the chairman is on leave or cannot exercise his duties due to any reason, the representation shall be in accordance with Article 208 of the Company Act.

Article 21: Directors shall attend the board meetings in person. When the director cannot attend a board meeting for any reason may issue a proxy, specifying the reason for the meeting and scope of the authorization according to Article 205 of the Company Act to authorize another director to attend the meeting on his/her behalf. However, a director may only be authorized by one another director. If an independent director authorizes a proxy to attend the meeting, the proxy must also be an independent director, and no non-independent director may attend the meeting as a proxy for an independent director.

Unless otherwise provided in the Company Act, the resolution of the board meeting shall require the attendance of over half of the directors, and the consent of more than half of the directors present.

Article 22: The directors of the Company shall be entitled to remuneration for their duties regardless of profit or loss. The Board of Directors is authorized to determine the remuneration within the common level within the industry based on the level of their participation in the Company's operations and the value of their contribution.

#### Chapter 5 Managers

Article 23: The Company shall have managers whose appointment, dismissal, and remuneration shall be handled according to Article 29 of the Company Act.

#### Chapter 6 Accounting

Article 24: Upon the completion of each accounting year, the Board of Directors shall prepare (1) business reports, (2) financial statements, and (3) surplus distribution or loss off-setting proposals, and submit them to the annual shareholders' meeting for approval in accordance with the Company Act.

Article 25: If there is a profit in the annual financial statements of this company, it shall allocate 1% to 5% for employee compensation, to be distributed in the form of shares or cash as determined by the Board of Directors. The recipients include the employees of the subsidiary or affiliated companies who meet certain conditions and are authorized by the Board of Directors. The Board of Directors may also allocate up to 5% of the profit as director compensation as determined by the Board of Directors. The allocation of employee and director compensation shall be reported to the shareholders' meeting, but if the Company has accumulated losses, the amount necessary for compensation shall be reserved first, and then employee and director compensation shall be allocated in the proportion specified in the preceding paragraph.

If there is a surplus in the annual financial statements of this company, after paying all taxes and compensating for losses from previous years according to the law, 10% of the surplus shall be allocated as a statutory reserve. However, if the statutory reserve has reached the total amount of paid-in capital, no further allocation is required. Afterward, special reserves shall be allocated or reversed in accordance with regulations or the requirements of the competent authority. The remaining surplus shall be first used as the basis for the distribution of dividends to preferred shareholders, and, if still the remaining surplus, allocate at least 10% as the bonus. The distribution and allocation shall be prepared by the Board of Directors with the retained earnings of the previous year and proposed in the shareholders' meeting. When distributing

the dividend of the Company, the cash dividends shall not be less than 10% of the total dividend of the fiscal year. However, the percentage of distribution of cash dividend may be adjusted by the shareholders' meeting in case there is any plan for improving financial structure or significant capital expenditure.

Chapter 7 Supplementary Articles

Article 26: The Company's organizational rules and working rules are separately determined by the Board of Directors. The Company Act shall govern any matter not prescribed herein.

Article 27: These Articles of Incorporation were enacted on January 21, 2008

The 1<sup>st</sup> amendment was made on August 18, 2011.

The 2<sup>nd</sup> amendment was made on September 5, 2013.

The 3<sup>rd</sup> amendment was made on November 2, 2013

The 4<sup>th</sup> amendment was made on November 1, 2014.

The 5<sup>th</sup> amendment was made on June 30, 2015.

The 6<sup>th</sup> amendment was made on December 18, 2015.

The 7<sup>th</sup> amendment was made on June 7, 2016.

The 8<sup>th</sup> amendment was made on June 21, 2018.

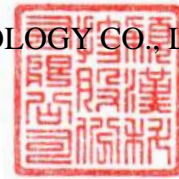
The 9<sup>th</sup> amendment was made on June 18, 2019.

The 10<sup>th</sup> amendment was made on June 10, 2020.

The 11<sup>th</sup> amendment was made on August 26, 2021.

YING HAN TECHNOLOGY CO., LTD.

HU, PING-KUN



## YING HAN TECHNOLOGY CO., LTD.

### Rules of Procedure for Shareholders Meetings

Article 1: To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2: The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3: Unless otherwise provided by law or regulation, the shareholders' meeting of the Company shall be convened by the Board of Directors. 30 days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors or supervisors, and other matters on the shareholders' meeting agenda, and upload them to the MOPS. 21 days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall upload the electronic files of the meeting handbook and supplemental meeting materials to the MOPS. In addition, 15 days before the shareholder's meeting, the Company shall have prepared the meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time. The meeting handbook and supplemental meeting materials shall also be displayed at the Company and the shareholder services agent, and be distributed at the shareholder's meeting. The reasons for convening a shareholder's meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in the electronic form. Election or dismissal of directors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

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

Prior to the book closure date before an annual shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual shareholders' meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4: For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before

the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5: The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6: The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders or the appointed proxy (hereafter referred to as the shareholders) shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

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

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

Article 7: If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

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

It is advisable that shareholders meetings convened by the Board of Directors be attended by a majority of the directors. If a shareholders meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8: The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

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

Article 9: Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined

total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

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

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

Article 10: If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

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

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

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

Article 11: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

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

Article 12: Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

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

Article 13: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholders' meeting, it may adopt the exercise of voting rights by

correspondence or electronic means. The implementation and declaration of intent are specified by Article 177-1, paragraph 1 of the Company Act. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholder's meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

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

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

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

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14: When the election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results. The minutes shall be retained for the duration of the existence of the Company.

Article 16: On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to

the MOPS within the prescribed time period.

Article 17: Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor." At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18: When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed. If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19: These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be affected in the same manner.

These Rules of Procedure were enacted on June 30, 2014.

The 1<sup>th</sup> amendment was made on June 21, 2018.

The 2<sup>nd</sup> amendment was made on August 26, 2021.



Appendix III

**YING HAN TECHNOLOGY CO., LTD.**  
**Shareholding Facts by All Directors of the Company**

Book closure date: April 9, 2023

Position	Name	Elected Date	Shares' number as recorded in the register of shareholders on transfer ceasing date	
			Shares	Percentage of Ownership
Chairman of the Board	Ying Lin Investment Co., Ltd. Representative: HU, PING-KUN	2021.08.26	14,678,838	16.77%
Director	Ying Lin Investment Co., Ltd. Representative: Hu, Bing-Nan	2021.08.26		
Director	HU, CHUN-CHIA	2021.08.26	5,649,600	6.45%
Director	Fang, Ying-Tong	2021.08.26	160,057	0.18%
Director	Hu, Bo-Xiang	2022.06.14	5,112,600	5.84%
Independent Director	Cai, Ming-Zhi	2021.08.26	-	-
Independent Director	Qiu, Fang-Cai	2021.08.26	-	-
Independent Director	Chen, Chang-Ben	2021.08.26	-	-
Independent Director	Chen, Xin-Yong	2022.06.14	-	-
Total shareholding of directors			25,601,095	29.24%

- Note: 1. As of April 9, 2023, the Company has issued 87,546,000 shares in total.
2. The required total shareholding of directors is 7,003,680 shares, and as of April 9, 2023, the total shareholding of non-independent directors is 25,601,095 shares.
3. According to Article 2 of " Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies ", if the Company has elected two or more independent directors, the share ownership figures calculated at the rates for all directors and supervisors other than the independent directors and shall be decreased by 80 percent.

Thank you for the attendance.  
Comments are welcome at any time.

# MEMO

# MEMO

# MEMO