

Mao Bao Inc.

2023 General Shareholders'
Meeting

Handbook

June 20, 2023

To review the electronic handbook for free, visit: <http://mops.twse.com.tw>

Table of Contents

Item	Page
One. Agenda	1
Two. Reports	
I. 2022 Business Report	2
II. Audit Committee’s Audit Report	2
III. Report on the Distribution of 2022 Remuneration to Employees and That to Directors	2
Three. Ratifications	
I. 2022 Business Report and Financial Statements.	2
II. 2022 Earnings Distribution	3
Four. Discussions	
Proposal of amendments to the Company’s “Articles of Incorporation.”	3
Five. Elections	
Comprehensive Re-election of Directors	3-7
Six. Other Proposals	
Lifting of “business strife limitation” for new directors of the Company.	8
Seven. Extraordinary Motion	8
Eight. Annex	
I. 2022 Business Report	9-10
II. Audit Committee’s Audit Report	11
III. Independent Auditor’s Report and 2022 Financial Statements	12-32
IV. 2022 Earnings Distribution	33
V. Comparison Table for Amended Provisions of the Articles of Incorporation	34
Nine. Bylaws	
I. Articles of Incorporation	35-39
II. Rules of Procedure for Shareholders Meetings	40-46
III. Procedures for Election of Directors	47-48
IV. Directors’ Shareholding Status	49

One. Agenda

Mao Bao Inc. 2023 General Shareholders' Meeting Agenda

- I. Time: 9:00 am, June 20 (Tuesday), 2023
- II. Convention manner: Physical shareholders' meeting
- III. Venue: 1F, No. 77, Xianzheng 8th Street, Zhubei City, Hsinchu County (Hsinchu City Industrial Association)
- IV. Report the number of attending shares and the commence of the meeting
- V. Chair's speech
- VI. Reports
 - (I) 2022 Business Report
 - (II) Audit Committee's Audit Report
 - (III) Report on the Distribution of 2022 Remuneration to Employees and That to Directors
- VII. Ratifications
 - (I) 2022 Business Report and Financial Statements
 - (II) 2022 Earnings Distribution
- VIII. Discussion
Proposal of amendments to the Company's "Articles of Incorporation."
- IX. Elections
Comprehensive Re-election of Directors
- X. Other Proposals
Lifting of "business strife limitation" for new directors of the Company.
- XI. Extempore motions
- XII. Meeting adjournment

Two. Reports

Proposal 1

Cause: 2022 Business Report

Clarification: The Business Report is attached as Annex 1 (please refer to Pages 9-10); please review.

Proposal 2

Cause: Audit Committee's Audit Report

Clarification: The Audit Committee's Audit Report is attached as Annex 2 (please refer to Page 11); please review.

Proposal 3

Cause: Report on the Distribution of 2022 Remuneration to Employees and That to Directors

Clarification:

- I. Please follow Letter Jing-Shang-Zhi No.10402413890 dated June 11, 2015 and Letter Jing-Shang-Zhi No.10402427800 dated October 15, 2015 from the MOEA.
- II. Pursuant to the Articles of Incorporation, where the Company makes profit for a year, 5%~8% of the profit before tax and before deducting the remunerations of employees, directors, and supervisors is provided as the employee remuneration, and no more than 2% as the director remuneration.
- III. As is proposed during the 8th meeting of the 4th Compensation and Remuneration Committee, it is intended to provide and distribute 6.47% as the remuneration to employees, totaling NTD585,000 in cash. The difference between the amount approved by the Board and the estimate of the recognized expense in the annual financial statement is NTD -15,488; this is a difference of accounting estimate, and will be adjusted and accounted as the profit and loss for 2023.
- IV. Please take note of the above.

Three. Ratifications

Proposal 1 (introduced by the Board of Directors)

Cause: 2022 Business Report and Financial Statements

Clarification:

- I. The stand-alone and consolidated financial reports for 2022 have been audited by Juanlu, Man-Yu and Lin, Ya-Hui, CPAs from PwC Taiwan, and the Independent Auditor's Report with unqualified opinion has been presented for reference. The aforesaid financial statements and the business reports have been audited by the Audit Committee, with no inconsistency found, and thus the Audit Report from the Audit Committee is presented for reference, as Annex 2 (please refer to Page 11).
- II. The Business Report, Independent Auditor's Report and 2022 Financial Statements are attached as Annex 1 (please refer to Pages 9-10) and Annex 3 (please refer to Pages 12-32).

Resolution:

Proposal 2 (introduced by the Board of Directors)

Cause: 2022 Earnings Distribution.

Clarification:

- I. The Company's 2022 Earnings Distribution Table is prepared as is shown in Annex 4 (please refer to Page 33).
- II. In light of the corporate operational demand, all are planned to be retained, without distribution.

Resolution:

Four. Discussions

(Introduced by the Board of Directors)

Cause: Amendment to the Company's "Articles of Incorporation"

Clarification:

- I. To meet the actual operational needs of the Company, the requirements of regulatory amendments, and policies of the competent authority, it is intended to amend some of the Company's "Articles of Incorporation," and the case will be brought forth for discussion during the shareholders' meeting.
- II. The Comparison Table for the Revisions Made to the "Articles of Incorporation" is shown in Annex 5 (please refer to Page 34); it is brought forth for a public resolution.

Resolution:

Five. Elections

(Introduced by the Board of Directors)

Cause: Comprehensive Re-election of Directors

Clarification:

- I. The tenure of the Company's directors will expire on June 10, 2023 and hence it is intended to hold a comprehensive re-election during the 2023 General Shareholders' Meeting.
- II. As is required by the Company's Articles of Incorporation, nine directors shall be elected (five directors and four independent directors) to serve a term of three years from June 20, 2023 to June 19, 2026.
- III. For the election of directors, the candidate nomination system is adopted and the list of candidate directors and their profiles are provided below. Shareholders are asked to elect among these candidates.

No.	Account No. or ID No.	Name	Other jobs of directors	Education	Experience	No. of shares held	Category	Having served as independent director for the third term/reason
1	27211	Lingyu Investment Corporation Representative: Wu Rui-Hua	-	Duke University, MA	Director of Mao Bao Inc., Chairman of Mao Bao Inc.	6,450,000 shares	Director	Not applicable
2	27211	Lingyu Investment Corporation Representative: He Yi-Ju	-	NYU Stern School of Business MBA	Person in Charge of Sanyi International Co., Ltd. President of METALART ENGINEERING CORP.	6,450,000 shares	Director	Not applicable
3	8	PACIFIC SHINER INVESTMENT LIMITED Representative: Wu Hsien-Tai	-	National Chengchi University EMBA of the 9th Intake, Department of Chemical Engineering, Chung Yuan Christian University	Chairman, Mao Bao Inc. Director, Mao Bao Inc.	6,790,856 shares	Director	Not applicable
4	8	PACIFIC SHINER	-	English Department, FJCU	Consultant, Business Department,	6,790,856 shares	Director	Not applicable

No.	Account No. or ID No.	Name	Other jobs of directors	Education	Experience	No. of shares held	Category	Having served as independent director for the third term/reason
		INVESTMENT LIMITED Representative: Wu Chiao-Zhen			Tiffany & Co. International, Taiwan Branch Director, Mao Bao Inc.			
5	5	Wu, Chao-Wen	-	Baruch College.MBA	Pacific Shiner Investment Limited Director Mao Bao Inc. Director	965,069 shares	Director	Not applicable
6	A10XXXX 780	Su, Liang	<p>1. Vice Chairman of MiTAC INCORPORATED</p> <p>2. Chairman of MiTAC Information Technology Corp.</p> <p>3. Corporate Representative of Director of Institute for Information Industry</p> <p>4. Corporate Representative of Director of Mitac Hikari Corporation</p> <p>5. Corporate Representative of Director of MiTAC Holdings Corporation</p> <p>6. Corporate Representative of Investigator of EasyCard Investment Holdings Co., Ltd.</p> <p>7. Corporate Representative of Director of MiTAC (Shanghai) Corporate Management Consulting Co., Ltd.</p> <p>8. Chairman of MITAC INEVSTMENT CHINA CO., LTD.</p>	Master, Institute of Information Management, Tamkang University	RITEK Limited Vice President MiTAC Information Technology Corp. Chairman	-	Independent director	No

No.	Account No. or ID No.	Name	Other jobs of directors	Education	Experience	No. of shares held	Category	Having served as independent director for the third term/reason
			<p>9. Corporate Representative of Director of FAR EASTERN ELECTRONIC TOLL COLLECTION CO., LTD.</p> <p>10. Corporate Representative of Director of CECI ENGINEERING CONSULTANTS, INC., TAIWAN</p> <p>11. Corporate Representative of Director of FETC INTERNATIONAL CO., LTD.</p> <p>12. Corporate Representative of Director of Harbinger VI Venture Capital Corp.</p> <p>13. Corporate Representative of Director of Harbinger VIII Venture Capital Corp.</p> <p>14. Corporate Representative of Investigator of LienJie II Investment Co., Ltd.</p> <p>15. Corporate Representative of Director of Harbinger VIII Venture Capital Corp.</p> <p>16. Corporate Representative of Director of Heli Investment Co., Ltd.</p> <p>17. Chairman of Aidixun Inest CHINA CO., LTD.</p> <p>18. Chairman of MITAC INFORMATI</p>					

