



Stock Code:4432

銘旺實業股份有限公司
HAKERS ENTERPRISE CO., LTD.

Annual Meeting of Shareholders

Handbook for the 2024

(Translation)

Meeting Type: Physical shareholders' meeting

Time: June 30, 2024 at 10:00 a.m.

Location: 9F-5, No. 6, Sec.1, Jung-shing RD., Wugu District,
New Taipei City 248, Taiwan, R.O.C

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HAKERS ENTERPRISE CO., LTD.

Procedure for the 2024 Annual Meeting of Shareholders

1. Call the Meeting to Order
2. Chairman Remarks
3. Report Items
4. Ratification Items
5. Discussion Items
6. Extraordinary Motions
7. Meeting Adjourned

HAKERS ENTERPRISE CO., LTD.

Agenda for 2024 Annual Meeting of Shareholders

1. Time: June 12, 2024 (Wednesday) at 10:00 a.m.
2. Location: 9F-5, No. 6, Sec.1, Jung-shing RD., Wugu District, New Taipei City
248, Taiwan, R.O.C (physical shareholders meeting)
3. Call the Meeting to Order
4. Chairman Remarks
5. Report Items
 1. To report the business of 2023.
 2. 2023 Audit Committee's Review Report.
 3. To report 2023 remuneration to directors and employees' compensation.
6. Ratification Items
 1. To approve 2023 Business Report and Financial Statements.
 2. To approve the proposal for 2023 Earnings Distribution.
7. Discussion Items
 1. To amend the Company's "Rules of Procedure for Shareholder Meetings".
8. Extraordinary Motions
9. Adjournment

Report Items

Report No. 1: To report the business of 2023.

Explanation: : For the company's 2023 business reports are attached hereto as Attachments 1. (page 6)

ReportNo. 2: 2023 Audit Committee's Review Report.

Explanation : The Audit Committee's Review Report is attached hereto as Attachment 2. (page 11)

Report No. 3 : To report 2023 remuneration to directors and employees' compensation.

Explanation :

(1) According to the Article 26 of the Articles of Incorporation. If the company makes a profit during the year, it shall allocate no less than 1% as employees' compensation and no more than 3% as directors' remuneration. However, if the company still has accumulated losses, it should reserve the amount to make up for it in advance.

(2) The company's employee compensation. in 2023 was NT\$1,267,195 in cash and director's remuneration was NT\$0, which was approval by the board of directors on March 15, 2024 and will be submitted to the shareholders' meetingreport. Please refer to the attachment 3 for the distribution of employee compensation and director remuneration in 2023. Table (page 12).

Ratification Items

**Proposal No. 1 : To approve 2023 Business Report and Financial Statements.
(Proposed by the Board of Directors)**

Explanation :

(1) The Parent Company Only Financial Statements and Consolidated Financial Statements of the Company in 2023 have been approved at the Board of Directors on March 15, 2024 and audited by Chin-Lien Huang and Hsiu-Ling Lee the CPA of PricewaterhouseCoopers Firm.

(2) The Financial Statements mentioned above, along with Business Report, have been verified by the Audit Committee and the review report was issued, accordingly. The Audit Committee's Review Report is attached hereto as Attachment 2. (page 11)

(3) 2023 Business Report, Independent Auditors' Report, and the aforementioned Financial Statements are attached hereto as Attachments 1 and 4. (page 6 & 13)

Resolution :

**Proposal No. 2 : To approve the proposal for distribution of 2023 earnings.
(Proposed by the Board of Directors)**

Explanation : The Company's 2023 Earnings Distribution Proposal was prepared in accordance with the provisions of the Articles of Incorporation. It has been reviewed by the Audit Committee, and approved by the Board of Directors on March 15, 2024. Earnings Distribution Table is attached hereto as Attachment 5. (page 37)

Resolution :

Discussion Items

Proposal No. 1 : To amend the Company's "Rules of Procedure for Shareholder Meetings". (Proposed by the Board of Directors)

Explanation : In order to conform to the amendments of related laws, the company hereby proposes to amend Rules of Procedure for Shareholder Meetings. The Comparison Table for the Rules of Procedure for Shareholder Meetings Before and After Revision is attached hereto as Attachment 6 (page 38).

Resolution :

Extraordinary Motions

Adjournment

Attachment 1

HAKERS ENTERPRISE CO., LTD.

Business Report of 2023

Looking back at the year 2023, the global economy was impacted by the Ukraine-Russia conflict, leading to a significant rise in energy prices and consequently a high inflation rate. In order to curb inflation, countries implemented interest rate hikes to mitigate the impact of inflation. However, these rate hikes also slowed down post-pandemic economic recovery. Moreover, sportswear is not a necessity, and as a result, the purchasing power of end consumers weakened, leading to a more cautious approach in inventory management by apparel brands in 2023. Overall, the performance in 2023 declined by 24% compared to 2022.

Despite HAKERS' performance in 2023 not matching that of 2022 amid significant global economic and political turmoil, the management team was able to grasp international dynamics in a timely manner and adhere to conservative and stable development strategies and principles. Through cohesive teamwork, HAKERS maintained a certain level of profitability in 2023, demonstrating the group's adaptability and resilience.

Looking ahead to 2024, with the gradual normalization of inventory clearance among various apparel brands and the easing of inflation and interest rate hikes in the United States, the economy is expected to experience a moderate recovery. However, while the economic outlook for 2024 is not overly pessimistic, it still faces many challenges. One of the most internationally recognized challenges is sustainable development. Industries worldwide are transitioning to green energy and investing in environmental protection costs. Additionally, with the EU implementing carbon tariffs, various international environmental protection policies are increasing manufacturing costs, leading to green inflation. Apart from this, geopolitical conflicts, continued rise in energy prices, and policy uncertainties resulting from the U.S. presidential election are ongoing challenges in 2024.

Our group will maintain a prudent and conservative approach, continuously strengthen our manufacturing capabilities, and remain sensitive to global market trends. We aim to achieve outstanding business results in 2024.

1. Results of Execution of 2023 Business Plan

A. Implementation results of business plan

Unit: NTD thousands

Item	2023	2022	Diff.	%
Operating revenue	1,175,035	1,540,608	(365,573)	(23.73)
Gross profit	281,516	337,125	(55,609)	(16.50)
Operating profit	91,492	139,236	(47,743)	(34.29)
Profit for the year	97,196	172,263	(75,067)	(43.58)
Total comprehensive income for the year	87,890	178,876	(90,986)	(50.87)
Earnings per share	1.92	3.41	-	-

The group's overall operating revenue for 2023 decreased by 23.73% compared to 2022, mainly due to adjustments in inventory strategies with clients and capacity adjustments in Southeast Asia. The gross profit margin for 2023 was 24%, an improvement from the 22% margin in 2022, and operating expenses slightly decreased compared to 2022. Consequently, the earnings per share for 2023 decreased from 3.41 in 2022 to 1.92, primarily due to the decrease in operating revenue.

B. Budget execution status

The group did not disclose its financial forecast for the year 2023, so there is no need to disclose the budget execution status.

C. Financial structure and profitability

Item		2023	2022	
Financial Structure (%)	Debt to asset ratio	13.44	17.82	
	Long-term capital to property, plant and equipment	540.64	484.41	
Profitability (%)	Return on assets	6.35	11.90	
	Return on stockholders' equity	7.51	14.76	
	Ratio to issued capital	Operating income	18.08	27.52
		Pre-tax income	24.79	39.42
	Profit ratio	8.27	11.18	
EPS	1.92	3.41		

(四) Technology and R&D Overview:

Green sustainability has become the most crucial issue internationally, with challenges like climate change requiring collective efforts from countries to overcome. Carbon reduction and environmental protection have emerged as key directions for the future of the textile and apparel industry. Therefore, in 2023, our group not only focused on improving product quality but also actively used environmentally friendly raw materials and recycled materials, contributing to sustainable operations for the planet.

Products developed by our group with a focus on sustainability have also been recognized with international awards. In April and November 2023, we received the Best Product Award at the German ISPO, and in August of the same year, we were honored with the Annual Award and the Excellence Award at the Taiwan Outdoor Group (TOG).

2. Business Plan for 2024

A. Business objectives

Guided by the principles of "prudent operation, innovative value, shared achievements, and mutual trust and reciprocity," our group's management team possesses flexibility and rapid response capabilities. We can promptly meet customer requirements and accurately control delivery times, while also being adaptable to customers' product design needs, achieving a mutually beneficial win-win situation.

While maintaining mutually beneficial relationships with existing customers, we actively seek to expand our customer base to increase our global market share. Additionally, in response to the fluctuating global economic landscape, our business personnel are always attentive to economic trends and customer feedback, minimizing their impact and allowing us to enhance company profits, thus creating optimal benefits for shareholders.

B. Sales forecast and sales policy

The group did not disclose its financial forecast for the year 2024, so there is no need to disclose expected sales quantities or similar information.

C. Important production and marketing policies

1. The group adopts international division of labor logistics management and has

several production bases to meet customer needs. By integrating raw material procurement and overseas production capacity, the group provides customers with a complete industry chain, further enhancing its competitiveness.

2. In response to the rapid changes in global product trends and the shift towards multifunctional and functional apparel in end-consumer demand, coupled with the recent trend towards green market development, the group has established a product development center in Taipei. This center provides pattern making, design concepts, and marketing services.
3. Strategic procurement is implemented to reduce the risk of significant cost fluctuations, creating a win-win situation.

3. Future development strategy

- A. Maintain close communication with customers, pay attention to market consumption trends, and respond to customer needs in a timely manner by adjusting production capacity and delivery schedules to maximize revenue.
- B. Actively expand the customer base to increase the company's global market share.
- C. Expand relationships with more high-quality primary and secondary material suppliers to find more reasonable prices.
- D. Strictly control fabric wastage rates to reduce costs and increase profitability.

4. The impact of the External Competitive Environment, Regulatory Environment and Macroeconomic Conditions

A. External competitive environment

In recent years, the international situation has been more turbulent, and geopolitical factors have increased overall economic uncertainty. Various policies in mainland China have led to a significant dispersion of global production bases from China to various locations in Southeast Asia. This factor will affect the tightening of human resources in the group's production bases in Southeast Asia. The group will continuously monitor local government economic and labor information at production bases and adjust employment policies as needed to face various challenges.

B. Regulatory environment

Up to now, the group has not experienced environmental pressure. Regarding

future regulatory environmental changes, we will continue to monitor and comply with them to ensure the interests of the company and shareholders.

C. Macroeconomic conditions

In 2023, the food and energy crisis triggered by the Ukraine-Russia conflict, along with tight monetary policies and high inflation, led to a conservative shift in consumer spending. As the inventory clearance situation among brand merchants gradually normalized, the likelihood of a global economic recovery increased. However, the economic recovery in China in 2023 was not as expected, and the United States' easing of economic development due to its interest rate hike policy also contributed to slower progress. While it is generally expected that the United States will not continue raising interest rates in 2024, the possibility of a significant rate cut in the short term is low. Thus, 2024 is expected to remain in a high-interest-rate environment, leading to a slower global economic recovery pace. According to S&P Global's January 2024 economic growth forecast, the expected global economic growth rate for 2024 is 2.32%, lower than the 2.7% in 2023.

However, in 2024, besides ongoing geopolitical tensions like the Ukraine-Russia conflict and the Israel-Palestine conflict, the increasingly stringent net-zero carbon requirements globally and the initiation of carbon tariffs are significant issues increasing manufacturing costs worldwide. The group will adhere to a strategy of stable growth and bravely confront challenges across various aspects in the future.

Finally, we sincerely thank all the shareholders for their support and care. Looking ahead to 2024, the management team will continue to lead all employees in facing more challenges in the future, with the primary goal of being conservative, stable, and profitable, continuously creating better investment value for shareholders.

Sincerely,

Chairman: CHEN, YING-HSUAN

General Manager: LU, CHING-YU

Financial and Accounting Manager: WUN, YU-JING

Attachment 2

HAKERS ENTERPRISE CO., LTD.

Audit Committee's Review Report

To the 2023 AGM of Shareholders of HAKERS ENTERPRISE CO., LTD.:

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements and proposal for profit allocation. The CPA firm of PricewaterhouseCoopers (PwC) Taiwan was retained to audit HAKERS' Financial Statements and has issued an audit report relating to the Financial Statements. The Audit Committee had concluded the aforementioned documents conformed to regulations of the Company Act. Our report was presented to conform to Article 14-4 of Security Exchange Act and Article 219 of the Company Act.

