Stock code
1423

Reward Wool Industry Corporation

Handbook for the 2023 Annual Meeting of Shareholders

Meeting type: Physical Shareholders' Meeting
June 20, 2023 (Tuesday), 9:00 a.m.
309. Sec.2, Chung Shang East Road, Tou-chou Vil. Hsin-Wu District,
Tao-Yuan City, Taiwan (Employees activity center)

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Reward Wool Industry Corporation

2023 Annual Shareholders' Meeting Agenda

Meeting time: June 20, 2023 (Tuesday), 9:00 a.m.

Meeting venue: 309. Sec.2, Chung Shang East Road, Tou-chou Vil. Hsin-Wu District,
Tao-Yuan City, Taiwan (Employees activity center)

Meeting type: Physical Shareholders' Meeting

Meeting Call to order (reporting of the number of shares represented)

Chairperson's Address

I. Report Items

(I) 2022 Business Report.

(II) Report on the Audit Committee's Review of 2022 Final Statements.

(III) Report on the 2022 Distribution of Employees' and Directors' Remuneration.

(IV) Other matters to be reported.

II. Ratification Items

(I) Ratification of the 2022 Business Report and Financial Statements.

(II) Ratification of 2022 earnings distribution.

III. Discussion Items

(I) Discussion on approving Capital Reduction by returning share capital in cash.

(II) Proposal to amend some provisions of "Rules of Procedure for Shareholders' Meeting" of the Company.

(III) The shareholder who holds more than 1% of the total issued shares proposal to sale land at Liu-Tu factory of the Company.

IV. Extraordinary Motions

V. Adjournment

I. Report Items

Case 1:

Proposal: 2022 Business Report.

Description: The Company's 2022 Business Report. Please refer to Attachment I (Page 9 to Page 13 of this handbook).

Case 2:

Proposal: Report on the Audit Committee's Review of 2022 Final Statements.

Description: The 2022 Audit Committee's review report. Please refer to Attachment II (Page 14 of this handbook).

Case 3:

Proposal: Report on the 2022 Distribution of Employees' and Directors' Remuneration.

Description:

1. 2022 profit before tax and before deducting distribution of Employees’ and Directors' Remuneration was NT$89,621,945 without accumulated loss. It is proposed to set not lower than 4% amounting to NT$3,584,878 as Employees’ Remuneration, and not higher than 1%, amounting to NT$896,219 as Directors' Remuneration. The proposal has been handled in accordance with Article 28 of the Company’s Articles of Incorporation and approved by the Board of Directors who adopted advice of Remuneration committee.
2. The above proposed Employees’ Remuneration and Directors' Remuneration are consistent with the estimated amounts in the accounts of 2022 and identical to the amount distributed as decided by the board of directors, to be distributed in cash. Please Ratify.

Case 4:

Proposal：Other matters to be reported：Nil

II. Ratification Items

Case 1: Proposed by the Board of Directors

Proposal: Ratification of the 2022 Business Report and Financial Statements.

Description: 1. The 2022 Financial Statements of the Company has been audited by Hsu, Hsin-Min and Yang, Chih-Huei the Ernst & Young Global Limited, Taiwan.

2. The above Financial Statements and Business Report have been submitted to the Audit Committee for review and approved by the 20TH session of the 8th Board of Directors. Please refer to Attachment I(Page 9 to Page 13 of this handbook) and Attachment III (Page 15 to Page 23 of this handbook).

3. Please Ratify.

Resolution:

Case 2: Proposed by the Board of Directors

Proposal：Ratification of 2022 earnings distribution.

Description：1. The distribution of profits for the company's fiscal year 2022 is subject to relevant laws and regulations as well as the provisions of the company's articles of incorporation. The decision on this matter will be submitted for approval to the audit committee and the board of directors. The company is planning to distribute cash. The Total amount of cash dividends shall be NT$27,680,000(NT$0.2 per share). Please refer to Attachment IV (Page 24 of this handbook).

2. Subject to the approval of the Annual General Shareholders' Meeting, authorizes the Chairperson to set the record date and allotment date and handle other related matters. The cash dividend distribution will be calculated to the nearest NT dollar, the remainder will be recognized as "Other Non-Operating Income".

3. Please Ratify.

Resolution:

III. Discussion Items

Case 1: Proposed by the Board of Directors

Proposal：Discussion on approving Capital Reduction by returning share capital in cash.

Description：1. To adjust its capital structure and enhance shareholder equity returns, the Company proposes to proceed with the capital reduction by returning share capital in cash. Please refer to Attachment V (Page25 to Page26 of this handbook).

2. The total capital of the company is NT$ 1,793,000,000, divided into 179,300,000 shares with a par value of NTD 10 per share. Currently, the paid-in capital is NTD 1,384,000,000, divided into 138,400,000 shares. The company proposes to reduce NT$387,520,000 and cancel 38,752,000 shares correspondingly. The reduction ratio is 28%, with a cash refund of NT$ 2.8 per share. After the reduction, the paid-in capital will be NTD 996,480,000, and the actual number of issued shares will be 99,648,000.

3. According to the actual paid-in capital as stated in the preceding paragraph, it is estimate that 720 shares are reduced per thousand shares (that is, 280 shares are converted per thousand share) and cash refund NT$2,800 For fractional shares less than one share after capital reduction, cash will be paid based on the par value, calculated up to the nearest NT dollar (disregarding anything less than one NT dollars). Chairperson is authorized to appoint a specific party to subscribe to such fractional shares at the closing price.

4. Shares converted from the capital reduction will be the same rights and obligation with original shares and no paper shares issued. After this proposal is adopted at the shareholders' meeting and approved by the competent authority, Chairperson is authorized to set the record date for cash reduction and stock conversion separately and then report to and approve by the competent authority. If the number of outstanding shares is changed due to the change in the Company's share capital, causing the adjustments in the cash reduction ratio and the amount of repayment per share, or the cash reduction needs adjustment due to amendments of laws, the regulator's order or other objective environment changes, the Chairperson is hereby authorized to deal with relative matters.

5. Please Ratify.

Resolution：

Case 2: Proposed by the Board of Directors

Proposal：Proposal to amend some provisions of “Rules of Procedure for Shareholders’ Meeting” of the Company.

Description：1. Amendment to some provisions of the “Rules and Procedures of Shareholders’ Meeting” of the Company to compliance with legal regulations. Amendments shown in a comparison table and please refer to Attachment VI (Page27 to Page51 of this handbook).

2. Please Ratify.

Resolution：

Case 3: Proposed by the Shareholder

Proposal：The shareholder who holds more than 1% of the total issued shares proposal to sale land at Liu-Tu factory of the Company.