No.	Account No. or ID No.	Name	Other jobs of directors	Education	Experience	No. of shares held	Category	Having served as independent director for the third term/reason
			ON HOLDINGS LIMITED 19. Convener of the Supervisory Committee of Taipei Computer Association 20. Executive Director of Taiwan IoT Technology and Industry Association 21. Independent Director of UNITECH ELECTRONICS CO., LTD. 22. Chairman of GENERAL RESOURCES CO.					
7	A12XXXX 905	Huang, Chien-Cheng	Independent Director of TACHAN SECURITIES CO.,LTD.	LLM, Law School, University of Minnesota	Senior Lawyer, Total Solution in One Firm Partner Lawyer, Total Solution in One Firm	-	Independent director	No
8	A22XXXX 255	Chen, Wei-Chih	Independent Director of CloudMile	Master of Accounting and Management and Decision-Making, Management College, National Taiwan University Bachelor and pre-master program, Accounting Institute, National Tshwane University, South Africa	Republic of China CPA US CPA South Africa Chartered CPA President of Taiwan, VATit (Taiwan) Ltd. Vice President, Audit Division, Taiwan Branch, HSBC Founder and CEO of JS Linguistics Inc.	-	Independent director	No
9	A12XXXX 101	Lin, Chung-Chang	-	Department of International Trade, Fu Jen Catholic University	Chairman of FUBURG Chairman of Fu An Deburg Co., Ltd. Compensation and Remuneration Committee Member of	-	Independent director	No

No.	Account No. or ID No.	Name	Other jobs of directors	Education	Experience	No. of shares held	Category	Having served as independent director for the third term/reason
					Mao Bao Inc.			

IV. Please vote.

Voting outcome:

Six. Other Proposals

(Introduced by the Board of Directors)

Cause: Lifting of business strife limitation for new directors.

Clarification:

- I. As part of corporate management and organizational arrangement, directors are allowed to engage in business similar to that of the Company as long as the Company's interest is not harmed during their tenure.
- II. It is intended to lift the business strife limitation for the Company's directors who also serve as directors of other companies with the same scope of operation as that of the Company.
- III. For other jobs of new directors, refer to the list of candidates (refer to Pages 3-7).

Resolution:

Seven. Extempore motions

Annex 1

Mao Bao Inc. 2022 Business Report

I. Business Report of the previous year (2022)

(I) Accomplishments in the Implementation of Business Plan

For the whole year of 2022, the net consolidated operating revenue was NT\$587,101 thousand, a decrease of NT\$32,251 thousand from the NT\$619,352 thousand in 2021. The 2022 consolidated net profit before tax was NT\$8,897 thousand, a decrease of NT\$ 15,002 thousand from the NT\$23,899 thousand in 2021 mainly because of the persistent climbing costs of raw materials and reduced profits from overseas markets.

(II) Analysis of Financial Income, Expenditure, and Profitability

Unit: NT\$ thousand

Item		2022	2021	Amount changed	Note
Financial income and payment	Net cash inflow from operating activities	27,537	43,420	(15,883)	I
	Net cash outflow from investment activities	(48,905)	(49,577)	672	II
	Net cash outflow from financing activities	(16,449)	(22,803)	6,354	III

Note 1: Net cash inflows from operating activities decreased from the previous period due to the decreased net operating profit of the period.

Note 2: Net cash outflows from investment activities decreased from the previous period due to the difference from time deposits in foreign currencies during the period.

Note 3: Net cash outflows from fund-raising activities decreased from the previous period due to the difference in cash dividends.

Item		2022	2021	Changes	
Profitability	Return on the assets (%)	0.80	2.96	(2.16)	
	Return on shareholder's equity (%)	1.07	3.98	(2.91)	
	Percentage in the paid-in capital	Operating income	(0.85)	4.06	(4.91)
		Net income before tax	2.10	5.63	(3.53)
	Net profit margin (%)	0.88	3.13	(2.25)	
	Earnings per share (NT\$)	0.12	0.46	(0.34)	

(III) R&D status

The Company has established the technical R&D department, to work and communicate closely with the planning and sales unit, to actively develop the products with market niches, trend setting, and satisfying the consumers' needs.

II. Overview of Business Plan of Current Year (2023)

(I) Operational Policy

1. Improving R&D capabilities: elevate the internal R&D manpower and capabilities, and seek the introduction of the external technologies, to utilize the strong and powerful R&D function.
2. Improving control capability: the factories continuously enhance the production performance and the capability of quality control.
3. Adding new products: other than striving for developing products with high added value and high quality, the new products are developed continuously to expand the business scope.
4. Building internal enterprise network: to rapidly obtain information and effectively utilize the Company's resources, improve the communication efficiency and timeliness of management.
5. Exploring new channels: the Company spares no effort to expand new sales channels to expand the operating landscape of the Company.

(II) Expected sales quantity and basis

Unit: Pcs

Item	2023 Forecast
Detergent series	7,099,686
Domestic cleaning series	3,346,889
Long-effect	391,354
Others	25,227
Total	10,863,156

(III) Production and sales policy

All the employees of the Company will continuously achieve the goal of 2023, to create the better outlook for the Company and shareholders.

Item	Policy	Description
1.	Product policy	(1) Expanding the capacities to respond the market needs instantly, and increase the market share. (2) Continuously developing new products to meets demands from various customer groups.
2.	Marketing policy	(1) Enhancing the Company's brand image, strengthening and improving the product competitiveness. (2) Developing products with high added value and high quality, and clientele with high consumption power. (3) Adding new channels for sales
3.	Production policy	(1) Effectively lowering the costs and enhancing the product competitiveness. (2) Developing the OEM business to utilize the capacity effectively.

III. Future development strategy of the Company

The Company is committed to providing the professional cleaning and care to textiles, cleaning of appliances in domestic environment, and the solutions of personal protection and care, to be the leading brand of the cleaning, care, and protection brand in Taiwan, while actively developing the emerging markets and marketing in Asia.

IV. Effects from the external competition environment, regulatory environment, and overall operating environment.

The fierce competition in the domestic and overseas markets, rising environmental and health awareness of consumers, and the higher requirements for product quality, among other factors, affect the overall operating environment and deepen the difficulty for the Company's operations. Regarding the regulatory environment, the Company complies with the regulations and systems promulgated by the competent authorities, and adds and/or amends the internal bylaws respectively in a timely manner to adapt the changes in regulations. The Company insists the philosophy of sustainable operation, actively expands the business, and continuously creates profits to feed back the shareholders and employees.

Chairman: Wu, Jui-Hua

Manager: Chen, Yi-Hung

Accounting Officer: Chen, Hsuan-Ju

Mao Bao Inc.

Audit Committee's Report

The board of directors has prepared the 2022 business report, financial statements, and proposal of earning distributions; the financial statements has been audited by PwC Taiwan with the Independent Auditor's Report. The aforesaid business report, financial statements, and proposal of earning distributions have been audit by the Audit Committee and no inconsistency has been found. Thus it is reported as above pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

Mao Bao Inc.

Convener of Audit Committee: Su, Liang

March 14, 2023

Annex 3

Independent Auditor's Report

(2023) Cai-Shen-Bao-Zhi No. 22002538

To Mao Bao Inc.

Independent auditor's opinion

We have audited the accompanying consolidated financial statements of Mao Bao Inc. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for January 1 through December 31, 2022 and 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for January 1 through December 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

The key audit matters of the consolidated financial statements of the Group for 2022 are as follows:

Estimation of the refund liabilities

Description of the Matter

For the accounting policy of recognizing revenues, please refer to Note 4(23) of the financial statements; for the estimation of refund liabilities, please refer to Note 5(2); for the description of the refund liability account, please refer to Note 6 (10). The refund liabilities recognized by the Group as of December 31, 2022 was NT\$15,200 thousand.

The Group recognized the refund liabilities based on the quantity discount given to customers based on the sales contract, the sales discounts, and price discounts, and the estimation basis is the refunded amount actually incurred in the past, while evaluating if any special factor exists to adjust the original estimates. Since the estimation of refund liabilities involving more subjective judgement, and the uncertainty of accounting estimation is involved as the management estimates the future possible liabilities based on the contracts, commercial customs, and historic experience, we therefore list the evaluation of the refund liabilities is the most material matter for auditing the Group.

Corresponding Audit Procedures

We have executed the major audit procedures for the estimated refund liabilities as the follows:

1. Understand and test the effectiveness of the internal control over the refund liabilities.
2. Evaluate the reasonableness of the policy for refund liability estimation, including estimation made by referencing contracts or business customs, and the actual cases in the past, while sampling to verify the reasonableness of the amount provided in the past.
3. Sample to verify the actual charge off of refund liabilities until the original certificates, investigate and understand the reasons and natures of material differences, and verify the reasonableness of the estimated amount.

