



Stock Code: 1506

Right Way Industrial Co., Ltd.

Handbook for the 2023 Annual Meeting of Shareholders

Date & Time: June 9, 2023 (Friday), 9:00AM

Address: No. 261, Nanmen Rd., Tainan City (The Labor Creation Center)

Method: Convened at the physical venue

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Right Way Industrial Co., Ltd.

2023 Annual General Meeting Agenda

Date & Time: June 9, 2023 (Friday), 9:00AM

Address: No. 261, Nanmen Rd., Tainan City (The Labor Creation Center)

Meeting Proceedings:

I. Call the meeting to order

II. Chairperson's speech

III. Report items

1. Report on the Company's 2022 business overview.
2. Audit Committee's review report on the 2022 financial statements.
3. Report on the Company's decision not to distribute directors' and employees' remuneration.
4. 2022 private placement of securities.

IV. Matters for Ratification:

1. Ratification of 2022 financial statements.
2. Ratification of 2022 earnings distribution plan.

V. Matters for Discussion:

1. Amendments to certain provisions of the Company's "Articles of Incorporation".

VI. Extemporaneous Motions

VII. Adjournment

【Matters to be Reported】

(I) The report on the Company's 2022 business overview is presented for resolution.

Description: The Company's 2022 business report (please refer to Attachment 1 on Page 5)

(II) The Audit Committee's review report on the 2022 financial statements is presented for resolution.

Description: Audit Committee's review report (please refer to Attachment 2 on Page 6)

(III) The report on the Company's decision not to distribute directors' and employees' remuneration is presented for resolution.

Description: The earnings gained this year are used to cover the accumulated from past years and, therefore, no directors' and employees' remuneration is distributed.

(IV) 2022 private placement of securities.

Description:

1. The Company's annual general meeting on June 20, 2022 has approved the private placement of common stock totaling 100,000 thousand shares.
2. The Company has offered 15,000 thousand shares, at the price of NT\$15 per share, in December 2022. The raised funds amounted to NT\$225,000 thousand. Meanwhile, the Company also offered 21,000 thousand shares, at the price of NT\$15 per share, in January 2023. The raised funds amounted to NT\$315,000 thousand.
3. The Company has completed the offering of 36,000 thousand shares in a private placement. The total amount was NT\$540,000 thousand which was used to increase the working capital. No offering of 64,000 thousand shares will be carried out during the residual period.
4. Expected benefit of the Company's fund utilization: Subject to the borrowing rate for the Company's existing facility, the Company may save NT\$13,500 thousand in 2023 and, therefore, may mitigate the Company's financial burden and improve its solvency adequately, and perfect the financial structure so as to benefit the Company's overall business development.

【Matters for Ratification】

I. Summary: The 2022 financial statements are presented for ratification. (Proposed by the Board of Directors)

Description:

1. The reviews of the CPAs and Audit Committee found no inconsistency existing in the 2022 financial statements.
2. The Company has prepared its 2022 business report (please refer to Attachment 1 on Page 5), financial statements (including consolidated financial statements) (please refer to Attachment 3 on Page 7) and earnings distribution plan (please refer to Attachment 4 on Page 27). Among them, the financial statements were already audited by Chi-Chen Lee, CPA and Chang-Chun Wu, CPA of Deloitte of Touche, who issued the external auditor's report accordingly.
3. Presented for ratification.

Resolution:

II. Summary: The 2022 earnings distribution plan is presented for ratification.

(Proposed by the Board of Directors)

Description:

1. The Company's 2022 net income totaled NT\$95,215 thousand. Combined with the losses to be covered from the beginning of the period and other comprehensive income adjustment, the ending accumulated losses to be covered totaled NT\$655,851 thousand.
2. The Company's 2022 earnings distribution plan (please refer to Attachment 4 on Page 27)
3. Presented for ratification.

