

Stock Code: 8927

NORTH-STAR INTERNATIONAL CO., LTD.

Handbook for 2023 Annual Shareholders' Meeting

Date of Meeting: June 21, 2023

Venue of Meeting: No. 118, Jinding Rd., Ranmin Dist. Kaohsiung City (Jin Shi Hu Hotel, 3/F, Conference Room)

Convening Method: Physical Shareholders' Meeting

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NORTH-STAR INTERNATIONAL CO., LTD.

2023 Annual Shareholders' Meeting Meeting Procedure

1. Call the Meeting to Order
2. Chairman's Address
3. Report Items
4. Proposed Resolutions
5. Discussion Items
6. Extraordinary Motions
7. Adjournment

NORTH-STAR INTERNATIONAL CO., LTD.

2023 Annual Shareholders' Meeting

Meeting Agenda

Convening Method: Physical Shareholders' Meeting

Time: 10:00 am June 21, 2023 (Wednesday)

Venue: No. 118, Jinding Rd., Ranmin Dist. Kaohsiung City (Jin Shi Hu Hotel, 3/F, Conference Room)

1. Call the Meeting to Order
2. Chairman's Address
3. Report Items
 1. 2022 Business Report
 2. 2022 Audit Committee Review Report
 3. Report on 2022 Remuneration Distribution of Employees and Directors of the Company
 4. Report on Implementation of 2022 Second Domestic Ordinary Company Bonds of the Company
 5. Formulation of the Company's Internal Regulations:
 - (1) Formulating the Company's "Integrity Management Code"
 - (2) Formulating the Company's "Sustainable Development Best Practice Principles"
4. Proposed Resolutions
 1. Adoption of 2022 Business Report and Financial Statements
 2. Adoption of 2022 Surplus Distribution
5. Discussion Items
 1. The Company's intention of transferring capital surplus into common stocks and issue new shares
 2. The Company's intention of distributing cash from capital surplus
6. Extraordinary Motions
7. Adjournment

I. Report Items

Report No. 1:

Case: 2022 Business Report. Please review and approve this case.

Explanations: 2022 Business Report.

NORTH-STAR INTERNATIONAL CO., LTD.

2022 Business Report

1. 2022 Business operating result

(1) Business plan implementation results:

(1) Operating revenue:

The company's total operating revenue of 2022 is NT\$6,754,436,000 (with an increase of NT\$1,223,404,000) compared with the total operating income of NT\$5,531,032,000 of 2021 (with an increase of 22%). The main reason is that the price of oil products in 2022 is higher than that of 2021. As of the end of 2022, there are a total of 68 operational locations.

(2) Sales:

Comparison of sales figures of various types of oil products in 2022 with the sales situation in 2011 by the company.”

Unit: NT\$; %

Product Year	92	95	98	Premium diesel	Others	Total
	Unleaded gasoline	Unleaded gasoline	Unleaded gasoline			
2022	808,011	3,805,563	413,437	1,473,999	253,426	6,754,436
2021	685,651	3,153,746	332,218	1,179,853	179,564	5,531,032
Increase (decrease) number	122,360	651,817	81,219	294,146	73,862	1,223,404
Increase (decrease) %	18%	21%	24%	25%	41%	22%

(2) Budget execution status

According to the “Guidelines for Handling Public Financial Forecasts of Publicly Listed Companies”, the company is not required to disclose financial forecasts for 2022, so it is not applicable.

(3) Financial revenue and expenditure analysis and profitability analysis:

(1) Financial revenue and expenditure analysis:

Unit: NT\$1,000

Item	2022	2021
Net operating income	6,754,436	5,531,032
Gross operating profit	857,722	823,730
Profit/Loss after tax	142,311	151,103

(2) Profitability analysis:

Item	2022	2021	
Return on asset (%)	1.68	2.62	
Return on shareholders' equity (%)	3.35	5.25	
Paid-in capital	Operating profit	-0.40	3.37
Proportion (%)	Net profit before tax	5.83	7.45
Profit rate (%)	1.95	2.80	
Current earning per share (dollar)	0.48	0.69	

(5) Research and development status:

Our company mainly operates in the buying and selling services industry and has not invested in product development. Over the years, we have actively educated our employees about oil-related knowledge, familiarized them with refueling equipment, and instilled a service-oriented spirit to cultivate their excellent service attitude and quality. In the future, we will continue to uphold this spirit to service and create higher performance.

2. 2023 business plan outline

(1) Operation policy

1. Enhance the value of the enterprise, and contribute to the well-being of customers, shareholders, and employees.
2. Comply with laws, protect the environment, and fulfill corporate social responsibility.
3. Provide excellent service.

(2) Estimated sales volume and its basis

The company estimates its sales volume based on external environmental changes, future developments, past business conditions, current company status, and annual operating goals set according to future trends. However, the company has not disclosed its 2023 financial forecast, so the company does not intend to disclose its estimated sales volume.

(1) Important production and marketing policy

1. Increase self-service refueling to cope with rising labor costs and uncertain personnel recruitment.
2. Gradually replace business locations to improve operational efficiency.
3. Strive for long-term and high-volume customers to stabilize business income.
4. Strengthen the management of members, improve customer loyalty, and make the volume of oil efflux grow steadily.
5. Continues to promote the activation of assets and increase the company's profits through diversified operations and cross-industry alliances.
6. Carry out diversified operation.
7. Strengthen independent pollution prevention and control capabilities.

3. Future company development strategy

(1) Improve operational performance

Develop high-efficiency stations, open up the opportunity of integrating gas stations other companies of the industry and strengthen car wash business, etc., to improve business performance

(2) Strengthen information platform

1. Use the information platform of membership cards to combine other companies of the industry for joint marketing in order to expand the scope of physical channels.

2. Integrate the internal information platform, actively establish the ERP system, strengthen information integration and sharing, and simplify the operation process.

(3) Continue to invest in the deployment and development of photovoltaic industries such as solar energy and energy storage, and actively form intra-industry alliances.

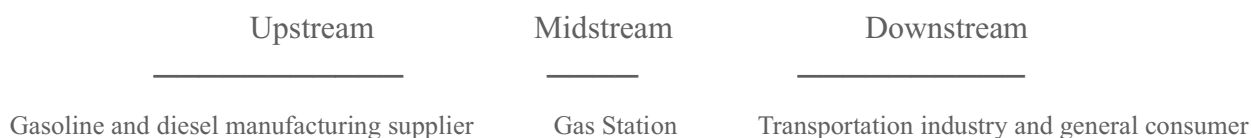
(4) Provide electric vehicle charging and swapping services, in response to the development of the government's green energy industry.

4. Affected by the external competitive environment, regulatory environment and overall business environment

(1) Current status and development of the industry

The company mainly operates the business of gas stations. In recent years, the influences of the external competitive environment and the overall business environment, price cuts among peers, promotional activities, difficulties in obtaining new operating bases, and fluctuations in international oil prices have resulted in a gradual decline in gross profit margins. The public has higher and higher demand for environmental protection, and the competent authorities become gradually stricter on the regulations of gas stations. Overall speaking, the environment for operating gas stations is becoming more and more difficult. With the efforts and support of all shareholders and colleagues, the company strives to maximize the rights and interests of shareholders.

(2) Relation between upstream, midstream and downstream of the industry



(3) Various development trends of products and external competitive environments

In the future, the market will develop in the direction of bigger and bigger players, so that industry consolidations will occur one after another. In addition, gas stations should provide differentiated services, highlighting the features of the gas stations as much as possible, and increasing consumers' visibility, supplemented with diversified operating items will increase consumers to engage in diversified consumption at gas

stations. Under the development of groups of gas stations, each group will attract consumers by brilliant creative marketing, so as to consolidate consumer loyalty and cooperate with consistent service process. On the one hand, it can make consumers to be familiar to high-quality service methods; on the other hand, it can improve customer satisfaction, so that customers can come to the gas station for consumption without pressure.

(4) Impacts of oil price

In 2022, there was a slow rise in oil prices. The company effectively utilized the weekly price adjustments to maintain a high or low inventory level, resulting in significant cost reductions and increased profits.

(5) Impacts on lifestyle

Along with the improvement of lifestyle, in daily life, with the continuous opening of the metropolitan rapid transit systems, the cost of parking in urban areas is rising, and the awareness of environmental protection is rising today. Under the trend of energy saving and carbon reduction, consumers' living habits are gradually changing, the rate of taking public transportation has increased, and the demand for oil products has relatively decreased. Many favorable and unfavorable factors of life style intertwinely affect sales, and the company responds to these factors with different marketing strategies.

(6) Impact of regulatory environments

In recent years, there have been no major changes in the regulations on the establishment of gas stations. In terms of gas station management, the competent authorities have paid more attention to environmental pollution monitoring and management improvement in recent years. In order to comply with regulations and fulfill social responsibilities, the company has set up a fuel gas recycle system. For oil storage equipment and soil, groundwater pollution is also regularly tested to reduce the possibility of pollution, and the professional training of personnel is strengthened to avoid the impact caused by negligence of the personnel. In addition, barrier-free spaces and related facilities are generally set up to take care of the physically handicapped users' needs.

Report No. 2:

Case: 2022 Audit committee's audit report. Please review and approve this case.

Explanations: Audit committee's audit report.

2022 Audit committee's audit report

NORTH-STAR INTERNATIONAL CO., LTD.

Audit committee's audit report

Hereby, the board of directors prepared the company's business report, financial statements and profit distribution proposals of 2022, in which the financial statements were audited by the accountants Vincent Yu and David Chen of KPMG Accounting Firm, and the audit report was issued. The above business report, financial statements and surplus distribution proposals were approved without any discrepancy found by the Audit Committee, and a report was issued in accordance with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, and submitted for auditing

Sincerely,

Hou Shu-Hui

Audit Committee Convener

NORTH-STAR INTERNATIONAL CO., LTD.

March 31, 2023

Report No. 3:

Case: 2022 Employee remuneration and director remuneration distribution report. Please review and approve this case.

Explanations:

1. The report was handled in accordance with Article 235-1 of the Company Act and Article 20 of the company's Articles of Association.
2. In 2022, the company's pre-tax net profit, after deducting the employee and director compensation, was NT\$144,727,928. The company plans to distribute NT\$1,447,279 (1%) in employee compensation and NT\$4,341,838 (3%) in director compensation, both in cash. The recipients of the employee compensation distribution include employees of the company and eligible employees of subsidiary companies.
3. This case was approved by the 4th session of the 5th Salary and Remuneration Committee Meeting of the company held on March 3, 2023, and submitted for approval by the 6th Session of the 12th Board of Directors held on March 3, 2023.

Report No. 4:

Case: Report on 2022 Second regular corporate bond execution for domestic issuance. Please review and approve this case.

Explanations:

In order to repay loans from financial institutions, reinvest in subsidiaries and enhance working capital, the company plans to issue ordinary corporate bonds with a total face value capped at NT\$3.8 billion, and may be authorized by the chairman once a year depending on market conditions or issued in instalments, the issuance situation is as follows:

Type of corporate bond	2022 First secured ordinary corporate bond	2022 Second secured ordinary corporate bond
Approval date	June 8, 2022	September 15, 2022
Issue date	June 14, 2022 to June 13, 2027	September 22, 2022 to September 21, 2027
Total amount of issues	NT\$500 million	NT\$700 million
Face value	NT\$1 million	(same as the left)
Issue price	Issued in full face value	(same as the left)
Issue period	The issue period of the corporate bonds is five years, from June 14, 2022 to June 13, 2027.	The issue period of the corporate bonds is five years, from September 22, 2022 to September 21, 2027.
Coupon rate	Fixed annual interest rate 1.95%	Fixed annual interest rate 1.8%
Principal and interest payment method	The corporate bond will be repaid once due. Based on the coupon rate from the date of issue, the interest is calculated annually and paid once.	(same as the left)
Guarantee method	Hua Nan Commercial Bank Limited is entrusted to perform the corporate bond guarantee according to the appointment guarantee contract.	(same as the left)
Underwriting method	Securities firms are entrusted to open underwriting in the form of negotiated sales.	(same as the left)
Underwriting or	Taiwan Cooperative Securities	(same as the left)

consignment agency	Investment Trust Co., Ltd.	
Trustee agency	Taipei Fubon Bank Co., Ltd.	(same as the left)
Principal and interest payment agency	Hua Nan Commercial Bank Limited (Xinxing Branch) is entrusted to act as an agent for the repayment of principal and interest, and handle the transfer of principal and interest of the corporate bond according to the information on the bond owner list provided by Taiwan Depository & Clearing Corporation, and the agent for repayment of principal and interest The agency prepares a withholding voucher and send it to the bond owners.	(same as the left)

Report No. 5:

Case: Formulate (amend) the internal regulations of the company. Please review and approve the case.

Explanations:

1. Formulate the company's "Integrity Management Code".

To establish a good integrity management system for the company, the "Integrity Management Code" is formulated in accordance with the relevant provisions of the "Ethnical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" for compliance. Please refer to Appendix 2.

2. Formulate the company's "Sustainable Development Best Practice Principles".

To practice corporate social responsibility and promote economic, environmental and social progress, the company's "Sustainable Development Code of Practice" is formulated according to the relevant provisions of the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" to achieve the goal of sustainable development. Please refer to Appendix 3.

II. Proposed resolutions

Proposal No. 1:

(Proposed by the board of directors)

Case: 2022 Business reports, financial statements and consolidated financial statements.

Explanations:

1. The company's 2022 business reports, financial statements and consolidate financial statements have been passed by resolutions of the board of directors, and the financial statements and consolidate financial statements have been audited by the accountants Vincent Yu and David Chen of KPMG Accounting Firm and issued with audit reports on file.
2. The above business reports, financial statements and consolidate financial statements have been reviewed completely by the Audit Committee.
3. Please refer to Appendix 1 of this handbook for the company's 2022 business reports, reports, financial statements, and consolidate financial statements.
4. These proposals are raised for approval.

Resolutions:

Proposal No. 2:

(Proposed by the board of

directors)

Case: 2022 Surplus distribution.

Explanations: The profit distribution table was planned and drawn up in accordance with Article 20-1 of the Articles of Association. The cash dividend of NT\$0.40 per share was proposed to be distributed this year, and the proposal was submitted to the shareholders' meeting for approval.

NORTH-STAR INTERNATIONAL CO., LTD.