Evaluation of the inventory valuation

Description of the Matter

For the accounting policy of inventory evaluation, please refer to Note 4(12) of the financial statements; for the uncertainty of accounting estimate and assumption, please refer to Note 5(2); for the description of accounting items for loss allowance of inventories, please refer to Note 6(5). As of December 31, 2022, the balance of inventories and allowance of inventory evaluation loss were NT\$109,318 thousand and NT\$3,129 thousand, respectively.

The Group mainly operates the manufacturing and sales various cleaning products. Due to the fierce competition in the industrial market, the market prices tend to fluctuate; thus the risks of inventory falling price and idle loss may be generated, and the management evaluate the inventories with the method of lower between the costs and net realized value. As the subjective judgements are involved in the aforesaid process, we believe the accounting estimation has material effect on the evaluation of the value in use for inventories, and thus list such as one of the key matters for the audit.

Corresponding Audit Procedures

We have executed the major audit procedures for the inventory valuation

1. Based on the understanding to the operation of the Group and nature of the industry, the reasonableness of the policy adopted for the allowance of inventory evaluation loss.
2. Sample to test the appropriateness of the inventory age statement system used by the management, to verify the correctness of the statement information.
3. Obtain the statement for the costs and net realizable values of inventories, and randomly check the supporting documents, with recalculation for the correctness, to evaluate the basis and reasonableness of the net realizable values.

Others - Parent-only financial reports

The Company has prepared the stand-alone financial statements for the years ended on December 31, 2022 and 2021, with our Independent Auditor's report of unqualified opinion for the reference.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and announced to take 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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 furnish the statement specifying that the personnel of firm we belong to subject to the regulation of independence comply with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China related to independence to the governance unit, while communicating any relationship that may be deemed affect the independence of the CPAs, as well as other matters (including safeguard measures).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022, and are therefore the key audit matters. We describe these matters in our auditor's 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.

PwC Taiwan

Juanlu, Man-Yu

CPA

Feng, Ming-Chuan

Former Financial Supervisory Commission, Executive Yuan
Document No. of Approval: Jin-Guan-Zheng-Shen Zhi No.0990058257
Former Financial Supervisory Commission, Executive Yuan
Document No. of Approval: Jin-Guan-Zheng-VI Zhi No.0960038033

March 24, 2023

Mao Bao Inc. and Subsidiaries
Consolidated Balance Sheet
December 31, 2022 and 2021

Unit: NT\$ thousand

Assets	Note	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 129,255	20	\$ 165,370	25
1136	Financial assets measured at amortized cost - current	6(2)	89,999	14	55,360	8
1150	Notes receivable, net	6(4)	6,414	1	4,957	1
1170	Accounts receivable, net	6(4)	86,398	13	104,953	15
1220	Income tax assets of the period		3,662	-	820	-
130X	Inventories	6(5)	106,189	16	118,358	18
1479	Other current assets - others		6,036	1	6,365	1
11XX	Total current assets		<u>427,953</u>	<u>65</u>	<u>456,183</u>	<u>68</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive profit or loss - non-current	6(3)	134	-	134	-
1600	Property, plant and equipment	6(6) and 8	181,181	28	182,429	27
1755	Right-of-use assets	6(7)	21,046	3	14,770	2
1780	Intangible assets	6(8)	277	-	496	-
1840	Deferred tax assets	6(21)	9,298	2	10,620	2
1975	Net defined benefit assets - non-current	6(11)	1,676	-	-	-
1990	Other non-current assets - others		12,523	2	5,195	1
15XX	Other non-current assets		<u>226,135</u>	<u>35</u>	<u>213,644</u>	<u>32</u>
1XXX	Total assets		<u>\$ 654,088</u>	<u>100</u>	<u>\$ 669,827</u>	<u>100</u>

(Continued in next page)

Mao Bao Inc. and Subsidiaries
Consolidated Balance Sheet
December 31, 2022 and 2021

Unit: NT\$ thousand

Liabilities and Equity	Note	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current liabilities						
2130	Contract liabilities - current	6(15)	\$ 1,012	-	\$ 1,489	-
2170	Accounts payable		70,429	11	78,204	12
2200	Other payables	6(9)	52,152	8	54,303	8
2230	Current tax liabilities		2	-	-	-
2280	Lease liabilities - current		1,569	-	1,612	-
2399	Other current liabilities - others	6(10)	15,732	2	23,420	4
21XX	Total current liabilities		<u>140,896</u>	<u>21</u>	<u>159,028</u>	<u>24</u>
Non-current liabilities						
2570	Deferred tax liabilities	6(21)	17,750	3	16,036	2
2580	Lease liabilities - non-current		13,175	2	7,419	1
2640	Net defined benefit liabilities - non-current	6(11)	-	-	1,498	-
25XX	Total non-current liabilities		<u>30,925</u>	<u>5</u>	<u>24,953</u>	<u>3</u>
2XXX	Total Liabilities		<u>171,821</u>	<u>26</u>	<u>183,981</u>	<u>27</u>
Equity						
Equity attributed the owners of the parent company						
	Share capital	6(12)				
3110	Common share capital		424,439	65	424,439	64
	Capital reserve	6(13)				
3200	Capital reserve		2,704	-	2,704	-
	Retained earnings	6(14)				
3310	Statutory reserves		36,900	6	35,146	5
3320	Special reserve		11,862	2	10,865	2
3350	Undistributed earnings		11,892	2	22,140	3
	Other equities					
3400	Other equities		(5,530)	(1)	(9,448)	(1)
31XX	Total equity attributed the owners of the parent company		<u>482,267</u>	<u>74</u>	<u>485,846</u>	<u>73</u>
3XXX	Total equity		<u>482,267</u>	<u>74</u>	<u>485,846</u>	<u>73</u>
	Significant Events After Balance Sheet	11				
	Date					
3X2X	Total liabilities and equities		<u>\$ 654,088</u>	<u>100</u>	<u>\$ 669,827</u>	<u>100</u>

The accompanying notes to the consolidated reports are an integral part of the consolidated financial statements; please read together.

Chairman: Wu, Jui-Hua

Manager: Chen, Yi-Hung

Accounting Officer: Chen, Hsuan-Ju

Mao Bao Inc. and Subsidiaries
Consolidated Comprehensive Income Statement
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand
(But EPS is NT\$)

Item	Note	2022		2021	
		Amount	%	Amount	%
4000 Operating Revenue	6(15)	\$ 587,101	100	\$ 619,352	100
5000 Operating costs	6(5)(11) (20)	(364,557)	(62)	(373,326)	(60)
5900 Gross Profit		<u>222,544</u>	<u>38</u>	<u>246,026</u>	<u>40</u>
Operating expenses	6(11) (20) and 7				
6100 Selling expenses		(176,752)	(30)	(183,234)	(29)
6200 Administrative expenses		(43,416)	(7)	(41,171)	(7)
6300 Research and development expenses		(6,107)	(1)	(4,292)	(1)
6450 Expected credit impairment losses (gains)	12(2)	<u>136</u>	<u>-</u>	<u>(102)</u>	<u>-</u>
6000 Total operating expenses		<u>(226,139)</u>	<u>(38)</u>	<u>(228,799)</u>	<u>(37)</u>
6900 Operating (losses) gains		<u>(3,595)</u>	<u>-</u>	<u>17,227</u>	<u>3</u>
Non-operating Income and Expenses					
7100 Interest revenue	6(16)	971	-	368	-
7010 Other income	6(17)	771	-	3,209	-
7020 Other gains or losses	6(18)	10,948	2	3,297	1
7050 Financial costs	6(19)	(198)	-	(202)	-
7000 Total non-operating incomes and expenses		<u>12,492</u>	<u>2</u>	<u>6,672</u>	<u>1</u>
7900 Net profit before tax		<u>8,897</u>	<u>2</u>	<u>23,899</u>	<u>4</u>
7950 Income tax expenses	6(21)	(3,730)	(1)	(4,490)	(1)
8200 Current net profit		<u>\$ 5,167</u>	<u>1</u>	<u>\$ 19,409</u>	<u>3</u>
Other comprehensive income					
8311 Remeasurement of defined benefit programs	6(12)	\$ 2,739	-	(\$ 2,331)	-
8316 Unrealized gains (losses) on investments in equity instruments as at fair value through other comprehensive income	6(3)	-	-	21	-
8349 Income taxes related to the items not re-classified	6(21)	(548)	-	466	-
8310 Total of items not re-classified		<u>2,191</u>	<u>-</u>	<u>(1,844)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss					
8361 Exchange differences on translating the financial statements of foreign operations		4,898	1	(1,273)	-
8399 Income tax relating to items that may be reclassified	6(21)	(980)	-	255	-
8360 Total of items that may be reclassified subsequently to profit or loss		<u>3,918</u>	<u>1</u>	<u>(1,018)</u>	<u>-</u>
8300 Other comprehensive income of the year (net)		<u>\$ 6,109</u>	<u>1</u>	<u>(\$ 2,862)</u>	<u>-</u>
8500 Total comprehensive income (loss) for the period		<u>\$ 11,276</u>	<u>2</u>	<u>\$ 16,547</u>	<u>3</u>
Net profit attributed to:					
8610 Owners of the parent company		<u>\$ 5,167</u>	<u>1</u>	<u>\$ 19,409</u>	<u>3</u>
Comprehensive income attributed to:					
8710 Owners of the parent company		<u>\$ 11,276</u>	<u>2</u>	<u>\$ 16,547</u>	<u>3</u>
Basic earnings per share					
9750 Basic earnings per share	6(22)		<u>0.12</u>		<u>0.46</u>
Diluted earnings per share					
9850 Diluted earnings per share	6(22)		<u>0.12</u>		<u>0.46</u>

The accompanying notes to the consolidated reports are an integral part of the consolidated financial statements; please read together.