Resolution:

【Matters for Discussion】

1. Summary: The amendments to certain provisions of the Company’s “Articles of Incorporation” is presented for discussion. (Proposed by the Board of Directors)

Description: In order to help the Company’s business development, the amendments to certain provisions of the “Articles of Incorporation” are proposed. For the cross reference table of the Articles before and after the amendments, please refer to Attachment 5 on Page 28.

Resolution:

【Extemporary Motions】

【Adjournment】

To All Shareholders:

Upon disposal of the investee in China which kept suffering losses in the past two years and integration of internal resources and cost controls in the parent company in Taiwan and subsidiary in Malaysia, and by timely increasing the selling price to reflect fluctuations in foreign exchange rates/price of raw materials and supplies, through the past two years, our gross profit margin has recovered reasonably. Therefore, we delivered the good results in 2022, with a net profit after tax amounting to NT\$92 million, growing from the previous year significantly.

Ta Cheng Steel Group joined the management team of Right Way Group in June 2022, in order to continue the development of Metal Business Dept. and implement the new business unit dedicated to system furniture. For the metal business, we will continue to focus on the development and marketing of aluminum forging and casting core products, and also improve our capacity in turnkey and integration to satisfy customers' needs for a "one-stop shopping service." Meanwhile, through planning in the past six months, the new business unit dedicated to system furniture has started the mass production step by step beginning in March 2023, targeting the domestic decoration market for the time being.

Looking forward to 2023, we believe that our metal business should be expected to grow and seek profit stably. Also, since the system furniture business joins us, we look forward to the further progress in the entire operating revenue and profitability.

Chairman: Hsieh Li-Yun



General Manager: Lo Shih-I



Accounting Manager:
Huang Chun-Ta



Right Way Industrial Co., Ltd.
Audit Committee Report

The Company's 2022 financial statements, which were already audited by Deloitte of Touche, earnings distribution plan and business report prepared and submitted by the Board of Directors have been audited by the Audit Committee. Based on the Audit Committee's review, it found no inconsistency existing in said financial statements, earnings distribution plan and business report. The Report is presented in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Please review it accordingly.

For

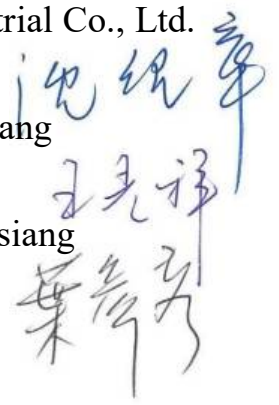
2023 Annual General Meeting of Right Way Industrial Co., Ltd.

Audit Committee of Right Way Industrial Co., Ltd.

Independent Director: Shen Ming-Chang

Independent Director: Wang Kuan-Hsiang

Independent Director: Yeh Yen-Hsiu



March 13, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
RIGHT WAY INDUSTRIAL CO., LTD.

Opinion

We have audited the accompanying consolidated financial statements of RIGHT WAY INDUSTRIAL CO., LTD. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the report of other auditors (please refer to the 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 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. The matter was 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 the matter.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is as follows:

Authenticity of Revenue Recognition

As stated in Notes 4 (1) and 22, the Group's primary source of revenue is the manufacturing and sale of engine parts, pistons, and forging parts of automobiles and motorcycles. Due to the needs of particular customers, the Group stored a portion of the inventory at the hub warehouse designated by the customers. Revenue recognition relies on the statements provided by the custodian of the hub warehouse, where the revenue is recognized once the customers pick the goods from the warehouse.

Since the Group does not directly manage the hub warehouse, the revenue recognition process usually involves manual work and significantly influences the financial reports. Therefore, the authenticity of revenue recognition from the hub warehouse is identified as a key audit matter.

Our audit procedures performed in respect of the above-mentioned key audit matter included the following:

1. We understood the design of the internal controls related to revenue from the hub warehouse and tested on a sample basis its operating effectiveness.
2. We obtained the bill of lading for the hub warehouse. To confirm the authenticity of the revenue, we sampled the revenue from the shipment of the hub warehouse and checked them against the corresponding documents. We also verified whether the recipient of the goods is the same as the payee.