Surplus Distribution Table

2022

Unit: NT\$

Undistributed surplus at beginning period	30,086,729
Plus (minus): Net profit (loss) after tax	131,468,034
Cumulative effect of changes in accounting principles	10,379,927
Organizational restructuring	(242,325)
Listed items:	
Listed statutory surplus reserve (10%)	(14,160,564)
Listed equity deduction special surplus reserve	(61,875)
Surplus available for distribution	157,469,926
Items of Distribution:	
Shareholder bonus-Cash (NT\$0.4/share)	(112,140,196)
Undistributed surplus at closing period	45,329,730

Notes:

To: 2022 General shareholders' meeting

Chairman: Chung, Jia-Cun Manager: Liao, Shun-Qing Accounting Supervisor: Hon, Chia-Hsien

Resolutions:

III. Discussion Items

Proposal No. 1

(Proposed by the board of directors)

Case: Convert capital reserve into capital and issue new shares by the company

Explanation:

1. To strengthen the capital structure, the company plans to increase capital with the capital reserve of NT\$280,350,480 and issue 28,035,048 registered ordinary shares with a par value of NT\$10 per share. It is estimated that there will be a free distribution of 100 shares for every thousand shares according to the shareholders listed in the shareholder register and the shares they hold on the allotment base date.
2. Fractional shares that are allotted less than one share may be consolidated into one full share by the shareholder, and the company's agency for stock affairs shall register for the patching of the whole share within five (5) days from the date of closing of the account transfer, and overdue consolidations will be handled by paying cash, which is calculated (rounded down) to nearest dollar, and their shares are authorized to the chairman to contact specific persons to subscribe at par.
3. The rights and obligations of the new shares issued at this time are the same as those of the original shares, and the new shares are all registered ordinary shares.
4. The above-mentioned shareholder allotment rate is calculated based on the company's 280,350,489 outstanding shares as of February 20, 2023. If there is a subsequent change in the company's capital of common stocks, which affects the number of outstanding shares and changes the shareholder's allotment rate accordingly, it is proposed to submit such case to a general shareholders' meeting and authorize the board of directors to handle the case with full authority.
5. After this case is passed by the general shareholders' meeting and submitted to the competent authority for approval, it is proposed to submit the case to the general shareholders' meeting and authorize the board of directors to determine a base date for capital increase and a distribution date and other related matters. Further announcement will be made at the time.
6. If the matters related to the above capital increase must be changed due to the amendments to the law, the objective environment or the fact that needs to be changed, it is proposed to ask the general shareholders' meeting to authorize the board of directors to handle such case with full authority.
7. This proposal is raised for discussions.

Resolutions:

Proposal No. 2

(Proposed by the board of directors)

Case: Distribute cash with capital reserve by the company.

Explanation:

1. Where a company incurs no losses, it may, pursuant to Article 241 of the Company Act, distribute the capital reserve of the premium obtained from issuing shares exceeding the par value in cash. The capital reserve of NT\$84,105,147 is distributed to shareholders in cash, NT\$0.3 in cash per share, and the distribution of fractional shares amounts less than one dollar will be listed as other income of the company.
2. After the approval of this case in the shareholder's meeting of this time, the board of directors is authorized to determine an ex-dividend date and a payment date, and other related matters.
3. The above shareholder dividend rate is calculated based on the company's 280,350,489 outstanding shares as of February 20, 2023. If there is a change in the company's common share capital that affects the number of outstanding shares, the shareholder dividend rate will change accordingly. It is proposed to ask the general shareholders' meeting to authorize the board of directors to handle such case with full authority.
4. This proposal is raised for approval.

Resolutions:

IV. Extraordinary Motions

V. Adjournment

Independent Auditors' Report

To the Board of Directors of North-Star International Co., Ltd.:

Opinion

We have audited the consolidated financial statements of North-Star International Co., Ltd. and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Other Matter

We did not audit the financial statements of North-Star International Development Industries Corporation (North-Star International Development), an associate of the Group, which represented investment in another entity accounted for using the equity method.

Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for North-Star International Development, is based solely on the report of another auditor. The investment in North-Star International Development accounted for using the equity method constituting 2% of consolidated total assets at both December 31, 2022 and 2021, and the related share of profit of associates and joint ventures accounted for using the equity method constituting 112% and 46% of consolidated total profit before tax for the years then ended, respectively.

We did not audit the financial statements of Yang Ji Enterprise Co., Ltd. (Yang Ji Enterprise), an associate of the Group, which represented investment in another entity accounted for using the equity method.

Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Yang Ji Enterprise, is based solely on the report of another auditor. The investment in Yang Ji Enterprise accounted for using the equity method constituting 0% and 1% of consolidated total assets at December 31, 2022 and 2021, respectively, and the related share of profit of associates and joint ventures accounted for using the equity method constituting (1)% of consolidated total profit before tax for both the years then ended.

North-Star International Co., Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion with an Other Matter paragraph.

Key Audit Matters

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

Revenue recognition

Refer to Note 4(p) “Revenue” and Note 6(w) “Revenue from contracts with customers” to the consolidated financial statements.

Description of key audit matter:

North-Star International Co., Ltd. is principally engaged in the retail business of gasoline products, with petrol filling stations located throughout Taiwan. The operating income of each station is recorded through the Point-of-Sale Information System (POS) for each transaction in terms of the quantity, unit price and total price. After the daily checkout, sales are counted according to each station's daily sales report and reviewed by the way of customer payment method (by cash, by credit cards, credits sales on account). Therefore, revenue recognition was the key audit matter in the audit of consolidated financial reports for the years ended December 31, 2022 and 2021 of the Group.

How the matter was addressed in our audit:

Our principal audit procedures to the above key audit matter included: understanding the Group’s accounting policies adopted for the revenue recognition and the procedures of transactions; sampling and testing effectiveness of the internal controls surrounding revenue recognition; testing selected sales samples and agreeing to daily sales report, bank deposit records, or credit card bill with related certificates, records on ledger, etc., testing sales cut-off, on a sampled basis, for transactions incurred within a certain period before or after the balance sheet date by evaluating whether the revenue was recorded in proper period.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements.

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yu, Sheng-Ho and Chen, Kuo-Tsung.

KPMG

Taipei, Taiwan (Republic of China)
March 30, 2023

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
North-Star International Co., Ltd. and subsidiaries

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021		January 1, 2021	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets:						
1100 Cash and cash equivalents (note 6(a))	\$ 1,319,857	9	929,652	10	392,746	6
1170 Accounts receivable, net (note 6(d)(w) and 7)	129,286	1	37,643	-	20,867	-
1206 Other non-operating receivables, others	6,542	-	27,782	-	3,950	-
130X Inventories (note 6(e) and 8)	822,337	5	591,374	6	471,936	7
1479 Other current assets, others (note 6(m) and 8)	380,310	3	162,834	2	145,543	2
	<u>2,658,332</u>	<u>18</u>	<u>1,749,285</u>	<u>18</u>	<u>1,035,042</u>	<u>15</u>
Non-current assets:						
1510 Non-current financial assets at fair value through profit or loss (note 6(b)(q))	216	-	2,443	-	-	-
1517 Non-current financial assets at fair value through other comprehensive income (note 6(c))	473	-	535	-	517	-
1550 Investments accounted for using equity method, net (note 6(f))	302,036	2	272,858	3	272,446	4
1600 Property, plant and equipment (note 6(i) and 8)	5,646,022	38	4,064,580	44	3,745,842	56
1755 Right-of-use assets (note 6(j))	2,416,915	16	2,018,522	22	1,134,441	17
1760 Investment property, net (note 6(k))	126,158	1	34,332	-	34,332	1
1780 Intangible assets (note 6(l))	182,812	1	183,969	2	42,500	1
1915 Prepayments for business facilities (note 7)	2,736,142	18	543,175	6	126,318	2
1920 Guarantee deposits paid (note 7)	224,271	1	81,010	1	57,400	1
1980 Other non-current financial assets (note 8)	630,129	4	270,581	3	228,180	3
1990 Other non-current assets, others (note 6 (h))	53,817	1	49,009	1	12,977	-
	<u>12,318,991</u>	<u>82</u>	<u>7,521,014</u>	<u>82</u>	<u>5,654,953</u>	<u>85</u>
Total assets	<u>\$ 14,977,323</u>	<u>100</u>	<u>9,270,299</u>	<u>100</u>	<u>6,689,995</u>	<u>100</u>
Liabilities and Equity						
Current liabilities:						
2100 Short-term borrowings (note 6(o) and 8)	\$ 989,319	7	233,400	3	432,500	6
2110 Short-term notes and bills payable (note 6(n))	249,697	2	49,841	-	139,774	2
2130 Current contract liabilities (note 6(w))	223,784	1	172,605	2	44,594	1
2170 Trade payable	556,991	4	262,069	3	320,309	5
2200 Other payables	310,726	2	134,818	1	101,033	1
2230 Current tax liabilities	11,595	-	15,517	-	15,826	-
2280 Current lease liabilities (note 6(r) and 8)	175,209	1	155,124	2	94,437	1
2322 Long-term borrowings, current portion (note 6(p) and 8)	1,079,418	7	546,099	6	808,048	12
2399 Other current liabilities, others (note 6(w) and 7)	52,795	-	67,559	1	37,212	1
	<u>3,649,534</u>	<u>24</u>	<u>1,637,032</u>	<u>18</u>	<u>1,993,733</u>	<u>29</u>
Non-Current liabilities:						
2500 Non-current financial liabilities at fair value through profit or loss (note 6(b) and (q))	210	-	210	-	300	-
2530 Bonds payable (note 6(q) and 8))	1,583,779	11	619,143	7	583,385	9
2540 Long-term borrowings (note 6(p) and 8))	3,236,102	22	1,250,457	13	652,526	10
2580 Non-current lease liabilities (note 6(r) and 7))	2,447,952	16	1,929,717	21	1,044,648	15
2670 Other non-current liabilities (note 6(t))	39,415	-	39,445	-	38,518	1
	<u>7,307,458</u>	<u>49</u>	<u>3,838,972</u>	<u>41</u>	<u>2,319,377</u>	<u>35</u>
	<u>10,956,992</u>	<u>73</u>	<u>5,476,004</u>	<u>59</u>	<u>4,313,110</u>	<u>64</u>
Total liabilities						
Equity attributable to owners of parent (note 6(u)):						
3100 Share capital	2,789,307	19	2,462,493	27	1,918,332	29
3200 Capital surplus	745,749	5	838,381	9	106,087	2
3300 Retained earnings	302,135	2	319,137	3	260,189	4
3400 Other equity interest	(1,737)	-	(1,675)	-	(1,693)	-
	<u>3,835,454</u>	<u>26</u>	<u>3,618,336</u>	<u>39</u>	<u>2,282,915</u>	<u>35</u>
36XX Non-controlling interests	184,877	1	175,959	2	93,970	1
	<u>4,020,331</u>	<u>27</u>	<u>3,794,295</u>	<u>41</u>	<u>2,376,885</u>	<u>36</u>
Total liabilities and equity	<u>\$ 14,977,323</u>	<u>100</u>	<u>9,270,299</u>	<u>100</u>	<u>6,689,995</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
North-Star International Co., Ltd. and subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

	2022		2021 (Restated)	
	Amount	%	Amount	%
4000 Operating revenue (note 6(w) and 7)	\$ 6,754,436	100	5,531,032	100
5000 Operating costs (note 6(e)(s))	<u>5,896,714</u>	<u>87</u>	<u>4,707,302</u>	<u>85</u>
5900 Gross profit from operations	<u>857,722</u>	<u>13</u>	<u>823,730</u>	<u>15</u>
6000 Operating expenses (note 6(i)(j)(l)(s)(x) and 7):				
6100 Selling expenses	694,987	10	649,874	12
6200 Administrative expenses	<u>173,915</u>	<u>3</u>	<u>90,929</u>	<u>2</u>
Total operating expenses	<u>868,902</u>	<u>13</u>	<u>740,803</u>	<u>14</u>
6900 Net operating (loss) income	<u>(11,180)</u>	<u>-</u>	<u>82,927</u>	<u>1</u>
7000 Non-operating income and expenses:				
7100 Interest income	3,656	-	790	-
7010 Other income (note 6(r) and 7)	61,551	1	55,461	1
7020 Other gains and losses, net	17,727	-	29,175	1
7050 Finance costs	(89,635)	(1)	(68,030)	(1)
7060 Share of profit of associates and joint ventures accounted for using equity method (note 6(f))	<u>180,578</u>	<u>3</u>	<u>83,013</u>	<u>2</u>
Total non-operating income and expenses	<u>173,877</u>	<u>3</u>	<u>100,409</u>	<u>3</u>
7900 Profit from continuing operations before tax	162,697	3	183,336	4
7950 Less: income tax expenses (note 6(t))	<u>20,386</u>	<u>-</u>	<u>32,233</u>	<u>1</u>
Profit	<u>142,311</u>	<u>3</u>	<u>151,103</u>	<u>3</u>
8300 Other comprehensive income:				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8316 Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(62)	-	18	-
8349 Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8300 Other comprehensive income	<u>(62)</u>	<u>-</u>	<u>18</u>	<u>-</u>
Total comprehensive income	<u>\$ 142,249</u>	<u>3</u>	<u>151,121</u>	<u>3</u>
Profit (loss), attributable to:				
8610 Owners of parent	\$ 131,468	3	154,864	3
8620 Non-controlling interests	<u>10,843</u>	<u>-</u>	<u>(3,761)</u>	<u>-</u>
	<u>\$ 142,311</u>	<u>3</u>	<u>151,103</u>	<u>3</u>
Comprehensive income attributable to:				
8710 Owners of parent	\$ 131,406	3	154,882	3
8720 Non-controlling interests	<u>10,843</u>	<u>-</u>	<u>(3,761)</u>	<u>-</u>
	<u>\$ 142,249</u>	<u>3</u>	<u>151,121</u>	<u>3</u>
Earnings per share (NT dollars) (note 6(v))				
9750 Basic earnings per share	<u>\$ 0.48</u>		<u>0.69</u>	
9850 Diluted earnings per share	<u>\$ 0.48</u>		<u>0.68</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
North-Star International Co., Ltd. and subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Share capital			Retained earnings				Other equity interest				
	Ordinary shares	Certificate of entitlement to new shares from convertible bond	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity attributable to owners of parent	Non-controlling interests	Total equity
\$	1,918,332	-	1,918,332	106,087	102,718	1,610	160,322	264,650	(1,693)	2,287,376	93,970	2,381,346
	1,918,332	-	1,918,332	106,087	102,718	1,610	155,861	260,189	(1,693)	2,282,915	93,970	2,376,885
	-	-	-	-	12,047	-	(12,047)	-	-	-	-	-
	-	-	-	-	-	83	(83)	(95,916)	-	(95,916)	-	(95,916)
	-	-	-	-	12,047	83	(95,916)	(95,916)	-	(95,916)	-	(95,916)
	-	-	-	-	-	-	154,864	154,864	-	154,864	(3,761)	151,103
	-	-	-	-	-	-	154,864	154,864	18	18	-	18
	-	-	-	-	-	-	154,864	154,864	18	18	(3,761)	151,121
	-	-	-	19,308	-	-	-	-	-	-	-	19,308
	400,000	-	400,000	600,000	-	-	-	-	-	1,000,000	-	1,000,000
	144,046	115	144,161	108,691	-	-	-	-	-	252,852	-	252,852
	-	-	-	563	-	-	-	-	-	563	-	563
	-	-	-	3,732	-	-	-	-	-	3,732	-	3,732
	2,462,378	115	2,462,493	838,381	114,765	1,693	202,679	319,137	(1,675)	3,618,336	85,750	3,794,295
	-	-	-	-	14,002	-	(14,002)	-	-	-	-	-
	-	-	-	-	-	(18)	18	(148,228)	-	(148,228)	-	(148,228)
	-	-	-	-	14,002	(18)	(162,212)	(148,228)	-	(148,228)	-	(148,228)
	-	-	-	-	-	-	131,468	131,468	-	131,468	10,843	142,311
	-	-	-	-	-	-	131,468	131,468	(62)	(62)	-	(62)
	-	-	-	-	-	-	131,468	131,468	(62)	(62)	10,843	142,249
	72,592	38,958	111,550	114,111	-	-	-	-	-	225,661	-	225,661
	215,264	-	215,264	(215,264)	-	-	-	(242)	-	-	-	(242)
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	8,175	-	-	(242)	(242)	-	8,175	-	8,175
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	346	-	-	-	-	-	346	-	346
\$	2,750,234	39,073	2,789,307	745,749	128,767	1,675	171,693	302,135	(1,737)	3,835,454	184,877	4,020,331