Chairman: Wu, Jui-Hua

Manager: Chen, Yi-Hung

Accounting Officer: Chen, Hsuan-Ju

Mao Bao Inc. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand

Note	Equity attributed the owners of the parent company									
	Capital reserve				Retained earnings			Other equities		
	Common share capital	Capital reserve - issuance premium	Capital reserve - gains from disposed assets	Capital reserve - gifted assets	Statutory reserves	Special reserve	Undistributed earnings (Deficits to be compensated)	Exchange differences on translating the financial statements of foreign operations	Unrealized gains (losses) on financial assets as at fair value through other comprehensive income	Total equity
<u>2021</u>										
Balance at January 1, 2021	\$ 424,439	\$ 2,027	\$ 663	\$ 14	\$ 31,338	\$ 2,414	\$ 38,077	(\$ 8,326)	(\$ 125)	\$ 490,521
Current net profit	-	-	-	-	-	-	19,409	-	-	19,409
Other net comprehensive loss of the period	-	-	-	-	-	-	(1,865)	(1,018)	21	(2,862)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	17,544	(1,018)	21	16,547
Earning provision and appropriate for 2020:	6(14)									
Provided for statutory reserves	-	-	-	-	3,808	-	(3,808)	-	-	-
Provided for special reserves	-	-	-	-	-	8,451	(8,451)	-	-	-
Cash dividends	-	-	-	-	-	-	(21,222)	-	-	(21,222)
Balance as of December 31, 2021	\$ 424,439	\$ 2,027	\$ 663	\$ 14	\$ 35,146	\$ 10,865	\$ 22,140	(\$ 9,344)	(\$ 104)	\$ 485,846
<u>2022</u>										
Balance as of January 1, 2022	\$ 424,439	\$ 2,027	\$ 663	\$ 14	\$ 35,146	\$ 10,865	\$ 22,140	(\$ 9,344)	(\$ 104)	\$ 485,846
Current net profit	-	-	-	-	-	-	5,167	-	-	5,167
Other combined net gains of current period	-	-	-	-	-	-	2,191	3,918	-	6,109
Total comprehensive income for the period	-	-	-	-	-	-	7,358	3,918	-	11,276
2021 Earnings Provision and Distribution:	6(14)									
Provided for statutory reserves	-	-	-	-	1,754	-	(1,754)	-	-	-
Provided for special reserves	-	-	-	-	-	997	(997)	-	-	-
Cash dividends	-	-	-	-	-	-	(14,855)	-	-	(14,855)
Balance as of December 31, 2022	\$ 424,439	\$ 2,027	\$ 663	\$ 14	\$ 36,900	\$ 11,862	\$ 11,892	(\$ 5,426)	(\$ 104)	\$ 482,267

The accompanying notes to the consolidated reports are an integral part of the consolidated financial statements; please read together.

Chairman: Wu, Jui-Hua

Manager: Chen, Yi-Hung

Accounting Officer: Chen, Hsuan-Ju

Mao Bao Inc. and Subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand

	Note	January 1 to December 31, 2022	January 1 to December 31, 2021
<u>Cash flows from operating activities</u>			
Net profit before tax for the year		\$ 8,897	\$ 23,899
Adjusted items			
Income/expenses items			
Depreciation expense	6(20)	12,171	11,006
Amortization expenses	6(20)	772	753
Expected credit impairment (gains) losses	12(2)	(136)	102
Interest expenses	6(19)	198	202
Interest revenue	6(16)	(971)	(368)
Dividend income	6(17)	-	(22)
Loss from disposal of property, plant and equipment	6(18)	26	75
Gains on lease modification	6(18)	(337)	-
Changes in assets/liabilities related the operating activities			
Net changes in assets related the operating activities			
Notes receivable		(1,472)	(2,287)
Accounts receivable		18,706	(6,489)
Inventories		12,169	(5,345)
Other current assets - others		719	3,777
Net defined benefit assets and liabilities - non-current net changes		(435)	(460)
Net changes in liabilities related the operating activities			
Contract liabilities - current		(477)	293
Accounts payable		(7,775)	17,379
Other payables		(2,151)	8,647
Other current liabilities		(7,688)	3,173
Cash inflow provided by operating activities		32,216	54,335
Interest received		581	344
Dividends received		-	22
Interest paid		(198)	(202)
Income tax paid		(5,062)	(11,079)
Net cash inflow from operating activities		27,537	43,420
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at amortized costs		(34,639)	(41,120)
Acquisition of property, plant and equipment	6(6)	(6,537)	(4,923)
Disposal of property, plant and equipment	6(6)	138	-
Acquisition of intangible assets	6(8)	(539)	(129)
Other non-current assets - other addition		(7,375)	(3,389)
Decrease (Increase) in refundable deposits		47	(16)
Net cash outflow from investment activities		(48,905)	(49,577)
<u>Cash flows from financing activities</u>			
Repayment of lease liabilities		(1,594)	(1,581)
Distribution of cash dividends	6(14)	(14,855)	(21,222)
Net cash outflow from financing activities		(16,449)	(22,803)
Effects of foreign exchange		1,702	(4,510)
Decrease in cash and cash equivalents in this period		(36,115)	(33,470)
Beginning balance cash and cash equivalents for the period		165,370	198,840
End balance cash and cash equivalents for the period		\$ 129,255	\$ 165,370

The accompanying notes to the consolidated reports are an integral part of the consolidated financial statements; please read together.

Chairman: Wu, Jui-Hua

Manager: Chen, Yi-Hung

Accounting Officer: Chen, Hsuan-Ju

To Mao Bao Inc.

Independent auditor's opinion

We have audited the accompanying financial statements of Mao Bao Inc. (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for January 1 through December 31, 2022 and 2021, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for January 1 through December 31, 2022 and 2021 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 Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards in the R.O.C. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

The key audit matters of the financial statements of the Company for 2022 are as follows:

Estimation of the refund liabilities

Description of the Matter

For the accounting policy of recognizing revenues, please refer to Note 4(23) of the financial statements; for the estimation of refund liabilities, please refer to Note 5(2); for the description of the refund liability account, please refer to Note 6(11). The refund liabilities recognized by the Company as of December 31, 2022 was NT\$15,129 thousand.

The Company recognized the refund liabilities based on the quantity discount given to customers based on the sales contract, the sales discounts, and price discounts, and the estimation basis is the refunded amount actually incurred in the past, while evaluating if any special factor exists to adjust the original estimates. Since the estimation of refund liabilities involving more subjective judgement, and the uncertainty of accounting estimation is involved as the management estimates the future possible liabilities based on the contracts, commercial customs, and historic experience, we therefore list the evaluation of the refund liabilities is the most material matter for auditing the Company.

Corresponding Audit Procedures

We have executed the major audit procedures for the estimated refund liabilities as the follows:

1. Understand and test the effectiveness of the internal control over the refund liabilities.
2. Evaluate the reasonableness of the policy for refund liability estimation, including estimation made by referencing contracts or business customs, and the actual cases in the past, while sampling to verify the reasonableness of the amount provided in the past.
3. Sample to verify the actual charge off of refund liabilities until the original certificates, investigate and understand the reasons and natures of material differences, and verify the reasonableness of the estimated amount.

Evaluation of the inventory valuation

Description of the Matter

For the accounting policy of inventory evaluation, please refer to Note 4(11) of the financial statements; for the uncertainty of accounting estimate and assumption, please refer to Note 5(2); for the description of accounting items for loss allowance of inventories, please refer to Note 6(5). As of December 31, 2022, the balance of inventories and allowance of inventory evaluation loss were NT\$90,339 thousand and NT\$1,929 thousand, respectively.

The Company mainly operates the manufacturing and sales various cleaning products. Due to the fierce competition in the industrial market, the market prices tend to fluctuate; thus the risks of inventory falling price and idle loss may be generated, and the management evaluate the inventories with the method of lower between the costs and net realized value. As the subjective judgements are involved in the aforesaid process, we believe the accounting estimation has material effect on the evaluation of the value in use for inventories, and thus list such as one of the key matters for the audit.

Corresponding Audit Procedures

We have executed the major audit procedures for the inventory valuation

1. Based on the understanding to the operation of the Company and nature of the industry, the reasonableness of the policy adopted for the allowance of inventory evaluation loss.
2. Sample to test the appropriateness of the inventory age statement system used by the management, to verify the correctness of the statement information.
3. Obtain the statement for the costs and net realizable values of inventories, and randomly check the supporting documents, with recalculation for the correctness, to evaluate the basis and reasonableness of the net realizable values

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

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance (including the audit committee), are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the 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 the management level.
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 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. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtaining sufficient and appropriate audit evidence regarding the financial information on the forming entity within the Company, to express the opinion of the financial statements. We are responsible for instructing, supervising, and executing the audit on the parent company, as well as forming the auditor's opinion of the financial statements.