Description：1. In accordance with Article 172-1 of the Company Law; the proposal as below posed by the shareholder account number of the proposer:117600 Mr. Zhao who holds more than 1% of the total issued shares.

Case: Discussion sale land at Liu-Tu factory of the Company in the Shareholders’ meeting.

Description：

A. Liu-Tu factory has been out of operation since December of 2006, which has been over sixteen years now. Although the company has made efforts to the factory lease during this period, the revenue has not been satisfactory.

B. As far as we know that the planned route for the MRT between Taipei and Keelung has been finalized. In order to improve the company's profits and take care of shareholders, we hereby propose to discuss the sale land at Liu-Tu factory of the company in the shareholders' meeting and authorize the board of directors to actively handle related matters thereafter.

2. Please Ratify.

Resolution：

IV. Extraordinary Motions

V. Adjournment

VI. Attachments

1. 2022 Business Report

(1) Business Plan Implementation Results

The Company's 2022 annual net operating revenue was NTD175,942,000, an annual reduction of 7%. Operating loss was NTD36,398,000.

Information for the operating revenue of the 2021 and 2022 fiscal years, operating loss, and production and sales of products are listed as below:

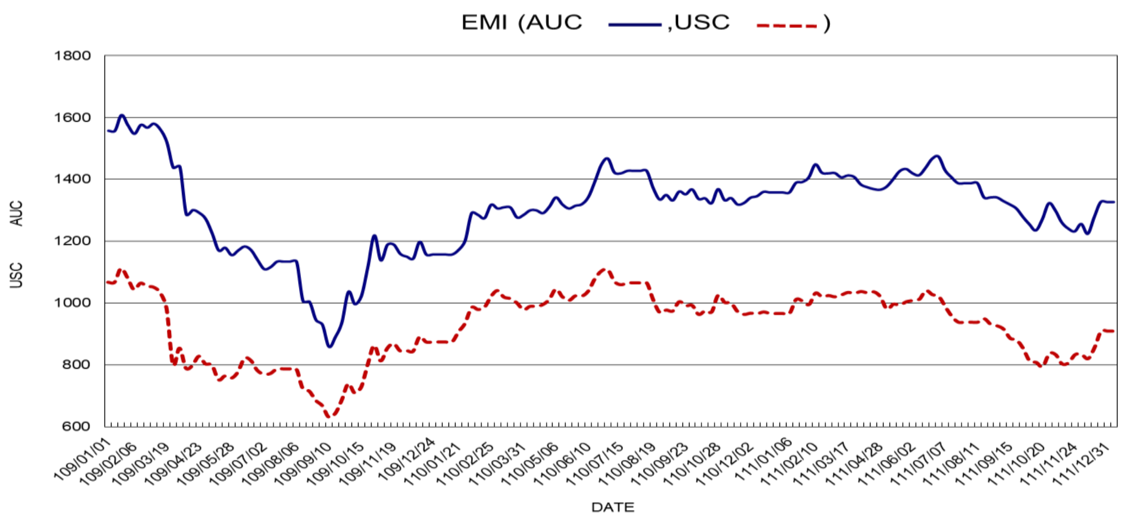
Unit: metric tons / Thousand NT$

Item		Year	2022	2021	Increase (decrease) %
Total operating revenue and earnings	Operating revenue	Domestic sales	59,397	78,761	(25)%
		Overseas sales	116,545	111,384	5%
		Total	175,942	190,145	(7)%
	Operating loss		(36,398)	(66,205)	(45)%
	Net profit before tax		85,141	192,861	(56)%
Production and sales volumes of main products	WOOL TOP	Production volume (inclusive of outsourced processing)	545	350	56%
		Sales volume	379	237	60%
	SUPERWASH WOOL TOP	Production volume	172	303	(43)%
		Sales volume	132	240	(45)%

2022 Operation Report:

Many governments around the world have been lifting their lockdown restrictions recently. This COVID-19 pandemic, which has been around for almost three years, seems to be coming to an end. The pandemic has caused the global population deaths of more than 6.7 million persons, and it has also brought about some irreversible trends. A retreat in globalization has impacted the industrial supply chain, resulting in changes to its rules, short-chains, decentralization, and increase in safety stock of key components which will inevitably cause the re-organization of the global value chain. On the other hand, the easy money policy and the eruption of war at the beginning of the year have ignited inflation. Consumer demands were dull, resulting in significant impacts on high price wool fiber clothing products.

The Australian wool trading market underwent a surge in the upper half of the year in response to the lifting of lockdown restrictions in major countries, Europe, the USA, and Japan. The EMI average wool price had gradually risen from the opening, AUC 1,358/USC 965, at the beginning of the year to the high point AUC 1,438/USC 1,039 (with growth of 5.9% and 7.7% respectively) during mid-year. In quarter three, the severe inflation had resulted in rate hike issue, adding to the pandemic situation in China which had turned serious. Its effect had led to a price drawdown. Fortunately, this situation was relieved at the end of quarter four when China abandoned zero-COVID policy and lifted lockdown restrictions. The price rebounded until the end of the year, the closing price was AUC 1,327/USC 909. In total for the entire year, it still fell by AUC 31(about 2.3%) and USC56 (about 5.8%).



The Company’s annual total sales, combining wool tops and superwash wool tops, were 511 tons, an increase of 34 tons (about 7%) as compared to 477 tons for the previous year. The overall inventory evaluation showed generation of profits due to the significant effects of destocking. However, consumer consumption power was still weak, resulting in variations for the sales items and the average sales price was fairly low. The operations remain in a state of loss and the revenue declined by 7% compared to the previous year. Nonetheless, owing to the two plants taking an active approach in renting out spaces, exchange rate profits, and other dividend income from investments of non-operating activities, the total annual operation pre-tax profit was NTD85,140,000.

Regarding the sales situation of every major region, the traditional domestic sales market and the Japanese region were sustaining at a level equal to the previous period, but the Korean region still did not make a comeback. The good news was under the efforts of the sales unit, there were significant outcomes from the expansion of other regional markets. The sales amount had made some growth compared to the previous year. Regarding type of sales products, the economic retreat due to inflation and shrinking consumption resulted in higher single prices, and significant obstructions to the sales of multi-layered processed superwash wool tops. Downstream customers have turned to purchasing general wool products in recent years.

The 2023 Outlook for the Wool Market:

As of now, the global economy remains severe, but based on the latest estimate of the wool production volume in the recent period, over the past year or two, there has been abundant rainfall in the main wool producing regions in Australia, bringing enough pasture for the wool farms and better feeding environment and a comparably lower cost. Therefore, the Australian Wool Production Forecasting Committee (AWPFC) forecasts the total wool production volume for 2022/23 to increase by another 16 million kilograms, with expectations to reach 340 million kilograms (an increase of 4.9%) and the total number of sheep shorn to increase by 74.9 million sheep (an increase of 4.6%). The raw material supply is expected to recover gradually.