Balance on January 1, 2020

Effects of retrospective application
Equity at beginning of period after adjustments

Appropriation and distribution of retained earnings:

Legal reserve appropriated

Special reserve appropriated

Cash dividends of ordinary share

Profit (Restated)

Other comprehensive income

Total comprehensive income

Other changes in capital surplus:

Due to recognition of equity component of convertible bonds issued

Issue of Shares

Conversion of convertible bonds

Difference between consideration and carrying amount of subsidiaries acquired or disposed

Share-based payments

Changes in non-controlling interests

Balance on December 31, 2021

Appropriation and distribution of retained earnings:

Legal reserve appropriated

Special reserve appropriated

Cash dividends of ordinary share

Profit

Other comprehensive income

Total comprehensive income

Conversion of convertible bonds

Stock dividends from capital surplus

Reorganization

Share-based payments

Changes in non-controlling interests

Exercise of disengagement

Balance on December 31, 2022

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
North-Star International Co., Ltd. and subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	\$ 162,697	183,336
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	231,285	235,610
Amortization expense	1,730	2,565
Net loss on financial assets or liabilities at fair value through profit or loss	1,819	2,657
Interest expense	89,635	68,030
Interest income	(3,656)	(790)
Dividend income	(96)	(9,601)
Share-based payments	8,175	3,732
Share of profit of associates accounted for using equity method	(180,578)	(83,013)
Loss on disposal of property, plan and equipment	97	-
Gain on disposal of non-current assets classified as held for sale	-	(28,764)
Gain on lease modification	(6,183)	-
Total adjustments to reconcile profit	<u>142,228</u>	<u>190,426</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	148	153
Trade receivable	(91,791)	(16,929)
Other receivable	21,240	(23,832)
Inventories	(230,963)	(119,437)
Other current assets	(210,107)	(65,390)
Total changes in operating assets	<u>(511,473)</u>	<u>(225,435)</u>
Contract liabilities	51,179	128,011
Notes payable	13,353	1,714
Trade payable	281,569	(59,954)
Other payable	175,898	33,775
Other current liabilities	26,003	30,904
Total changes in operating liabilities	<u>548,002</u>	<u>134,450</u>
Total adjustments	<u>178,757</u>	<u>99,441</u>
Cash inflow generated from operations	341,454	282,777
Interest received	3,656	790
Dividends received	176,496	9,601
Interest paid	(83,252)	(68,020)
Income taxes paid	(30,293)	(31,541)
Net cash flows from operating activities	<u>408,061</u>	<u>193,607</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
NORTH-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(25,000)	(25,000)
Net cash receipts from acquisitions of subsidiaries	-	563
Proceeds from capital reduction of investments accounted for using equity method	-	98,000
Proceeds from disposal of non-current assets classified as held for sale	-	86,464
Acquisition of property, plant and equipment	(1,605,751)	(369,944)
Proceeds from disposal of property, plant and equipment	32,313	5,343
Increase in refundable deposits	(143,261)	(23,610)
Acquisition of intangible assets	(573)	(144,034)
Increase in other financial assets	(359,548)	(42,401)
Increase in other non-current assets	(6,279)	(37,033)
Increase in prepayments for land and business facilities	(2,266,028)	(421,183)
Net cash flows used in investing activities	(4,374,127)	(872,835)
Cash flows from (used in) financing activities:		
(Decrease) increase in short-term loans	755,919	(199,100)
(Decrease) increase in short-term notes and bills payable	199,856	(89,933)
Proceeds from issuing bonds	1,184,333	302,728
Proceeds from long-term debt	2,764,684	2,602,219
Repayments of long-term debt	(245,720)	(2,266,237)
Decrease in guarantee deposits received	(30)	(473)
Revenues from disgorgements	433	-
Payment of lease liabilities	(153,050)	(122,903)
Cash dividends paid	(148,228)	(95,917)
Proceeds from issuing shares	-	1,000,000
Change in non-controlling interests	(1,926)	85,750
Net cash flows from financing activities	4,356,271	1,216,134
Net increase in cash and cash equivalents	390,205	536,906
Cash and cash equivalents at beginning of period	929,652	392,746
Cash and cash equivalents at end of period	\$ 1,319,857	929,652

See accompanying notes to consolidated financial statements.

Independent Auditors' Report

To the Board of Directors of North-Star International Co., Ltd.:

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We did not audit the financial statements of North-Star International Development Industries Corporation (North-Star International Development), an associate of the Company, which represented investment in another entity accounted for using the equity method.

Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for North-Star International Development, is based solely on the report of another auditor. The investment in North-Star International Development accounted for using the equity method constituting 2% and 3% of total assets at December 31, 2022 and 2021 respectively, and the related share of profit of associates and joint ventures accounted for using the equity method constituting 132% and 47% of total profit before tax for the years then ended, respectively.

We did not audit the financial statements of Yang Ji Enterprise Co., Ltd. (Yang Ji Enterprise), an associate of the Company, which represented investment in another entity accounted for using the equity method.

Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Yang Ji Enterprise, is based solely on the report of another auditor. The investment in Yang Ji Enterprise accounted for using the equity method constituting 1% and 1% of total assets at December 31, 2022 and 2021, respectively, and the related share of profit of associates and joint ventures accounted for using the equity method constituting (2)% and (1)% of total profit before tax for both the years then ended, respectively.

Key Audit Matters

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

1. Revenue recognition

Refer to Note 4(p) “Revenue” and Note 6(u) “Revenue from contracts with customers” to the consolidated financial statements.

Description of key audit matter:

North-Star International Co., Ltd. is principally engaged in the retail business of gasoline products, with petrol filling stations located throughout Taiwan. The operating income of each station is recorded through the Point-of-Sale Information System (POS) for each transaction in terms of the quantity, unit price and total price. After the daily checkout, sales are counted according to each station’s daily sales report and reviewed by the way of customer payment method (by cash, by credit cards, credit sales on account). Therefore, revenue recognition was the key audit matter in the audit of financial reports for the years ended December 31, 2022 and 2021 of the Company.

How the matter was addressed in our audit:

Our principal audit procedures to the above key audit matter included: understanding the Company’s accounting policies adopted for the revenue recognition and the procedures of transactions; sampling and testing effectiveness of the internal controls surrounding revenue recognition; testing selected sales samples and agreeing to daily sales report, bank deposit records, or credit card bill with related certificates, records on ledger, etc., testing sales cut-off, on a sampled basis, for transactions incurred within a certain period before or after the balance sheet date by evaluating whether the revenue was recorded in proper period.

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

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

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

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yu, Sheng-Ho and Chen, Kuo-Tsung.

KPMG

Taipei, Taiwan (Republic of China)
March 30, 2023

Notes to Readers

The accompanying parent company only financial statements are intended only to present the statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)
NORTH-STAR INTERNATIONAL CO., LTD.

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021		January 1, 2021	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets:						
1100 Cash and cash equivalents (note 6(a))	\$ 131,844	1	231,742	3	163,658	3
1170 Accounts receivable, net (note 6(d)(u) and 7)	27,939	-	25,208	-	13,242	-
1206 Other receivables (note 7)	37,429	-	28,080	1	6,768	-
130X Inventories (note 6(e) and 8)	791,917	8	570,676	8	455,793	8
1470 Other current assets (note 6(k) and 8)	106,233	1	92,751	1	87,515	2
	<u>1,095,362</u>	<u>10</u>	<u>948,457</u>	<u>13</u>	<u>726,976</u>	<u>13</u>
Non-current assets:						
1510 Non-current financial assets at fair value through profit or loss (note 6(b)(o))	216	-	2,443	-	-	-
1517 Non-current financial assets at fair value through other comprehensive income (note 6(c))	473	-	535	-	517	-
1550 Investments accounted for using equity method (note 6(f))	3,896,381	38	1,487,155	21	854,533	15
1600 Total property, plant and equipment (note 6(h) and 8)	3,703,222	37	3,673,411	53	3,439,508	61
1755 Right-of-use assets (note 6(i))	676,932	7	452,036	7	312,640	5
1760 Investment property, net (note 6(j))	34,332	-	34,332	-	34,332	1
1780 Intangible assets	3,048	-	4,126	-	5,486	-
1915 Prepayments for business facilities	13,495	-	35,846	1	13,222	-
1920 Guarantee deposits paid	170,837	2	61,977	1	36,096	1
1980 Other non-current financial assets (note 8)	595,465	6	255,998	4	213,660	4
1995 Other non-current assets (note 6(r))	5,322	-	6,803	-	4,921	-
	<u>9,099,723</u>	<u>90</u>	<u>6,014,662</u>	<u>87</u>	<u>4,914,915</u>	<u>87</u>
Total assets	<u>\$ 10,195,085</u>	<u>100</u>	<u>6,963,119</u>	<u>100</u>	<u>5,641,891</u>	<u>100</u>
Liabilities and Equity						
Current liabilities:						
2100 Short-term borrowings (note 6(m) and 8)	\$ 852,360	8	218,400	3	422,500	7
2110 Short-term notes and bills payable (note 6(l))	249,697	3	49,841	1	139,774	3
2130 Current contract liabilities (note 6(u))	223,784	2	172,605	3	44,594	1
2170 Trade payables	400,894	4	229,052	3	286,834	5
2200 Other payables (note 7)	136,210	1	103,531	1	74,904	1
2280 Current tax liabilities	-	-	13,427	-	15,826	-
2320 Current lease liabilities (note 6(p) and 7)	84,703	1	62,106	1	55,276	1
2322 Long-term borrowings, current portion (note 6(n) and 8)	1,058,084	10	193,299	3	808,048	14
2399 Other current liabilities, others (note 6(t) and 7)	41,453	-	50,371	1	30,970	1
	<u>3,047,185</u>	<u>29</u>	<u>1,092,632</u>	<u>16</u>	<u>1,878,726</u>	<u>33</u>
Non-Current liabilities:						
2500 Non-current financial liabilities at fair value through profit or loss (note 6(b)(o))	210	-	210	-	300	-
2530 Bonds payable (note 6(o) and 8)	1,583,779	16	619,143	9	583,385	10
2540 Long-term borrowings (note 6(n) and 8)	1,141,191	11	1,250,457	18	652,526	12
2580 Non-current lease liabilities (note 6(p) and 7)	585,955	6	381,050	5	242,271	4
2670 Other non-current liabilities	1,311	-	1,291	-	1,768	-
	<u>3,312,446</u>	<u>33</u>	<u>2,252,151</u>	<u>32</u>	<u>1,480,250</u>	<u>26</u>
Total liabilities	<u>6,359,631</u>	<u>62</u>	<u>3,344,783</u>	<u>48</u>	<u>3,358,976</u>	<u>59</u>
Equity attributable to owners of parent (note 6(o)(s)):						
3100 Share capital	2,789,307	28	2,462,493	35	1,918,332	34
3200 Capital surplus	745,749	7	838,381	13	106,087	2
3300 Retained earnings	302,135	3	319,137	4	260,189	5
3400 Other equity interest	(1,737)	-	(1,675)	-	(1,693)	-
Total equity	<u>3,835,454</u>	<u>38</u>	<u>3,618,336</u>	<u>52</u>	<u>2,282,915</u>	<u>41</u>
Total liabilities and equity	<u>\$ 10,195,085</u>	<u>100</u>	<u>6,963,119</u>	<u>100</u>	<u>5,641,891</u>	<u>100</u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
NORTH-STAR INTERNATIONAL CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