Convener of the Audit Committee:

KUO, NAI-FONG

March 15, 2024



Attachment 3**HAKERS ENTERPRISE CO., LTD.****2023 Directors' Remuneration and Employees' Compensation**

Unit: NTD dollars

Item	Amount	Note
Net profit before income tax of the Year 2023	126,719,496	Pre-tax profit before compensation to employees and remuneration to directors
Less: compensation to employees (appropriation rate 1.0%)	(1,267,195)	
Less: remuneration to directors	0	
Profit before income tax of the Year 2023	125,452,301	

Chairman of the Board
CHEN, YING-HSUANGeneral Manager
LU, CHING-YUAccounting Manager
WUN, YU-JING

Attachment 4

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Hakers Enterprise Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Hakers Enterprise Co., Ltd. (the "Company") as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only 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 Company's 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

Accuracy of revenue recognition cut-off for sales of ready-to-wear

Description

Refer to Note 4(26) for accounting policies on operating revenue, and Note 6(19) for details of operating revenue.

The Company is involved in manufacturing and selling ready-to-wear. Revenue from sales of ready-to-wear is recognised based on the shipping documents provided by the factories and the actual export situation of the finished goods.

As the Company's factories are dispersed across various locations worldwide, the finished goods are directly exported from these factories. Recognition of revenue is determined based on the shipping documents provided by the factories to assess compliance with the terms of sales transactions, which may result in discrepancies in the timing of revenue recognition at the end of the financial reporting period. Such variances could have a significant impact on the financial statements. Thus, we considered the accuracy of revenue recognition cut-off for sales of ready-to-wear a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding and assessed of the operating procedures and internal controls concerning the timing of revenue recognition for sales of ready-to-wear items and tested these control procedures.
2. Performed cut-off tests for revenue recognition from sales of ready-to-wear items for a certain period before and after the end of the financial reporting period, including verifying the shipping documents provided by the factories and transaction terms to confirm that revenue was recognised in the appropriate period.
3. Inspected the nature, content, and relevant supporting documents of sales returns and allowances occurring after the balance sheet date to ensure that they were recognised in the appropriate period.
4. Performed confirmation tests on year-end accounts receivable balances or subsequent receipts to confirm that accounts receivable, sales revenue, and sales returns and allowances were recognised in the correct period, consistent with the timing of revenue recognition.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only 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 Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

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

As part of an audit in accordance with the Standards on Auditing of 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 parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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

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

Chin-Lien Huang

Hsiu-Ling Lee

For and on behalf of PricewaterhouseCoopers, Taiwan

March 15, 2024

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditor's report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

HAKERS ENTERPRISE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 576,071	36	\$ 535,072	35
1110	Financial assets at fair value	6(2)				
	through profit or loss - current		-	-	196	-
1136	Financial assets at amortised cost	6(3)				
	- current		138,173	9	30,710	2
1150	Notes receivable, net		296	-	-	-
1170	Accounts receivable, net	6(4)	212,886	13	225,809	15
1200	Other receivables		2,128	-	1,605	-
1210	Other receivables - related parties	7	7,745	-	6,642	-
130X	Inventories	6(5)	166,141	10	267,689	18
1410	Prepayments	6(6) and 7	108,795	7	70,294	5
1470	Other current assets		131	-	-	-
11XX	Total current assets		<u>1,212,366</u>	<u>75</u>	<u>1,138,017</u>	<u>75</u>
Non-current assets						
1550	Investments accounted for using	6(7)				
	equity method		340,887	21	331,050	22
1600	Property, plant and equipment	6(8) and 8	33,046	2	33,252	2
1755	Right-of-use assets	6(9) and 7	4,596	1	3,950	-
1780	Intangible assets	6(10)	282	-	-	-
1840	Deferred income tax assets	6(26)	10,240	1	7,941	1
1900	Other non-current assets	6(14) and 8	4,636	-	1,785	-
15XX	Total non-current assets		<u>393,687</u>	<u>25</u>	<u>377,978</u>	<u>25</u>
1XXX	Total assets		<u>\$ 1,606,053</u>	<u>100</u>	<u>\$ 1,515,995</u>	<u>100</u>

(Continued)

HAKERS ENTERPRISE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(12) and 8	\$ -	-	\$ 19,000	1
2130	Contract liabilities - current	6(19)	3,732	-	3,121	-
2150	Notes payable		16,398	1	20,104	2
2170	Accounts payable	6(13)	15,898	1	23,830	2
2180	Accounts payable - related parties	7	172,524	11	126,056	8
2200	Other payables		33,674	2	31,819	2
2220	Other payables - related parties	7	1	-	82	-
2230	Current income tax liabilities		28,422	2	29,840	2
2280	Lease liabilities - current	6(9) and 7	2,790	-	2,258	-
2300	Other current liabilities		1,636	-	1,715	-
21XX	Total current liabilities		<u>275,075</u>	<u>17</u>	<u>257,825</u>	<u>17</u>
Non-current liabilities						
2580	Lease liabilities - non-current	6(9) and 7	1,881	-	1,786	-
2600	Other non-current liabilities		8	-	8	-
25XX	Total non-current liabilities		<u>1,889</u>	<u>-</u>	<u>1,794</u>	<u>-</u>
2XXX	Total liabilities		<u>276,964</u>	<u>17</u>	<u>259,619</u>	<u>17</u>
Equity						
	Share capital	6(15)				
3110	Common stock		505,890	31	505,890	33
	Capital surplus	6(16)				
3200	Capital surplus		371,339	23	371,339	25
	Retained earnings	6(17)				
3310	Legal reserve		174,066	11	156,731	10
3320	Special reserve		100,085	6	100,085	7
3350	Unappropriated retained earnings		281,937	18	216,894	14
	Other equity	6(18)				
3400	Other equity		(104,228)	(6)	(94,563)	(6)
3XXX	Total equity		<u>1,329,089</u>	<u>83</u>	<u>1,256,376</u>	<u>83</u>
	Significant contingent liabilities and 9 unrecognised contract commitments					
	Significant events after the balance 11 sheet date					
3X2X	Total liabilities and equity		<u>\$ 1,606,053</u>	<u>100</u>	<u>\$ 1,515,995</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

The accompanying notes are an integral part of these parent company only financial statements.

HAKERS ENTERPRISE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Year ended December 31				
		2023		2022		
		Amount	%	Amount	%	
4000	Operating revenue	6(19)	\$ 1,136,892	100	\$ 1,475,685	100
5000	Operating costs	6(5)(24)(25) and 7	(948,593)	(83)	(1,264,226)	(86)
5900	Gross profit		<u>188,299</u>	<u>17</u>	<u>211,459</u>	<u>14</u>
	Operating expenses	6(24)(25) and 7				
6100	Selling expenses		(73,400)	(6)	(77,041)	(5)
6200	General and administrative expenses		(33,482)	(3)	(31,543)	(2)
6000	Total operating expenses		(106,882)	(9)	(108,584)	(7)
6900	Operating profit		<u>81,417</u>	<u>8</u>	<u>102,875</u>	<u>7</u>
	Non-operating income and expenses					
7100	Interest income	6(20)	23,953	2	5,953	-
7010	Other income	6(21) and 7	168	-	327	-
7020	Other gains and losses	6(22)	514	-	52,923	4
7050	Finance costs	6(23) and 7	(102)	-	(108)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(7)	<u>19,502</u>	<u>2</u>	<u>38,929</u>	<u>3</u>
7000	Total non-operating income and expenses		<u>44,035</u>	<u>4</u>	<u>98,024</u>	<u>7</u>
7900	Profit before income tax		<u>125,452</u>	<u>12</u>	<u>200,899</u>	<u>14</u>
7950	Income tax expense	6(26)	(28,256)	(2)	(28,636)	(2)
8200	Profit for the year		<u>\$ 97,196</u>	<u>10</u>	<u>\$ 172,263</u>	<u>12</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plans	6(14)	\$ 448	-	\$ 1,364	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	(89)	-	(273)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		<u>359</u>	<u>-</u>	<u>1,091</u>	<u>-</u>

Components of other comprehensive (loss) income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(18)	(9,665) (1)	5,522	-
8300	Other comprehensive (loss) income		<u>(\$ 9,306) (1)</u>	<u>\$ 6,613</u>	<u>-</u>
8500	Total comprehensive income for the year		<u>\$ 87,890</u>	<u>9</u>	<u>\$ 178,876</u>
	Earnings per share	6(27)			
9750	Basic earnings per share		<u>\$ 1.92</u>	<u>\$ 3.41</u>	
9850	Diluted earnings per share		<u>\$ 1.92</u>	<u>\$ 3.40</u>	

The accompanying notes are an integral part of these parent company only financial statements.

HAKERS ENTERPRISE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained earnings				Other equity			Total equity
		Share capital - common stock	Capital surplus - additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Equity related to non-current assets (or disposal groups) classified as held for sale	
<u>2022</u>									
Balance at January 1, 2022		\$ 505,890	\$ 371,339	\$ 156,731	\$ 56,55	\$ 87,07	(\$ 72,92)	(\$ 27,156)	\$ 1,077,500
Profit for the year		-	-	-	-	172,263	-	-	172,263
Other comprehensive income for the year	6(14)(18)	-	-	-	-	1,091	5,522	-	6,613
Total comprehensive income		-	-	-	-	173,354	5,522	-	178,876
Appropriations and distribution of 2021 earnings	6(17)								
Special reserve		-	-	-	43,530	(43,530)	-	-	-
Equity related to non-current assets (or disposal groups) classified as held for sale	6(11)	-	-	-	-	-	(27,156)	27,156	-
Balance at December 31, 2022		\$ 505,89	\$ 371,33	\$ 156,73	\$ 100,08	\$ 216,89	(\$ 94,563)	\$	\$ 1,256,37
<u>2023</u>									
Balance at January 1, 2023		\$ 505,89	\$ 371,33	\$ 156,73	\$ 100,08	\$ 216,89	(\$ 94,56)	\$ -	\$ 1,256,37
Profit for the year		-	-	-	-	97,196	-	-	97,196
Other comprehensive income (loss) for the year	6(14)(18)	-	-	-	-	359	(9,665)	-	(9,306)
Total comprehensive income		-	-	-	-	97,555	(9,665)	-	87,890
Appropriations and distribution of 2022 earnings	6(17)								
Legal reserve		-	-	17,335	-	(17,335)	-	-	-
Cash dividends		-	-	-	-	(15,177)	-	-	(15,177)
Balance at December 31, 2023		\$ 505,89	\$ 371,33	\$ 174,06	\$ 100,08	\$ 281,93	(\$ 104,228)	\$ -	\$ 1,329,08

The accompanying notes are an integral part of these parent company only financial statements.