Other Matter

We have also audited the Standalone financial statements of Right Way Industrial Co. Ltd. as of and for the years ended December 31, 2022, and 2021 on which the other auditor and we have issued an unmodified opinion with other matter paragraph.

Among the subsidiaries included in the consolidated financial statements of the Group, Right Way Industrial (Malaysia) Sdn. Bhd. was not audited by us but was audited by other auditors. Thus, our opinion, insofar as it relates to the amounts and related information included for this subsidiary, is based solely on the report of other auditors. The total assets of this subsidiary amounted to \$469,744 thousand as of December 31, 2022, accounting for 16.64% of total consolidated assets. Net sales revenue was \$140,504 thousand, accounting for 12.31% of the consolidated net sales revenue.

The consolidated financial statements of the Group for the year ended December 31, 2021 were audited by the other auditor who expressed an unmodified opinion with other matter paragraph on those statements on March 29, 2022.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 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 for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chi-Chen Lee and Chang-Chun Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 255,822	9	\$ 253,608	10
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 30)	-	-	65,184	3
Notes receivable (Notes 4, 9, and 22)	26,881	1	35,209	1
Accounts receivable, net (Notes 4, 9 and 22)	224,198	8	231,595	10
Other receivables (Notes 4 and 9)	17,897	1	54,302	2
Inventories (Notes 4 and 10)	430,448	15	415,832	17
Non-current assets held for sale (Note 11)	84,044	3	36,657	1
Other current financial assets - current (Note 32)	1,101	-	20,525	1
Other current assets (Note 16)	49,840	2	41,986	2
Total current assets	<u>1,090,231</u>	<u>39</u>	<u>1,154,898</u>	<u>47</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income-non-current (Notes 4, 8 and 30)	519,578	18	149,559	6
Investments accounted for using the equity method (Notes 4 and 13)	-	-	84,956	4
Property, plant and equipment (Notes 4, 14 and 32)	1,118,423	40	934,406	39
Right-of-use assets (Notes 4, 15 and 32)	-	-	4,295	-
Deferred tax assets (Notes 4 and 24)	82,336	3	96,066	4
Refundable deposits	433	-	3,986	-
Other non-current assets (Note 16)	11,872	-	3,997	-
Total non-current assets	<u>1,732,642</u>	<u>61</u>	<u>1,277,265</u>	<u>53</u>
TOTAL	<u>\$ 2,822,873</u>	<u>100</u>	<u>\$ 2,432,163</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 17, 28 and 32)	\$ 52,830	2	\$ 357,423	15
Accounts payable (Note 18)	151,727	5	135,601	5
Other payables (Notes 19 and 31)	113,692	4	118,694	5
Liabilities directly associated with disposal groups held for sale (Note 11)	-	-	91,965	4
Current portion of long-term borrowings (Notes 4, 17, 28 and 32)	6,529	-	54,553	2
Other current liabilities (Note 19)	12,574	1	21,624	1
Total current liabilities	<u>337,352</u>	<u>12</u>	<u>779,860</u>	<u>32</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4, 17, 28 and 32)	-	-	478,724	20
Deferred tax liabilities (Notes 4 and 24)	76,990	3	76,990	3
Net defined benefit liabilities - non-current (Notes 4 and 20)	7,744	-	11,000	-
Guarantee deposits	3	-	3	-
Total non-current liabilities	<u>84,737</u>	<u>3</u>	<u>566,717</u>	<u>23</u>
Total liabilities	<u>422,089</u>	<u>15</u>	<u>1,346,577</u>	<u>55</u>
EQUITY ATTRIBUTED TO OWNERS OF THE COMPANY (Note 21)				
Ordinary shares	2,787,768	99	1,791,618	74
Advance receipts for ordinary shares	110	-	-	-
Total share capital	<u>2,787,878</u>	<u>99</u>	<u>1,791,618</u>	<u>74</u>
Capital surplus	317,088	11	130,134	5
Accumulated deficit	(655,851)	(23)	(750,756)	(31)
Other equity	(117,142)	(4)	(137,346)	(5)
Total equity attributable to owners of the Company	<u>2,331,973</u>	<u>83</u>	<u>1,033,650</u>	<u>43</u>
NON-CONTROLLING INTERESTS (Note 21)	<u>68,811</u>	<u>2</u>	<u>51,936</u>	<u>2</u>
Total equity	<u>2,400,784</u>	<u>85</u>	<u>1,085,586</u>	<u>45</u>
TOTAL	<u>\$ 2,822,873</u>	<u>100</u>	<u>\$ 2,432,163</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 13, 2023)