Many countries are actively lifting restrictions opening up borders at this stage considering the people’s economy, relatively, it has also led to a wave of explosive travel consumption trends. However, the current inflation situation remains severe, particularly the long-standing Ukraine-Russia war which has resulted in continuous effects on Europe and the global economy. The year 2023 might still be a rather difficult year. The Company has placed efforts in lowering the stock volume for finished products to improve the average inventory turnover, and it will also consider the changes to international situations and the Australian wool market to perform a more flexible wool procurement and production tempo in response to the future changing international scene.

(2) 2022 Budget Implementation

Unit: metric tons

Product category	WOOL TOP	SUPERWASH WOOL TOP	UNCARBONIZED NOIL
Expected sales amount	374	556	33
Actual sales amount	379	132	0
Achievement rate	101%	24%	0%

(3) Financial structure and profitability

1. 2022 financial gains and losses Unit: Thousand NT$

Item	Amount
Operating revenue	175,942
Operating costs	177,375
Gross profit	(1,433)
Operating expenses	34,965
Operating loss	(36,398)
Net non-operating revenues and expenses	121,539
Net profit before tax	85,141
Net profit after tax	73,350

2. 2022 Profitability

Item	Ratio/NT$
Return on assets (%)	2.17
Return on equity (%)	2.38
Pre-tax income to paid-in capital ratio (%)	6.15
Net profit margin (%)	41.68
Earnings per share (NT$)	0.53

(4) Research and Development Overview

1. The 160RT cooling machine remote monitoring system specially used for air-conditioning control can avoid peak operating hours during the daytime to lower the electricity power contract volume.
2. Feasibility research on energy storage equipment for carbon reduction.

2. Report on the Audit Committee's Review of 2022 Final Statements.

Reward Wool Industry Corporation

Audit Committee’s report on the review of the 2022 financial statements

The Company’s 2022 Business Report, Financial Statements, and Appropriation of Earnings were submitted by the Board of Directors, of which the Financial Statements were duly audited by Certified Public Accountants Hsu, Hsin-Min and Yang, Chih-Huei of EY Taiwan, to which the CPA firm has issued an independent auditor’s report. The aforementioned Business Report, Financial Statements, and Appropriation of Earnings have been further duly reviewed and determined to be correct and accurate by the Audit Committee members of the Company according to Article 14-4 of the Security Exchange Act and Article 219 of the Company Act. Hereby, we present this report.

Submitted to

2023 Shareholders’ Meeting of the Company

Reward Wool Industry Corporation

Audit Committee convener: L.Y.TU

March 14th, 2023

3. Independent Auditors' Report and Financial Statements.

Independent Auditors' Report Translated from Chinese

To Reward Wool Industry Corporation

Opinion

We have audited the accompanying individual balance sheets of Reward Wool Industry Corporation (the "Company") as of December 31, 2022 and 2021, and the individual statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the individual financial statements including the summary of significant accounting policies.

In our opinion, the individual financial statements referred to above present fairly, in all material respects, the individual financial position of the Company as of December 31, 2022 and 2021, and their individual financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (the "IFRS"), International Accounting Standards (the "IAS"), Interpretations developed by the International Financial Reporting Interpretations Committee (the "IFRIC") or the former Standing Interpretations Committee as endorsed and became effective by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Individual Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 2022 individual financial statements. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Inventory

As of December 31, 2022, the Company's net inventories amounted to NT$277,283, accounting for 8% of total assets. Due to the excessive fluctuations of wools' price in the international market, the management needed to evaluate the loss of writing down the cost of inventories to the net realizable value because of inventory price decline. Since the book value of the provision for inventory obsolescence is significant, and the assessment of whether the amount should be written off involves major judgments by the management, we consider it a key audit matter. The audit procedures we performed included but are not limited to: assessing the net realizable value estimated by the management on the inventory evaluation, including the inventories that have not changed for a long time. We performed testing and evaluated the adequacy of allowance for inventory write-down, provided by the management. We also confirmed that the inventories were properly disclosed in accordance with IAS No. 2. Please refer to Notes 5 and 6 of the individual financial statements.

Equity instruments investments measured at fair value through other comprehensive income

The Company's equity instrument investments measured at fair value through other comprehensive income amounted to NT$1,070,361 as of December 31, 2022, of which financial assets without a quoted price in an active market amounted to NT$777,137. Since its assessment of fair value uses unobservable input, including liquidity discounts or adopts different evaluation techniques and assumptions, which have a significant impact on the fair value evaluation of financial assets, we therefore consider it is a key audit matter. The audit procedures we performed included but are not limited to: assessing the expected reasonable market price reflected by the tools used by management regarding valuation of equity instrument investment measured at fair value through other comprehensive income, and the measurement of risk reward technology included in the quantitative information of unobservable input value. We re-evaluated the selection of comparables and the rationality of the liquidity discount ratio on a sampling basis with the internal evaluation experts' assistance. We also compared them with the valuation made by the management to confirm if the differences are within an acceptable range.We also confirmed that they have made appropriate disclosures in accordance with IFRS 9, please refer to Notes 5 and 12 of the individual financial statements.

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

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

In preparing the individual financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, 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 audit committee, is responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Individual Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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 2022 individual financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hsu, Hsin-Min

Yang, Chih-Huei

Ernst & Young, Taiwan
March 14, 2023

Notice to Readers

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

Accordingly, the accompanying individual financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing Standards on Auditing of the Republic of China, and their application in practice. As the financial statements are the responsibility of the management, Ernst & Young 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.

English Translation of Financial Statements Originally Issued in Chinese

REWARD WOOL INDUSTRY CORPORATION
INDIVIDUAL BALANCE SHEETS
As of December 31, 2022 and December 31, 2021
(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2022		December 31, 2021	
Code	Contents	Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents	$550,269	17	$429,663	12
1136	Financial assets measured at amortized cost-current	89,200	3	89,200	3
1170	Accounts receivable, net	7,783	-	5,393	-
1200	Other receivables	1,450	-	947	-
130x	Inventories	277,283	8	378,756	11
1410	Prepayments	201	-	238	-
1470	Other current assets	354	-	112	-
11xx	Total current assets	926,540	28	904,309	26
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income-non current	1,070,361	32	1,046,082	31
1550	Investments accounted for using the equity method	546,111	16	679,649	20
1600	Property, plant and equipment	327,620	10	334,848	10
1760	Investment property, net	416,774	13	418,364	12
1840	Deferred tax assets	22,823	1	38,189	1
1900	Other non-current assets	8,239	-	298	-
1975	Net defined benefit assets, non-current	2,260	-	1,509	-
15xx	Total non-current assets	2,394,188	72	2,518,939	74
1xxx	Total assets	$3,320,728	100	$3,423,248	100