HAKERS ENTERPRISE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM OPERATING</u>			
<u>ACTIVITIES</u>			
Profit before tax		\$ 125,452	\$ 200,899
Adjustments			
Adjustments to reconcile profit (loss)			
Net gains on financial assets at fair value through profit or loss	6(22)	(511)	(196)
Share of profit of subsidiaries accounted for using equity method	6(7)	(19,502)	(38,929)
Depreciation expense	6(8)(9)(24)	3,846	4,637
Amortization expense	6(10)(24)	21	339
Losses on disposals of property, plant and equipment	6(8)(22)	-	350
Interest income	6(20)	(23,953)	(5,953)
Interest expense	6(23)	102	108
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		707	-
Notes receivable		(296)	-
Accounts receivable		12,923	3,235
Other receivables		(11)	369
Other receivables - related parties		(1,103)	732
Inventories		101,548	96,469
Prepayments		(38,501)	6,900
Other current assets		(131)	-
Other non-current assets		(394)	(694)
Changes in operating liabilities			
Contract liabilities - current		611	(4,175)
Notes payable		(3,706)	(9,067)
Accounts payable		(7,932)	(89)
Accounts payable - related parties		46,468	40,027
Other payables		1,855	1,597
Other payables - related parties		(81)	82
Other current liabilities		(79)	262
Other non-current liabilities		448	(1,500)
Cash inflow generated from operations		197,781	295,403
Interest received		23,441	5,237
Interest paid		(102)	(108)
Income taxes paid		(32,062)	(8,849)
Tax refund receivable received		-	11
Net cash flows from operating activities		189,058	291,694

(Continued)

HAKERS ENTERPRISE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING</u>			
<u>ACTIVITIES</u>			
Acquisition of financial assets at amortised cost	6(3)	(\$ 138,173)	(\$ 30,710)
Proceeds from disposal of financial assets at amortised cost		30,710	-
Acquisition of property, plant and equipment	6(8)	(304)	(285)
Acquisition of intangible assets	6(10)	(303)	-
Increase in prepayments for business facilities		(2,120)	-
(Increase) decrease in other non-current assets - refundable deposits		(337)	25
Net cash flows used in investing activities		(110,527)	(30,970)
<u>CASH FLOWS FROM FINANCING</u>			
<u>ACTIVITIES</u>			
Increase in short-term borrowings	6(29)	-	60,500
Repayments of short-term borrowings	6(29)	(19,000)	(41,500)
Payments of lease liabilities	6(29)	(3,355)	(3,879)
Cash dividends paid	6(17)	(15,177)	-
Net cash flows (used in) from financing activities		(37,532)	15,121
Net increase in cash and cash equivalents		40,999	275,845
Cash and cash equivalents at beginning of year		535,072	259,227
Cash and cash equivalents at end of year		\$ 576,071	\$ 535,072

The accompanying notes are an integral part of these parent company only financial statements.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Hakers Enterprise Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Hakers Enterprise Co., Ltd. and subsidiaries (the "Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

Accuracy of revenue recognition cut-off for sales of ready-to-wear

Description

Refer to Note 4(26) for accounting policies on operating revenue, and Note 6(19) for details of operating revenue.

The Group is involved in manufacturing and selling ready-to-wear. Revenue from sales of ready-to-wear is recognised based on the shipping documents provided by the factories and the actual export situation of the finished goods.

As the Group's factories are dispersed across various locations worldwide, the finished goods are directly exported from these factories. Recognition of revenue is determined based on the shipping documents provided by the factories to assess compliance with the terms of sales transactions, which may result in discrepancies in the timing of revenue recognition at the end of the financial reporting period. Such variances could have a significant impact on the financial statements. Thus, we considered the accuracy of revenue recognition cut-off for sales of ready-to-wear a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding and assessed of the operating procedures and internal controls concerning the timing of revenue recognition for sales of ready-to-wear items and tested these control procedures.
2. Performed cut-off tests for revenue recognition from sales of ready-to-wear items for a certain period before and after the end of the financial reporting period, including verifying the shipping documents provided by the factories and transaction terms to confirm that revenue was recognised in the appropriate period.
3. Inspected the nature, content, and relevant supporting documents of sales returns and allowances occurring after the balance sheet date to ensure that they were recognised in the appropriate period.
4. Performed confirmation tests on year-end accounts receivable balances or subsequent receipts to confirm that accounts receivable, sales revenue, and sales returns and allowances were recognised in the correct period, consistent with the timing of revenue recognition.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Hakers Enterprise Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

Chin-Lien Huang

Hsiu-Ling Lee

For and on behalf of PricewaterhouseCoopers, Taiwan

March 15, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditor's report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

HAKERS ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 651,536	43	\$ 593,042	39
1110	Financial assets at fair value	6(2)				
	through profit or loss - current		-	-	3,439	-
1136	Financial assets at amortised cost	6(3)				
	- current		138,173	9	30,710	2
1150	Notes receivable, net		296	-	-	-
1170	Accounts receivable, net	6(4)	212,989	14	230,789	15
1200	Other receivables		4,566	-	5,590	-
1220	Current income tax assets		-	-	11	-
130X	Inventories	6(5)	180,958	12	286,298	19
1410	Prepayments	6(6)	33,254	2	43,318	3
1470	Other current assets		248	-	1,216	-
11XX	Total current assets		<u>1,222,020</u>	<u>80</u>	<u>1,194,413</u>	<u>78</u>
Non-current assets						
1600	Property, plant and equipment	6(7) and 8	248,462	16	263,834	17
1755	Right-of-use assets	6(9) and 7	47,978	3	58,864	4
1780	Intangible assets	6(10)	282	-	-	-
1840	Deferred income tax assets	6(25)	10,240	1	7,941	1
1900	Other non-current assets	6(14), 7 and 8	6,633	-	3,938	-
15XX	Total non-current assets		<u>313,595</u>	<u>20</u>	<u>334,577</u>	<u>22</u>
1XXX	Total assets		<u>\$ 1,535,615</u>	<u>100</u>	<u>\$ 1,528,990</u>	<u>100</u>

(Continued)

HAKERS ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(11) and 8	\$ -	-	\$ 19,000	1
2130	Contract liabilities - current	6(19)	3,732	-	3,121	-
2150	Notes payable		16,399	1	20,104	1
2170	Accounts payable	6(12)	53,661	4	99,763	7
2200	Other payables	6(13)	82,961	5	69,141	5
2230	Current income tax liabilities		28,422	2	29,840	2
2280	Lease liabilities - current	6(9) and 7	5,304	-	7,233	-
2300	Other current liabilities		1,838	-	2,725	-
21XX	Total current liabilities		<u>192,317</u>	<u>12</u>	<u>250,927</u>	<u>16</u>
Non-current liabilities						
2570	Deferred income tax liabilities	6(25)	9,778	1	9,778	1
2580	Lease liabilities - non-current	6(9) and 7	4,423	-	11,901	1
2600	Other non-current liabilities		8	-	8	-
25XX	Total non-current liabilities		<u>14,209</u>	<u>1</u>	<u>21,687</u>	<u>2</u>
2XXX	Total liabilities		<u>206,526</u>	<u>13</u>	<u>272,614</u>	<u>18</u>
Equity attributable to owners of the parent						
Share capital						
3110	Common stock	6(15)	505,890	33	505,890	33
Capital surplus						
3200	Capital surplus	6(16)	371,339	24	371,339	24
Retained earnings						
3310	Legal reserve	6(17)	174,066	11	156,731	10
3320	Special reserve		100,085	7	100,085	7
3350	Unappropriated retained earnings		281,937	19	216,894	14
Other equity						
3400	Other equity	6(18)	(104,228)	(7)	(94,563)	(6)
31XX	Total equity attributable to owners of the parent		<u>1,329,089</u>	<u>87</u>	<u>1,256,376</u>	<u>82</u>
3XXX	Total equity		<u>1,329,089</u>	<u>87</u>	<u>1,256,376</u>	<u>82</u>
Significant contingent liabilities and 9 unrecognised contract commitments						
Significant events after the balance 11 sheet date						
3X2X	Total liabilities and equity		<u>\$ 1,535,615</u>	<u>100</u>	<u>\$ 1,528,990</u>	<u>100</u>

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

HAKERS ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31				
		2023		2022		
		Amount	%	Amount	%	
4000	Operating revenue	6(19)	\$ 1,175,035	100	\$ 1,540,608	100
5000	Operating costs	6(5)(24)	(893,519)	(76)	(1,203,483)	(78)
5900	Gross profit		281,516	24	337,125	22
	Operating expenses	6(24) and 7				
6100	Selling expenses		(84,355)	(7)	(82,212)	(5)
6200	General and administrative expenses		(105,669)	(9)	(115,677)	(8)
6000	Total operating expenses		(190,024)	(16)	(197,889)	(13)
6900	Operating profit		91,492	8	139,236	9
	Non-operating income and expenses					
7100	Interest income	6(20)	24,081	2	6,084	1
7010	Other income	6(21) and 7	880	-	2,285	-
7020	Other gains and losses	6(22)	9,141	1	52,148	3
7050	Finance costs	6(23) and 7	(171)	-	(294)	-
7000	Total non-operating income and expenses		33,931	3	60,223	4
7900	Profit before income tax		125,423	11	199,459	13
7950	Income tax expense	6(25)	(28,227)	(3)	(27,196)	(2)
8200	Profit for the year		\$ 97,196	8	\$ 172,263	11
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plans	6(14)	\$ 448	-	\$ 1,364	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	(89)	-	(273)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		359	-	1,091	-
	Components of other comprehensive (loss) income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(18)	(9,665)	(1)	5,522	1
8300	Other comprehensive (loss) income		(\$ 9,306)	(1)	\$ 6,613	1

8500	Total comprehensive income for the year		\$	<u>87,890</u>	<u>7</u>	\$	<u>178,876</u>	<u>12</u>
	Profit attributable to:							
8610	Owners of the parent		\$	<u>97,196</u>	<u>8</u>	\$	<u>172,263</u>	<u>11</u>
	Comprehensive income attributable to:							
8710	Owners of the parent		\$	<u>87,890</u>	<u>7</u>	\$	<u>178,876</u>	<u>12</u>
	Earnings per share	6(26)						
9750	Basic earnings per share		\$	<u>1.92</u>		\$	<u>3.41</u>	
9850	Diluted earnings per share		\$	<u>1.92</u>		\$	<u>3.40</u>	

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

HAKERS ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent								
	Notes	Retained earnings				Other equity			Total equity
		Share capital - common stock	Capital surplus - additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Equity related to non-current assets (or disposal groups) classified as held for sale	
<u>2022</u>									
Balance at January 1, 2022		\$ 505,890	\$ 371,339	\$ 156,73	\$ 56,55	\$ 87,070	(\$ 72,921)	(\$ 27,156)	\$ 1,077,500
Profit for the year		-	-	-	-	172,263	-	-	172,263
Other comprehensive income for the year	6(18)	-	-	-	-	1,091	5,522	-	6,613
Total comprehensive income		-	-	-	-	173,354	5,522	-	178,876
Appropriations and distribution of 2021 earnings	6(17)								
Special reserve		-	-	-	43,530	(43,530)	-	-	-
Equity related to non-current assets (or disposal groups) classified as held for sale	6(8)	-	-	-	-	-	(27,156)	27,156	-
Balance at December 31, 2022		<u>\$ 505,890</u>	<u>\$ 371,339</u>	<u>\$ 156,73</u>	<u>\$ 100,08</u>	<u>\$ 216,89</u>	<u>(\$ 94,56)</u>	<u>\$ -</u>	<u>\$ 1,256,370</u>
<u>2023</u>									
Balance at January 1, 2023		\$ 505,890	\$ 371,339	\$ 156,73	\$ 100,08	\$ 216,89	(\$ 94,56)	\$ -	\$ 1,256,370
Profit for the year		-	-	-	-	97,196	-	-	97,196
Other comprehensive income (loss) for the year	6(18)	-	-	-	-	359	(9,665)	-	(9,306)
Total comprehensive income		-	-	-	-	97,555	(9,665)	-	87,890
Appropriations and distribution of 2022 earnings	6(17)								
Legal reserve		-	-	17,335	-	(17,335)	-	-	-
Cash dividends		-	-	-	-	(15,177)	-	-	(15,177)
Balance at December 31, 2023		<u>\$ 505,890</u>	<u>\$ 371,339</u>	<u>\$ 174,06</u>	<u>\$ 100,08</u>	<u>\$ 281,93</u>	<u>(\$ 104,22)</u>	<u>\$ -</u>	<u>\$ 1,329,08</u>

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

HAKERS ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM OPERATING</u>			
<u>ACTIVITIES</u>			
Profit before tax		\$ 125,423	\$ 199,459
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(7)(9)(24)	28,599	32,770
Amortization expense	6(10)(24)	21	349
Net gains on financial assets at fair value through profit or loss	6(2)(22)	(561)	(196)
Losses on disposals of property, plant and equipment	6(22)	204	484
Gains arising from lease modification	6(9)(22)	(247)	-
Interest income	6(20)	(24,081)	(6,084)
Interest expense	6(9)(23)	171	294
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		3,374	(2,636)
Notes receivable		(296)	-
Accounts receivable		17,800	3,059
Other receivables		1,484	2,741
Inventories		104,026	110,641
Prepayments		10,076	46,121
Other current assets		982	(549)
Other non-current assets		126	109
Changes in operating liabilities			
Contract liabilities - current		611	(4,175)
Notes payable		(3,705)	(9,067)
Accounts payable		(45,009)	(34,581)
Other payables		15,247	(6,102)
Other current liabilities		(886)	(12,114)
Other non-current liabilities		448	(1,500)
Cash inflow generated from operations		233,807	319,023
Interest received		23,490	5,369
Interest paid		(171)	(294)
Tax refund receivable received		29	29
Income taxes paid		(32,062)	(10,633)
Net cash flows from operating activities		225,093	313,494