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 22)	\$ 1,141,618	100	\$ 1,064,137	100
OPERATING COSTS (Notes 10, 23 and 31)	<u>939,000</u>	<u>82</u>	<u>910,112</u>	<u>86</u>
GROSS PROFIT	<u>202,618</u>	<u>18</u>	<u>154,025</u>	<u>14</u>
OPERATING EXPENSES (Notes 4, 9 and 23)				
Selling and marketing expenses	33,709	3	32,977	3
General and administrative expenses	135,574	12	117,803	11
Research and development expenses	18,086	2	27,957	3
Expected credit loss (gain)	<u>(1,231)</u>	<u>-</u>	<u>5,981</u>	<u>-</u>
Total operating expenses	<u>186,138</u>	<u>17</u>	<u>184,718</u>	<u>17</u>
PROFIT (LOSS) FROM OPERATIONS	<u>16,480</u>	<u>1</u>	<u>(30,693)</u>	<u>(3)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 13, 23, and 31)				
Interest income	2,215	-	591	-
Other income	38,444	4	146,378	13
Other gains and losses	59,669	5	(54,254)	(5)
Finance costs	(11,349)	(1)	(22,765)	(2)
Share of profit of associates	<u>(2,155)</u>	<u>-</u>	<u>(1,224)</u>	<u>-</u>
Total non-operating expenses	<u>86,824</u>	<u>8</u>	<u>68,726</u>	<u>6</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	103,304	9	38,033	3
INCOME TAX EXPENSE (Notes 4 and 24)	<u>11,389</u>	<u>1</u>	<u>2,934</u>	<u>-</u>
NET PROFIT FROM CONTINUING OPERATIONS	<u>91,915</u>	<u>8</u>	<u>35,099</u>	<u>3</u>
NET PROFIT FROM DISCONTINUED OPERATIONS	<u>-</u>	<u>-</u>	<u>13,948</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>91,915</u>	<u>8</u>	<u>49,047</u>	<u>5</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 21 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	9,485	1	-	-
Remeasurement of defined benefit plans	(984)	-	(501)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>197</u>	<u>-</u>	<u>100</u>	<u>-</u>
	<u>8,698</u>	<u>1</u>	<u>(401)</u>	<u>-</u>

(Continued)

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ 16,947	1	\$ (19,790)	(2)
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(2,799)</u>	<u>-</u>	<u>3,272</u>	<u>-</u>
	<u>14,148</u>	<u>1</u>	<u>(16,518)</u>	<u>(2)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>22,846</u>	<u>2</u>	<u>(16,919)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 114,761</u>	<u>10</u>	<u>\$ 32,128</u>	<u>3</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 95,215	8	\$ 42,881	4
Non-controlling interests	<u>(3,300)</u>	<u>-</u>	<u>6,166</u>	<u>1</u>
	<u>\$ 91,915</u>	<u>8</u>	<u>\$ 49,047</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owner(s) of the Company	\$ 115,109	10	\$ 29,395	3
Non-controlling interests	<u>(348)</u>	<u>-</u>	<u>2,733</u>	<u>-</u>
	<u>\$ 114,761</u>	<u>10</u>	<u>\$ 32,128</u>	<u>3</u>
EARNINGS PER SHARE (Note 25)				
From continuing and discontinued operations				
Basic	<u>\$ 0.43</u>		<u>\$ 0.26</u>	
Diluted	<u>\$ 0.43</u>		<u>\$ 0.26</u>	
From continuing operations				
Basic	<u>\$ 0.43</u>		<u>\$ 0.21</u>	
Diluted	<u>\$ 0.43</u>		<u>\$ 0.21</u>	