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 furnish the statement specifying that the personnel of firm we belong to subject to the regulation of independence comply with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China related to independence to the governance unit, while communicating any relationship that may be deemed affect the independence of the CPAs, as well as other matters (including safeguard measures).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022, and are therefore the key audit matters. We describe these matters in our auditor's 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.

PwC Taiwan

CPA Juanlu, Man-Yu
 Feng, Ming-Chuan

Former Financial Supervisory Commission, Executive Yuan
Document No. of Approval: Jin-Guan-Zheng-Shen Zhi No.0990058257
Former Financial Supervisory Commission, Executive Yuan
Document No. of Approval: Jin-Guan-Zheng-VI Zhi No.0960038033
March 24, 2023

Mao Bao Inc.
Stand-alone Balance Sheet
December 31, 2022 and 2021

Unit: NT\$ thousand

Assets	Note	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 101,015	16	\$ 139,858	21
1136	Financial assets measured at amortized cost - current	6(2)	89,999	14	55,360	8
1150	Notes receivable, net	6(4)	6,414	1	4,957	1
1170	Accounts receivable, net	6(4)	78,116	12	93,163	14
1180	Accounts receivable - related parties, net	7	7,779	1	22,462	4
1210	Other receivables - related parties	7	21,503	3	13,844	2
1220	Income tax assets of the period		3,662	1	688	-
130X	Inventories	6(5)	88,410	14	93,434	14
1479	Other current assets - others		2,605	-	1,929	-
11XX	Total current assets		<u>399,503</u>	<u>62</u>	<u>425,695</u>	<u>64</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive profit or loss - non-current	6(3)	134	-	134	-
1550	Investment adopting the equity method	6(6)	62,725	10	60,505	9
1600	Property, plant and equipment	6(7) and 8	148,738	23	151,097	23
1755	Right-of-use assets	6(8)	14,702	2	8,724	1
1780	Intangible assets	6(9)	90	-	331	-
1840	Deferred tax assets	6(22)	9,298	1	10,620	2
1975	Net defined benefit assets - non-current	6(12)	1,676	-	-	-
1990	Other non-current assets - others		11,569	2	4,296	1
15XX	Other non-current assets		<u>248,932</u>	<u>38</u>	<u>235,707</u>	<u>36</u>
1XXX	Total assets		<u>\$ 648,435</u>	<u>100</u>	<u>\$ 661,402</u>	<u>100</u>

(Continued in next page)

Mao Bao Inc.
Stand-alone Balance Sheet
December 31, 2022 and 2021

NT\$ thousand

Liabilities and Equity	Note	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current liabilities						
2130	Contract liabilities - current	6(16)	\$ 291	-	\$ 1,134	-
2170	Accounts payable		67,909	11	77,097	12
2180	Accounts payable - related parties	7	1,067	-	-	-
2200	Other payables	6(10)	48,885	8	49,831	8
2280	Lease liabilities - current		1,569	-	1,612	-
2399	Other current liabilities - others	6(11)	15,522	2	20,929	3
21XX	Total current liabilities		<u>135,243</u>	<u>21</u>	<u>150,603</u>	<u>23</u>
Non-current liabilities						
2570	Deferred tax liabilities	6(22)	17,750	3	16,036	3
2580	Lease liabilities - non-current		13,175	2	7,419	1
2640	Net defined benefit liabilities - non-current	6(12)	-	-	1,498	-
25XX	Total non-current liabilities		<u>30,925</u>	<u>5</u>	<u>24,953</u>	<u>4</u>
2XXX	Total Liabilities		<u>166,168</u>	<u>26</u>	<u>175,556</u>	<u>27</u>
Equity						
Share capital						
3110	Common share capital	6(13)	424,439	65	424,439	64
Capital reserve						
3200	Capital reserve	6(14)	2,704	-	2,704	-
Retained earnings						
3310	Statutory reserves	6(15)	36,900	6	35,146	5
3320	Special reserve		11,862	2	10,865	2
3350	Undistributed earnings		11,892	2	22,140	3
Other equities						
3400	Other equities		(5,530)	(1)	(9,448)	(1)
3XXX	Total equity		<u>482,267</u>	<u>74</u>	<u>485,846</u>	<u>73</u>
Significant Events After Balance Sheet Date						
3X2X	Total liabilities and equities		<u>\$ 648,435</u>	<u>100</u>	<u>\$ 661,402</u>	<u>100</u>

The accompanying notes are an integral part of the parent-only financial statements; please read together.

Chairman: Wu, Jui-Hua

Manager: Chen, Yi-Hung

Accounting Officer: Chen, Hsuan-Ju

Mao Bao Inc.
Stand-alone Comprehensive Income Statement
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand
(But EPS is NT\$)

Item	Note	2022		2021	
		Amount	%	Amount	%
4000 Operating Revenue	6(16) and 7	\$ 542,587	100	\$ 584,417	100
5000 Operating costs	6(5)(12) (21) and 7	(344,352)	(63)	(363,277)	(62)
5900 Gross Profit		198,235	37	221,140	38
5910 Unrealized gain of sales		(1,494)	-	(2,138)	-
5920 Realized gain of sales		2,138	-	2,728	-
5950 Gross operating profit, net		198,879	37	221,730	38
Operating expenses	6(12) (21) and 7				
6100 Selling expenses		(157,130)	(29)	(162,260)	(28)
6200 Administrative expenses		(37,781)	(7)	(36,380)	(6)
6300 Research and development expenses		(6,107)	(1)	(4,293)	(1)
6450 Expected credit impairment losses (gains)	12(2)	76	-	(38)	-
6000 Total operating expenses		(200,942)	(37)	(202,971)	(35)
6900 Operating (losses) gains		(2,063)	-	18,759	3
Non-operating Income and Expenses					
7100 Interest revenue	6(17) and 7	1,100	-	427	-
7010 Other income	6(18)	583	-	3,006	-
7020 Other gains or losses	6(19)	12,338	2	(1,977)	-
7050 Financial costs	6(20)	(198)	-	(202)	-
7070 Share of the incomes of the subsidiaries, affiliates and joint ventures recognized with the equity method	6(6)	(3,322)	-	3,621	1
7000 Total non-operating incomes and expenses		10,501	2	4,875	1
7900 Net profit before tax		8,438	2	23,634	4
7950 Income tax expenses	6(22)	(3,271)	(1)	(4,225)	(1)
8200 Current net profit		\$ 5,167	1	\$ 19,409	3

(Continued in next page)

Mao Bao Inc.
Stand-alone Comprehensive Income Statement
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand
(But EPS is NT\$)

Item	Note	2022		2021		
		Amount	%	Amount	%	
Other comprehensive income						
Items not reclassified						
subsequently to profit or loss						
8311	Remeasurement of defined benefit programs	6(12)	\$ 2,739	-	(\$ 2,331)	-
8316	Unrealized gains (losses) on investments in equity instruments as at fair value through other comprehensive income	6(3)	-	-	21	-
8349	Income taxes related to the items not re-classified	6(22)	(548)	-	466	-
8310	Total of items not re-classified		<u>2,191</u>	-	<u>(1,844)</u>	-
Items that may be reclassified						
subsequently to profit or loss						
8361	Exchange differences on translating the financial statements of foreign operations		4,898	1	(1,273)	-
8399	Income tax relating to items that may be reclassified	6(22)	(980)	-	255	-
8360	Total of items that may be reclassified subsequently to profit or loss		<u>3,918</u>	1	<u>(1,018)</u>	-
8300	Other comprehensive income of the year (net)		<u>\$ 6,109</u>	1	<u>(\$ 2,862)</u>	-
8500	Total comprehensive income (loss) for the period		<u>\$ 11,276</u>	2	<u>\$ 16,547</u>	3
Basic earnings per share						
9750	Basic earnings per share	6(23)	\$	0.12	\$	0.46
Diluted earnings per share						
9850	Diluted earnings per share	6(23)	\$	0.12	\$	0.46

The accompanying notes are an integral part of the parent-only financial statements; please read together.