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

REWARD WOOL INDUSTRY CORPORATION
INDIVIDUAL BALANCE SHEETS
As of December 31, 2022 and December 31, 2021
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity		December 31, 2022		December 31, 2021	
Code	Contents	Amount	%	Amount	%
	Current liabilities				
2130	Contract liabilities-current	$13	-	$1,414	-
2170	Accounts payable	467	-	649	-
2200	Other payables	20,578	1	24,083	1
2230	Current tax liabilities	11,714	-	11,268	-
2300	Other current liabilities	264	-	3,380	-
21xx	Total current liabilities	33,036	1	40,794	1
	Non-current liabilities				
2570	Deferred tax liabilities	237,464	7	264,021	8
2645	Guarantee deposits	6,306	-	5,131	-
25xx	Total non-current liabilities	243,770	7	269,152	8
2xxx	Total liabilities	276,806	8	309,946	9
31xx	Equity attributable to shareholders of the parent				
3110	Common stock	1,384,000	42	1,384,000	40
3200	Capital surplus	106,097	3	106,097	3
3300	Retained earnings				
3310	Legal reserve	51,196	2	35,704	1
3320	Special reserve	539,600	16	539,600	16
3350	Unappropriated earnings	149,367	4	194,932	6
	Total retained earnings	740,163	22	770,236	23
3400	Other components of equity				
3410	Exchange differences resulting from translating the financial statements of foreign operations	(900)	-	(30,269)	(1)
3420	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	814,562	25	883,238	26
	Total other components of equity	813,662	25	852,969	25
3xxx	Total equity	3,043,922	92	3,113,302	91
	Total liabilities and equity	$3,320,728	100	$3,423,248	100

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

English Translation of Financial Statements Originally Issued in Chinese

REWARD WOOL INDUSTRY CORPORATION
INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

		For the years ended December 31			
		2022		2021	
Code	Contents	Amount	%	Amount	%
4000	Operating revenue				
4110	Sales of goods	$174,545	99	$168,480	89
4800	Other operating revenue	1,397	1	21,665	11
	Operating revenue, net	175,942	100	190,145	100
5000	Operating costs				
5110	Cost of goods sold	176,041	100	202,914	107
5800	Other operating costs	1,334	1	15,839	8
	Total operating costs	177,375	101	218,753	115
5950	Gross loss	(1,433)	(1)	(28,608)	(15)
6000	Operating expenses				
6100	Selling expenses	7,334	4	5,320	3
6200	Administrative expenses	27,606	16	32,223	17
6450	Expected credit losses	25	-	54	-
	Total operating expenses	34,965	20	37,597	20
6900	Operating loss	(36,398)	(21)	(66,205)	(35)
7000	Non-operating income and expenses				
7100	Interest income	5,721	3	1,741	1
7010	Other income	70,642	40	56,301	30
7020	Other gains and losses	34,721	20	(14,540)	(8)
7050	Finance costs	(43)	-	(61)	-
7060	Share of profit or loss of associates and joint ventures accounted for using the equity method	10,498	6	215,625	113
	Total non-operating income and expenses	121,539	69	259,066	136
7900	Income before income tax	85,141	48	192,861	101
7950	Income tax expenses	(11,791)	(7)	(38,919)	(20)
8200	Net Income	73,350	41	153,942	81
8300	Other comprehensive income (loss)				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans	471	-	1,217	1
8316	Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income	(68,676)	(39)	218,776	115
8349	Income tax related to items that will not be reclassified subsequently	(94)	-	(243)	-
8360	Items that may be reclassified subsequently to profit or loss				
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method, which may be reclassified subsequently to profit or loss	36,712	21	(18,075)	(10)
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss	(7,343)	(4)	3,615	2
	Total other comprehensive income (loss), net of tax	(38,930)	(22)	205,290	108
8500	Total comprehensive income	$34,420	19	$359,232	189
	Earnings per share (NTD)				
9750	Basic earnings per share				
	Net Income	$0.53		$1.11	
9850	Diluted earnings per share				
	Net Income	$0.53		$1.10	

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

English Translation of Financial Statements Originally Issued in Chinese

REWARD WOOL INDUSTRY CORPORATION

INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

				Retained Earnings			Other Components of Equity		
	Contents	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Resulting From Translating the Financial Statements of Foreign Operations	Losses on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Total
Code		3100	3200	3310	3320	3350	3410	3420	3XXX
A1	Balance as of January 1, 2021	$1,384,000	$106,097	$-	$507,402	$357,038	$(15,809)	$664,462	$3,003,190
	Appropriation and distribution of retained earnings								
B1	Legal reserve	-	-	35,704	-	(35,704)	-	-	-
B3	Reversal of special reserve	-	-	-	32,198	(32,198)	-	-	-
B5	Cash dividends	-	-	-	-	(249,120)	-	-	(249,120)
D1	Net income in 2021	-	-	-	-	153,942	-	-	153,942
D3	Other comprehensive income (loss) in 2021	-	-	-	-	974	(14,460)	218,776	205,290
D5	Total comprehensive income (loss) in 2021	-	-	-	-	154,916	(14,460)	218,776	359,232
Z1	Balance as of December 31, 2021	$1,384,000	$106,097	$35,704	$539,600	$194,932	$(30,269)	$883,238	$3,113,302
A1	Balance as of January 1, 2022	$1,384,000	$106,097	$35,704	$539,600	$194,932	$(30,269)	$883,238	$3,113,302
	Appropriation and distribution of retained earnings								
B1	Legal reserve	-	-	15,492	-	(15,492)	-	-	-
B5	Cash dividends	-	-	-	-	(103,800)	-	-	(103,800)
D1	Net income in 2022	-	-	-	-	73,350	-	-	73,350
D3	Other comprehensive income (loss) in 2022	-	-	-	-	377	29,369	(68,676)	(38,930)
D5	Total comprehensive income (loss) in 2022	-	-	-	-	73,727	29,369	(68,676)	34,420
Z1	Balance as of December 31, 2022	$1,384,000	$106,097	$51,196	$539,600	$149,367	$(900)	$814,562	$3,043,922