	2022		2021 (Restated)	
	Amount	%	Amount	%
4000 Total operating revenue (note 6(u) and 7)	\$ 5,372,833	100	4,471,135	100
5000 Operating costs (note 6(e)(q))	<u>4,695,782</u>	<u>87</u>	<u>3,806,038</u>	<u>85</u>
5900 Gross profit from operations	<u>677,051</u>	<u>13</u>	<u>665,097</u>	<u>15</u>
6000 Operating expenses (note 6(h)(i)(j)(q)(v) and 7):				
6100 Selling expenses	602,925	11	508,726	11
6200 Administrative expenses	<u>88,383</u>	<u>2</u>	<u>83,808</u>	<u>2</u>
6450 Total operating expenses	<u>691,308</u>	<u>13</u>	<u>592,534</u>	<u>13</u>
6900 Net operating (loss) income	<u>(14,257)</u>	<u>-</u>	<u>72,563</u>	<u>2</u>
7000 Non-operating income and expenses:				
7100 Interest income	1,337	-	384	-
7010 Other income (not 6(p) and 7)	97,895	2	83,517	2
7020 Other gains and losses, net (note 6(k)(o))	(4,618)	-	28,896	-
7050 Finance costs (note 6(o)(p))	(65,714)	(1)	(40,688)	(1)
7070 Share of profit of associates and joint ventures accounted for using equity method (note 6(f))	<u>124,296</u>	<u>2</u>	<u>35,412</u>	<u>1</u>
Total non-operating income and expenses	<u>153,196</u>	<u>3</u>	<u>107,521</u>	<u>2</u>
7900 Profit from continuing operations before tax	138,939	3	180,084	4
7951 Less: Income tax expenses (note 6(r))	<u>7,471</u>	<u>-</u>	<u>25,220</u>	<u>1</u>
Profit	<u>131,468</u>	<u>3</u>	<u>154,864</u>	<u>3</u>
8300 Other comprehensive income:				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8316 Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(62)	-	18	-
8349 Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8300 Other comprehensive income	<u>(62)</u>	<u>-</u>	<u>18</u>	<u>-</u>
Total comprehensive income	<u>\$ 131,406</u>	<u>3</u>	<u>154,882</u>	<u>3</u>
Earnings per share (NT dollars) (note 6(t))				
9750 Basic earnings per share	<u>\$ 0.48</u>		<u>0.69</u>	
9850 Diluted earnings per share	<u>\$ 0.48</u>		<u>0.68</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
NORTH-STAR INTERNATIONAL CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Share capital			Retained earnings				Other equity interest		Total equity
	Ordinary shares	Certificate of entitlement to new shares from convertible bond	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
Balance on January 1, 2020	\$ 1,918,332	-	1,918,332	106,087	102,718	1,610	160,322	264,650	(1,693)	2,287,376
Effects of retrospective application	-	-	-	-	-	-	(4,461)	(4,461)	-	(4,461)
Equity at beginning of period after adjustments	1,918,332	-	1,918,332	106,087	102,718	1,610	155,861	260,189	-	2,282,915
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	-	-	12,047	-	(12,047)	-	-	-
Special reserve appropriated	-	-	-	-	-	83	(83)	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	(95,916)	(95,916)	-	(95,916)
Profit (Restated)	-	-	-	-	12,047	-	(108,046)	(95,916)	-	(95,916)
Other comprehensive income	-	-	-	-	-	-	154,864	154,864	-	154,864
Total comprehensive income	-	-	-	-	-	-	154,864	154,864	-	154,864
Other changes in capital surplus:										
Due to recognition of equity component of convertible bonds issued	-	-	-	19,308	-	-	-	-	-	19,308
Issue of shares	400,000	-	400,000	600,000	-	-	-	-	-	1,000,000
Conversion of convertible bonds	144,046	115	144,161	108,691	-	-	-	-	-	252,852
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	563	-	-	-	-	-	563
Share-based payments	-	-	-	3,732	-	-	-	-	-	3,732
Balance on December 31, 2021	2,462,378	115	2,462,493	838,381	114,765	1,693	202,679	319,137	(1,675)	3,618,330
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	-	-	14,002	-	(14,002)	-	-	-
Special reserve appropriated	-	-	-	-	-	(18)	18	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	(148,228)	(148,228)	-	(148,228)
Profit	-	-	-	-	14,002	(18)	(162,212)	(148,228)	-	(148,228)
Other comprehensive income	-	-	-	-	-	-	131,468	131,468	-	131,468
Total comprehensive income	-	-	-	-	-	-	-	-	(62)	(62)
Conversion of convertible bonds	72,592	38,958	111,550	114,111	-	-	131,468	131,468	(62)	131,406
Stock dividends from capital surplus	215,264	-	215,264	(215,264)	-	-	-	-	-	225,661
Reorganization	-	-	-	-	-	-	(242)	(242)	-	(242)
Share-based payments	-	-	-	8,175	-	-	-	-	-	8,175
Exercise of disgorgement	-	-	-	346	-	-	-	-	-	346
Balance on December 31, 2022	2,750,234	39,073	2,789,307	745,749	128,767	1,675	171,693	302,135	(1,737)	3,835,454

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
NORTH-STAR INTERNATIONAL CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021 (Restated)
Cash flows from (used in) operating activities:		
Profit before tax	\$ 138,939	180,084
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	128,413	109,535
Amortization expense	1,650	1,961
Net gain on financial assets or liabilities at fair value through profit or loss	1,819	(5,084)
Interest expense	65,714	40,687
Interest income	(1,337)	(384)
Dividend income	(96)	(89)
Share-based payments	1,092	3,732
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(124,296)	(35,412)
Loss (gain) on disposal of property, plan and equipment	89	-
Gain on disposal of other assets	-	(28,764)
	(459)	-
Total adjustments to reconcile profit	<u>72,589</u>	<u>86,182</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	(5)	35
Trade receivable	(2,726)	(12,001)
Other receivable	(1,740)	(21,312)
Inventories	(221,241)	(114,882)
Other current assets	(13,482)	(62,935)
Total changes in operating assets	<u>(239,194)</u>	<u>(211,095)</u>
Increase (decrease) in contract liabilities	51,179	-
Notes payable	(2,502)	1,893
Trade payable	174,344	(59,675)
Other payable	31,793	27,810
Other current liabilities	(7,727)	147,048
Total changes in operating liabilities	<u>247,087</u>	<u>117,076</u>
Total changes in operating assets and liabilities	<u>7,893</u>	<u>(94,019)</u>
Total adjustments	<u>80,482</u>	<u>(7,837)</u>
Cash inflow generated from operations	219,421	172,247
Interest received	1,337	384
Dividends received	197,999	19,690
Interest paid	(59,341)	(37,946)
Income taxes paid	(27,124)	(29,500)
Net cash flows from operating activities	332,292	124,875

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
NORTH-STAR INTERNATIONAL CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021 (Restated)
Cash flows from (used in) investing activities:		
Net cash receipts from acquisitions of subsidiaries	-	563
Acquisition of investments accounted for using equity method	(2,475,750)	(714,812)
Proceeds from capital reduction of investments accounted for using equity method	-	98,000
Proceeds from disposal of non-current assets classified as held for sale	-	86,464
Acquisition of property, plant and equipment	(65,745)	(273,084)
Proceeds from disposal of property, plant and equipment	32,070	5,343
(Increase) decrease in refundable deposits	(108,860)	(25,881)
Acquisition of intangible assets	(573)	(601)
Increase in other non-current assets	(339,467)	(42,338)
Decrease in other non-current assets	10	-
Increase in prepayments for business facilities	(15,667)	(26,950)
Net cash flows used in investing activities	(2,973,982)	(893,296)
Cash flows from (used in) financing activities:		
Increase in short-term loans	633,960	(204,100)
Increase in short-term notes and bills payable	199,856	(89,933)
Proceeds from issuing bonds	1,184,333	307,728
Proceeds from long-term debt	1,001,239	2,249,419
Repayments of long-term debt	(245,720)	(2,266,237)
(Decrease) increase in guarantee deposits received	20	(478)
Revenues from disgorgements	433	-
Payment of lease liabilities	(84,101)	(63,977)
Cash dividends paid	(148,228)	(95,917)
Proceeds from issuing shares	-	1,000,000
Net cash flows from financing activities	2,541,792	836,505
Net increase in cash and cash equivalents	(99,898)	68,084
Cash and cash equivalents at beginning of period	231,742	163,658
Cash and cash equivalents at end of period	\$ 131,844	231,742

See accompanying notes to parent company only financial statements.

NORTH-STAR INTERNATIONAL CO., LTD.

Integrity Management Code

Article 1 (Purpose and scope of applicability)

This Code is formulated to assist the company to establish a corporate culture of honest management and sound development and provide a reference framework for establishing good business operations.

The scope of this Code applies to subsidiaries, conglomerates and organizations whose cumulative direct or indirect donations exceed 50% of the fund, and other institutions or legal persons with substantial control power (hereinafter referred to as group enterprises and organizations).

Article 2 (Prohibition of dishonest behavior)

The company's directors, managers, employees, assignees or persons with substantial control power (hereinafter referred to as substantial controllers) shall not directly or indirectly provide, promise, demand or accept any improper interests, or engage in other dishonest acts that violate integrity, illegality, or breach of fiduciary obligations, in order to obtain or maintain interests (hereinafter referred to as dishonest acts).

The objects of the above-mentioned acts include civil servants, political candidates, political parties or party officials, and any public or private enterprises or institutions and their directors, supervisors, managers, employees, and substantial controllers or other interested parties.

Article 3 (Types of benefits)

“Benefits” referred to in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4 (Laws to follow)

The company shall abide by the Company Act, Securities Exchange Act, Business Entity Accounting Act, Political Donation Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, Regulations on Listing and Over the Counter or other laws and regulations related to business conduct to serve as the basic premise of implementing integrity management.

Article 5 (Policy)

The company shall base on the incorruptible, transparent and responsible business philosophy to formulate policies on the ground of integrity, and the policies shall be approved and passed by the board of directors to establish good corporate governance and risk control mechanism in order to create a sustainable business environment.

Article 6 (Prevention program)

The integrity management policy formulated by the company shall clearly define the specific integrity management practices and the prevention program for dishonest acts (hereinafter referred to as the prevention program), including operating procedures, behavior guidelines, education and training, etc.

The company shall formulate the prevention program in compliance with the relevant laws and regulations of the place or country where the company and its group enterprises and organizations operate.

In the process of formulating prevention programs, the company shall communicate with employees, trade unions, important business partners or other stakeholders.

Article 7 (Scope of prevention program)

The company shall establish a dishonesty risk assessment mechanism, regularly analyze and evaluate business activities within the scope of business that have a relatively high risk of dishonesty, formulate prevention programs, and regularly review the appropriateness and effectiveness of the prevention programs.

The company should consider domestic and foreign standards or guidelines in establishing the prevention programs which at least include the preventive measures for the following behaviors:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Engaging in unfair competitive practices.
7. Damage directly or indirectly caused to the rights or interests, health, or safety of the consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

Article 8 (Commitment and execution)

The company shall require directors and senior management to make a declaration of

compliance with the integrity management policy, and require employees to abide by the integrity management policy in terms of employment.

The company and its group enterprises and organizations shall clearly express the policy of honest management, as well as the commitment of the board of directors and senior management in its regulations, external documents and company website, and shall actively implement the policy of integrity management in internal management and business activities. The company shall prepare documented information for the integrity management policies, statements, commitments and implementation as mentioned in the first and second paragraph, and keep the documented information properly.

Article 9 (Integrity in business activities)

The company shall conduct business activities in a fair and transparent manner based on the integrity management principle.

Before doing business, the company shall consider the legitimacy of its agents, suppliers, customers or other business partners, determine whether they are involved in dishonest behavior, and avoid conducting business with dishonest behavior.

The contract signed by the company and its agents, suppliers, customers or other commercial transaction objects shall include the terms and conditions in compliance with the integrity management policy, and if the counterparty of the transaction is involved in a dishonest behavior, the terms and conditions of the contract may be terminated or cancelled at any time.

Article 10 (Prohibition of offering and accepting bribery)

When engaging in commercial activities, the company and its directors, managers, employees, assignees and substantial controllers shall not directly or indirectly provide promise to customers, agents, contractors, suppliers, public officials or other interested parties, or request or accept improper benefits in whatever form.

Article 11 (Prohibition of illegal political donations)

When the company and its directors, managers, employees, assignees and substantial controllers directly or indirectly offer donations to political parties or organizations or individuals involved in political activities, the donations shall comply with the Political Donations Act and internal operating procedures, and shall not be used to seek commercial interests or business advantages.

Article 12 (Prohibition of improper charitable donations or sponsorship)

For charitable donations or sponsorships, the company and its directors, managers, employees, assignees and substantial controllers shall comply with relevant laws and internal operating procedures and shall not offer bribes in disguise.

Article 13 (Prohibition of offering or acceptance of unreasonable presents or hospitality, or other improper benefits)

The company and its directors, managers, employees, assignees and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents or hospitality, or other improper benefits to establish business relationship or influence business transactions.

Article 14 (Prohibition of infringing intellectual property rights)

The company and its directors, managers, employees, assignees and substantial controllers shall comply with the relevant intellectual properties laws and regulations, and the company's internal operating procedures and contracts. Without the consent of intellectual property rights owner, it is not allowed to use, disclose, dispose of, or damage the intellectual property rights or engage in other acts that infringe the intellectual property rights.

Article 15 (Prohibition of engaging in unfair competitive practices)

The company shall engage in business activities in accordance with relevant competition laws, and shall not fix prices, manipulate bids, restrict output and quotas, or share or divide the market by allocating customers, suppliers, operating areas or business types, etc.

Article 16 (Prevention of products or services from harming stakeholders)

The company and its directors, managers, employees, assignees and substantial controllers, in the research and development, procurement, manufacturing, or sales process of products and services, shall abide by relevant laws and regulations and international standards to ensure the information transparency and safety of products and services, formulate and disclose its policies of protecting the rights and interests of consumers or other stakeholders and implement these policies in operational activities to prevent products or services from directly or indirectly damaging the rights, health and safety of consumers or other stakeholders. When the products and services endanger the safety and health of consumers or other stakeholders, in principle, the batch of products shall be recalled or the services shall be stopped immediately.

Article 17 (Organization and responsibilities)

The company's directors, managers, employees, assignees and substantial controllers shall fulfill the duty of care of good managers, urge the company to prevent dishonest behavior, review its implementation results and continuously make improvements at any time to ensure the implementation of the integrity management policy.

To improve the integrity management, the company shall set up a dedicated unit under the board of directors, allocate sufficient resources and qualified personnel, and shall be responsible for the formulation and supervision of the integrity management policy and

prevention plan. This unit is mainly in charge of the following matters, and regularly reports to the board of directors:

1. Assist integrating the integrity and moral values into the company's business strategy, and cooperate with the legal system to formulate relevant anti-fraud measures to ensure integrity management.
2. Regularly analyze and evaluate the risk of dishonest behavior within the scope of business, formulate a plan to prevent dishonest behavior based on this risk, and formulate standard operating procedures and behavior guidelines related to work and business in each plan.
3. Plan the internal organization, establishment and control, and arrange mutual supervision, checks and balances for business activities with a relatively high risk of dishonesty within the scope of business.
4. Promote and coordinate the publicity and training of integrity policies.
5. Plan the whistleblowing system to ensure the effectiveness of implementation.
6. Assist the board of directors and management to check and evaluate whether the preventive measures established by the integrity management are operating effectively, and regularly evaluate the compliance of relevant business processes and make reports.

Article 18 (Compliance with laws and regulations in business execution)

When engaging in business, the company's directors, managers, employees, assignees and substantial controllers shall abide by laws and regulations and the preventive plans.

Article 19 (Avoidance of conflict of interests)

The company shall formulate a policy to prevent conflicts of interest, so as to identify, monitor and manage the risk of dishonest behavior caused by the conflicts of interest, and provide appropriate channels for directors, managers and other stakeholders present at or attending the board of directors to take the initiative to explain whether there is any potential conflict of interest with the company.

The company's directors, managers, and other interested parties presenting at or attending the board of directors who have interests in the proposals listed on the board of directors, themselves or the legal person they represent, shall explain the important content of their interests in the current board of directors, and are not allowed to participate in the discussion and voting if their interest is harmful to the interests of the company, and shall be avoided during the discussion and voting, and they are not allowed to exercise their voting rights on behalf of other directors. Directors shall also be self-disciplined and shall not improperly support each other.