(Continued)

HAKERS ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING</u>			
<u>ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		(\$ 138,173)	(\$ 30,710)
Proceeds from disposal of financial assets at amortised cost		30,710	-
Acquisition of property, plant and equipment	6(27)	(11,351)	(8,537)
Proceeds from disposal of property, plant and equipment		134	543
Acquisition of intangible assets	6(10)	(303)	-
Increase in prepayments for business facilities		(2,120)	-
Increase in refundable deposits		(310)	(60)
Net cash flows used in investing activities		(121,413)	(38,764)
<u>CASH FLOWS FROM FINANCING</u>			
<u>ACTIVITIES</u>			
Increase in short-term borrowings	6(28)	-	60,500
Decrease in short-term borrowings	6(28)	(19,000)	(41,500)
Payments of lease liabilities	6(28)	(5,881)	(8,662)
Cash dividends paid	6(17)	(15,177)	-
Net cash flows (used in) from financing activities		(40,058)	10,338
Effect of exchange rate changes		(5,128)	1,744
Net increase in cash and cash equivalents		58,494	286,812
Cash and cash equivalents at beginning of year		593,042	306,230
Cash and cash equivalents at end of year		\$ 651,536	\$ 593,042

Attachment 5


HAKERS ENTERPRISE CO., LTD.
2023 Earnings Distribution Table

Unit: NTD dollars

Item	Amount	Note
Undistributed earnings from the previous year	184,382,334	Remeasurement of pension
Plus: Other comprehensive income adjustment for the year 2023	358,827	
Undistributed earnings after adjustment	184,741,161	The undistributed earnings of 2023 will be appropriated first
Plus: Net profit after-tax for the year 2023	97,196,216	
Less: appropriation of legal reserve	(9,755,504)	
Less: appropriation of special reserve	(4,142,331)	
Distributable earnings for the year	268,039,542	
Items for distribution:		
Shareholder's dividends—Cash (NT\$0.69 per share* 50,589,000 shares)	(34,906,410)	
Undistributed earnings at the end of the period	233,133,132	

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Chairman of the Board
CHEN, YING-HSUAN

General Manager
LU, CHING-YU

Accounting Manager
WUN, YU-JING

Attachment 6

Comparison Table of the Rules of Procedure for Shareholder Meetings

After revision	Before revision
<p style="text-align: center;">Article 3</p> <p>Unless otherwise provided by laws and regulations, the shareholders' meeting of this company shall be convened by the Board of Directors.</p> <p><u>The company shall convene shareholder meetings via video conference, as stipulated in the articles of association and approved by the board of directors, unless otherwise specified in the guidelines for the handling of stock affairs of publicly traded companies. Resolutions of video shareholder meetings shall be implemented upon approval by two-thirds or more of the attending directors and a majority agreement of the attending directors.</u></p> <p><u>Any changes to the manner in which shareholder meetings are convened by this company shall be approved by the board of directors and implemented no later than the issuance of the meeting notice for the shareholder meeting.</u></p> <p>The company shall, thirty days prior to the regular shareholders' meeting or fifteen days prior to the extraordinary shareholders' meeting, transmit electronically to the Public Information Observation System the electronic files of the meeting notice, proxy forms, relevant resolutions, discussion topics, matters related to the election or removal of directors, and explanatory materials. Twenty-one days prior to the regular shareholders' meeting or fifteen days prior to the extraordinary shareholders' meeting, the company shall transmit electronically to the Public Information Observation System the</p>	<p style="text-align: center;">Article 3</p> <p>Unless otherwise provided by laws and regulations, the shareholders' meeting of this company shall be convened by the Board of Directors. The company shall, thirty days prior to the regular shareholders' meeting or fifteen days prior to the extraordinary shareholders' meeting, transmit electronically to the Public Information Observation System the electronic files of the meeting notice, proxy forms, relevant resolutions, discussion topics, matters related to the election or removal of directors, and explanatory materials. Twenty-one days prior to the regular shareholders' meeting or fifteen days prior to the extraordinary shareholders' meeting, the company shall transmit electronically to the Public Information Observation System the meeting manual and supplementary materials. The meeting manual and supplementary materials for the upcoming shareholders' meeting shall be prepared and made available for shareholders' access fifteen days prior to the meeting, and shall be displayed at the company and the designated professional shareholder services agency. They shall also be <u>distributed at the shareholders' meeting venue.</u></p> <p>The notices and announcements shall clearly state the purpose of the meeting. With the consent of the relevant parties, electronic means may be used for such notices.</p> <p>The matters of appointing or dismissing</p>

meeting manual and supplementary materials. However, if the paid-in capital of the company as of the end of the most recent fiscal year exceeds NT\$10 billion, or if the combined foreign and Mainland Chinese shareholding ratio of the shareholders listed in the shareholder register for the most recent fiscal year's regular shareholder meeting reaches 30% or more, the electronic transmission of the aforementioned files shall be completed thirty days before the regular shareholder meeting.

The meeting manual and supplementary materials for the upcoming shareholders' meeting shall be prepared and made available for shareholders' access fifteen days prior to the meeting, and shall be displayed at the company and the designated professional shareholder services agency.

On the day of the shareholder meeting, the meeting agenda and supplementary meeting materials shall be provided to shareholders in the following ways:

1.For physical shareholder meetings, they shall be distributed on-site.

2.For shareholder meetings with video assistance, they shall be distributed on-site and transmitted electronically to the video conferencing platform.

3.For video shareholder meetings, they shall be transmitted electronically to the video conferencing platform.

The notices and announcements shall clearly state the purpose of the meeting. With the consent of the relevant parties, electronic means may be used for such notices.

The matters of appointing or dismissing

directors, amending the articles of incorporation, reducing capital, applying for suspension of public offering, director non-competition agreements, capitalization of retained earnings, capitalization of legal reserves, dissolution, merger, division, matters stipulated in Article 185, Paragraph 1, Subparagraphs 1, 2, and 3 of the Company Act, Article 26-1, Article 43-6, Article 56-1, and Article 60-2 of the Securities and Exchange Act, and matters related to the issuance and offering of securities by the issuer, as stipulated in the Guidelines for Handling the Offering and Issuance of Securities by Issuers, Article 56-1 and Article 60-2, shall be listed and described in the notice of convocation, and their main content shall be disclosed. The main content may be placed on the website designated by the competent authority or the company, and the URL shall be included in the notice.

If the convocation notice states that the purpose is to elect new directors and supervisors, and specifies the date of appointment, after the election is completed at the shareholders' meeting, the date of appointment shall not be changed during the same meeting through ad hoc resolutions or other means.

The following is omitted.

<p>directors, amending the articles of incorporation, reducing capital, applying for suspension of public offering, director non-competition agreements, capitalization of retained earnings, capitalization of legal reserves, dissolution, merger, division, matters stipulated in Article 185, Paragraph 1, Subparagraphs 1, 2, and 3 of the Company Act, Article 26-1, Article 43-6, Article 56-1, and Article 60-2 of the Securities and Exchange Act, and matters related to the issuance and offering of securities by the issuer, as stipulated in the Guidelines for Handling the Offering and Issuance of Securities by Issuers, Article 56-1 and Article 60-2, shall be listed and described in the notice of convocation, and their main content shall be disclosed. The main content may be placed on the website designated by the competent authority or the company, and the URL shall be included in the notice.</p> <p>If the convocation notice states that the purpose is to elect new directors and specifies the date of appointment, after the election is completed at the shareholders' meeting, the date of appointment shall not be changed during the same meeting through ad hoc resolutions or other means.</p> <p>The following is omitted.</p>	
<p>Article 4 omitted in front. After the proxy form is delivered to the Company, if a shareholder wishes to attend the shareholders' meeting in person or wishes to revoke the proxy by written or electronic notice, the revocation notice should be submitted to the Company in writing two days</p>	<p>Article 4 omitted in front. After the proxy form is delivered to the Company, if a shareholder wishes to attend the shareholders' meeting in person or wishes to revoke the proxy by written or electronic notice, the revocation notice should be submitted to the Company in</p>

<p>before the shareholders' meeting. If the revocation is overdue, the voting rights exercised by the proxy shall prevail.</p> <p><u>After submitting the proxy form to the company, if a shareholder wishes to attend the shareholder meeting via video conference, they must notify the company in writing of their withdrawal of the proxy no later than two days before the shareholder meeting. In cases where the withdrawal is overdue, the voting rights exercised by the proxy agent shall prevail.</u></p>	<p>writing two days before the shareholders' meeting. If the revocation is overdue, the voting rights exercised by the proxy shall prevail.</p>
<p>Article 5</p> <p>The shareholders' meeting shall be held at the Company's registered office or a convenient and suitable location for shareholders to attend. The meeting shall not start earlier than 9:00 a.m. or later than 3:00 p.m. The venue and time of the meeting shall take into account the opinions of independent directors.</p> <p><u>The company is not restricted by the aforementioned location requirements when convening a video shareholder meeting.</u></p>	<p>Article 5</p> <p>The shareholders' meeting shall be held at the Company's registered office or a convenient and suitable location for shareholders to attend. The meeting shall not start earlier than 9:00 a.m. or later than 3:00 p.m. The venue and time of the meeting shall take into account the opinions of independent directors.</p>
<p>Article 6</p> <p>The company shall specify in the meeting notice the registration time, registration location, and other important matters for <u>shareholders, solicitors, and proxy agents (hereinafter referred to as "shareholders")</u></p> <p><u>The registration time for shareholders should be at least thirty minutes before the start of the meeting; the registration location should be clearly marked and staffed by competent personnel. For video shareholder meetings, registration should be accepted on the video conferencing platform at least thirty minutes before the meeting begins. Shareholders who have completed registration are considered to be personally present at the shareholder</u></p>	<p>Article 6</p> <p>The company shall clearly state the shareholder registration time and registration location in the meeting notice, as well as other matters to be noted.</p> <p>The registration of shareholders shall be completed at least thirty minutes before the start of the meeting. The registration location shall be clearly indicated and staffed by appropriate personnel.</p> <p><u>Shareholders attending the shareholders' meeting in person or as proxies (hereinafter referred to as "shareholders") must present their attendance certificate, attendance card, or other attendance documents. The</u></p>

<p><u>meeting.</u></p> <p><u>Shareholders</u> must present their attendance certificate, attendance card, or other attendance documents. The company shall not arbitrarily request additional proof of identity beyond the documents presented by the shareholders for attendance. Persons soliciting proxies shall also carry identification documents for verification.</p> <p>The company shall maintain a sign-in book for shareholders to register their attendance, or shareholders may submit attendance cards for registration. The company shall provide the meeting manual, annual report, attendance certificates, speech slips, voting ballots, and other meeting materials to attending shareholders. In the case of director elections, separate election ballots shall be provided.</p> <p>When a government agency or a juristic person is a shareholder, the representative attending the shareholders' meeting is not limited to one person. When a juristic person is entrusted to attend the shareholders' meeting, only one person shall be designated as the representative.</p> <p><u>For shareholder meetings conducted via video conference, shareholders wishing to attend via video must register with the company at least two days before the meeting.</u></p> <p><u>For shareholder meetings conducted via video conference, the company must upload the agenda, annual reports, and other relevant materials to the video conference platform at least thirty minutes before the meeting begins, and continue to disclose them until the meeting ends.</u></p>	<p>company shall not arbitrarily request additional proof of identity beyond the documents presented by the shareholders for attendance. Persons soliciting proxies shall also carry identification documents for verification.</p> <p>The company shall maintain a sign-in book for shareholders to register their attendance, or shareholders may submit attendance cards for registration. The company shall provide the meeting manual, annual report, attendance certificates, speech slips, voting ballots, and other meeting materials to attending shareholders. In the case of director elections, separate election ballots shall be provided.</p> <p>When a government agency or a juristic person is a shareholder, the representative attending the shareholders' meeting is not limited to one person. When a juristic person is entrusted to attend the shareholders' meeting, only one person shall be designated as the representative.</p>
<p>Article 6-1</p> <p><u>The company shall specify the following in the</u></p>	

notice for convening a shareholder meeting via video conference:

1. Methods for shareholders to participate in and exercise their rights in the video conference.
2. Procedures for handling obstacles to the video conference platform or participation via video due to natural disasters, emergencies, or other force majeure events, including at least the following:
 - (a) If the obstacles persist and the meeting needs to be postponed or continued, the date and time for the postponed or continued meeting.
 - (b) Shareholders who were not registered for participation via video in the original shareholder meeting may not participate in the postponed or continued meeting.
 - (c) In the case of a video-assisted shareholder meeting where the video conference cannot continue, after deducting the shares represented by video participation, if the total shares represented at the meeting reach the legal quorum for the shareholder meeting, the meeting shall continue. Shareholders participating via video shall be counted as present shareholders, and their shares shall be considered abstentions for all agenda items of that shareholder meeting if they cannot continue participating via video.
 - (d) Procedures if all agenda items have been announced with results and no ad hoc motions have been made.
3. The notice shall also specify appropriate alternative measures for shareholders who have difficulty participating via video in the shareholder meeting. Except as provided in Article

<p><u>44-9(6) of the Guidelines for Handling Public Offering of Securities by Public Companies, the company shall provide at least connectivity equipment and necessary assistance to shareholders, specify the period during which shareholders can apply to the company, and provide other relevant instructions.</u></p>	
<p>Article 8 <u>The company shall continuously record the entire process of shareholder registration, meeting proceedings, and voting counting from the time of shareholder registration, including audio and video recording without interruption.</u> <u>The audio and video data mentioned above should be kept for at least one year. However, if a shareholder files a lawsuit under Article 189 of the Company Act, the data should be kept until the conclusion of the lawsuit.</u> <u>For shareholder meetings conducted via video conference, the company shall record and preserve data related to shareholder registration, registration, registration, questioning, voting, and company vote counting. Additionally, the entire video conference shall be continuously recorded without interruption.</u> <u>The data and audio-video recordings mentioned above should be properly preserved throughout their retention period, and the audio-video recordings should be provided to the designated party responsible for handling video conference affairs for preservation.</u> <u>For shareholder meetings conducted via video conference, the company should also record the operation interface of the video</u></p>	<p>Article 8 The meeting proceedings of the shareholders' meeting shall be fully recorded or filmed and preserved for at least one year. However, if a lawsuit is filed by a shareholder pursuant to Article 189 of the Company Act, the recordings shall be preserved until the conclusion of the lawsuit.</p>

<p><u>conference platform in audio and video.</u></p>	
<p>Article 9</p> <p>The attendance at the shareholders' meeting shall be based on the number of shares held. The number of shares in attendance shall be calculated based on the sign-in book or the attendance cards submitted, <u>the reported number of shares on the video conference platform</u>, plus the number of shares exercised by written or electronic means.</p> <p>At the scheduled meeting time, the chairman shall announce the commencement of the meeting <u>and simultaneously disclose the number of shares without voting rights and the total shares represented at the meeting.</u></p> <p>At the scheduled meeting time, the chairman shall announce the commencement of the meeting. However, if representatives of shareholders holding more than half of the total issued shares have not attended, the chairman may announce a postponement of the meeting. The meeting may be postponed twice, with a total delay time of up to one hour. If the attendance is still insufficient after two postponements, but representatives of shareholders holding more than one-third of the total issued shares are present, the chairman shall declare the meeting adjourned. <u>For shareholder meetings conducted via video conference, the company should also announce the agenda for the meeting on the video conference platform.</u></p> <p>If there is still insufficient attendance after the two postponements, but representatives of shareholders holding more than one-third of the total issued shares are present, a fictitious resolution may be adopted in accordance with</p>	<p>Article 9</p> <p>The attendance at the shareholders' meeting shall be based on the number of shares held. The number of shares in attendance shall be calculated based on the sign-in book or the attendance cards submitted, plus the number of shares exercised by written or electronic means.</p> <p>At the scheduled meeting time, the chairman shall announce the commencement of the meeting. However, if representatives of shareholders holding more than half of the total issued shares have not attended, the chairman may announce a postponement of the meeting. The meeting may be postponed twice, with a total delay time of up to one hour. If the attendance is still insufficient after two postponements, but representatives of shareholders holding more than one-third of the total issued shares are present, the chairman shall declare the meeting adjourned.</p> <p>If there is still insufficient attendance after the two postponements, but representatives of shareholders holding more than one-third of the total issued shares are present, a fictitious resolution may be adopted in accordance with Article 175, Paragraph 1 of the Company Act, and the fictitious resolution shall be notified to the shareholders within one month for another shareholders' meeting to be convened.</p> <p>During the current meeting, if the representatives attending on behalf of the</p>

<p>Article 175, Paragraph 1 of the Company Act, and the fictitious resolution shall be notified to the shareholders within one month for another shareholders' meeting to be convened. <u>For shareholder meetings conducted via video conference, shareholders wishing to attend via video must re-register with the company according to Article VI.</u></p> <p>During the current meeting, if the representatives attending on behalf of the shareholders reach more than half of the total issued shares, the chairman may resubmit the fictitious resolution for voting at the shareholders' meeting in accordance with Article 174 of the Company Act.</p>	<p>shareholders reach more than half of the total issued shares, the chairman may resubmit the fictitious resolution for voting at the shareholders' meeting in accordance with Article 174 of the Company Act.</p>
<p>Article 11</p> <p>Prior to speaking at the shareholders' meeting, shareholders must fill out a speech slip stating the main points of their speech, their shareholder account number (or attendance certificate number), and their name. The chairman shall determine the order of speeches.</p> <p>If a shareholder attending does not give a speech after submitting a speech slip, it shall be deemed that no speech is given. If the content of the speech differs from what is stated on the speech slip, the content of the speech shall prevail.</p> <p>For each shareholder, speaking on the same proposal shall be limited to a maximum of two times with the consent of the chairman, and each time shall not exceed five minutes. However, the chairman may prohibit a shareholder from speaking if the speech violates the rules or goes beyond the scope of the agenda.</p>	<p>Article 11</p> <p>Prior to speaking at the shareholders' meeting, shareholders must fill out a speech slip stating the main points of their speech, their shareholder account number (or attendance certificate number), and their name. The chairman shall determine the order of speeches.</p> <p>If a shareholder attending does not give a speech after submitting a speech slip, it shall be deemed that no speech is given. If the content of the speech differs from what is stated on the speech slip, the content of the speech shall prevail.</p> <p>For each shareholder, speaking on the same proposal shall be limited to a maximum of two times with the consent of the chairman, and each time shall not exceed five minutes. However, the chairman may prohibit a shareholder from speaking if the speech violates the rules or goes beyond the scope of the agenda.</p>

<p>While a shareholder is speaking, other shareholders attending may not speak without the consent of the chairman and the speaking shareholder. The chairman shall intervene if there is any violation.</p> <p>When a juristic person shareholder designates two or more representatives to attend the shareholders' meeting, only one person may speak on the same proposal.</p> <p>After a shareholder has spoken, the chairman may personally or designate relevant personnel to respond.</p> <p><u>For shareholder meetings conducted via video conference, shareholders participating via video may submit questions in writing on the video conference platform from the time the chairman announces the meeting until the adjournment is announced, with a limit of two questions per agenda item. Each question should not exceed two hundred words and is not subject to the provisions from the first to the fifth item.</u></p> <p><u>Questions that do not violate regulations or exceed the scope of the agenda should be disclosed on the video conference platform for public awareness.</u></p>	<p>While a shareholder is speaking, other shareholders attending may not speak without the consent of the chairman and the speaking shareholder. The chairman shall intervene if there is any violation.</p> <p>When a juristic person shareholder designates two or more representatives to attend the shareholders' meeting, only one person may speak on the same proposal.</p> <p>After a shareholder has spoken, the chairman may personally or designate relevant personnel to respond.</p>
<p>Article 13omitted in front. <u>After shareholders have exercised their voting rights through written or electronic means, if they wish to attend the shareholder meeting in person or via video, they should express their intention to revoke the previously exercised voting rights in the same manner at least two</u></p>	<p>Article 13omitted in front. For shareholders who exercise voting rights by written or electronic means, their expressions of intent shall be delivered to the Company two days before the shareholders' meeting. If there are multiple expressions of intent, the earliest one</p>

days before the shareholders' meeting. If there are multiple expressions of intent, the earliest one delivered shall prevail, except for the revocation of previously expressed intent. Shareholders who exercise voting rights by written or electronic means and wish to attend the shareholders' meeting in person shall notify the Company in the same manner as their exercise of voting rights to revoke the exercise of voting rights two days before the shareholders' meeting. If the revocation is overdue, the voting rights exercised by written or electronic means shall prevail. If shareholders exercise voting rights by written or electronic means and appoint a proxy to attend the shareholders' meeting, the voting rights exercised by the proxy shall prevail.

Except as otherwise provided by the Company Act or the Company's Articles of Incorporation, resolutions at the shareholders' meeting shall be passed with the affirmative votes of more than half of the voting rights represented at the meeting. During the voting, the chairman or a designated person shall announce the total number of voting rights represented by the shareholders, and the shareholders shall vote on each agenda item. The results of agreement, opposition, and abstention by the shareholders shall be entered into the Public Information Observation System on the same day as the shareholders' meeting.

When there are amendments or alternative proposals to a specific agenda item, the chairman shall determine the voting order in conjunction with the original proposal. If one of the proposals has been approved, the other

delivered shall prevail, except for the revocation of previously expressed intent. Shareholders who exercise voting rights by written or electronic means and wish to attend the shareholders' meeting in person shall notify the Company in the same manner as their exercise of voting rights to revoke the exercise of voting rights two days before the shareholders' meeting. If the revocation is overdue, the voting rights exercised by written or electronic means shall prevail. If shareholders exercise voting rights by written or electronic means and appoint a proxy to attend the shareholders' meeting, the voting rights exercised by the proxy shall prevail.

Except as otherwise provided by the Company Act or the Company's Articles of Incorporation, resolutions at the shareholders' meeting shall be passed with the affirmative votes of more than half of the voting rights represented at the meeting. During the voting, the chairman or a designated person shall announce the total number of voting rights represented by the shareholders, and the shareholders shall vote on each agenda item. The results of agreement, opposition, and abstention by the shareholders shall be entered into the Public Information Observation System on the same day as the shareholders' meeting.

When there are amendments or alternative proposals to a specific agenda item, the chairman shall determine the voting order in conjunction with the original proposal. If one of the proposals has been approved, the other proposals shall be deemed rejected and

proposals shall be deemed rejected and shall not be voted upon.

The chairman shall designate the inspectors and vote counters for voting and election matters at the shareholders' meeting, but the inspectors shall have shareholder status. The vote counting for voting or election matters at the shareholders' meeting shall be conducted openly within the meeting venue, and the results shall be announced on the spot, including the voting rights tally. A record shall be made.

For shareholder meetings conducted via video conference, shareholders participating via video should vote on each agenda item and election proposal through the video conference platform after the chairman announces the meeting. They must complete their voting before the chairman announces the end of voting; otherwise, it will be considered abstention.

For shareholder meetings conducted via video conference, there should be a single count of votes after the chairman announces the end of voting, and the voting and election results should be announced.

For video-assisted shareholder meetings, shareholders registered to attend via video conferencing according to Article VI, who wish to attend the physical shareholder meeting in person, should revoke their registration in the same manner as registration at least two days before the meeting. Those who fail to revoke their registration on time may only attend the shareholder meeting via video.

Shareholders who have exercised their voting rights through written or electronic means but

shall not be voted upon.

The chairman shall designate the inspectors and vote counters for voting and election matters at the shareholders' meeting, but the inspectors shall have shareholder status. The vote counting for voting or election matters at the shareholders' meeting shall be conducted openly within the meeting venue, and the results shall be announced on the spot, including the voting rights tally. A record shall be made.