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

(With Deloitte & Touche auditors' report dated March 13, 2023)

(Concluded)

RIGHT WAY INDUSTRIAL CO., LTD.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)**

	Equity Attributable to Owner of the Company								
	Share Capital			Other Equity			Total	Non-controlling Interests	Total Equity
	Ordinary Shares	Advance Receipts	Capital Surplus	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
BALANCE AT JANUARY 1, 2021	\$ 1,631,618	\$ -	\$ 139,516	\$ (793,236)	\$ (124,261)	\$ -	\$ 853,637	\$ 49,203	\$ 902,840
Issuance of ordinary shares for cash (Note 21)	160,000	-	(12,160)	-	-	-	147,840	-	147,840
Compensation cost of employee share options (Note 26)	-	-	2,778	-	-	-	2,778	-	2,778
Net profit for the year ended December 31, 2021	-	-	-	42,881	-	-	42,881	6,166	49,047
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	(401)	(13,085)	-	(13,486)	(3,433)	(16,919)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	42,480	(13,085)	-	29,395	2,733	32,128
BALANCE AT DECEMBER 31, 2021	1,791,618	-	130,134	(750,756)	(137,346)	-	1,033,650	51,936	1,085,586
Issuance of ordinary shares for cash	990,000	-	185,880	-	-	-	1,175,880	-	1,175,880
Issuance of employee share options (Note 26)	6,150	110	2,191	-	-	-	8,341	-	8,451
Disposal of subsidiaries (Note 27)	-	-	-	-	-	-	-	17,223	17,223
Net profit for the year ended December 31, 2022	-	-	-	95,215	-	-	95,215	(3,300)	91,915
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	(787)	11,196	9,485	19,894	2,952	22,846
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	94,428	11,196	9,485	115,109	(348)	114,761
Disposal of financial assets at fair value through other comprehensive income (Note 8)	-	-	-	477	-	(477)	-	-	-
Compensation cost of employee share options (Note 26)	-	-	(1,117)	-	-	-	(1,117)	-	(1,117)
BALANCE AT DECEMBER 31, 2022	\$ 2,787,768	\$ 110	\$ 317,088	\$ (655,851)	\$ (126,150)	\$ 9,008	\$ 2,331,863	\$ 68,811	\$ 2,400,784

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

(With Deloitte & Touche auditors' report dated March 13, 2023)

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	\$ 103,304	\$ 38,033
Income before income tax from discontinued operations	-	13,948
Income before income tax	103,304	51,981
Adjustments for:		
Depreciation expenses	59,515	92,446
Amortization expenses	-	3,255
Expected credit loss (gain) recognized on trade receivables	(1,231)	5,981
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(14,234)	15,858
Finance costs	11,349	22,765
Interest income	(2,215)	(591)
Compensation cost of employee share options	(1,117)	2,778
Share of profit of associates	2,155	1,224
Loss (gain) on disposal of property, plant and equipment	30,844	(416)
Gain on disposal of subsidiaries	(59,710)	-
Gain on derecognized non-current assets held for sell groups	(37,774)	-
Impairment loss on property, plant, equipment	1,875	18,704
Impairment loss on intangible assets	-	4,497
Write-down of inventories	8,245	8,549
Gain on lease modifications	-	(7,327)
Changes in operating assets and liabilities:		
Notes receivable	8,328	(24,054)
Accounts receivable	(3,679)	(47,725)
Other receivables	35,040	(10,321)
Inventories	(50,730)	(13,046)
Other current assets	(8,615)	32,773
Notes payable	-	(599)
Accounts payable	16,406	35,907
Other payables	(4,173)	32,396
Other current liabilities	(8,878)	(484)
Net defined benefit obligation	(4,240)	(4,882)
Cash generated from operations	80,465	219,669
Interest received	2,215	591
Interest paid	(11,349)	(22,765)
Income tax paid	(154)	(456)
Net cash generated from operating activities	71,177	197,039
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(434,511)	(149,559)
Purchases of financial assets at fair value through profit or loss	(10,619)	(43,670)
Proceeds from sale of financial assets at fair value through other comprehensive income	73,977	-
Proceeds from sale of financial assets at fair value through profit or loss	90,037	29,253
Proceeds from disposal of subsidiaries	276,438	-