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

English Translation of Financial Statements Originally Issued in Chinese

REWARD WOOL INDUSTRY CORPORATION
INDIVIDUAL STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Code	Contents	For the years ended December 31 2022 Amount	2021 Amount
AAAA	Cash flows from operating activities:		
A10000	Income before income tax	$85,141	$192,861
A20000	Adjustments:		
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation	9,695	10,260
A20300	Expected credit losses	25	54
A20900	Interest expenses	43	61
A21200	Interest income	(5,721)	(1,741)
A21300	Dividend income	(35,093)	(23,863)
A22300	Share of profit or loss of associates and joint ventures accounted for using the equity method	(10,498)	(215,625)
A22500	Gains on disposal of property, plant and equipment	(9,802)	(10,674)
A30000	Changes in operating assets and liabilities:		
A31115	Financial assets mandatorily measured at fair value through profit or loss	-	15,595
A31150	Accounts receivable	(2,415)	(5,447)
A31180	Other receivables	(89)	781
A31200	Inventories	101,473	139,515
A31230	Prepayments	37	10,090
A31240	Other current assets	(242)	(112)
A32125	Contract liabilities	(1,401)	1,159
A32150	Accounts payable	(182)	(568)
A32180	Other payables	(3,505)	(16,523)
A32230	Other current liabilities	(3,116)	1,261
A32240	Net defined benefit assets/liabilities	(280)	(165)
A33000	Cash generated from operations	124,070	96,919
A33100	Interest received	5,307	1,743
A33200	Dividend received	215,841	325,451
A33300	Interest paid	(43)	(61)
A33500	Income taxes paid	(29,973)	(29,835)
AAAA	Net cash provided by operating activities	315,202	394,217
BBBB	Cash flows from investing activities:		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(92,955)	(99,402)
B00040	Acquisition of financial assets measured at amortized cost	(89,200)	(89,200)
B00060	Proceeds from disposal of financial assets measured at amortized cost	89,200	192,160
B02700	Acquisition of property, plant and equipment	(707)	(3,715)
B02800	Proceeds from disposal of property, plant and equipment	9,802	11,200
B05400	Acquisition of investment property	(170)	(550)
B06700	Increase in other non-current assets	(7,941)	-
B06800	Decrease in other non-current assets	-	57
BBBB	Net cash (used in) provided by investing activities	(91,971)	10,550
CCCC	Cash flows from financing activities:		
C00100	Increase in short-term loans	-	70,000
C00200	Decrease in short-term loans	-	(70,000)
C03000	Guarantee deposits received	1,175	1,365
C04500	Cash dividends	(103,800)	(249,120)
CCCC	Net cash used in financing activities	(102,625)	(247,755)
EEEE	Net increase in cash and cash equivalents	120,606	157,012
E00100	Cash and cash equivalents, beginning of year	429,663	272,651
E00200	Cash and cash equivalents, end of year	$550,269	$429,663

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

4. 2022 Earnings Distribution Table：

English Translation of Financial Statements Originally Issued in Chinese

Reward Wool Industry Corporation

EARNINGS DISTRIBUTION TABLE

YEAR 2022

(Unit: NTD$)

Items	Amount	
Beginning balance of unappropriated earnings		$ 75,639,517
Add: 1.Other comprehensive income (Actuarial gains from defined benefit plans in 2022)	$ 377,104	
2.Net income	73,350,162	
Net income plus the amount of other items in the current year	73,727,266	
Less: Appropriation of 10% legal reserve	(7,372,727)	
Earnings available for appropriation in the current year	66,354,539	
Accumulated earnings available for appropriation as of December 31, 2022		141,994,056
Distribution of earnings		
Cash dividend to shareholders(NT$0.2 per share)	$ 27,680,000	
Total distribution of earnings		(27,680,000)
Ending balance of unappropriated earnings		$ 114,314,056

5. Supplementary Instructions for Cash Reduction：

1. Reasons, necessity and rationality of the capital reduction.

Since the United States-China trade war beginning in 2018, COVID-19 pandemic in 2019 and Ukrainian-Russian War in 2022, it has a serious impact on the economic development. The consequences of unlimited Quantitative easing also detonated inflation and financial crisis. The weakness of people's livelihood consumption power is the first to bear the brunt of the textile industry of non-essential consumer goods, especially the high-priced wool textile. Since our company was founded, we have always been focusing on the development of the industry. Been in the wool industry is almost sixty years, there is a deep understanding of the many unfavorable factors listed above. The high-end textile industry should be difficult to restore its former prosperity in the short term. Therefore, in order to comply the transformation of the new industrial forms in recent years, we have started to outsource the high energy-intensive wool washing process, also operate in the direction of increasing the added value of products, with a small amount, diversity and multiple functional processing as the main axis of the product to separate the competitive market from the mainland China counterparts. No longer pursue turnover as a benchmark, and continue to reduce the inventory to avoid the falling prices risk of raw materials fluctuation and reduce the pressure of working capital. Additionally, cooperate with the government's investment policy of rewarding Taiwanese companies to return to Taiwan, the company has been actively handled the rental of idle sites in the factory to obtain a stable cash inflow and has been quite effective.

Moreover, the company's reinvestment business at Ningbo, China in the early 1993, has sold all the factory land to the local government in 2021. The company was also allowed to handle a substantial cash reduction of 94.89% at the beginning of this year, and the capital was reduce from USD58.7 million to USD3 million. The company also successfully recovered about USD13.28 million of investment shares and about USD19.3 million in surplus distribution in March this year. In total, about USD15.21 million has been repatriated from the mainland this year, and in the future the reinvestment business will also apply for liquidation process.

As stated above, after reviewing the company's capital scale, prudently assessing the working capital and cooperating with the aforementioned current and future operation directions, in order to take into account the company's operation and enhance shareholder equity, we propose the cash capital reduction at the shareholder's meeting.

2. The funds for the capital reduction, and the impact of the capital reduction on the Company's Finance, operation, and the stability of the capital structure:

Since our company was founded, we has upheld the principle of prudent management and maintained sufficient working capital with rarely capital shortage. Our debt ratio has not exceeded 10% for over ten years, and we have not taken out any bank loans. This makes us one of the few outstanding enterprises in the domestic market with a low debt ratio, as evidenced by the financial statements reviewed by our certified public accountants each year. The funds source for this cash reduction is entirely self-funded, and we expect the overall cash basis to remain above NT$600 million in the next year, sufficient to meet our future operational plans. The cash reduction will not have impact on the company's financial or operational performance but also allow us to adjust our capital structure appropriately, and enhance shareholder equity due to the share capital reduction.

3. The necessity and reasonableness of the company has any plans to capital increase or issuance of new bonus shares at the annual shareholders' meeting or in the coming year:

The company has no plans to capital increase or issuance of new bonus shares at the annual Shareholders' Meeting or in the coming year. This is hereby clarified.