<p><u>have not revoked their intention and are participating via video conference may not vote again on the original agenda items or propose amendments to the original agenda items, except for ad hoc motions.</u></p>	
<p>Article 14 When electing directors at the shareholders' meeting, the relevant election rules established by the Company shall be followed, and the election results, including the list of elected directors and their voting rights, <u>and the list of unsuccessful candidates with their respective votes,</u> shall be announced on the spot. The following is omitted.</p>	<p>Article 14 When electing directors at the shareholders' meeting, the relevant election rules established by the Company shall be followed, and the election results, including the list of elected directors and their voting rights, shall be announced on the spot. The following is omitted.</p>
<p>Article 15omitted in front. The minutes shall accurately record the year, month, day, venue, name of the chairman, decision-making methods, essential proceedings, and voting results (including the voting rights tally) of the meeting. When there are elections for directors or supervisors, the voting rights obtained by each candidate shall be disclosed. The minutes shall be permanently retained during the Company's existence. <u>For shareholder meetings conducted via video conference, in addition to the matters specified in the preceding paragraph that should be recorded in the minutes, the following should also be recorded: the start and end time of the shareholders' meeting, the method of convening the meeting, the names of the chairman and the recorder, and the procedures and outcomes for handling any</u></p>	<p>Article 15omitted in front. The minutes shall accurately record the year, month, day, venue, name of the chairman, decision-making methods, essential proceedings, and voting results (including the voting rights tally) of the meeting. When there are elections for directors or supervisors, the voting rights obtained by each candidate shall be disclosed. The minutes shall be permanently retained during the Company's existence.</p>

<p><u>disruptions or difficulties arising from natural disasters, incidents, or other force majeure events affecting the video conference platform or participation via video.</u></p> <p><u>In addition to complying with the provisions in the preceding paragraph, for video-conducted shareholder meetings, the minutes should also specify the alternative measures provided to shareholders who encounter difficulties in participating via video.</u></p>	
<p>Article 16</p> <p><u>The number of shares obtained by solicitors, the number of shares represented by proxy agents, and the number of shares represented by shareholders attending in writing or electronically shall be compiled into a statistical table in the prescribed format by the company on the day of the shareholders' meeting, displayed clearly at the shareholders' meeting venue. For shareholder meetings conducted via video conference, the company should upload this information to the video conference platform at least thirty minutes before the meeting starts and continue to disclose it until the meeting concludes.</u></p> <p><u>When announcing the commencement of a shareholder meeting conducted via video conference, the total number of shares represented by attending shareholders should be disclosed on the video conference platform. If there are additional statistics on the total shares represented by attending shareholders and their voting rights during the meeting, the same disclosure applies.</u></p> <p>If any resolution of the shareholders' meeting</p>	<p>Article 16</p> <p>The statistics table, compiled in the specified format, reflecting the number of shares solicited and represented by proxy at the shareholders' meeting, shall be clearly displayed at the meeting venue on the day of the meeting.</p> <p>If any resolution of the shareholders' meeting qualifies as material information under laws and regulations or the rules of the Taiwan Stock Exchange Corporation (Taiwan Stock Exchange) or the Taipei Exchange, the Company shall transmit the content to the Public Information Observation System within the prescribed time.</p>

<p>qualifies as material information under laws and regulations or the rules of the Taiwan Stock Exchange Corporation (Taiwan Stock Exchange) or the Taipei Exchange, the Company shall transmit the content to the Public Information Observation System within the prescribed time.</p>	
<p><u>Article 19</u> <u>In a shareholder meeting conducted via video conference, the company shall promptly disclose the voting results and election outcomes of each agenda item on the video conference platform after the voting ends, in accordance with regulations. This disclosure should continue for at least fifteen minutes after the chairperson announces the adjournment of the meeting.</u></p>	
<p>Article 20 (Location of Chairman and Recording Personnel in Video Shareholder Meetings) <u>When the company convenes a video shareholder meeting, the chairman and recording personnel must be at the same location within the country. The chairman should announce the address of that location at the beginning of the meeting.</u></p>	
<p>Article 21 (Handling of Disruptions) <u>In the event of a video shareholder meeting, the company may conduct a simple connection test for shareholders before the meeting and provide relevant services during and before the meeting to assist with technical communication issues.</u></p> <p><u>For a video shareholder meeting, the chairman should announce at the start of the</u></p>	

meeting, apart from cases excluded from the need for postponement or continuation under Article 44-20, Subsection 4 of the Corporate Governance Guidelines for Public Companies, if there is a disruption lasting more than thirty minutes due to natural disasters, emergencies, or other force majeure situations affecting the video conference platform or participation via video, the meeting should be postponed or continued within five days from the announcement of adjournment. Shareholders who were not registered to participate via video in the original meeting may not participate in the postponed or continued meeting.

Regarding a meeting that needs to be postponed or continued as per the above, shareholders who were registered for video participation in the original meeting and completed the registration but did not participate in the postponed or continued meeting, their attendance, exercised voting rights, and election rights from the original meeting should be counted towards the total attendance, voting rights, and election rights of shareholders in the postponed or continued meeting.

For a postponed or continued meeting following the rules in the second paragraph, topics that have already been voted on, tallied, and announced with results, or where directors or supervisors have been elected, do not need to be discussed and decided again.

In the case of a video-assisted shareholder meeting where continuation of the video conference is not possible as per the second

paragraph, if after deducting the attendance via video, the total attendance still meets the legal requirement, the meeting should proceed without the need for postponement or continuation as per the second paragraph.

In the event of proceeding with the meeting as mentioned above, shareholders participating via video are considered present and their attendance counts towards the total attendance, but they are deemed to abstain from all matters discussed at that meeting.

When the company postpones or continues a meeting as per the second paragraph, it should follow the relevant preparatory work according to the original meeting date and the provisions listed in Article 44-20, Subsection 7 of the Corporate Governance Guidelines for Public Companies.

For public companies attending shareholder meetings using proxy rules as per the second paragraph of Article 12 of the Proxy Rules for Attending Shareholder Meetings and Article 44-5, Subsection 2, Article 44-15, and Article 44-17, Subsection 1 of the Corporate Governance Guidelines for Public Companies, the company should handle the postponed or continued meeting date according to the provisions in the second paragraph.

Article 22

When holding a video shareholder meeting, the company should provide appropriate alternative measures for shareholders who have difficulty attending via video. Except in cases specified in Article 44-9, Subsection 6

<p><u>of the Corporate Governance Guidelines for Public Companies, at least connection equipment and necessary assistance should be provided to shareholders. The company should also specify the period during which shareholders can apply to the company and other relevant matters to note.</u></p>	
<p><u>Article 23</u> These rules shall become effective after being passed by the shareholders' meeting and shall apply equally to any subsequent revisions.</p>	<p><u>Article 19</u> These rules shall become effective after being passed by the shareholders' meeting and shall apply equally to any subsequent revisions.</p>
<p><u>Article 24</u> Enacted and revised on December 22, 2009. First revision on May 10, 2012. Second revision on June 15, 2015. Third revision on June 23, 2020. Fourth revision on July 20, 2021. <u>Fifth revision on June 12, 2024.</u></p>	<p><u>Article 20</u> Enacted and revised on December 22, 2009. First revision on May 10, 2012. Second revision on June 15, 2015. Third revision on June 23, 2020. Fourth revision on July 20, 2021.</p>

Appendix 1



銘旺實業股份有限公司

HAKERS ENTERPRISE CO., LTD.

Rules of Procedure for Shareholders Meetings

Article 1

In order to establish a strong corporate governance system, strengthen the supervisory function, and enhance management efficiency, these rules are formulated in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.

Article 2

Except where otherwise provided by laws and regulations, the proceedings of this company's shareholders' meeting shall be governed by these rules.

Article 3

Unless otherwise provided by laws and regulations, the shareholders' meeting of this company shall be convened by the Board of Directors. The company shall, thirty days prior to the regular shareholders' meeting or fifteen days prior to the extraordinary shareholders' meeting, transmit electronically to the Public Information Observation System the electronic files of the meeting notice, proxy forms, relevant resolutions, discussion topics, matters related to the election or removal of directors, and explanatory materials. Twenty-one days prior to the regular shareholders' meeting or fifteen days prior to the extraordinary shareholders' meeting, the company shall transmit electronically to the Public Information Observation System the meeting manual and supplementary materials. The meeting manual and supplementary materials for the upcoming shareholders' meeting shall be prepared and made available for shareholders' access fifteen days prior to the meeting, and shall be displayed at the company and the designated professional shareholder services agency. They shall also be distributed at the shareholders' meeting venue.

The notices and announcements shall clearly state the purpose of the meeting. With the consent of the relevant parties, electronic means may be used for such notices.

The matters of appointing or dismissing directors, amending the articles of incorporation, reducing capital, applying for suspension of public offering, director non-competition agreements, capitalization of retained earnings, capitalization of legal reserves, dissolution, merger, division, matters stipulated in Article 185, Paragraph 1, Subparagraphs 1, 2, and 3 of the Company Act, Article 26-1, Article 43-6, Article 56-1, and Article 60-2 of the Securities

and Exchange Act, and matters related to the issuance and offering of securities by the issuer, as stipulated in the Guidelines for Handling the Offering and Issuance of Securities by Issuers, Article 56-1 and Article 60-2, shall be listed and described in the notice of convocation, and their main content shall be disclosed. The main content may be placed on the website designated by the competent authority or the company, and the URL shall be included in the notice.

If the convocation notice states that the purpose is to elect new directors and supervisors, and specifies the date of appointment, after the election is completed at the shareholders' meeting, the date of appointment shall not be changed during the same meeting through ad hoc resolutions or other means.

Shareholders holding more than one percent of the total issued shares may submit proposals for the regular shareholders' meeting, limited to one proposal. If multiple proposals are submitted by a shareholder, none of them shall be included in the agenda. The board of directors may exclude a proposal from the agenda if it falls under any of the circumstances specified in Article 172-1, Paragraph 4 of the Company Act. Shareholders may propose recommendations to urge the company to enhance public interests or fulfill social responsibilities, and the procedure shall comply with the relevant provisions of Article 172-1 of the Company Act, limited to one proposal. If there are multiple proposals, none of them shall be included in the agenda.

The company shall announce, before the cutoff date for share transfers prior to the regular shareholders' meeting, the acceptance of shareholders' proposals, the methods of submission (in writing or electronically), the locations for submission, and the acceptance period. The acceptance period shall not be less than ten days.

The length of a shareholder's proposal shall not exceed three hundred words. Proposing shareholders should attend the regular shareholders' meeting in person or authorize others to attend and participate in the discussion of the proposal.

The Company shall notify the proposing shareholders of the handling results after the regular shareholders' meeting and include the resolutions in the meeting notice that comply with the provisions of these rules. The Board of Directors shall explain the reasons for the exclusion of proposals not included in the agenda at the shareholders' meeting.

Article 4

Shareholders may issue a proxy form issued by the Company to attend the shareholders' meeting, specifying the scope of authorization and the authorized representative.

Each shareholder may issue only one proxy form, limited to appointing one person, and it shall be delivered to the Company five days before the shareholders' meeting. In the case of duplicate proxy forms, the earliest delivery shall prevail, except for the revocation of a previously issued proxy form, which is not subject to this limit.

After the proxy form is delivered to the Company, if a shareholder wishes to attend the shareholders' meeting in person or wishes to revoke the proxy by written or electronic notice, the revocation notice should be submitted to the Company in writing two days before the shareholders' meeting. If the revocation is overdue, the voting rights exercised by the proxy shall prevail.

Article 5

The shareholders' meeting shall be held at the Company's registered office or a convenient and suitable location for shareholders to attend. The meeting shall not start earlier than 9:00 a.m. or later than 3:00 p.m. The venue and time of the meeting shall take into account the opinions of independent directors.

Article 6

The company shall clearly state the shareholder registration time and registration location in the meeting notice, as well as other matters to be noted.

The registration of shareholders shall be completed at least thirty minutes before the start of the meeting. The registration location shall be clearly indicated and staffed by appropriate personnel.

Shareholders attending the shareholders' meeting in person or as proxies (hereinafter referred to as "shareholders") must present their attendance certificate, attendance card, or other attendance documents. The company shall not arbitrarily request additional proof of identity beyond the documents presented by the shareholders for attendance. Persons soliciting proxies shall also carry identification documents for verification.

The company shall maintain a sign-in book for shareholders to register their attendance, or shareholders may submit attendance cards for registration. The company shall provide the meeting manual, annual report, attendance certificates, speech slips, voting ballots, and other meeting materials to attending shareholders. In the case of director elections, separate election ballots shall be provided.

When a government agency or a juristic person is a shareholder, the representative attending the shareholders' meeting is not limited to one person. When a juristic person is entrusted to attend the shareholders' meeting, only one person shall be designated as the representative.