Chairman: Wu, Jui-Hua

Manager: Chen, Yi-Hung

Accounting Officer: Chen, Hsuan-Ju

Mao Bao Inc.
Stand-alone Statement of Changes in Equity
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand

Note	Capital reserve				Retained earnings			Other equities		Total equity
	Common share capital	Capital reserve - issuance premium	Capital reserve - gains from disposed assets	Capital reserve - gifted assets	Statutory reserves	Special reserve	Undistributed earnings (Deficits to be compensated)	Exchange differences on translating the financial statements of foreign operations	Unrealized gains (losses) on financial assets as at fair value through other comprehensive income	
<u>2021</u>										
Balance at January 1, 2021	\$ 424,439	\$ 2,027	\$ 663	\$ 14	\$ 31,338	\$ 2,414	\$ 38,077	(\$ 8,326)	(\$ 125)	\$ 490,521
Current net profit	-	-	-	-	-	-	19,409	-	-	19,409
Other comprehensive income for the period	-	-	-	-	-	-	(1,865)	(1,018)	21	(2,862)
Total comprehensive income for the period	-	-	-	-	-	-	17,544	(1,018)	21	16,547
Earning provision and appropriate for 2020:	6(15)									
Provided for statutory reserves	-	-	-	-	3,808	-	(3,808)	-	-	-
Provided for special reserves	-	-	-	-	-	8,451	(8,451)	-	-	-
Cash dividends	-	-	-	-	-	-	(21,222)	-	-	(21,222)
Balance as of December 31, 2021	\$ 424,439	\$ 2,027	\$ 663	\$ 14	\$ 35,146	\$ 10,865	\$ 22,140	(\$ 9,344)	(\$ 104)	\$ 485,846
<u>2022</u>										
Balance as of January 1, 2022	\$ 424,439	\$ 2,027	\$ 663	\$ 14	\$ 35,146	\$ 10,865	\$ 22,140	(\$ 9,344)	(\$ 104)	\$ 485,846
Current net profit	-	-	-	-	-	-	5,167	-	-	5,167
Other comprehensive income for the period	-	-	-	-	-	-	2,191	3,918	-	6,109
Total comprehensive income for the period	-	-	-	-	-	-	7,358	3,918	-	11,276
2021 Earnings Provision and Distribution:	6(15)									
Provided for statutory reserves	-	-	-	-	1,754	-	(1,754)	-	-	-
Provided for special reserves	-	-	-	-	-	997	(997)	-	-	-
Cash dividends	-	-	-	-	-	-	(14,855)	-	-	(14,855)
Balance as of December 31, 2022	\$ 424,439	\$ 2,027	\$ 663	\$ 14	\$ 36,900	\$ 11,862	\$ 11,892	(\$ 5,426)	(\$ 104)	\$ 482,267

The accompanying notes are an integral part of the parent-only financial statements; please read together.

Chairman: Wu, Jui-Hua

Manager: Chen, Yi-Hung

Accounting Officer: Chen, Hsuan-Ju

Mao Bao Inc.
Standalone Statement of Cash Flows
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand

	Note	January 1 to December 31, 2022	January 1 to December 31, 2021
<u>Cash flows from operating activities</u>			
Net profit before tax for the year		\$ 8,438	\$ 23,634
Adjusted items			
Income/expenses items			
Depreciation expense	6(21)	10,191	9,085
Amortization expenses	6(21)	662	683
Expected credit impairment losses (incomes)	12(2)	(76)	38
Interest expenses	6(20)	198	202
Interest revenue	6(17)	(1,100)	(427)
Dividend income	6(18)	-	(22)
Share of the incomes of the subsidiaries, affiliates and joint ventures recognized with the equity method	6(6)		
Loss from disposal of and scrapping property, plant and equipment	6(19)	3,322	(3,621)
Realized (unrealized) gain of sales		26	75
Gains on lease modification	6(19)	(644)	(590)
		(337)	-
Changes in assets/liabilities related the operating activities			
Net changes in assets related the operating activities			
Notes receivable		(1,472)	(2,287)
Accounts receivable		15,138	(947)
Accounts receivable - related parties		14,683	3,397
Other receivables - related parties		(7,659)	(5,298)
Inventories		5,024	(2,352)
Other current assets - others		(286)	1,593
Net changes in liabilities related the operating activities			
Contract liabilities		(843)	272
Accounts payable		(9,188)	16,779
Accounts payable - related parties		1,067	-
Other payables		(946)	7,358
Other current assets - others		(5,407)	725
Net defined benefit assets and liabilities - non-current net changes		(435)	(460)
Cash inflow provided by operating activities		30,356	47,837
Interest received		710	402
Dividends received		-	22
Interest paid		(198)	(202)
Income tax paid		(4,737)	(10,622)
Net cash inflow from operating activities		<u>26,131</u>	<u>37,437</u>
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at amortized costs		(34,639)	(41,120)
Acquisition of property, plant and equipment	6(7)	(6,330)	(4,461)
Disposal of property, plant and equipment		138	-
Acquisition of intangible assets	6(9)	(421)	-
(Decrease) Increase in refundable deposits		67	(17)
Other non-current assets - other addition		(7,340)	(3,354)
Net cash outflow from investment activities		<u>(48,525)</u>	<u>(48,952)</u>
<u>Cash flows from financing activities</u>			
Repayment of lease liabilities		(1,594)	(1,581)
Distribution of cash dividends	6(15)	(14,855)	(21,222)
Net cash outflow from financing activities		<u>(16,449)</u>	<u>(22,803)</u>
Decrease in cash and cash equivalents in this period		(38,843)	(34,318)
Beginning balance cash and cash equivalents for the period		139,858	174,176
End balance cash and cash equivalents for the period		<u>\$ 101,015</u>	<u>\$ 139,858</u>

The accompanying notes are an integral part of the parent-only financial statements; please read together.

Chairman: Wu, Jui-Hua

Manager: Chen, Yi-Hung

Accounting Officer: Chen, Hsuan-Ju

Annex 4

Mao Bao Inc. 2022 Earnings Distribution Table

Unit: NT\$

Item	Amount	Remarks
Beginning undistributed earnings	4,532,895	
Adjustment of retained earnings from IFRSs conversion		
Adjusted beginning undistributed earnings	4,532,895	
Adjustment of the undistributed earnings for the year	2,190,892	Adjusted according to the Actuary Report (Re-measurements of defined benefit programs)
<u>Adjusted undistributed earnings</u>	6,723,787	
Net profit (loss) after tax of the period	5,167,651	
Less: provision of statutory surplus reserve pursuant to laws	(735,854)	10%
Adjustment: provision of special surplus reserve pursuant to laws	6,332,855	Difference recognized of reversal of special surplus reserve
<u>Distributable earnings</u>	17,488,439	
Less: cash dividends	0	
<u>End undistributed earnings</u>	17,488,439	

Chairman: Wu, Jui-Hua

Manager: Chen, Yi-Hung

Accounting Officer: Chen, Hsuan-Ju

Comparison table for amended provisions of the Articles of Incorporation

Article No.	After amendment	Before amendment	Reason of amendment
Article 31	The fiscal year of the Company is from January 1 to December 31 every year. At the end of each fiscal year, the board of directors shall prepare the statements and books <u>below</u> , and submit such to the Audit Committee 30 days prior to the regular shareholders' meeting and then submit to the shareholders' meeting for ratification: (I) Business Report. (II) Financial Statements. (III) Proposal for earning distribution or deficit compensation.	The fiscal year of the Company is from January 1 to December 31 every year. At the end of each fiscal year, the board of directors shall prepare the statements and books <u>at the left</u> , and submit such to the Audit Committee 30 days prior to the regular shareholders' meeting and then submit to the shareholders' meeting for ratification: (I) Business Report. (II) Financial Statements. (III) Proposal for earning distribution or deficit compensation.	Errata
Article 32	Where the Company makes profits, no more than 2% shall be provided as the director and supervisor remuneration, and 5%~8% is provided as the employee remuneration; however, the amount for compensation shall be set aside first if any accumulated loss. The employee remuneration may be distributed in cash or shares; the receivers may include the employees of controlling or subordinate companies meeting certain conditions that established by the Board under the authorization.	Where the Company makes profit for a year, no more than 2% of the net profit before tax shall be provided as the director and supervisor remuneration, and 5%~8% is provided as the employee remuneration; however, the amount for compensation shall be set aside first if any accumulated loss. The employee remuneration may be distributed in cash or shares; the receivers may include the employees of controlling or subordinate companies meeting certain conditions that established by the Board under the authorization.	Deletion of redundant terms
Article 32-1 Paragraph 1	<u>With the net profit after settlement each year by the Company; payable taxes shall be estimated and retained; prior deficits shall be offset; the remuneration to directors and that to employees shall be estimated and retained; and then 10% may be set aside to be the statutory surplus reserve, unless the statutory surplus reserve has reached the paid-in capital size. Secondly, if necessary, the special surplus reserve is to be set aside or reversed as required by law. In cases of further earnings, the balance shall be combined in prior accumulated undistributed balance. The Board of Directors is to prepare the distribution proposal. When the distribution is done through issuance of new shares, the requirements in Article 240 of the Company Act shall be followed. When it is done in cash, the Board of Directors is authorized to approve it with a majority vote of attending directors in a meeting attended by at least two-thirds of all directors and report it to the shareholders' meeting.</u>	The net income of the Company after the annual settlement, other than withholding the income tax, shall make up for accumulated losses in previous years, and set aside 10% as legal reserve; the special reserves shall be provided or reversed where necessary. If any balance is left, with the undistributed earnings accumulated from previous years, the Board of Directors prepares the proposal of distribution to be submitted to the shareholders' meeting for resolution.	Clarification on the adjustment: It is added according to the Letter from the Ministry of Economic Affairs Jing-Shang-Zhi No. 10902407350
Article 35	The Articles of Incorporation were established on November 15, 1978 The 31st amendment was made on June 16, 2022 <u>The 32nd amendment was made on June 20, 2023</u>	The Articles of Incorporation were established on November 15, 1978 The 31st amendment was made on June 16, 2022	Added the amendment date (dates approved by the Board, and <u>by the shareholder's meeting.</u>)

Bylaw 1

Mao Bao Inc. Articles of Incorporation

Chapter 1 General Principle

Article 1:

The Company is incorporated pursuant to the Company Act, and named as Mao Bao Inc. in English.