The company's directors, managers, employees, assignees and substantial controllers shall not use their positions or influence in the company to obtain improper benefits for themselves, their spouses, parents, children or any other persons.

Article 10 (Accounting and internal control)

The company shall establish an effective accounting system and internal control system for business activities with a relatively high risk of dishonesty, and shall not have external accounts or keep secret accounts, and shall review at any time to ensure that the continuous effectiveness of the design and implementation of the system.

The company's internal auditing unit shall formulate relevant auditing plans including auditing objects, scope, items, frequency, etc. based on the evaluation results of the dishonesty risks, and may appoint accountants to perform the auditing according to the checking on the compliance with the prevention plan, or entrust professionals for assistance, if necessary.

The audit results in the preceding paragraph shall be reported to the senior management and the unit responsible for integrity management, and an audit report shall be prepared and submitted to the board of directors.

Article 21 (Operating procedure and guidelines for conduct)

The company shall formulate operating procedures and guidelines of conduct in accordance with the provisions of Article 6, specifically regulating the matters to which the directors, managers, employees and substantial controllers shall pay attention when conducting business activities, and the content shall at least cover the following matters:

1. Criteria for providing or accepting illegitimate benefits.
2. Handling procedures for providing legal political donations.
3. Handling procedure for providing legitimate charitable donations or sponsorship and standard of dollar amount.
4. Regulations on avoiding conflicts of interest related to positions, and its declaration and handling procedures.
5. Confidentiality for confidential and commercially sensitive information obtained from business.
6. Specifications and handling procedures for suppliers, customers and business transaction objects involved in dishonest behavior.
7. Handling Procedures for violations of the Integrity Management Code.
8. Disciplinary action against violators..

Article 22 (Education & training and assessment)

The company's chairman, general manager or senior management shall regularly convey the importance of integrity to directors, employees and assignees.

The company shall regularly organize education, training and promotion for directors, managers, employees, assignees and substantial controllers, and invite counterparts who engage in business activities with the company to participate, so that they can fully understand the company's determination to operate with integrity, policies, prevention plans and the consequences of conducting dishonest behavior.

The company shall combine the integrity management policy with employee performance appraisal and human resource policies, and establish a clear and effective reward and punishment system.

Article 23 (Whistleblowing system)

The company shall formulate a specific whistleblowing system and implement the system in earnest. Its content shall at least cover the following:

1. Establishment and announcement of internal independent whistleblowing mailboxes and hotlines or the entrustment of other external independent agencies to provide the whistleblowing mailboxes and hotlines for use by internal and external personnel.
2. Appointment of a special person or unit for reporting and accepting reports, where reporting matters involving directors or senior management shall be reported to independent directors, and formulation of the types of reporting matters and the standard operating procedures for their investigation.
3. Follow-up actions taken according to the seriousness of the case after the investigation of the reporting case is completed. When necessary, the case shall be reported to the competent authority or transferred to the judicial authority for investigation.
4. Record and keeping of the acceptance of reporting cases, investigation process, investigation results and the preparation of related documents.
5. Confidentiality of the whistleblower's identity and the whistleblowing content. Anonymous whistleblowers are allowed.
6. Measures to protect the whistleblower from being improperly treated due to the whistleblowing.
7. Incentives for whistleblowers.

The company's whistleblowing person-in-charge or unit shall immediately make a report and notify the independent directors in writing if a major violation is found after investigation or the company is in danger of major damage.

Article 24 (Punishment and complaint system)

The company shall clearly stipulate and announce the punishment and complaint system for violations of the integrity management regulations, and timely disclose information such as the title, name, date of violation, content of the violation, and handling situations on the company's internal website.

Article 25 (Disclosure of information)

The company shall establish quantitative data to promote integrity management, continuously analyze and evaluate the effectiveness of the integrity policy, and disclose its integrity management measures, implementation status, and previously disclosed quantitative data and promotion results on the company's website, annual report and public

statement, and Public Information Observatory reveals the content of the integrity management code.

Article 26 (Review and amendment of integrity management policies and measures)

The company shall always pay attention to the development of relevant specifications of the integrity management at home and abroad, and encourage directors, managers and employees to make suggestions, so as to review and improve the company's integrity management policies and promotional measures, and enhance the effectiveness of the company's implementation of integrity management.

Article 27 (Implementation)

The company's integrity management code is implemented after it is approved by the board of directors and submitted to the shareholders' meeting, and the same applies to amendments. When the company submits the integrity management code to the board of directors for discussion in accordance with the preceding paragraph, it shall fully consider the opinions of independent directors, and record their objections or reservations in the minutes of the board of directors. If the independent directors cannot attend the board in person, those who express objections or reservations to the board of directors shall issue written opinions in advance and record them in the minutes of the board of directors, unless there are legitimate reasons.

Article 28 (Supplementary provisions)

This code is implemented after being reported and approved by the company's board of directors, and the same applies to amendments.

This code was formulated on March 3, 2023.

NORTH-STAR INTERNATIONAL CO., LTD.
Sustainable Development Best Practice Principles

Chapter 1. General Provisions

Article 1

The company practices corporate social responsibility, and promotes economic, environmental and social progress to achieve the goal of sustainable development by formulating these principles with reference to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and relevant laws and regulations, so as to manage the company's risks and impacts on the economy, environment and society.

Article 2

The scope of applicability of these principles includes the overall operating activities of the company and its group enterprises.

While engaging in business operations, the company actively practices sustainable development in order to comply with international development trends. By acting as a corporate citizenship, the company enhances national economic contributions, improves the quality of life of employees, communities, and society, and promotes the company’s competitive advantage based on sustainable development.

Article 3

While promoting sustainable development, the company shall pay attention to the rights and interests of stakeholders. While pursuing sustainable business operation and profit, the company shall attach importance to environmental, social and corporate governance factors, and incorporate them into the company’s management policies and operating activities.

The company shall perform risk assessments on environmental, social and corporate governance issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies.

Article 4

The company shall practice sustainable development according to the following principles:

1. Implement corporate governance.
2. Develop sustainable environment.
3. Safeguard social welfare
4. Strengthen disclosure of corporate sustainable development information

Article 5

The company shall consider the relationship between the development trend of sustainable issues at home and abroad and the core business of the enterprise, the impact of the company itself and its group's overall operating activities on stakeholders, etc. to formulate sustainable development policies, systems or related management guidelines and specifically promote projects which will be submitted and reported to the shareholders' meeting after its approval by the board of directors.

When a shareholder raises a sustainable development related proposal, the company's board of directors should consider the proposal as a motion of the shareholder' meeting.

Chapter 2. Implementing Corporate Governance

Article 6

The company should follow “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies” to establish an effective governance framework and relevant ethical standards to improve corporate governance.

Article 7

The directors of the company shall fulfill the duty of care of a good manager, urge the enterprise to practice sustainable development, and review its implementation effect and continuous improvement at any time to ensure the implementation of the sustainable development policy.

The board of directors of the company shall fully consider the interests of stakeholders and include the following items when promoting the goal of sustainable development:

1. Propose the mission or vision of sustainable development, and formulate sustainable development policies, systems or related management guidelines.
2. Incorporate sustainable development into the company's operating activities and development direction, and approve specific promotion plans for sustainable development.
3. Ensure the timeliness and accuracy of the disclosure of sustainable development related information.

The company's economic, environmental, and social issues arising from its operating activities shall be handled by the senior management authorized by the board of directors, and reported to the board of directors.

The operation process and the relevant responsible personnel shall be clearly specified

Article 8

The company should regularly organize education and training to promote sustainable development, including the promotion of Item 2 of the preceding article.

Article 9

In order to improve the sustainable development management, the company should establish a governance framework to promote sustainable development, and set up a full-time (or part-time) unit responsible for the proposal and implementation of sustainable development policies, systems or related management guidelines and specific promotion plans and regularly report to the board of directors.

The company should formulate a reasonable salary/remuneration policy to ensure that the salary/remuneration plan is in line with the strategic goals of the company and the interests of stakeholders.

The employee performance appraisal system should be combined with the sustainable development policy, and a clear and effective reward and punishment system should be established.

Article 10

The company shall respect the rights and interests of stakeholders, identify the company's stakeholders, set up a special stakeholder area on the company's website, understand the reasonable expectations and needs of the stakeholders through appropriate communication methods, and properly respond to important sustainable development issues of their concern.

Chapter 3. Developing Sustainable Environment

Article 11

The company shall abide by environmental regulations and relevant international standards, properly protect the natural environment, and shall be committed to achieving the goal of environmental sustainability when implementing operational activities and carrying out internal management.

Article 12

The company should be committed to improving energy efficiency and utilizing recycled materials that have a low impact on the environment, so that the earth's resources can be used sustainably.

Article 13

The company should establish an appropriate environmental management system according to its industrial characteristics, and the system shall include the following items:

1. Collect and evaluate sufficient and timely information about the impact of operating activities on the natural environment.
2. Set measurable environmental sustainability goals, and regularly review the sustainability and relevance of its development.
3. Formulate the specific implementation measures such as specific plans or action plans, and regularly review the effectiveness of its operation.

Article 14

The company should set up a dedicated environmental management unit or personnel to formulate, promote and maintain relevant environmental management systems and specific action plans, and regularly conduct environmental education courses for management and employees.

Article 15

The company should consider the impact of operations on ecological benefits, promote and publicize the concept of sustainable consumption, and engage in R&D, procurement, production, operations and services in accordance with the following principles to reduce the impact of the company's operations on the natural environment and mankind:

1. Reduce the resource and energy consumption of products and services.
2. Reduce the discharge of pollutants, toxic substances and waste, and properly dispose of the waste.
3. Improve the recyclability and reuse of raw materials or products.
4. Maximize the sustainable utility of renewable resources.
5. Extend the durability of products.
6. Increase the performance of products and services.

Article 16

In order to improve the utilization efficiency of water resources, the company shall properly and sustainably utilize water resources and formulate relevant management measures.

The company shall build and strengthen relevant environmental protection treatment facilities to avoid polluting water, air and land. try its best to reduce adverse effects on human health and the environment, and adopt the best available technological measures for pollution prevention and control.

Article 17

The company should evaluate the current and future potential risks and the opportunities of climate change to the company, and take relevant countermeasures.

The company should adopt common domestic and foreign standards or guidelines to carry out corporate greenhouse gas inventory and disclose such information, and the scope of disclosed information should include:

1. Direct greenhouse gas emissions: The sources of greenhouse gas emissions are owned or controlled by the company.
2. Indirect greenhouse gas emissions: The emissions are generated by the use of energy such as input electricity, heat or steam.
3. Other indirect emissions: The emissions generated by the company's activities are not indirect energy emissions, but they come from emission sources owned or controlled by other companies.

The company should count greenhouse gas emissions, water consumption and total weight of waste, formulate and promote policies for energy saving and carbon reduction, greenhouse gas reduction, water reduction or other waste management, and incorporate the acquisition of carbon rights into the

company's carbon reduction strategic plan to reduce the impact of the company's business operations on climate change.

Chapter 4. Safeguarding Social Welfare

Article 18

The company shall abide by relevant laws and regulations, and follow international bills of human rights, such as gender equality, right to work and prohibition of discrimination.

To fulfill its responsibility to protect human rights, the company shall formulate relevant management policies and procedures, including:

1. Propose the company's human rights policy or statement.
2. Evaluate the impact of the company's operating activities and internal management on human rights, and formulate corresponding handling procedures.
3. Regularly review the effectiveness of corporate human rights policies or statements.
4. When violations of human rights are involved, the procedures for handling the interested parties shall be disclosed.

The company shall abide by internationally recognized labor human rights, such as the freedom to organize associations, the right to collective bargaining, the caring for vulnerable groups, the prohibition of child labor, the elimination of various forms of forced labor, the elimination of discrimination in employment and working, etc., and the company shall confirm that its human resource policy has no gender, race, socio-economic class, age, marital and family status and other differential treatment in order to implement equality and fairness in employment, hiring conditions, salary, benefits, training, evaluation and promotion opportunities.

For situations that endanger labor rights and interests, the company shall provide an effective and appropriate complaint mechanism to ensure the equality and transparency of the complaint process. The complaint channel shall be concise, convenient and smooth, and employees' complaints shall be replied appropriately.

Article 19

The company shall provide employees with information to understand the labor laws of the country in which they work as well as their rights.

Article 20

The company should provide employees with a safe and healthy working environment, including providing necessary health and first-aid facilities, and shall be committed to reducing the hazards to employees' safety and health, so as to prevent occupational disasters.

The company should regularly conduct safety and health education and training for employees.

Article 21

The company should create a good environment for the career development of the employees and establish an effective career development training plan.

The company shall formulate and implement reasonable employee welfare measures (including salary, vacation and other benefits, etc.), and properly reflect the company's business performance or achievements in employee compensation, so as to ensure the recruitment, job retention and incentives of human resources, and achieve the goal of sustainable operation.

Article 22

The company shall establish a channel for employees to communicate regularly, so that employees have the right to obtain information and express their opinions on the company's management activities and decisions.

The company shall respect the rights of employee representatives to negotiate working conditions, and provide employees with necessary information and hardware facilities to facilitate negotiation and cooperation between employers, employees and employee representatives.

The company shall notify employees about any operational changes that may materially affect the employees in a reasonable manner.

Article 22-1

The company should treat the customers or consumers of its products or services in a fair and reasonable manner, which includes fairness and integrity in contracting, duty of care and loyalty, truthful advertising solicitation, suitability of goods or services, notification and disclosure, remuneration and equitable performance complaint protection, professionalism of sales personnel and other principles, and formulate relevant implementation strategies and specific measures.

Article 23

The company shall be responsible for its products and services and attach importance to marketing ethics. Its research and development, procurement, production, operation and service processes shall ensure the transparency and security of product and service information, formulate and disclose its consumer rights policies, and implement them in business activities to prevent products or services from harming consumer's rights, health and safety.

Article 24

The company shall ensure the quality of its products and services in accordance with government regulations and industry-related specifications.

The company shall abide by relevant laws and international standards in terms of customer health and safety, customer privacy, marketing and labeling of products and services, and shall not engage in deception, misleading, fraud or any other behavior that undermines consumer trust and damages consumer rights.

Article 25

The company should evaluate and manage the risks that could disrupt the company's operations, and minimize their impacts on consumers and the society.

The company shall provide transparent and effective consumer complaint procedures for its products and services, handle consumer complaints fairly and timely, abide by relevant laws and regulations such as the Personal Data Protection Act, truly respect consumers' privacy rights, and protect personal information provided by consumers.