Article 7

If the shareholders' meeting is convened by the Board of Directors, the chairman shall be the Chairman of the Board. In the absence of the Chairman, or if the Chairman is unable to perform his/her duties due to reasons, the Vice Chairman shall act as the chairman. If there is no Vice Chairman, or if the Vice Chairman is also absent or unable to perform his/her duties, the Chairman shall designate one executive director to act as the chairman. If there is no executive director, the Chairman shall designate one director. If the Chairman fails to designate a proxy, the executive directors or directors shall mutually recommend one person to act as the chairman.

The chairman referred to in the preceding paragraph, if an executive director or acting director, shall have served for at least six months and have a good understanding of the company's financial and business conditions. The same applies if the chairman is the representative of a corporate director.

If the shareholders' meeting is convened by the Board of Directors, the Chairman shall preside over the meeting in person and be accompanied by a majority of the directors of the Board. The attendance status shall be recorded in the minutes of the shareholders' meeting.

If the shareholders' meeting is convened by a person other than the Board of Directors, the chairman shall be the convening person. If there are two or more convening persons, they shall recommend one person to act as the chairman.

The company may appoint appointed lawyers, accountants, or related personnel to attend the shareholders' meeting.

Article 8

The meeting proceedings of the shareholders' meeting shall be fully recorded or filmed and preserved for at least one year. However, if a lawsuit is filed by a shareholder pursuant to Article 189 of the Company Act, the recordings shall be preserved until the conclusion of the lawsuit.

Article 9

The attendance at the shareholders' meeting shall be based on the number of shares held. The number of shares in attendance shall be calculated based on the sign-in book or the attendance cards submitted, plus the number of shares exercised by written or electronic means.

At the scheduled meeting time, the chairman shall announce the commencement of the meeting. However, if representatives of shareholders holding more than half of the total

issued shares have not attended, the chairman may announce a postponement of the meeting. The meeting may be postponed twice, with a total delay time of up to one hour. If the attendance is still insufficient after two postponements, but representatives of shareholders holding more than one-third of the total issued shares are present, the chairman shall declare the meeting adjourned.

If there is still insufficient attendance after the two postponements, but representatives of shareholders holding more than one-third of the total issued shares are present, a fictitious resolution may be adopted in accordance with Article 175, Paragraph 1 of the Company Act, and the fictitious resolution shall be notified to the shareholders within one month for another shareholders' meeting to be convened.

During the current meeting, if the representatives attending on behalf of the shareholders reach more than half of the total issued shares, the chairman may resubmit the fictitious resolution for voting at the shareholders' meeting in accordance with Article 174 of the Company Act.

Article 10

If the shareholders' meeting is convened by the Board of Directors, the agenda shall be determined by the Board. All relevant proposals (including ad hoc proposals and amendments to original proposals) shall be voted on separately. The meeting shall proceed according to the established agenda and shall not be changed without the consent of the shareholders' meeting. If the shareholders' meeting is convened by a person other than the Board of Directors, the provisions of the preceding paragraph shall apply *mutatis mutandis*.

The agenda established in the preceding two paragraphs shall not be adjourned without a resolution. After the meeting adjourns, shareholders may not appoint another chairman to continue the meeting at the same venue or find another venue. However, if the chairman violates the rules of procedure and announces the adjournment, the other members of the Board shall promptly assist the attending shareholders in electing a chairman in accordance with the legally prescribed procedures by obtaining the consent of more than half of the shareholders present with voting rights, and continue the meeting.

The chairman shall provide sufficient explanation and discussion opportunities for the proposals, proposed amendments, or ad hoc proposals raised by the shareholders. When it is considered that a voting can be taken, the chairman may announce the end of the discussion, proceed to voting, and allocate a sufficient amount of voting time.

Article 11

Prior to speaking at the shareholders' meeting, shareholders must fill out a speech slip stating the main points of their speech, their shareholder account number (or attendance certificate number), and their name. The chairman shall determine the order of speeches.

If a shareholder attending does not give a speech after submitting a speech slip, it shall be deemed that no speech is given. If the content of the speech differs from what is stated on the speech slip, the content of the speech shall prevail.

For each shareholder, speaking on the same proposal shall be limited to a maximum of two times with the consent of the chairman, and each time shall not exceed five minutes. However, the chairman may prohibit a shareholder from speaking if the speech violates the rules or goes beyond the scope of the agenda.

While a shareholder is speaking, other shareholders attending may not speak without the consent of the chairman and the speaking shareholder. The chairman shall intervene if there is any violation.

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

After a shareholder has spoken, the chairman may personally or designate relevant personnel to respond.

Article 12

Voting at the shareholders' meeting shall be based on the number of shares held by each shareholder. The resolutions of the shareholders' meeting shall not include the shares of shareholders without voting rights in the total number of issued shares. Shareholders who have a potential conflict of interest that may harm the Company's interests shall not participate in the voting and shall not exercise their voting rights on behalf of other shareholders. The shares for which voting rights cannot be exercised shall not be counted as present at the shareholders' meeting. Except for trust companies or share registrars approved by the securities regulatory authority, when one person is entrusted by two or more shareholders, the voting rights exercised by the proxy shall not exceed 3% of the total voting rights of the issued shares. Any excess voting rights beyond this limit shall not be counted.

Article 13

Each shareholder shall have one voting right per share, except for those with restricted or no voting rights as listed in Article 179, Paragraph 2 of the Company Act. When convening a shareholders' meeting, the Company may adopt electronic means and may also allow written exercise of voting rights. The exercise methods for written or electronic voting rights shall be

specified in the meeting notice. Shareholders who exercise voting rights by written or electronic means shall be deemed present at the shareholders' meeting. However, for ad hoc resolutions and amendments to the original proposals at the current shareholders' meeting, they shall be deemed abstentions. Therefore, it is advisable for the Company to avoid proposing ad hoc resolutions and amendments to the original proposals.

For shareholders who exercise voting rights by written or electronic means, their expressions of intent shall be delivered to the Company two days before the shareholders' meeting. If there are multiple expressions of intent, the earliest one delivered shall prevail, except for the revocation of previously expressed intent. Shareholders who exercise voting rights by written or electronic means and wish to attend the shareholders' meeting in person shall notify the Company in the same manner as their exercise of voting rights to revoke the exercise of voting rights two days before the shareholders' meeting. If the revocation is overdue, the voting rights exercised by written or electronic means shall prevail. If shareholders exercise voting rights by written or electronic means and appoint a proxy to attend the shareholders' meeting, the voting rights exercised by the proxy shall prevail.

Except as otherwise provided by the Company Act or the Company's Articles of Incorporation, resolutions at the shareholders' meeting shall be passed with the affirmative votes of more than half of the voting rights represented at the meeting. During the voting, the chairman or a designated person shall announce the total number of voting rights represented by the shareholders, and the shareholders shall vote on each agenda item. The results of agreement, opposition, and abstention by the shareholders shall be entered into the Public Information Observation System on the same day as the shareholders' meeting.

When there are amendments or alternative proposals to a specific agenda item, the chairman shall determine the voting order in conjunction with the original proposal. If one of the proposals has been approved, the other proposals shall be deemed rejected and shall not be voted upon.

The chairman shall designate the inspectors and vote counters for voting and election matters at the shareholders' meeting, but the inspectors shall have shareholder status. The vote counting for voting or election matters at the shareholders' meeting shall be conducted openly within the meeting venue, and the results shall be announced on the spot, including the voting rights tally. A record shall be made.

Article 14

When electing directors at the shareholders' meeting, the relevant election rules established by the Company shall be followed, and the election results, including the list of elected directors

and their voting rights, shall be announced on the spot.

The election ballots for the above-mentioned election matters shall be sealed and signed by the inspectors, properly kept, and retained for at least one year. However, if a lawsuit is filed by shareholders pursuant to Article 189 of the Company Act, the ballots shall be retained until the lawsuit is concluded.

Article 15

The decisions of the shareholders' meeting shall be recorded and signed or sealed by the chairman. Within twenty days after the meeting, the minutes of the meeting shall be distributed to each shareholder. The preparation and distribution of the minutes may be done electronically. The distribution of the minutes may be made through public announcements on the Public Information Observation System.

The minutes shall accurately record the year, month, day, venue, name of the chairman, decision-making methods, essential proceedings, and voting results (including the voting rights tally) of the meeting. When there are elections for directors or supervisors, the voting rights obtained by each candidate shall be disclosed. The minutes shall be permanently retained during the Company's existence.

Article 16

The statistics table, compiled in the specified format, reflecting the number of shares solicited and represented by proxy at the shareholders' meeting, shall be clearly displayed at the meeting venue on the day of the meeting.

If any resolution of the shareholders' meeting qualifies as material information under laws and regulations or the rules of the Taiwan Stock Exchange Corporation (Taiwan Stock Exchange) or the Taipei Exchange, the Company shall transmit the content to the Public Information Observation System within the prescribed time.

Article 17

The personnel responsible for the meeting shall wear identification cards or armbands.

The chairman may instruct inspectors or security personnel to assist in maintaining order at the meeting venue. Inspectors or security personnel assisting in maintaining order shall wear armbands or identification cards indicating "Inspector" when present.

If there is a sound amplification system at the venue, the chairman may prohibit shareholders from using equipment not provided by the Company to speak.

Shareholders who violate the meeting rules, refuse to comply with the chairman's correction, and obstruct the progress of the meeting despite being warned may be asked by the chairman to leave the meeting venue with the assistance of inspectors or security personnel.

Article 18

During the meeting, the chairman may announce breaks at his/her discretion. In the event of unforeseeable circumstances, the chairman may temporarily suspend the meeting and announce the resumption time depending on the situation.

If the agenda scheduled for the shareholders' meeting is not completed before the proceedings (including ad hoc resolutions) are concluded, and the meeting venue cannot be used at the scheduled time, the shareholders' meeting may resolve to find another venue to continue the meeting.

The shareholders' meeting may, in accordance with Article 182 of the Company Act, resolve to postpone or adjourn the meeting within five days.

Article 19

These rules shall become effective after being passed by the shareholders' meeting and shall apply equally to any subsequent revisions.

Article 20

Enacted and revised on December 22, 2009.

First revision on May 10, 2012.

Second revision on June 15, 2015.

Third revision on June 23, 2020.

Fourth revision on July 20, 2021.

Appendix 2

HAKERS ENTERPRISE CO., LTD

Articles of Incorporation

Section I

General Provisions

Article 1

The name of the company is HAKERS ENTERPRISE CO., LTD. (銘旺實業股份有限公司) (the “Company”), which is duly organized as a company limited by shares under the Company Act of Taiwan.

Article 2

The business to be operated by the Company is as follows:

- (1) C306010 Wearing Apparel
- (2) C307010 Clothing Accessories
- (3) C399990 Other Textile and Products Manufacturing
- (4) F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- (5) F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- (6) F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- (7) F399040 Retail Sale No Storefront
- (8) F399990 Retail sale of Other Integrated
- (9) F401010 International Trade
- (10) I502010 Clothing Designing
- (11) F108031 Wholesale of Medical Devices
- (12) F208031 Retail Sale of Medical Apparatus
- (13) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3

The headquarters of the Company is located in New Taipei City, Taiwan. The Company may establish branches or subsidiaries in Taiwan or overseas as the Company may require upon resolution by the board of directors of the Company (“Board or “Board of Directors”).

Article 4

The Company may act as a guarantor for companies in accordance with the company's "Procedures for Offering of Endorsements / Guarantees ".

Article 5

The total amount of investments by the Company may exceed forty percent of the paid-in capital of the Company. All investment shall be dealt with by the resolution of the board of directors.

Article 6

The Company's announcement shall be handled in accordance with the Company Act and the regulations of the security regulatory authority.

Section II

Shares

Article 7

The registered capital of the Company shall be eight hundred million New Taiwan Dollars (NT\$800,000,000), divided into eighty million (80,000,000) shares, with a par value of ten New Taiwan Dollars (NT\$10) per share. The unissued shares shall be authorized by the board of directors to issue in batches; the issue price per share shall be determined by the board of directors in accordance with the Company Act or securities-related laws.