Article 2:

The Company operates the following businesses:

- I. C802090 Manufacture of Cleaning Preparations
- II. F107030 Wholesale of Cleaning Supplies
- III. F207030 Retail Sale of Cleaning Supplies
- IV. C802100 Cosmetics Manufacturing
- V. F108040 Wholesale of Cosmetics
- VI. F208040 Retail Sale of Cosmetics
- VII. F401010 International Trade
- VIII. C802990 Other Chemical Products Manufacturing (Air Freshener)
- IX. CZ99990 Manufacture of Other Industrial Products Not Elsewhere Classified (Mops, brooms, sponges, rags, gloves, brushes)
- X. F107080 Wholesale of Environmental Agents
- XI. F207080 Retail Sale of Environmental Agents
- XII. F106020 Wholesale of Daily Commodities
- XIII. F206020 Retail Sale of daily commodities
- XIV. F102160 Wholesale of Assist Food Products
- XV. All business activities that are not prohibited or restricted by law, except those that are subject to special approval

Article 3:

Where the Company is a shareholder with limited liability of another company, its total amount investment is not subject to the limitation of 40% of the paid-in capital specified in Article 13 of the Company Act.

Article 4:

Due to the business needs, the Company may provide the external guarantee; its operating procedures shall comply with the Company's Operating Procedures for Loaning of Funds and Providing Endorsements or Guarantees.

Article 5:

The Company has set the headquarter in Hsinchu County; branches may be established domestically or overseas upon the resolution of the board of directors.

Article 6: Deleted.

Chapter 2 Shares

Article 7:

The Company's total capital is Six Hundred and Fifty Million New Taiwan Dollars, divided into Sixty-five million shares, with face value of NT\$10 per share; the shares are issued in tranches, and the board of directors is authorized to issue the unissued shares upon its resolutions.

Article 8:

The Company's shares are registered, and signed and sealed by the directors represented by the Company, attested by the attesting banks pursuant to laws before issuing. Or the share certificates may be exempted from printing but to be registered with a centralized securities depository enterprise.

Article 9:

The shareholder services shall comply with the related laws and regulations and the requirements of the competent authority.

Article 10:

Where the Company transfers the treasury shares to employees, retains the shares subscribed by employees when issuing new shares, the share subscription warrant for employees, and the restricted new shares for employees, the employees of controlling or subordinate company meeting certain specific requirements, may be entitled to be the receivers; the board of directors is authorized to determine such certain specific requirements.

Article 11:

For shareholder services including the transfer of share ownership, creation of pledge, reporting of loss, inheritance, gifting, reporting loss of or changing seals, or changing address, and exercises of all rights, the Regulations Governing the Administration of Shareholder Services of Public Companies shall be complied with unless the regulations of securities specify otherwise.

Article 12:

Shareholders shall send the specimen chop to the Company for reference; for shareholders to receive dividends, bonus, or exercise all other rights, the specimen chop retained by the Company shall be the proof.

Article 13: Deleted.

Article 14:

Transfer of shares is suspended within 60 days prior to the regular shareholders' meetings, 30 days prior to the special shareholders' meetings, or five days prior to the base date when determining the distribution of dividends, bonus, or other interests by the Company.

Chapter 3 Shareholders' Meetings

Article 15:

Shareholders' meeting shall be of two kinds, regular shareholders' meetings and special shareholders' meetings. The regular shareholders' meetings shall be convened within six months after close of each fiscal year by the board of directors. Special shareholders' meetings are convened pursuant to laws if needed.

The Company may hold shareholders' meetings by means of visual communication network or other methods promulgated by the central competent authority. The related operating procedures for the visual communication network shall comply with the Company Act and the regulations of the competent authority.

The shareholders' meetings adopt exercise of voting rights by electronic means as the one way to exercise of voting rights; the related operations shall comply with the regulations of the competent authority.

Article 16:

The cause of convention shall be notified to each shareholder 30 days prior to the convention of a regular shareholders' meetings, or 15 days for special shareholders' meetings.

Article 17:

Where a shareholder is absent from a shareholders meeting due to whatever reason, 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. However, one shareholder may only appoint one proxy with one proxy form.

Article 18:

Each share is entitled one voting right for the Company's shareholders; however, the shares not entitled to voting rights partially or overall due to regulations are not subject to this provision.

Article 19:

Unless the related regulations specify otherwise, the resolutions of shareholders' meeting shall be adopted with the attending shareholders represent a majority of the total number of issued shares and approved by the majority of the shares of the attending shareholders.

Article 20:

Shareholders' meetings are convened by the board of directors and chaired by the chairman. Where the chairman is absent, Article 208 of the Company Act shall be complied with. Where as for a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

Article 21:

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes, specifying the year, month, day, and place of the meeting, the chair's full name, and the methods by which resolutions were adopted, signed or sealed by the chair of the meeting, to be retained by the Company with the attendance book recording the shareholder attendance and the proxy forms for proxies. The meeting minutes shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The distribution of meeting minutes in the preceding paragraph may be done in the way of announcement.

Chapter 4 Directors and the Audit Committee

Article 22:

The Company establishes seven to nine directors, with the term of office for three years. The election of directors adopts the candidate nomination system, for the shareholder meeting to elect from the candidate roster; directors may be re-elected and re-appointed.

Since the 14th board of directors, the Company has established the Audit Committee. The regulations regarding supervisors in the Company Act, the Securities Exchange Act, and other laws apply to the Audit Company *mutatis mutandis*.

Article 22-1:

Among the number of directors in the preceding article, at least three of them are for independent directors, and no less than one-third of the director seats; any shareholder holding 1% or more of the total number of outstanding shares issued by the company may submit to the company in writing a roster of director candidates.

The nomination, acceptance method, and announcement related to the candidates of independent directors shall comply with the Company Act, the Securities Exchange Act, and other regulations.

Article 23:

The board of the director is formed by directors; the chairman is elected among them with the two-third of directors attending and approved by the majority of the attending directors. The chairman represents the Company externally.

Article 24:

Other than the first meeting of each term of the board of directors that shall be convened pursuant to the Company by the chairman, the resolutions of the board meetings shall be approved by the majority of the attending directors with the majority of the director attending. The convention of a board meeting shall be notified to each director seven days prior to the meeting; a board meeting may be convened at any time in case of emergency.

The convention of a board meeting may be done in the manner of writing, e-mail, or fax.

Article 25:

Unless specified otherwise in the Company Act, a Board of Directors meeting needs to be attended by a majority of all directors. Any director that is unable to attend it may issue a Power of Attorney that shows the scope of authorization for causes for which the meeting is called for and have one attending director to act on his/her behalf. Each director may only accept one Power of Attorney. Resolutions shall be supported by a majority of attending directors and the meeting minutes shall be produced, signed or sealed by the chair and retained.

Where a board meeting is convened virtually, the directors attending the meeting virtually are deemed attending in person.

Article 26:

Where the chairman is on leave or unable to perform the duties, the deputy shall comply with Article 208 of the Company Act.

Article 27:

The transportation subsidies to all directors shall be determined by the board of directors at the general level among peers, regarding the operating profit or loss.

Depending on the actual needs, and with the approval of the majority of the attending directors in a meeting attended by the majority of the directors, the board of directors may purchase the liability insurance for all directors and managerial officers during their terms of office.

Chapter 5 Managers

Article 28:

The Company has one president in place, and the appointment, dismissal, and remunerations shall comply with Article 29 of the Company Act

Article 29:

The president handles the daily business of the Company pursuant to the resolutions of the board of directors.

Article 30: Deleted.

Chapter 6 Accounting

Article 31:

The fiscal year of the Company is from January 1 to December 31 every year. At the end of each fiscal year, the Board of Directors shall prepare the statements and books at the left, and submit such to the Audit Committee 30 days prior to the regular shareholders' meeting and then submit to the shareholders' meeting for ratification:

- (I) Business Report.
- (II) Financial Statements.
- (III) Proposal for earning distribution or deficit compensation.

Article 32:

Where the Company makes profit for a year, no more than 2% of the profit before tax shall be provided as the director and supervisor remuneration, and 5%~8% is provided as the employee remuneration; however, the amount for compensation shall be set aside first if any accumulated loss.

The employee remuneration may be distributed in cash or shares; the receivers may include the employees of controlling or subordinate companies meeting certain conditions that established by the Board under the authorization.

Article 32-1:

The net income of the Company after the annual settlement, other than withholding the income tax, shall make up for accumulated losses in previous years, and set aside 10% as legal reserve; the special reserves shall be provided or reversed where necessary. If any balance is left, with the undistributed earnings accumulated from previous years, the Board of Directors prepares the proposal of distribution to be submitted to the shareholders' meeting for

resolution.