Article 26

The company should evaluate the environmental and social impacts of procurement behavior on the source communities, and cooperate with its suppliers to jointly implement corporate social responsibility.

The company should formulate supplier management policies, requiring suppliers to follow relevant specification on issues such as environmental protection, occupational safety and health, or labor rights, and avoid doing business with those who violate the social responsibility policy.

When the company signs a contract with its major suppliers, the content of the contract should include compliance with the corporate social responsibility policies of both parties, and if the supplier violates the policy and such violation has a significant impact on the environment and society of the source community, the terms and conditions of the contract may be terminated or cancelled at any time.

Article 27

The company shall evaluate the impact of the company's operations on the community, and appropriately employ manpower in the place where the company operates, so as to enhance community recognition.

The company should invest resources in organizations that solve social or environmental problems through business models, or civic organizations that participate in community development and community education through equity investment, business activities, donations, corporate volunteer services or other public welfare professional services, charity and public welfare related activities of groups and government agencies to promote community development.

Article 27-1

The company should continue to invest resources into cultural and artistic activities or cultural and creative industries through donation, sponsorship, investment, procurement, strategic cooperation, corporate voluntary technical services or other support modes to promote cultural development.

Chapter 5. Strengthening Disclosure of Corporate Sustainable Development Information

Article 28

The company shall disclose information in accordance with relevant laws and regulations and the corporate governance code, and shall fully disclose relevant and reliable sustainable development-related information to enhance the transparency of information.

The company discloses the following sustainable development related information:

1. Sustainable development policies, systems or related management guidelines and specific promotion plans approved by the resolution of the board of directors.
2. Implementation of the corporate governance, development of a sustainable environment, and maintenance of social welfare and other factors on the risks and impacts of the company's operations and financial conditions.
3. The promotion goals, measures and implementation performance formulated by the company for sustainable development.
4. Major stakeholders and issues of their concerns.
5. Disclosure of management and performance information of major suppliers on substantial environmental and social issues.
6. Other sustainable development related information.

Article 29

The preparation of the company's sustainability report shall adopt internationally recognized standards or guidelines to disclose the situation of promoting sustainable development, and it is advisable to obtain third-party assurance or guarantee to improve information reliability.

Its content shall include:

1. Implementation of sustainable development policies, systems or related management guidelines and specific promotion plans.
2. Major stakeholders and issues of their concern.
3. Implementation and review of the company's corporate governance, development of sustainable environment, maintenance of social welfare and performance of promoting economic development.
4. Future improvement direction and goals.

Chapter 6. Supplementary Provisions

Article 30

The company shall always pay attention to the development of relevant standards of sustainable development at home and abroad and changes in the corporate environment, so as to review and improve the sustainable development system established by the company to enhance the effectiveness of promoting sustainable development.

Article 31

This code will be implemented after it is reported to the company's board of directors for approval, and the same applies for its amendments.

This code was formulated on March 3, 2012.

NORTH-STAR INTERNATIONAL CO., LTD.
Articles of Association

Chapter 1. General Provisions

- Article 1 The company is organized in accordance with the Company Act and named NORTH-STAR INTERNATIONAL CO., LTD.
- Article 2 The business of the company covers the following areas:
1. CA02010 Manufacture of Metal Structure and Architectural Components.
 2. D101060 Self-usage Power Generation Equipment Utilizing Renewable Energy.
 3. E502010 Fuel Catheter Installation Engineering.
 4. E599010 Pipe Lines Construction.
 5. E601020 Electric Appliance Installation.
 6. E603010 Cable Installation Engineering.
 7. E603040 Fire Fighting Equipment Construction.
 8. E603100 Electric Welding Engineering.
 9. E603110 Quench Construction.
 10. E603120 Sand Blasting Engineering.
 11. E603130 Gas Water Heater Contractors.
 12. E604010 Machinery Installation Construction.
 13. E 903010 Anti-Corrosion and Anti-Rust Engineering.
 14. EZ02010 Crane and Hoist Services Engineering.
 15. EZ03010 Furnace Installation Construction.
 16. EZ07010 Drilling Engineering.
 17. EZ09010 Electrostatic Protection and Cancellation Engineering.
 18. EZ15010 Warming and Cooling Maintenance Construction.
 19. EZ99990 Other Engineering.
 20. F112010 Wholesale of Gasoline and Diesel Fuel.
 21. F112040 Wholesale of Petrochemical Fuel Products.
 22. F113030 Wholesale of Precision Instruments.
 23. F113100 Wholesale of Pollution Controlling Equipment.
 24. F114030 Wholesale of Motor Vehicle Parts and Supplies.
 25. F203010 Retail sale of Food Products and Groceries.
 26. F203020 Retail Sale of Tobacco and Alcohol.
 27. F206020 Retail Sale of daily commodities.
 28. F212011 Gas Stations.

29. F212050 Retail Sale of Petrochemical Fuel Products.
30. F212061 Automobile Liquefied Petroleum Gas Station.
31. F213040 Retail Sale of Precision Instruments.
32. F213100 Retail Sale of Pollution Controlling Equipment.
33. F214010 Retail Sale of Automobiles.
34. F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
35. F399010 Convenience Stores.
36. F401010 International Trade.
37. F501030 Beverage Shops.
38. F501060 Restaurants.
39. G202010 Parking area Operators.
40. H701010 Housing and Building Development and Rental.
41. H701020 Industrial Factory Buildings Lease Construction and Development.
42. H701040 Specific Area Development.
43. H701050 Public Works Construction and Investment.
44. H701080 Urban Renewal Reconstruction.
45. H703090 Real Estate Commerce.
46. H703100 Real Estate Leasing.
47. H703110 Senior Citizen Residence.
48. I103060 Management Consulting.
49. I199990 Other Consultancy.
50. IG03010 Energy Technical Services.
51. J101050 Environmental Testing Services.
52. J101090 Waste Disposal.
53. J101990 Other Environmental Sanitation and Pollution Prevention Service.
54. J701020 Amusement Parks.
55. J801030 Athletics and Recreational Sports Stadium.
56. JA01010 Automobile Repair.
57. JA01040 Liquefied Petroleum Gas Automobile Refitting.
58. JA01990 Other Automobile Services.
59. JE01010 Rental and Leasing.
60. I301010 Software Design Services.
61. I301020 Data Processing Services.
62. I301030 Electronic Information Supply Services.
63. F399040 Retail Sale No Storefront
64. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

- Article 2-1 To meet the needs of the business, the company authorizes the board of directors to handle the reinvestment business, and is not subject to the restriction that the total investment shall not exceed 40% of the company's paid-in share capital as stipulated in Article 13 of the Company Act.
- Article 2-2 (Deleted).
- Article 3 The company has its head office in New Taipei City, and may set up branches in Taiwan and abroad with the resolution of the board of directors, if necessary.
- Article 4 (Deleted).
- Article 4-1 The company may endorse an external party for business needs.

Chapter 2. Shares

- Article 5 The company's total capital is rated at NT\$8.8 billion, which is divided into 880 million shares, each with an amount of NT\$10. Among them, the unissued shares are authorized to the board of directors to issue in instalments according to actual needs.
- Article 6 (Deleted).
- Article 7 The stock certificates of the company are signed or stamped by the director representing the company, and issued after being legally certified and signed. The company is exempted from printing stock certificates after its public offering.
- Article 8 The name change and ownership transfer of shares shall not be carried out within sixty (60) days before the general shareholders' meeting, within thirty (30) days before the extraordinary shareholders' meeting, or within five (5) days before the company decides to distribute dividends and bonuses or other benefits.
- Article 8-1 When the company issues new shares, the employees who purchase the shares include employees of the controlling company or subordinate company who meet certain conditions.

Chapter 3. Shareholder's Meeting

- Article 9 Shareholders' meeting is divided into two types: general meeting and extraordinary meeting. The general meeting is held once a year within six months after the end of each fiscal year, and the extraordinary meeting is called when necessary in accordance with relevant laws and regulations.
- Article 9-1 During a shareholders' meeting, video conferencing or other methods announced by the competent authority may be used. If the meeting is held by video conference, the shareholders participating in the conference through video are considered to be present in person.
- Article 10 When a shareholder is unable to attend the shareholders' meeting, he/she may present a power of attorney issued by the company specifying the scope of authorization, and appoint a proxy to attend the meeting on his/her behalf. In addition to the provisions of Article 177 of the Company Act, the method of proxy attendance by shareholders shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the

competent authority.

Article 11 Unless otherwise provided by law, each shareholder of the company shall have one voting right per share.

Article 12 Shareholders may exercise their voting rights in the shareholders' meeting in writing or by electronic means, and the shareholders exercising their voting rights in writing or by electronic means shall be deemed to be attending the shareholders' meeting in person. However, the extraordinary motions and amendments to the original motions in the shareholders' meeting of that time shall be regarded as an abstention.

Unless otherwise provided by relevant laws and regulations, the resolution of a shareholders' meeting shall be attended by shareholders representing more than half of the total number of issued shares in person or by proxy, and shall be carried out with the consent of more than half of the voting rights of the attending shareholders.

Article 12-1 When the shareholders' meeting is convened by the board of directors, the chairperson of the meeting shall be the chairman of the company. If the chairman is on leave or unable to chair for some reason, the chairman shall designate a director to represent him. If the chairman does not designate an agent, the directors shall elect one person among them to be the agent. When the shareholder meeting is convened by a person other than the board of directors who has the right to convene, the person with the right to convene shall act as the chairperson of the meeting. When there are more than two persons with the right to convene, one of them shall be elected as the chairperson of the meeting.

Article 12-2 The resolutions of the shareholders' meeting shall be made into minutes, and signed or sealed by the chairman, and the minutes shall be distributed to all shareholders within twenty (20) days after the meeting. The distribution of the minutes as mentioned in the preceding paragraph may be done by public announcement.

Chapter 4. Directors

Article 13 The company has nine to thirteen directors, whose term of office is three years, and they are eligible for re-election. The number of directors is set by the board of directors. The shareholding ratio of all directors shall be in accordance with the regulations of the securities management authority.

Among the number of directors referred to in the preceding paragraph, there shall be at least three independent directors.

The election of directors adopts the candidate nomination system stipulated in Article 192-1 of the Company Act, and the shareholders' meeting selects candidates from the list of candidates. The method of accepting the nomination of candidates and other related matters are handled in accordance with the Company Act, the relevant laws and regulations of the Securities Exchange Act. Independent directors and non-independent directors shall be elected together, and the number of elected candidates shall be calculated separately.

Article 13-1 When the vacancy of directors reaches one-third, the board of directors shall hold an extraordinary shareholders' meeting for the by-election within sixty (60) days, and the term of office shall be limited to the original term of office.

Article 13-2 The board of directors meeting is held at least once a quarter.

The convening of the board of directors meeting shall state the reasons and notify all directors seven (7) days in advance. However, in case of emergency, the meeting may be convened at any time. The company's board of directors meeting may be convened in writing, by e-mail (E-mail) or by fax

- Article 13-3 The company shall set up an audit committee which shall be composed of all independent directors. The audit committee or the members of the audit committee shall be responsible for implementing the duties and powers of supervisors stipulated in the Company Act, Securities Exchange Law and other laws and regulations.
- Article 14 The board of directors is organized by the directors. Under the conditions that more than two-thirds of the directors are present and more than half of the directors present agree, one chairman and one vice chairman are elected among them, where the chairman represents the company externally.
- Article 14-1 Unless otherwise stipulated by the Company Act, resolutions of the board of directors shall be made under the condition that more than half of the directors attend the meeting and the agreement of more than half of the directors attending the board of directors meeting. If a director cannot attend the board of directors for any reason, he may entrust another person to attend the meeting in accordance with Article 205 of the Company Act.
- Article 15 When the chairman asks for leave or is unable to perform his duties for some reason, his agent shall perform the chairman's duty in accordance with Article 208 of the Company Act.
- Article 16 The remuneration of all directors is based on the degree of participation in the company's operations, the value of their contributions to the company, and the reference to the industry standards. The board of directors is authorized to negotiate the directors' remuneration.
- Article 16-1 The company may purchase liability insurance for its directors.

Chapter 5. Manager

- Article 17 The company may have a general manager, several vice presidents and managers, whose appointment, dismissal and remuneration shall be handled in accordance with the provision of Article 29 of the Company Act.

Chapter 6. Accounting

- Article 18 The company's fiscal year is from January 1st to December 31st of each year. The board of directors shall prepare and submit the following reports the general shareholders' meeting at the end of each fiscal year for approval:
- (1) Business report.
 - (2) Financial report.
 - (3) Surplus distribution or loss appropriation case.
- Article 19 (Deleted).
- Article 20 If the company makes a profit in the year, no less than 1% shall be allocated as employee remuneration, and the board of directors will decide through resolution to

distribute it in the form of stock or cash, and the distribution objects may include employees of subordinate companies who meet certain conditions. The company may allocate no more than 3% of the amount of the above-mentioned profit as the directors' remuneration through the resolution of the board of directors meeting. The distribution of employee remuneration and director's remuneration shall be submitted and reported to the shareholders' meeting.

However, if the company still has cumulative losses, the company shall reserve the compensation amount in advance, and then allocate the employee remuneration and director remuneration according to the proportion mentioned in the preceding paragraph.

Article 20-1 If there is a surplus in the annual final accounts, taxes shall be paid first, previous losses shall be compensated, and 10% of the surplus shall be withdrawn as the statutory surplus reserve. However, when the statutory surplus reserve has reached the paid-in capital of the company, no surplus shall be withdrawn any further. According to the company's operating needs and legal requirements, special surplus reserves may be set aside, and if there is still a balance, the board of directors will prepare a surplus distribution proposal for the balance and the accumulated undistributed surplus, and submit the proposal to the shareholders' meeting for a resolution to distribute dividends to shareholders.

The company's dividend policy is in line with the current and future development plans, considering the investment environment, capital needs, and domestic and foreign competition conditions, and taking into account shareholders' interests and other factors, and allocating no less than 50% of the surplus available for distribution as the shareholder dividends every year. When distributing the shareholder dividends, the dividends can be paid in cash or stock, and the cash dividends shall not be less than 20% of the total dividends.

Chapter 7. Supplementary Provisions

Article 21 Matters not stipulated in this Articles of Association shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 22 This Articles of Association were established on November 28, 1988.

The first amendment was made on September 15, 1989.

The second amendment was made on September 18, 1989.

The third amendment was made on June 30, 1990.

The fourth amendment was made on June 1, 1991.

The fifth amendment was made on November 24, 1991.

The sixth amendment was made on May 21, 1995.

The seventh amendment was made on May 24, 1997.

The eighth amendment was made on June 27, 1998.

The ninth amendment was made on June 27, 1999.

The tenth amendment was made on June 3, 2000.