(Continued)

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Acquisition property, plant and equipment	\$ (463,332)	\$ (71,676)
Proceeds from disposal of property, plant and equipment	44,858	1,124
Decrease in other receivables	-	67,721
Increase in other receivables due from related parties	-	(11,592)
Increase in other financial assets	-	(4,564)
Decrease in other financial assets	18,863	-
Decrease in other non-current assets	<u>(34)</u>	<u>1,406</u>
Net cash used in investing activities	<u>(404,323)</u>	<u>(181,557)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	(308,832)	(92,824)
Proceeds from long-term debt	230,000	150,000
Repayments of long-term debt	(757,220)	(63,705)
Increase in other payables to related parties	-	11,592
Decrease in other payables to related parties	(11,598)	-
Repayments of lease liabilities	-	(448)
Decrease in long-term notes and bills payable	-	(14,580)
Proceeds from issuing shares	<u>1,184,331</u>	<u>147,840</u>
Net cash generated from financing activities	<u>336,681</u>	<u>137,875</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(1,321)</u>	<u>(10,340)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,214	143,017
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>253,608</u>	<u>111,044</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 255,822</u>	<u>\$ 254,061</u>
Cash and cash equivalents reported in the statement of financial position	\$ 255,822	\$ 253,608
Non-current assets (or disposal groups) classified as held for distribution to owners	<u>-</u>	<u>453</u>
Cash and cash equivalents at the end of the year	<u>\$ 255,822</u>	<u>\$ 254,061</u>

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

(With Deloitte & Touche auditors' report dated March 13, 2023)

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
RIGHT WAY INDUSTRIAL CO., LTD.

Opinion

We have audited the accompanying standalone financial statements of RIGHT WAY INDUSTRIAL CO., LTD. (the "Company"), which comprise the standalone balance sheets as of December 31, 2022, and the standalone statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the standalone financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to the Other Matter paragraph) the accompanying standalone financial statements present fairly, in all material respects, the standalone financial position of the Company as of December 31, 2022, and its standalone financial performance and its standalone cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the standalone financial statements for the year ended December 31, 2022. The matter was addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

The key audit matter of the Company's standalone financial statements for the year ended December 31, 2022 is as follows:

Authenticity of Revenue Recognition

As stated in Notes 4 (k) and 20, the Company's primary source of revenue is the manufacturing and sale of engine parts, pistons, and forging parts of automobiles and motorcycles. Due to the needs of particular customers, the Company stored portion of the inventory at the hub warehouse designated by the customers. Revenue recognition relies on the statements provided by the custodian of the hub warehouse, where the revenue is recognized once the customers pick the goods from the warehouse.

Since the Company does not directly manage the hub warehouse, the revenue recognition process usually involves manual work and significantly influences the financial reports. Therefore, the authenticity of revenue recognition from the hub warehouse is identified as a key audit matter.

Our audit procedures performed in respect of the above-mentioned key audit matter included the following:

1. We understood the design of the internal controls related to revenue from the hub warehouse and tested on a sample basis its operating effectiveness.
2. We obtained the bill of lading for the hub warehouse. To confirm the authenticity of the revenue, we sampled the revenue from the shipment of the hub warehouse and checked them against the corresponding documents. We also verified whether the recipient of the goods is the same as the payee.