6. Comparison table for the amendments of Rules of Procedures for Shareholders' Meeting：

Amended Articles		Original Articles		Description
Article 3	Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors. For a company to hold a virtual shareholder meeting, in addition to following the regulations for handling stock affairs of publicly traded companies, it should also be stipulated in the company's articles of incorporation and approved by the board of directors. Furthermore, the virtual shareholder meeting shall be attended by two-thirds of the directors, and approved by more than half of attending directors. Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice. The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special	Article 3	Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors. The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and	Amendments compliance with Act.

	shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, the Company has the paid-in capital of NT$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby. The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to		supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby, and should be distributed at the shareholder' meeting. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice	

	shareholders for review in the following manner on the date of the shareholders meeting: 1.For physical shareholders meetings, to be distributed on-site at the meeting. 2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform. 3.For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential		of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting. A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda. Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or	

	contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting. A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more		electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.	

	than one item will be included in the meeting agenda. Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.			
Article 4	For each Shareholders Meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the	Article 4	For each Shareholders Meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the	Amendments compliance with Act.

	scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. <u>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u>		scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.	
Article 5	The venue for a Shareholders Meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the Independent Directors with respect to the place and time of the meeting. <u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only</u>	Article 5	The venue for a Shareholders Meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the Independent Directors with respect to the place and time of the meeting.	Amendments compliance with Act.

	shareholders meeting.			
Article 6	The Company shall specify in its shareholders meeting notices the time during which shareholder, solicitors, and entrusted agents attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. The video meeting of the shareholders meeting shall be accepted and registered on the video meeting platform of the shareholders meeting 30 minutes before the start of the meeting, and the shareholders who complete the registration shall be deemed to be present at the shareholders meeting in person. Shareholders shall attend Shareholders Meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall	Article 6	The Company shall specify in its shareholders meeting notices the time and the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. Shareholder and their proxies (collectively, "shareholders") shall attend Shareholders Meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips,	Amendments compliance with Act.

	also bring identification documents for verification. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors, pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a Shareholders Meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. If the Shareholders Meeting is convened by video, and the shareholders wish to participate in the meeting by video, they should register with the Company two days before the meeting of the shareholders' meeting. If the Shareholders Meeting is convened by video conference, the Company shall upload the meeting manual, annual report and other relevant materials to the video meeting platform of the shareholders meeting at least 30 minutes before the start of the meeting, and continue to disclose it		voting slips, and other meeting materials. Where there is an election of Directors, pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a Shareholders Meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.	

	until the end of the meeting.			
Article 6.1	The Company shall specify the following matters in the notice of the convocation of the Shareholders Meeting: 1. The shareholders participation in the Video Meeting and the method of exercising their rights shall be specified. 2. The handling of obstacles arising from the Video Meeting Platform or the participation of video parties in the event of a natural disaster, incident or other force majeure circumstances shall include at least the following matters: (1) The time for postponing or renewing the meeting due to the continued failure to exclude the opening of the obstacle before the occurrence of the incident, and the date on which the assembly shall be postponed or renewed if it is necessary. (2) Shareholders who have not registered to participate in the original shareholders meeting by video shall not participate in the postponement or renewal of the meeting. (3) If the video-assisted shareholders meeting cannot be renewed, after deducting the number of shares participating in the shareholders meeting by video, and the total number of shares present at the shareholders meeting reaches the statutory quota of the shareholders meeting, the		Addition Articles	Amendments compliance with Act.

	shareholders meeting shall continue, and the shareholders participating in the shareholders by video shall be included in the total number of shareholders shares present, and all the proposals of the shareholders meeting shall be regarded as abstention. (4) In the event that the results of all motions have been announced, but no provisional motions have been made, the manner of handling them shall be handled. 3.A Video Shareholders Meeting shall be convened and shall specify the appropriate alternative measures provided to shareholders who may have difficulties participating in the shareholders by video. Except for the circumstances specified in Article 44-9, Paragraph 6 of the Criteria Governing Handling of Stock Affairs by Public Stock Companies, the company should provide at least the necessary equipment for shareholders to connect to the meeting and provide any necessary assistance. Shareholders should be informed of the application period and other relevant matters to be noted.			
Article 8	The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and	Article 8	The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and	Amendments compliance with Act.

	the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation. <u>Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u> <u>The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u> <u>In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u>		the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.	
Article 9	Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the	Article 9	Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the	Amendments compliance with Act.

	shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article		shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one	

	175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.</u> When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.		month. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.	
Article 11	Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the	Article 11	Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the	Amendments compliance with Act.

	shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond. <u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.</u> <u>As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the</u>		shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.	

	<u>scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</u>			
Article 13	A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act. When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting.	Article 13	A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act. When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting.	Amendments compliance with Act.

	When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person <u>or online,</u> a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each		When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a	

	proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and		person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.	

	a record made of the vote. When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting. In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately. When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or			

	make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.			
Article 15	Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company. Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph,	Article 15	Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.	Amendments compliance with Act.

	the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes. When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.			
Article 16	On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before	Article 16	On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation the number of shares represented by proxies and shall make an express disclosure of the same at the place of the shareholders meeting. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of	Amendments compliance with Act.

	the meeting starts, and keep this information disclosed until the end of the meeting. 。 During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.		such resolution to the MOPS within the prescribed time period.	
Article 19	In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.		Addition Articles	Amendments compliance with Act.
Article 20	When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of		Addition Articles	Amendments compliance with Act.

	their location when the meeting is called to order.			
Article 21	In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues. In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply. For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected		Addition Articles	Amendments compliance with Act.

	shareholders meeting online shall not attend the postponed or resumed session. For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session. During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors. When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a			

	shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required. Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting. When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of			

	Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.			
Article 22	When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online. Except for the circumstances specified in Article 44-9, Paragraph 6 of the Criteria Governing Handling of Stock Affairs by Public Stock Companies, the company should provide at least the necessary equipment for shareholders to connect to the meeting and provide any necessary assistance. Shareholders should be informed of the application period and other relevant matters to be specified.		Addition Articles	Amendments compliance with Act.
Article 23	The 1st amendment of these Rules was made on June 20, 2023. These Rules shall be effective from the date (July 29, 2022) and take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.	Article 19	These Rules shall be effective from the date (July 29, 2022) and take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.	Note the date of first amendment.

VII. Appendix

1. Articles of Incorporation

Articles of Association of Reward Wool Industry Corporation

Chapter 1 General Provisions

Article 1: Our company is organized in accordance with the provisions of the Company Act, and is named REWARD WOOL INDUSTRY CORPORATION.

Article 2: Our company operates following business items:

1. Wool top (including carbonized wool) manufacturing and sales business.
2. Other wool shrink-proof, dyeing and finishing business.
3. Import and export business of the businesses listed in the preceding paragraphs.
4. Our company has a warehouse business for raw materials related to the production of products.

Article 2-1: Our company's investment is handled in accordance with the resolution of the board of directors, and the total investment may exceed 40% of the paid-in capital.

Article 3: Our company is established in Taipei City, and branches、offices or mills may be set up in appropriate locations at home and abroad when necessary.