The eleventh amendment was made on June 15, 2001.

The twelfth amendment was made on June 15, 2001.

The thirteenth amendment was made on June 24, 2002.

The fourteenth amendment was made on June 20, 2003.

The fifteenth amendment was made on May 17, 2004.

The sixteenth amendment was made on June 14, 2005.

The seventeenth amendment was made on June 27, 2006.

The eighteenth amendment was made on June 11, 2007.

The nineteenth amendment was made on June 6, 2008.

The twentieth amendment was made on June 16, 2009.

The twenty-first amendment was made on June 15, 2010.

The twenty-second amendment was made on June 22, 2011.

The twenty-third amendment was made on May 25, 2012.

The twenty-fourth amendment was made on May 27, 2014.

The twenty-fifth amendment was made on June 3, 2015.

The twenty-sixth amendment was made on May 13, 2016.

The twenty-seventh amendment was made on May 29, 2018.

The twenty-eighth amendment was made on June 9, 2020.

The twenty-ninth amendment was made on June 23, 2022.

These Articles of Association are implemented after the approval of the shareholders' meeting, and the same applies to amendments.

NORTH-STAR INTERNATIONAL CO., LTD.

Rules of Procedure for Shareholder's Meetings

- Article 1 (Basis of formulation)
These rules are formulated in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies to establish a good shareholder governance system, improve the supervision function and enhance the management function of the company.
- Article 2 The rules of procedure for the shareholders meeting of the company shall be in accordance with these rules, unless otherwise stipulated by laws or the company's Articles of Association.
- Article 3 (Convening and meeting notice of shareholders' meetings)
The shareholders' meeting of the company shall be convened by the board of directors unless otherwise stipulated by laws and regulations.
Changes in the method of convening the shareholders' meeting of the company shall be resolved by the board of directors, and shall be implemented no later than the notice of the shareholders' meeting is mailed.
The company shall prepare the notice of the shareholders' meeting, the form of the power of attorney, the reasons and explanations for various proposals related to the admission, discussion, election or dismissal of directors, etc. in form of electronic files and sent them to the Public Information Observatory, thirty (30) days before the general shareholders' meeting or fifteen (15) days before the extraordinary shareholders' meeting. The company shall also send the handbook of the annual shareholders' meeting and the supplementary materials of the meeting in form of electronic files and send them to the Public Information Observatory, twenty one (21) days before the general shareholders' meeting or fifteen (15) days before the extraordinary shareholders' meeting. However, since the company's paid-in capital amounted to NT\$10 billion or more at the end of the most recent fiscal year, or the company held a general meeting of shareholders in the most recent fiscal year and the total shareholding ratio of foreign capital and mainland capital listed in the register of shareholders reached 30% or more, the transmission of the above-mentioned electronic files shall be completed thirty (30) days before the general shareholders' meeting. The company shall, fifteen (15) days before the shareholders' meeting, prepare the handbook of the current annual shareholders' meeting and supplementary materials for the meeting, which are provided for shareholders to request and read at any time, and exhibit them in the company and the professional stock agency appointed by the company.
The company shall provide shareholders the aforementioned handbook and supplementary materials for reference on the day of the shareholders' meeting in the following manner:

1. When a physical shareholders' meeting is called, the handbook and supplementary materials shall be handed out at the shareholders' meeting.
2. When a video-assisted shareholders' meeting is called, the handbook and supplementary materials shall be handed out at the shareholders' meeting and sent in form of electronic files to the shareholder video conferencing platform.
3. When a shareholders' meeting through video conferencing is called, the handbook and supplementary materials shall be sent in form of electronic files to the shareholder video conferencing platform.

The notice and announcement shall specify the reason for the convening; the notice may be presented in an electronic form if the counterparty agrees. Appointment or dismissal of directors, change of Articles of Association, capital reduction, application for cessation of public offering, no-competition duty of directors, capital increase from surplus, capital increase from common reserves, company dissolution, merger, division or any matter of Paragraph 1 of Article 185 of the Company Act, any matter related to Articles 26-1 and 43-6 of the Securities Exchange Law, and any matter Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed in the reasons for the convening and the main content in the reason for the convening shall be explained, but they shall not be proposed as extraordinary motions.

The reason for convening the shareholders' meeting has stated the overall re-election of directors and the date of their inauguration. After the re-election of the shareholders' meeting of that particular time is completed, the date of their inauguration shall not be changed in the same meeting through extraordinary motions or other means.

Shareholders who hold more than 1% of the total number of shares issued may raise a proposal in the general shareholder's meeting of the company, but the number of proposals raised by the same shareholder is limited to one only, and more than one proposals raised by the same shareholder shall not be included in the motion. In any of the situations in Paragraph 4 of Article 172-1 of the Company Act, the board of directors may not include such proposal in the motion. Shareholders may raise suggestive proposals to urge the company to promote public interests or fulfill social responsibilities. In accordance with the relevant regulation as stipulated in Article 172-1 of the Company Act, the procedure limits the number of the above-mentioned suggestive proposals to one, and more than one proposals raised by the same shareholder shall not be included in the motion.

The company shall announce the accepted shareholder's proposal, the acceptance through writing or electronic form, the location of acceptance and the period of acceptance before the general shareholder's meeting and before the stock transfer closing date. The period of acceptance shall not be less than ten (10) days.

Each proposals made by shareholders is limited to 300 words and those exceeding 300 words shall not be included in the motion; the shareholder who makes the proposal shall attend the general shareholders' meetings in person or entrust others to attend the meeting and participate in the discussion of the proposal.

The company shall notify the shareholder who makes the proposal about the processing results before notice date of convening the shareholders' meeting, and include the proposals that meet the provisions of this article in the meeting notice. For shareholders' proposals that are not included in the motions, the board of directors shall state the reason why they are not included.

Article 4 (Entrustment to attend shareholders' meeting and authorization)

Shareholders may show a power of attorney printed by the company in a shareholders' meeting for every time, specifying the scope of authorization and entrusting an agent to attend the shareholders' meeting.

A shareholder may issue one power of attorney and entrust only one person, and the power of attorney shall be delivered to the company five (5) days before the shareholders' meeting. If there are duplicate powers of attorneys, the one delivered first shall prevail. However, this does not apply to the case with a declaration of revoking the previous power of attorney.

After the power of attorney is delivered to the company, if the shareholder wishes to attend the shareholders' meeting in person or exercise voting rights in writing or electronic means, he shall notify the company in writing of the cancellation of the entrustment two (2) days before the shareholders' meeting; if the cancellation is overdue, the proxy shall be present to exercise the voting rights.

After the power of attorney is delivered to the company, if the shareholder wishes to attend the shareholders' meeting by video conferencing, he shall notify the company in writing of the cancellation of the entrustment two (2) days before the shareholders' meeting; if the cancellation is overdue, the proxy presenting to exercise the voting rights shall prevail.

Article 5 (Principles for setting the venue and time of a shareholders' meeting)

The venue where the shareholders' meeting is held shall be at the location of the company or a place that is convenient for the shareholders to attend and suitable for holding the shareholders' meeting. The starting time of the meeting shall not be earlier than 9 am or later than 3 pm. The venue and time of the meeting shall fully consider the opinions of independent directors.

When the company holds a shareholders' meeting through video conferencing, the meeting is not limited by the venue as mentioned in the preceding paragraph.

Article 6 (Preparation of signature book and other related documents)

The company shall specify in the meeting notice the time and place for the shareholders to check in, and other matters that should be paid attention to.

Shareholders, solicitors and entrusted agents as mentioned in the preceding paragraph (hereinafter referred to as shareholders) shall check in at least thirty (30) minutes before the start of the meeting; the check-in place shall be clearly marked, and sufficient qualified personnel shall be assigned to handle the check-in procedure. For shareholders' meetings through video conferencing, shareholders shall check in at the shareholder video conferencing platform thirty (30) minutes before the start of the

meeting and the shareholder who has completed the check-in procedure is deemed to have attended the shareholders' meeting in person.

Shareholders shall present their attendance card, attendance sign-in card or other attendance documents to attend the shareholders' meeting; and solicitors who solicit a power of attorney shall bring their identity documents for verification.

The company shall set up a signature book provided for the attending shareholders to sign in, or the attending shareholders submit the attendance card instead of signing in.

The company shall deliver the handbook of the shareholders' meeting, annual report, attendance certificate, statement slips, votes and other meeting materials to the attending shareholders of the shareholders' meeting; if there are directors to be elected, the ballots shall be attached.

When the shareholder is the government or legal person, the representative who attends the shareholders' meeting is not limited to one person. When the legal person is entrusted to attend the shareholders' meeting, only one representative can be appointed to attend the meeting.

If the shareholders' meeting is held by video conferencing, and the shareholders who want to attend by video conferencing shall sign up with the company two (2) days before the shareholders' meeting.

If the shareholders' meeting is convened by video conferencing, the company shall upload the handbook of the shareholders' meeting, annual report and other relevant materials to the shareholder video conferencing platform at least thirty (30) minutes before the start of the meeting, and continue these disclosures until the end of the meeting.

Article 6-1 (Items that should be included in the convening notice when a shareholders' meeting through video conferencing is called)

When the company holds a shareholders' meeting through video conferencing, the following items shall be specified in the convening notice of the shareholders' meeting:

1. How shareholders participate in video conferencing and exercise their rights.
2. How to overcome the barrier of the shareholder video conferencing platform or the participation in video conferencing due to natural disasters, accidents or other force majeure events, at least including the following:
 - (1) Due to the continuous occurrence of the aforementioned barrier which cannot be eliminated, the meeting must be postponed or resumed. The rescheduled meeting date shall be specified when the meeting must be postponed or continued.
 - (2) Shareholders who have not signed up for the original shareholders' meeting through video conferencing shall not be allowed to participate in the postponed or resumed meeting.
 - (3) When a video-assisted shareholders' meeting is held, if the video conferencing cannot be continued, and the total number of shares attended reaches the statutory quota for the shareholders' meeting after deducting the number of shares that participated in the shareholders' meeting with video conferencing, then the shareholders' meeting shall continue. The number of shares held by

the shareholders who participate in the video conferencing shall be included in the total number of shares held by the attending shareholders. All motions of the shareholders' meeting of that particular time shall be regarded as abstentions.

(4) How to deal with the situation where all motions have announced their results but the extraordinary motions have not been carried out.

3. When a shareholders' meeting through video conferencing is called, appropriate alternative measures for shareholders who have difficulty participating in the shareholders' meeting through video conferencing shall be specified.

Article 7 (Chairperson and attendees of the shareholders' meeting)

If the shareholders' meeting is convened by the board of directors, the chairman shall act as the chairperson. When the chairman is on leave or unable to exercise his powers for some reason, he shall be represented by the vice chairman. The chairman shall designate a managing director to represent him if there is no vice chairman or the vice chairman is also on leave or unable to exercise his right. The chairman shall designate an agent to represent him if there is no managing director. If the chairman does not designate an agent, the managing directors or directors shall recommend a person among them to represent the chairman as the chairperson of the shareholders' meeting.

The chairperson as mentioned in the preceding paragraph shall be represented by the managing director or director, who has been in office for more than six months and understands the company's financial and business conditions. The same shall also apply, if the chairperson is a representative of the corporate director.

For the shareholders' meeting convened by the board of directors, the chairman should preside in person, and more than half of the directors of the board of directors and at least one representative of various functional committee members should attend, and the attendance status should be recorded in the shareholders' meeting minutes.

If the shareholders' meeting is convened by a convening authority other than the board of directors, the convening authority shall act as the chairperson of the shareholders' meeting.

When there are more than two persons with the right to convene, one of them shall be elected from each other to act as the chairperson of the shareholders' meeting.

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

Article 8 (Evidence of recording or video-recording the shareholders' meeting)

The company shall record the shareholders' registration process, the meeting process, and the voting and counting process continuously and uninterruptedly from the time after the shareholders' registration is accepted.

The above-mentioned audio-video materials shall be kept for at least one year. However, if the shareholder files a lawsuit in accordance with Article 189 of the Company Act, these materials shall be kept until the lawsuit is concluded.

If the shareholders' meeting is held by video conferencing, the company shall keep records of the shareholders' enrollment, registration, check-in, questioning, voting and company vote counting results, etc., and shall record and video the video conferencing process continuously and uninterruptedly.

The company shall keep the above-mentioned materials and audio and video recordings during the duration of existence, and provide the audio and video recordings to the person entrusted to handle video conferencing affairs for storage.

When the shareholders' meeting is held by video conferencing, the company should record and video the background operation interface of the shareholder video conferencing platform.

Article 9 (Calculation of the number of shares attended in the shareholders' meeting and the conduction of the meeting)

The attendance of the shareholders' meeting shall be calculated based on the number of shares. The number of shares attended shall be calculated based on the number of shares registered in the signature book or the number of shares of the submitted attendance cards, and the number of shares of the shareholders who sign in the shareholder video conferencing platform, plus the number of shares exercising voting rights in written or electronic means.

When it is the meeting time, the chairperson shall immediately announce the opening of the meeting, and at the same time announce the number of non-voting rights, the number of shares present and relevant information.

The chairperson may announce the postponement of the meeting. The number of postponements shall be limited to two times, and the total delay time shall not exceed one hour. If there are still not enough shareholders representing more than one-third of the total issued shares to attend the meeting after the second postponement, the chairperson will announce that the meeting fails to be convened for lack of quorum.

If the shareholders' meeting is held by video conferencing, the company shall also announce that the meeting fails to be convened for lack of quorum on the shareholder video conferencing platform.

If there are still not enough shareholders representing more than one-third of the total number of issued shares present after two delays as mentioned in the preceding paragraph, a tentative resolution may be made in accordance with the provision of Paragraph 1, Article 175 of the Company Act, and each shareholder shall be notified with the tentative resolution, and the shareholders' meeting shall be reconvened within one month. When the shareholders' meeting is held by video conferencing, shareholders who wish to attend the meeting by video conferencing shall re-register with the company in accordance with Article 6.

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

Article 10 (Discussion of motions)

If the shareholders' meeting is convened by the board of directors, the agenda will be set by the board of directors, and relevant motions (including extraordinary motions and amendments to the original proposal) shall be resolved by voting case by case, and the meeting shall be conducted according to the scheduled agenda and shall not be changed without the resolutions from the shareholders' meeting.

If the shareholders' meeting is convened by a person other than the board of directors who has the right to convene, the provisions of the preceding paragraph shall apply mutatis mutandis.

Before the end of the agenda (including extraordinary motions) scheduled in the previous two items, the chairperson shall not announce adjournment without a resolution. If the chairperson violates the rules of procedure and announces adjournment, other members of the board of directors shall promptly assist the attending shareholders to attend the shareholders' meeting according to legal procedure. With the consent of more than half of the voting rights of the attending shareholders, one person will be elected as the chairperson, and the meeting will continue.