Within the registered capital of the Company, employee stock option certificates may be issued within the range of eighty million New Taiwan Dollars (NT\$80,000,000), with a total of eight million (8,000,000) shares, with a par value of ten New Taiwan Dollars (NT\$10) per share, and the board of directors is authorized to issue them in batches according to business needs.

Article 8

The shares issued by the Company are registered shares. The shares shall be issued after being signed or stamped by the directors and certified by a competent certifying bank.

After the Company publicly issues shares, the Company's shares may be exempted from printing any share certificate for the shares issued, and shall register the issued shares with a centralized securities depository enterprise.

Article 9

The transfer registration of shares shall be handled in accordance with the provisions of Article 165 of the Company Act.

Article 10

The Company's shares shall be handled according to the "Regulations Governing the Administration of Shareholder Service of Public Companies" prescribed by the competent authority

Section III
Shareholders' Meeting

Article 11

When the Company holds a shareholders' meeting, The shareholders may exercise their voting rights by written mail or electronic transmission.

There are two types of shareholders' meeting of the Company, the annual meeting and special meeting. Annual meetings shall be convened by the Board of Directors annually within six (6) months after the end of each fiscal year. Special meetings shall be convened as required in accordance with applicable laws and regulations.

Article 12

A shareholder who is unable to attend the shareholders' meeting may authorize another person to attend as proxy using the form provided by the Company affixed with the sign and seal, which sets forth the scope of the authorization. The proxy process is governed by Article 177 of the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" prescribed by the competent authority.

Article 13

Except for the shares with restricted voting right or without voting rights under the Article 179 of the Company Act, each share of the Company is entitled to one vote.

Article 14

Except as otherwise provided by the Company Act and applicable law, the shareholders' resolutions shall be adopted upon the approval of a majority of the voting shares present at the meeting, which is attended by holders of a majority of the total issued and outstanding shares of the Company.

Article 15

Notice shall be given to the shareholders by mail or electronic transmission at least thirty (30) days prior to an annual meeting, and at least fifteen (15) days prior to a special meeting, stating the date, place, and purpose of the meeting. Notice to shareholders holding less than a thousand (1,000) shares may be given by public announcement.

Article 15-1

The Company may convene shareholders' meeting via video conference or other methods approved by the central competent authority. The proxy process is governed by Article 177 of the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" prescribed by the competent authority.

Article 16

Unless otherwise stipulated by the Company Law, the shareholders' meetings shall be presided by the Chairman of the Board. If the Chairman of the Board is on leave or unable to exercise his powers and duties for any reason, the chairperson of the meetings shall be appointed pursuant to Article 208 of the Company Act. If the meeting is convened by a person with the authority to convene other than the Board of Directors, such person shall act as the chairperson at that meeting; if there are more than one person with the authority to convene, the chairperson for the meeting shall be appointed from among them.

Article 17

The resolutions adopted at the shareholders' meeting shall be made into minutes, which shall be signed by or affixed with seal of the chairperson of the meeting and distributed to all shareholders within 20 days after the meeting.

Minutes of the meeting shall include the date and place of the meeting, summary and results of the proceedings, the name of the chairperson at the meeting, and the method for adopting the resolutions. Minutes of the meetings shall be kept for as long as the Company is in existence.

The production and distribution of the minutes of the shareholders' meeting may be made by public announcement.

Section IV

Board of Directors

Article 18

The Company shall have five to ten directors, the directors shall be elected by the shareholders' meeting from among persons with the ability to act and hold office for three years; re-elected directors may serve consecutive terms. The Company authorizes the board of directors to determine the number of directors.

The election of directors of the Company adopts the candidate nomination system stipulated in Article 192-1 of the Company Act. The directors shall be elected from the nominees listed in the roster of director candidates at the shareholders' meeting. The total shareholding ratio of all directors shall be handled in accordance with the regulations of the securities management authority.

There shall be at least two independent directors among the number of directors to be elected referred to in the preceding paragraph, and the independent directors shall represent at least one-fifth of the Board. The restrictions on professional qualifications, share ownership, concurrent positions held, the manner of nomination, the election of the independent directors, and other related matters shall comply with the relevant laws and regulations of the Company Act and the Securities and Exchange Act.

The Company may purchase liability insurance for the directors during their tenures, which shall cover the directors' liabilities arising from the performance of their duties. The Company authorizes the board of directors to handle relevant insurance matters.

Article 18-1

The Company has established the Audit Committee since the ninth session of the board of directors in accordance with the provisions of Articles 14-4 and 181-2 of the Securities and Exchange Act. The Audit Committee consists of all the independent directors. The duties of the Supervisors provided under the Company Act, the Securities and Exchange Act and other relevant laws shall become duties of the Audit Committee or the members of the Audit Committee

Article 18-2

The Company's Board of Directors may establish the Remuneration Committee, the Audit Committee or other functional committees according to the Company's business needs. The functional committee of each type shall, in accordance with the regulations provided by the competent authority, enact the rules governing the exercise of its duties. These rules shall be effective upon the resolution adopted by the Board of Directors' meeting.

The number of functional committee members, their term, duties and meeting rules shall be regulated by the organizational rules of the functional committees and shall be implemented by the resolution of the board of directors.

Article 19

The board of directors is organized by the directors, and more than two-thirds of the directors are present and more than half of the directors present agree to recommend a chairman. The Chairman of the Board shall have the authority to represent the Company.

Article 20

Except as otherwise provided by the Company Act, resolutions of the Board of Directors shall be adopted by at least a majority of the directors present at a meeting attended by at least a majority of the directors holding office. If a director is unable to attend the meeting due to special circumstances, such director may appoint another director as his proxy. A director who appoints another director as his proxy to attend the meeting shall fill out a proxy form setting forth the scope of authorization with respect to the matters to be discussed at such meeting. A director may only be appointed as a proxy by one other director.

Article 21

For the convening of the board of directors, the reasons shall be stated and the directors shall be notified seven days in advance.

The meeting of the Board of Directors may be called in case of emergency. The meeting of

the Board of Directors shall be convened by delivery a notice to each director via fax, or e-mail.

Article 22

If the Chairman of the Board is on leave or cannot exercise his powers and duties for any reason, a chairperson shall be appointed pursuant to Article 208 of the Company Act.

The directors shall attend all meetings of the Board of Directors in person.

If a director is unable to attend the meeting due to special circumstances, such director may appoint another director as his proxy. A director who appoints another director as his proxy with the provisions of Article 205 of the Company Law to attend the meeting shall fill out a proxy form setting forth the scope of authorization with respect to the matters to be discussed at such meeting. A director may only be appointed as a proxy by one other director.

The board of directors can be held by video conference. If participation by means of video conferencing is made available at a meeting, directors who participate in the meeting by such means shall be deemed to have attended such meeting in person.

Article 23

The remuneration authorization of all directors shall be determined by the board of directors, regardless of the operating profit, according to the level of participation and contribution value of the Company's operations, and shall be paid by referencing the standards within the industry.

Section V

Managerial Personnel

Article 24

The Company may set up managers, whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Law.

Section VI

Accounting

Article 25

At the end of the fiscal year, the accounts of the Company shall be closed. After the end of each fiscal year, the Board of Directors shall prepare the reports such as business reports, financial statements, and proposals for distribution of profits or appropriation of losses under Article 228 of the Company Act and submit such reports to the Audit Committee for review and issue a report 30 days before the shareholders' annual meeting for ratification.

Article 26

To the extent that the Company has profit in the year, the Company shall set aside at least 1% of such profit as employee dividends and no more than 3% of such profit as director dividends, provided that the Company shall first offset the cumulative losses, if any.

The recipients of employee dividends with the preceding subparagraph may include the employees of the Company's subsidiaries who meet certain conditions; the terms of the distribution shall be decided by the Board of Directors.

Article 27

The Company is in the stage of corporate growth, and the dividend policy must be in line with the current and future industrial environment and capital budget needs, and take into account the interests of shareholders to adopt the principle of balanced dividends. If the Company has earnings in a fiscal year, the Company shall, after paying all taxes, offsetting all prior losses, appropriate 10% of the earnings to legal capital reserve, and then to special capital reserve in accordance with relevant laws or regulations. Any remaining amount after the abovementioned payments are made, together with unallocated earnings as of the beginning of the fiscal year, shall be allocated according to the resolution of the shareholders' meeting.

When the distribution is in cash, the Board of Directors will be authorized to handle the distributions in a meeting attended by more than two-third of all directors are present and more than half of the directors present agree and reported to the shareholders' meeting.

Article 28

The Company's dividend policy will be based on factors such as the future investment environment, capital needs, domestic and international competition and capital budget, taking into account shareholders' interests, balancing dividends, capital adequacy ratio and the Company's long-term financial planning.

Every year the board of directors shall propose to the shareholders' meeting the distribution methods and the amount of earnings to be distributed every year. Cash dividends are mainly distributed, and shall not be less than 10% of the total dividends.

Section VII

Miscellaneous

Article 29

Any matters not covered herein shall be governed by the Company Act and relevant laws and regulations.

Article 30

After the Company's public offering, if the stock intends to withdraw from the public offering, it shall submit a resolution to the shareholders' meeting, and this provision shall not be changed during the public offering period.

Article 31

These Articles of Incorporation were adopted on January 8, 1986.

The 1st amendment was made on January 27, 1986.

The 2nd amendment was made on February 18, 1986.

The 3rd amendment was made on April 27, 1987.

The 4th amendment was made on September 9, 1991.

The 5th amendment was made on July 20, 1996.

The 6th amendment was made on September 18, 1998.

The 7th amendment was made on November 15, 2000.

The 8th amendment was made on January 9, 2004.

The 9th amendment was made on June 20, 2005.

The 10th amendment was made on November 20, 2006.

The 11th amendment was made on October 29, 2010.

The 12th amendment was made on May 13, 2011.

The 13th amendment was made on October 31, 2011.

The 14th amendment was made on May 10, 2012.

The 15th amendment was made on June 12, 2014.

The 16th amendment was made on June 15, 2016.

The 17th amendment was made on June 15, 2017.

The 18th amendment was made on June 12, 2018.

The 19th amendment was made on June 18, 2019.

The 20th amendment was made on June 23, 2020.

The 21th amendment was made on June 14, 2022.

Appendix 3**HAKERS ENTERPRISE CO., LTD
Shareholdings of All Directors**

一、Total common shares outstanding as of April 13, 2024 is 50,589,000 shares.

二、The record of the shareholder's meeting transfer cancellation date is cut off. The status of individual and all directors held by the shareholder list is as follows:

Title	Minimum Required Shareholding by all Directors	Current Shareholding
Directors	4,047,120	21,906,500

Title	Name	Current Shareholding (Shares)	%
Chairman	CHEN, YING-HSUAN	1,307,848	2.58%
Director	LU, CHING-YU	901,357	1.78%
Director	CHEN, YE-SHYON	300,102	0.59%
Director	CHUANG, VONG-KEE	0	0%
Director	WANG, CHIH-YUAN	207,748	0.41%
Director	YUAN KUO INVESTMENT CO., LTD. Representative : CHEN, YEN-PAI	19,189,445	37.93%
Director	YUAN KUO INVESTMENT CO., LTD. Representative : HU, KANG-LIN		
Independent Director	CHANG, MING-CHENG	0	0%
Independent Director	KUO, NAI-FONG	0	0%
Independent Director	CHIU, YI-FANG	0	0%
Shareholdings of All Directors		21,906,500	43.30%

Appendix 4

The other explanation

1. The process of proposals raised by shareholders during this annual general meeting: :
 - (1) According to Article 172-1 of the Company Act, shareholders with more than 1% ownership interest are entitled to raise a maximum of one proposal less than 300 words to the Company, which will be addressed during the annual general meeting.
 - (2) Shareholders eligible to submit proposals are requested to provide their shareholder name, account number (or national ID number), and contact address during the proposal acceptance period. Proposals must be received or delivered to the designated proposal acceptance location by 5:00 PM on April 15, 2024 (for mailed submissions, please indicate "Shareholders' Meeting Proposal Letter" on the envelope and use registered mail).
 - (3) Proposal Acceptance Period for Eligible Shareholders: From April 3, 2024, to April 15, 2024.
 - (4) Proposal Acceptance Location for Eligible Shareholders: 9F-5, No. 6, Section 1, Zhongxing Road, Wugu District, New Taipei City.
2. The Company did not receive any proposals from shareholders.