Chapter 2 Shares

Article 4: Our company's total capital is NT$1,793,000,000 divided into 179,300,000 shares with a par value of NT$10 per share. The board of directors is authorized to issue the unissued shares in installments.

Our company's shares shall be registered and numbered.

A centralized securities custodian institution may request to merge and exchange large-denomination securities.

Article 5: When our company issues new shares, it may print or exempt shares based on the total number of shares issued.

Our company may be exempted from printing any share certificate for the shares issued.

For the new shares issued in accordance with the provisions of Paragraph 1, the custody of the consolidated printed stock certificate or the registration of the non-printed stock certificate in Paragraph 2 shall be handled by contacting the securities centralized custodian institution.

Article 6: When our company issues new shares, 10% to 15% of the total number of new shares issued should be reserved for purchase by company employees, employees entitled to receive shares may include employees of the parent or subsidiaries of the company meeting certain specific requirements set by the board of directors or personnel authorized by the board. However, if the company uses the reserve or asset appreciation to offset the issuance of new shares to the original shareholders, this limitation is not applicable.

Chapter 3 Shareholders' Meeting

Article 7: Our company shareholder’s meeting is divided into two types: general and interim ones. The board of directors shall convene in accordance with the following provisions.

1. General shareholders’ meeting: Convened once a year and held within 6 months after the end of each fiscal year.
2. Interim shareholders’ meeting: Convened when necessary in accordance with the law. Or shareholders who hold more than 3% of the total number of the shares issued for more than one year may list proposals and the reasons in writing and request the Board of Directors to convene a special shareholders’ meeting.

When our company convenes a shareholders' meeting, it may be held by video conference. The relevant operating procedures of the video conference shall be handled in accordance with the Company Law or other regulations announced by the central competent authority.

Article 8: Each shareholder shall be notified 30 days before the date of the general shareholders’ meeting.

Each shareholder shall be notified 15 days before the date of the interim shareholders’ meeting.

The reasons for convening the said meeting shall be stated in the notice.

The reason for the convening in the preceding paragraph may be listed as a provisional motion. However, matters concerning re-election of directors and changes to the articles of association of the company shall be listed in the reasons, and shall not be proposed as temporary motions.

The provisions of Paragraphs 1 to 4 shall not apply if the shareholders' meeting has decided to postpone or renew the meeting within five days.

Article 9: Resolutions of the shareholders' meeting, unless otherwise provided by the Company Act, shall be adopted by a majority vote of the shareholders present, who represent more than half of the total number of issued shares and with the consent of more than half of the voting rights of the shareholders present.

Article 10: Except for shares without voting rights stipulated in the Company Act, all shareholders of the company shall have one voting right per share.

Article 11: If a shareholder cannot attend the shareholders’ meeting in person for any reason, he/she shall submit the power of attorney issued by the company stating the authorized scope for the proxy.

The policy regarding the of proxy for attendance at the shareholders’ meeting shall be implemented not only in accordance with the provisions of the Company Act, but also the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” promulgated by the competent authority.

Article 12: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The minutes shall be signed or sealed by the chairman with the signature book of the shareholders present and the proxy attendance letter are kept in the company together.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results, and the minutes shall be distributed to all shareholders within 20 days after the meeting.

Chapter 4 Board of Directors and Functional Committees

Article 13: There shall be five to seven directors including at least three Independent directors, who shall represent at least one-fifth of the Board and exact number of director seats shall be determined by the Board of Directors through deliberation. The directors shall be elected at the shareholders' meeting using the candidate nomination system and from among a list of candidates.

The method of accepting the nomination of director candidates, announcements and other related matters shall be handled in accordance with relevant laws and regulations of the Company Act and the Securities Exchange Law.

When the government or legal person is a shareholder, it can be elected as a director in its own name, but a natural person representative must be appointed to perform the duties.

The government or legal person referred to in the preceding paragraph may also have their representatives elected as directors, and if there are several representatives, they may be elected individually.

The representatives of the preceding two items may be reassigned by the government or legal person at any time to supplement the original term of office according to their positional relationship.

Article 14: For the directors, each term of office shall be three years, and after the term of office expires, the directors may be re-elected.

When the term of office of a director expires and is not time for reelection, his executive duties shall be extended until the time when the re-elected director takes office. However, the competent authority may order the company to re-elect within a time limit according to its powers.

Article 15: The total number of registered shares held by all company directors shall be handled in accordance with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" issued by the competent authority.

Article 16: The convening of a board of directors meeting shall be notified to each director and at least seven days in advance. However, in case of any emergency, a board meeting may be convened at any time.

The notice set forth in the preceding paragraph shall state the reasons for calling the meeting, and be effected in writing, or by means of email or fax.

Article 17: If any Director of the Board of the Company cannot attend the meeting for any cause, shall 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.

Entrust other directors to attend the meeting, and independent directors should appoint other independent directors to attend the meeting.

The agent referred to in the preceding paragraph is limited to the entrustment of one person.

Article 18: The Company's Board of Directors shall meet every three months as a principle. However, where there is an emergency, it may be convened at any time.

Article 19: Unless otherwise provided in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the Directors at a meeting.

Article 20: Resolutions made in the Board of Directors' meeting shall be recorded in the meeting minutes, and the provisions of Article 12 concerning the minutes of the shareholders' meeting shall apply mutatis mutandis.

Article 21: The board of directors of our company shall have a chairman, who shall be elected from among the directors with the attendance of more than two-thirds of the directors and the consent of more than half of the directors present.

Article 22: In addition to exercising functions and powers in accordance with laws and regulations, the chairman of the board of directors is a chair of our company shareholders' meeting internally. And call a meeting of the board of directors, represents our company externally. In case the chairman cannot exercise his power and authority for any cause, he can designate one director to represent, if there is no designated the proxy, the proxy shall be elected one person from among the directors.

Article 23: The transportation and remuneration allowance of our company directors, shall be paid and approved by the authorized board of directors as the general pay levels in the industry.

Chapter 5 The Audit Committee

Article 24: Our Company has established an Audit Committee and other functional committees.

The Audit Committee consists of the entire board of Independent Directors, one of whom shall be the convener, and at least one shall have accounting or financial expertise.

The exercise of the functions and powers of the Audit Committee and other matters to be complied with shall be handled in accordance with the relevant regulations of the securities regulatory authority and our Company.

Chapter 6 Managers and Employees

Article 25: Our Company shall have one president, adhering to the order of the board of directors to manage the company's business; if necessary, with the resolution of the board of directors, one to four deputy general managers will be appointed to assist.

Article 26: The general manager shall be nominated by the chairman of the board, and the deputy general managers, first-level supervisors and deputy supervisors of our company shall be nominated by the general manager, and appointed and removed by the board of directors with the approval of more than half of the directors present.