The chairperson shall give full explanation and discussion opportunities to the motions and amendments or extraordinary motions proposed by shareholders, and may announce the cessation of discussions, put them up for voting, and arrange an appropriate time for voting when the chairperson thinks that the discussions have reached the level that can be voted on.

Article 11 (Speak of shareholders)

Before an attending shareholder speaks, he must first fill in a speech note to specify the main topic of the speech, the shareholder's account number (or attendance card number) and account name, and the chairperson will determine the order of his speech.

An attending shareholder who only submits a speech note but does not make a speech is deemed not to have spoken. If the content of the speech is inconsistent with that of the speech note, the content of the speech shall prevail.

Without the consent of the chairperson, each shareholder of the same proposal shall not speak twice or more and each speaking time shall not exceed five minutes. However, if the shareholder's speech violates the regulations or exceeds the scope of the topic, the chairman may stop him from speaking.

Unless otherwise agreed by the chairperson and the shareholder who is making the speech, other shareholders are not allowed to interfere with the speech made by an attending shareholder, and the chairperson shall stop anyone who violates this rule.

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

After the attending shareholder speaks, the chairperson may personally or appoint related personal to reply.

When the shareholders' meeting is held by video conferencing, the shareholders participating in the video conferencing may ask questions in text on the shareholder video conferencing platform after the chairperson announces the opening of the meeting and before announcing the adjournment of the meeting. The number of questions for

each proposal shall not exceed two. Each time is limited to 200 words, and the provisions of Items 1 to 5 do not apply mutatis mutandis.

If the question as mentioned in the preceding paragraph does not violate the regulations or exceed the scope of the proposal, it is advisable to disclose the question on the shareholders video conferencing platform for public awareness.

Article 12 (Calculation of voting shares, and avoidance system)

The votes of the shareholders' meeting shall be calculated based on shares.

For resolutions of the shareholders' meeting, the number of shares of non-voting shareholders shall not be included in the total number of issued shares.

If a shareholders having his own interests in the matters of the meeting that may harm the interests of the company shall not participate in the voting, and shall not exercise their voting rights on behalf of other shareholders.

The number of shares in which voting cannot be exercised as mentioned in the preceding paragraph shall not be included in the number of voting rights of the attending shareholders.

Except for trust enterprises or stock affairs agencies approved by the competent securities authority, when a person is entrusted by two or more shareholders at the same time, the number of voting rights of the agent shall not exceed 3% of the total number of issued shares. If the number of voting rights of the agent exceeds 3% of the total number of issued shares, such voting rights shall not be counted.

Article 13 (Motion voting, scrutiny and counting methods)

Each shareholder has one voting right per share; however, those who are restricted or have no voting rights as listed in Paragraph 2 of Article 179 of the Company Act are not subject to this restriction.

When convening a shareholders' meeting, the company shall adopt electronic means and may exercise its voting rights in writing; when the voting rights are exercised in writing or by electronic means, the exercise method shall be specified in the convening notice of the shareholders' meeting. Shareholders who exercise their voting rights in writing or by electronic means are deemed to be attending the shareholders' meeting in person. However, the extraordinary motions and amendments to the original motions of the shareholders' meeting are regarded as abstentions, so that the company should avoid proposing extraordinary motions and amendments to the original motions.

For those who exercise their voting rights in writing or by electronic means as mentioned in the preceding paragraph, the declaration of intent shall be delivered to the company two (2) days before the shareholders' meeting. In case of duplicate declarations of intent, the one served first shall prevail. However, this shall not apply to the declaration of intent before the declaration is revoked.

After shareholders exercise their voting rights in writing or by electronic means, if they wish to attend the shareholders' meeting in person, they shall revoke the declaration of intention to exercise voting rights as mentioned in the preceding paragraph in the same way as exercising the voting rights two (2) days before the shareholders' meeting. The voting rights exercised by means of voting shall prevail. If the voting rights are exercised

in writing or by electronic means and a power of attorney is authorized to attend the shareholders' meeting, the voting rights exercised by the authorized agent shall prevail. Unless otherwise stipulated in the Company Act and the company's Articles of Association, the voting on the proposals shall be passed with the consent of more than half of the voting rights of the attending shareholders. When voting, the chairperson or his designated person shall announce the total number of voting rights of the attending shareholders on a case-by-case basis, and the shareholders shall vote on a case-by-case basis. On the day immediately after the shareholders' meeting is held, the results of shareholders' approval, opposition or abstention shall be entered into the Public Information Observatory.

When there are amendments or alternatives to the same proposal, the chairperson shall determine the order of voting with the original proposal. If one of the proposals has been passed, the other proposals shall be deemed to be vetoed, and there is no need to vote again.

The scrutiny and counting personnel for voting on proposals shall be designated by the chairperson, but the scrutiny personnel must be a shareholder.

The voting of the shareholders' meeting and the vote counting operation shall be done in a public place at the venue of the shareholders' meeting, and after the vote counting operation is completed, the voting results including the weight of the count shall be announced on the spot and recorded.

If the company convenes a shareholders' meeting through video conferencing, after the chairperson announces the opening of the meeting, the shareholders participating in the video conferencing shall vote on various motions and election proposals through the shareholder video conferencing platform, and before the chairperson announces that the voting ends, those who overdue are deemed to be abstentions.

Shareholders' meetings held by video conferencing shall count the votes once after the chairperson announces the end of voting, and shall announce the voting and election results.

When the company convenes a video-assisted shareholders' meeting, the shareholders who have registered in the shareholders' meeting conducted through video conferencing in accordance with the provisions of Article 6 and wish to attend the physical shareholders' meeting in person shall cancel the registration in the same way two (2) days before the shareholders' meeting. If the cancellation is overdue, the shareholder can only participate in the shareholders' meeting through video conferencing.

Those who exercise their voting rights in writing or by electronic means without revoking their declaration of intention and participate in the shareholders' meeting through video conferencing, except for extraordinary motions, shall not exercise their voting rights on the original proposal, propose amendments to the original proposal, or exercise their voting rights on amendments to the original proposal.

Article 14 (Election matters)

When directors are elected in the shareholders' meeting, the election shall follow the relevant election rules stipulated by the company, and the election results including the

list of elected directors and their voting rights, and the list of unsuccessful directors and their voting rights shall be announced on the spot.

The ballot papers for the elections as mentioned in the preceding paragraph shall be sealed and signed by the poll inspectors, and shall be kept in a safe place for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the ballot papers shall be kept until the lawsuit is concluded.

Article 15 (Meeting minutes and signatures)

The resolutions of the shareholders' meeting shall be recorded in minutes, signed or stamped by the chairman, and distributed to all shareholders within twenty (20) days after the meeting. The minutes may be prepared and distributed in electronic form.

The above-mentioned resolutions may be distributed by entering them into the Public Information Observatory.

The minutes shall accurately record the year, month, day, venue, name of the chairperson, resolution method, outline of the proceedings and voting results (including statistical weights) of the meeting. When there is an election of directors, the votes of each candidate shall be disclosed. During the existence of the company, the minutes shall be kept permanently.

If the shareholders' meeting is convened by video conferencing, in addition to the items that should be recorded in accordance with the provisions of the preceding paragraph, the minutes shall also record the starting and ending time of the shareholders' meeting, the method of holding the meeting, the name of the chairperson and the situation and handling method of any natural disasters, accidents or other force majeure events that cause barriers of the shareholders video conferencing platform or the participation in video conferencing when they occur and how to deal with them.

When the company convenes the shareholders' meeting through video conferencing, in addition to following the provisions of the preceding paragraph, the company shall also state in the minutes of the meeting that there are alternative measures provided by shareholders who have difficulty participating in the shareholders' meeting through video conferencing.

Article 16 (External announcement)

The number of shares solicited by the solicitor, the number of shares represented by the authorized agent, and the number of shares attended by shareholders in writing or by electronic means, the company shall prepare a statistical table in accordance with the prescribed format on the date of the shareholders' meeting, and clearly disclose them in the shareholders' meeting; if the shareholders' meeting is convened by video conferencing, the company shall upload the above-mentioned information to the shareholder video conferencing platform at least thirty (30) minutes before the start of the meeting, and continue to disclose them until the end of the meeting.

When the company holds the shareholders' meeting through video conferencing and announce the opening of the meeting, the total number of shares of the attending shareholders shall be disclosed on the shareholder video conferencing platform. The

same is true, when the total number of shares and the total number of voting rights of the attending shareholders are counted during the meeting.

In the resolution of the shareholders' meeting, if there is any important information stipulated by laws and regulations of Taiwan Stock Exchange (TWSE) or Taipei Exchange (TPEX), the company shall post the content on the Public Information Observatory within the specified time.

Article 17 (Maintenance of order in the meeting venue)

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

The chairperson may direct the picket or security personnel to assist in maintaining order at the venue. When the picket or security personnel are present to assist in maintaining order, they shall wear an armband or identification card with the words "Picket".

If the meeting place is equipped with amplifying equipment, the chairperson may stop the shareholder from speaking with the equipment which is not equipped by the company.

The chairperson may command the pickets or security personnel to ask any shareholder who violates the rules of procedure and does not obey the chairperson to correct them, or obstruct the progress of the meeting and disobey advices to leave the meeting place.

Article 18 (Breaks and resumed meeting)

When the meeting is in progress, the chairperson may announce a break at a discretionary time. In force majeure events, the chairperson may decide to suspend the meeting temporarily and announce the time for the continuation of the meeting depending on the situation.

If the venue of the shareholder's meeting cannot be used anymore before the end of the agenda scheduled for the shareholders' meeting (including extraordinary motions), another venue may be found to continue the meeting with the resolution of the shareholders' meeting.

The shareholders' meeting may resolve to postpone or continue the meeting within five (5) days in accordance with Article 182 of the Company Act.

Article 19 (Disclosure of video conferencing information)

For the shareholders' meeting held by video conferencing, the company shall disclose the voting and election results immediately on the shareholder video conferencing platform and continue to disclose the voting and election results for at least fifteen minutes after the meeting is adjourned.

Article 20 (Location of chairperson and recording personnel of the shareholders' meeting held by video conferencing)

When the company convenes the shareholders' meeting through video conferencing, the chairperson and recording personnel shall be at the same location in the country, and the chairperson shall announce the address of the meeting location during the meeting.

Article 21 (Handling of disconnection)

If the shareholders' meeting is held by video conferencing, the company may provide shareholders with a simple online connection test before the meeting, and provide related services immediately before the meeting and during the meeting to assist dealing with technical problems in communications.

If the shareholders' meeting is held by video conferencing, the chairman shall, when announcing the opening of the meeting, separately announce that there is no need to postpone or continue the meeting except for the matters stipulated in Paragraph 24, Article 44 of the Regulations Governing the Administration of Shareholder Services of Public Companies. Before announcing the adjournment of the meeting, if a barrier to the shareholder video conferencing platform or participation in video conferencing occurs due to natural disasters, accidents or other force majeure events and lasts for more than thirty (30) minutes, the meeting shall be postponed or resumed within five (5) days, and the provisions of Article 182 of the Company Act does not apply.

For meetings that should be postponed or continued as mentioned in the preceding paragraph, Shareholders who have not registered to participate in the original shareholders' meeting through video-conferencing are not allowed participating in the postponed or continued meeting.

Shareholders who registered and completed check-in for the original meeting through video conferencing in accordance with the stipulation of Paragraph 2 and did not participate in the postponed or adjourned meeting shall be counted towards the total number of shares, voting rights, and election rights of the attending shareholders in the postponed or adjourned meeting.

When the shareholders' meeting is postponed or continued in accordance with the stipulation of Paragraph 2, there is no need to discuss and make a decision again on the proposals that have already been voted on, counted, and announced with their results or the elected list of directors and supervisors.

When the company convenes the video-assisted shareholders' meeting and cannot continue the meeting due to the event as mentioned in Paragraph 2, and the total number of shares present still meets the legal quota for holding the meeting after deducting the attendance of shareholders who attend by video conference, the shareholders meeting shall continue without postponing or resuming the meeting in accordance with the provisions of Paragraph 2.

In the event that the meeting shall continue as mentioned in the preceding paragraph, the number of shares held by the shareholders participating in the shareholders' meeting through video conferencing shall be counted towards the total number of shares. However, all agenda items for that particular shareholders' meeting shall be deemed as abstentions."

The company shall follow the procedures as stipulated in Paragraph 7 of Article 44-2 of the Regulations Governing the Administration of Shareholder Services of Public Companies when postponing or continuing the shareholders' meeting, and complete the necessary pre-operations according to the original meeting date and said provision.

During the periods specified in Paragraph 2 of Article 12, and Paragraph 3 of Article 13, of the Regulations Governing Proxy Voting at Shareholders' Meetings of Publicly-

Traded Companies, Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies”, the company shall postpone or continue the shareholder’s meeting on the date in accordance with the regulation of Paragraph 2.”

Article 22 (Handling of digital divide)

If the shareholders’ meeting is held by video conferencing, the company shall provide appropriate alternative measures to shareholders who have difficulty attending the shareholders’ meeting through video conferencing.

Article 23 These rules are implemented after the approval of the shareholders’ meeting, and the same applies to amendments.

These rules were formulated on June 17, 2013.

The first amendment was made on June 18, 2019.

The second amendment was made on June 9, 2010.

The third amendment was made on August 4, 2021.

The fourth amendment was made on June 23, 2022.

Shareholding of Directors

Closing date: April 23, 2023

Total number of issued shares: 287,288,149 shares

Statutory minimum number of shares held by all directors: 12,000,000 shares

Unit: share

Title	Name	No. of shares held on closing date as recorded in shareholder register	Shareholding ratio
Chairman	Chung, Jia-Cun	22,449,595	7.81%
Director	Kaohsiung Transportation Co., Ltd. Representative: Tse, An-Chi	47,117,572	16.40%
Director	Kaohsiung Transportation Co., Ltd. Representative: Chung, Yu-Lin		
Director	Kaohsiung Transportation Co., Ltd. Representative: Li, Tsung-Hsi		
Director	Kaohsiung Transportation Co., Ltd. Representative: Tseng, Yi-Nan		
Director	Kaohsiung Transportation Co., Ltd. Representative: Liao, Shun-Qing		
Director	Kaohsiung Transportation Co., Ltd. Representative: Vacant		
Director	Dong Cheng Investment Consulting Co., Ltd.	20,473,626	7.13%
Independent Director	Chang, Chih-Ming	10,854	0.00%
Independent Director	Hou Shu-Hui	0	0.00%
Independent Director	Tsai, Jia-Yu	0	0.00%
Total number of shares held by all directors:		90,051,647	31.34%