The Company's dividend policy is determined by considering the environment where the Company is and the stage of growth, based on the solid financial planning for the sustainable operation, and depending on the operation planning, future capital expenditure budget, and capital requirement; of which, the amount of cash dividends is no lower than 10% of the total shareholder dividends distributed, and the remaining amount may be distributed in shares. The distribution may be exempted if the cash dividend distributed to each share is less than NT\$0.1.

Article 33:

At the end of each fiscal year, the business report, financial statements, earning distribution statement, or proposal of deficit compensation shall be submitted to the competent authority within the statutory period upon the ratification of the shareholders' meeting.

Chapter 7 Bylaws

Article 34:

Anything not specified in the Articles of Incorporation shall comply with the Company Act and other related laws and regulations.

Article 35:

The Articles of Incorporation were established on November 15, 1978.

The 1st amendment was made on December 3, 1981.

The 2nd amendment was made on September 9, 1982.

The 3rd amendment was made on August 1, 1984.

The 4th amendment was made on July 4, 1985.

The 5th amendment was made on October 9, 1985.

The 6th amendment was made on December 8, 1986.

The 7th amendment was made on March 20, 1987.

The 8th amendment was made on August 30, 1988.

The 9th amendment was made on September 20, 1989.

The 10th amendment was made on March 20, 1990.

The 11th amendment was made on November 16, 1990.

The 12th amendment was made on October 12, 1993.

The 13th amendment was made on April 18, 1997.

The 14th amendment was made on September 26, 1997.

The 15th amendment was made on November 5, 1997.

The 16th amendment was made on November 28, 1997.

The 17th amendment was made on February 27, 1998.

The 18th amendment was made on May 12, 1998.

The 19th amendment was made on August 3, 1998.

The 20th amendment was made on March 17, 1999.

The 21st amendment was made on June 15, 2000.

The 22nd amendment was made on June 20, 2002.

The 23rd amendment was made on June 20, 2003.

The 24th amendment was made on June 18, 2010.

The 25th amendment was made on June 19, 2012.

The 26th amendment was made on June 17, 2016.

The 27th amendment was made on June 14, 2018.

The 28th amendment was made on October 17, 2019.

The 29th amendment was made on June 11, 2020.

The 30th amendment was made on August 24, 2021.

The 31st amendment was made on June 16, 2022.

Bylaw 2

Mao Bao Inc. Rules of Procedure for Shareholders Meetings

Article 1: 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 2: Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

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

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the information reporting website assigned by the Financial Supervisory Commission before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the information reporting website assigned by the Financial Supervisory Commission before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made 30 days before the regular shareholders meeting.

In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby. The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

- I. For physical shareholders meetings, to be distributed on-site at the meeting.
- II. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
- III. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

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

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, the board of directors still may include such proposal 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 a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time 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 regular shareholders meeting and take part in discussion of the proposal.

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

Article 3: For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by presenting the Power of Attorney printed by the Company that specifies the scope of authorization.

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

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

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

Article 4: 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.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting. However, when the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order. The Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

Article 5: The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

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

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

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

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

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

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6: To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:

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

Article 7: If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the 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.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting. Staff handling administrative affairs in a shareholders meeting shall wear identification cards or arm bands.

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 audio and video data should be kept properly 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.

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

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

Article 9: Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

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

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 5. 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. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). 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, call for a vote, and schedule sufficient time for voting.

Article 11: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

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

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

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

Article 12: When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. 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.

Article 13: After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words.

Article 14: When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

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

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

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

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

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.

Article 15: 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.

Article 16: 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. A proposal inquired by the chair without dissent is deemed passed, with the same effect and force as voting. Elections of directors shall comply with the procedures of electing directors, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers

of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received. The ballots for the election 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 recording shall be retained until the conclusion of the litigation.

- Article 17: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.
Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting. Votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.
When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.
When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.
- Article 18: When a meeting is in progress, the chair may announce a break based on time considerations.
- Article 19: 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 20: 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 21: 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 voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.
Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes. The Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online
- Article 22: On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.
During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply

whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

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

Article 23: In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 24: In the event of a virtual shareholders meeting, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

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

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

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

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

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

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

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

Article 25: These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 26: Established on June 20, 2002.

The 1st amendment was made on June 11, 2020

The 2nd amendment was made on August 24, 2021

The 3rd amendment was made on June 16, 2022

Bylaw 3

Mao Bao Inc. Procedures for Election of Directors

- I. Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.
- II. The Company adopts the candidates' nomination system for election of the directors; the Company shall, prior to the share transfer suspension date dedicated before the meeting date of a shareholders' meeting, announce in a public notice, the period for accepting the nomination of director candidates, the quota of directors to be elected, the place designated for accepting the roster of director candidates nominated, and other necessary matters. The length of the period for accepting the nomination of director candidates shall not be shorter than ten (10) days.

If an independent director candidate included by the Company under the provisions has already served as an independent director of the Company for three consecutive terms or more, the Company shall publicly disclose, together with the review results under the preceding paragraph, the reasons why the candidate is nominated again for the independent directorship, and present the reasons to the shareholders at the time of the election at the shareholders meeting.

- III. More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.
- IV. The qualifications for the independent directors of the Company shall comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies," and related laws and regulations.
- V. Any shareholder holding 1% or more of the total number of outstanding shares issued by the company may submit to the company in writing a roster of director candidates, describing the name, education background and past work experience of the director candidates. The total number of director candidates so nominated shall not exceed the quota of the directors to be elected. This restrictive condition shall also be applicable to the roster of director candidates nominated by the board of directors.

The board of directors or other authorized conveners of shareholders' meetings shall, unless under any of the following circumstances, include all qualified director candidates in the final roster of director candidates accordingly:

1. Where the roster of director candidates is submitted by the nominating shareholder beyond the deadline fixed for accepting such candidates roster.
2. Where the number of shares of the company being held by the nominating shareholder is less than 1% of the total number of outstanding shares of the company at the time when the share transfer registration is suspended by the company in accordance with the provisions set out in Paragraph II or Paragraph III, Article 165 of this Act.
3. Where the number of director candidates nominated exceeds the quota of the directors to be elected.
4. Where the roster of director candidates submitted by a shareholder fails to describe the name, education background and past work experience of the director candidates.

The Company shall, no later than 40 days prior to the scheduled meeting date of a regular shareholders' meeting or no later than 25 days prior to the scheduled meeting date of a special shareholders' meeting, have the roster of director candidates and their education background and past work experience published in a public notice.

- VI. The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
Shareholders exercising the voting rights in the electronic manner shall exercise the rights at the electronic voting platform designated by the Company.
- VII. When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders

meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies. When the number of independent directors falls below that required under the Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

- VIII. The directors of the Company are elected by the shareholders' meetings. The number of directors will be as specified in the Company's Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- IX. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences. The board of directors shall prepare ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- X. Before the election begins, the chair shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel. The appointed persons shall have the shareholder status.
- XI. If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a juristic-person shareholder, the name of the juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered.
- XII. A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared by a person with the right to convene.
 2. A blank ballot is placed in the ballot box.
 3. The writing is unclear and indecipherable or has been altered.
 4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
 5. Other words or marks are entered in addition to the number of voting rights allotted.
- XIII. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.
- The ballots for the election shall be sealed with the signatures of the monitoring personnel and given to the Company for good custody, 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.
- XIV. The Board of Directors of the Company shall issue notifications to the persons elected as directors.
- XV. Anything not specified in these Procedures shall comply with the Company Act and related laws and regulations.
- XVI. These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.
- XVII. These Procedures were established on June 20, 2002.
- The 1st amendment was made on June 17, 2016.
- The 2nd amendment was made on June 14, 2018.
- The 3rd amendment was made on June 11, 2020.
- The 4th amendment was made on August 24, 2021.

Bylaw 4. Shareholdings of Directors

Base date: April 22, 2023

Job title	Name	Date of being elected	Shares held when being elected			Current shares held			Remarks
			Category	Number of shares	% in the issuance at the time	Category	Number of shares	% in the issuance at the time	
Chairman	PACIFIC SHINER INVESTMENT	June 11, 2020	Common shares	6,790,856	16.00%	Common shares	6,790,856	16.00%	
Director	PACIFIC SHINER INVESTMENT								
Director	PACIFIC SHINER INVESTMENT								
Director	Wu, Chao-Wen	June 11, 2020	Common shares	965,069	2.27%	Common shares	965,069	2.27%	
Independent director	Su, Liang	June 11, 2020	Common shares	0	0.00%	Common shares	0	0.00%	
Independent director	Huang, Chien-Cheng	June 11, 2020	Common shares	0	0.00%	Common shares	0	0.00%	
Independent director	Chen, Wei-Chih	June 11, 2020	Common shares	0	0.00%	Common shares	0	0.00%	
Total			Common shares	7,755,925		Common shares	7,755,925		
Total number of shares issued as of June 11, 2020: 42,443,957									
Total number of shares issued on April 22, 2023: 42,443,957									

Remarks: The statutory number of shares to be held by the Company's directors combined is 3,600,000 and the number of shares actually held by the Company's directors combined as of April 22, 2023 is 7,755,925.

The statutory shares to be held by all the Company's supervisors: the Company has the Audit Committee in place so there is no applicable statutory shares to be held by supervisors.

© Shares held by independent directors are not included in the number of shares held by directors.