Chapter 7 Accounting

Article 27: The fiscal year of our company shall be from January 1 to December 31 every year. At the end of each fiscal year, the Company's Board of Directors shall prepare the following list of documents, which shall be reviewed and audited in accordance with the law before submitted to the annual shareholders' meeting for recognition.

1. Business report
2. Financial statements
3. Proposal for distribution of earnings or loss offsetting.

Article 28: If there is profit for the year, our company shall distribute no less than 4% of the said profit as employee bonus and no more than 1% of the said profit as remuneration of Directors. The "profit" refers to the profit before tax deducting the distribution of employees' remuneration and director's remuneration. However, the Company shall make up for accumulated losses first, if any.

Employees' remuneration mentioned in the preceding paragraph may be distributed in the form of shares or in cash, its distributed subjects shall include employees of a subordinate company complied with certain conditions. But directors' remuneration mentioned in the preceding paragraph may be distributed in cash only.

The preceding two paragraphs shall be handled by the resolution of board of directors, and shall be submitted to the shareholders' meeting.

Article 29: If there is a surplus in our company's annual final accounts, it shall cover the accumulated losses first. And ten percent of the deposit is a legal reserve, but when the legal reserve has reached the company's paid-in capital, it must no longer be reported. The rest shall be reported or reversed to the special reserve in accordance with the laws and regulations. If there is still a surplus. The remainder plus the undistributed earnings shall be distributed in accordance with the proposal submitted by the Board of Directors and adopted by the Annual Shareholders' Meeting.

Our company's dividend policy: It is a long-term financial plan that matches the future development plan and considers the investment environment and working capital needs, and aims at sustainable operation and taking into account the interests of shareholders. The total amount of dividends distributed to shareholders each year shall not be less than 40% of the balance after paying taxes, making up accumulated losses and setting aside reserves for the current year, but when the accumulated distributable surplus is less than 5% of the paid-in share capital, it may not be distributed; When distributing dividends to shareholders, it can be done in cash or shares, of which cash dividends shall not be less than 50% of the total dividends.

Chapter 8 Supplementary Provisions

Article 30: Organizational regulations and rules of our company shall be formulated separately and approved by the board of directors.

Article 31: Matters not specified in the Articles of Association shall be handled in accordance with the provisions of the Company Act.

Article 32: The Articles of Association was established on May 1, 1964；40th Amendment on June 21, 2022. The rules are implemented after the approval of the shareholders' meeting, and the same to the amendments.

2. Rules of Procedure for Shareholders' Meeting

Reward Wool Industry Corporation
Rules of Procedure for Shareholders Meetings

Article 1
To establish a strong governance system and sound supervisory capabilities for the Company's Shareholders Meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the "Company Governance Best-Practice Principles for TWSE/Taipei Exchange Listed Companies".

Article 2
The rules of procedures for the Company's Shareholders Meetings, except as otherwise provided by Taiwan law, regulation, or the Memorandum and Articles of Association, shall be as provided in these Rules.

Article 3
Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.
The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby, and should be distributed at the shareholder' meeting.
The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.
Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.
A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph

4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.
Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.
Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4
For each Shareholders Meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

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

Article 6
The Company shall specify in its shareholders meeting notices the time during which shareholder, solicitors, and entrusted agents attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
Shareholders and their proxies (collectively, "shareholders") shall attend Shareholders Meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors, pre-printed ballots shall also be furnished.
When the government or a juristic person is a shareholder, it may be represented by more than one representative at a Shareholders Meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7
If a Shareholders Meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairperson of the Board. When the Chairperson of the Board is on leave or for any reason unable to exercise the powers of the Chairperson, the vice Chairperson shall act in place of the Chairperson; if there is no vice Chairperson or the vice Chairperson also is on leave or for any reason unable to exercise the powers of the vice Chairperson, the Chairperson shall appoint one of the Managing Directors to act as chair, or, if there are no Managing Directors, one of the Directors shall be appointed to act as chair. Where the Chairperson does not make such a designation, the Managing Directors or the Directors shall select from among themselves one person to serve as chair.
When a Managing Director or a Director serves as chair, as referred to in the preceding paragraph, the Managing Director or Director shall be one who has held that position for 6 months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.
It is advisable that Shareholders Meetings convened by the Board of Directors be chaired by the Chairperson of the Board in person and attended by a majority of the Directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minute.
If a Shareholders Meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a Shareholders Meeting in a non-voting capacity.

Article 8
The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.
The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

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

met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.
If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.
When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10
If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the Board of Directors.
The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

Article 11
Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12
Voting at a shareholders meeting shall be calculated based the number of shares.
With respect to resolutions of Shareholders Meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.
The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
With the exception of a trust enterprise or a shareholder services agent approved by the Taiwan competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.
A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.
After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person , a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.
Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14

The election of Directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as Directors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Taiwan Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15

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

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.

Article 16

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation the number of shares represented by proxies and shall make an express disclosure of the same at the place of the shareholders meeting.

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

Article 17

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Taiwan Company Act.

Article 19

These Rules shall be effective from the date (July 29, 2022) and take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

3. Shareholding status of directors

Reward Wool Industry Corporation

Directors' information

Job title	Name	Date elected/ assumed office	Term	Shares held when elected		Shares currently held		Remarks
				No. of shares	Shareholding ratio (%)	No. of shares	Shareholding ratio (%)	
Chairman	Mindtown Investment Co. Ltd. Representative Roul-Eel Ying	2021.07.29	3 years	20,777,070	15.01	20,777,070	15.01	
Director	Litai Investment Co. Ltd. Representative Y.H. CHAO	2021.07.29	3 years	13,418,257	9.70	15,035,257	10.86	
Independent director	S.C. CHEN	2021.07.29	3 years	0	0.00	0	0.00	
	L.Y. TU	2021.07.29	3 years	0	0.00	0	0.00	
	B.Y.YEN	2021.07.29	3 years	0	0.00	0	0.00	
合 計 Total				34,195,327	24.71	35,812,327	25.87	

Note 1:The total number of issued shares was 138,400,000 on July 29, 2021.
The total number of issued shares was 138,400,000 on April 22, 2023.

2.In Accordance with article 2 of "Rules and Review Procedures for Directors and Supervisor Share Ownership Ratios at Public Companies"

(1) The shareholdings of independent directors elected by a public company shall not be counted in the total referred to in the preceding paragraph; if a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors and shall be decreased by 80 percent.

(2) The total number of shares that all directors of the Company are required to hold is 8,304,000 shares, accounting for 6% of the total shares; as of April 22, 2023, they hold 35,812,327 shares, accounting for 25.87% of the total shares.

(3) The Company has established an Audit Committee in accordance with the Securities and Exchange Act to replace the supervisors.