Other Matter

Among the subsidiaries included in the standalone financial statements of the Company, some subsidiaries classified as investments accounted for using the equity method were not audited by us but were audited by other auditors. Thus, our opinion, insofar as it relates to the amounts of investments accounted for using the equity method and other comprehensive income included in the financial statements for these investees, is based solely on the reports of other auditors. The balance of investments accounted for using the equity method of the aforementioned investees was NT\$262,382 thousand, representing 9.81% of the Company's total assets as of December 31, 2022. The other comprehensive loss of the aforementioned investees was NT\$(21,525) thousand, representing (18.70)% of the Company's total comprehensive income for the year ended December 31, 2022.

The standalone financial statements of the Company for the year ended December 31, 2021 were audited by the other auditor who expressed an unmodified opinion with other matter paragraph on those statements on March 29, 2022.

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

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

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in 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 standalone financial statements.

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

1. Identify and assess the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 entities or business activities within the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision, and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

safeguards.

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

The engagement partners on the audits resulting in this independent auditors' report are Chi-Chen Lee and Chang-Chun Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2023

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with 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 financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

RIGHT WAY INDUSTRIAL CO., LTD.

STANDALONE BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 228,096	9	\$ 182,499	9
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	-	-	65,184	3
Notes receivable (Notes 4, 9 and 20)	26,881	1	29,836	1
Accounts receivable, net (Notes 4, 9 and 20)	164,390	6	147,424	7
Accounts receivable due from related parties, net (Notes 4, 9, 20 and 28)	11,411	-	15,522	1
Other receivables (Notes 4 and 9)	860	-	30,941	1
Other receivables due from related parties (Notes 4, 9 and 28)	66,391	3	59,091	3
Current tax assets (Notes 4 and 22)	76	-	-	-
Current inventories (Notes 4 and 10)	297,914	11	218,567	11
Other current financial assets (Note 29)	1,101	-	20,525	1
Other current assets (Note 14)	32,576	1	17,348	1
Total current assets	829,696	31	786,937	38
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	519,578	19	149,559	7
Investments accounted for using the equity method (Notes 4 and 11)	351,972	13	507,768	25
Property, plant and equipment (Notes 4, 12 and 29)	878,273	33	525,024	25
Deferred tax assets (Notes 4 and 22)	82,336	3	96,066	5
Other non-current assets (Note 14)	12,306	1	4,748	-
Total non-current assets	1,844,465	69	1,283,165	62
TOTAL	\$ 2,674,161	100	\$ 2,070,102	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 15, 25 and 29)	\$ -	-	\$ 219,960	11
Accounts payable (Note 16)	97,624	4	83,773	4
Accounts payable to related parties (Note 28)	37,259	1	30,185	1
Other payables (Note 17)	108,598	4	85,743	4
Current portion of long-term borrowings (Notes 15, 25 and 29)	-	-	47,000	2
Other current liabilities (Notes 17 and 20)	13,970	1	9,798	1
Total current liabilities	257,451	10	476,459	23
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 15, 25 and 29)	-	-	472,000	23
Deferred tax liabilities (Notes 4 and 22)	76,990	3	76,990	4
Net defined benefit liability - non-current (Notes 4 and 18)	7,744	-	11,000	-
Guarantee deposits received	3	-	3	-
Total non-current liabilities	84,737	3	559,993	27
Total liabilities	342,188	13	1,036,452	50
EQUITY ATTRIBUTED TO OWNERS OF THE COMPANY (Note 19)				
Ordinary shares	2,787,768	104	1,791,618	87
Advance receipts for ordinary shares	110	-	-	-
Total share capital	2,787,878	104	1,791,618	87
Capital surplus	317,088	12	130,134	6
Accumulated deficit	(655,851)	(25)	(750,756)	(36)
Other equity	(117,142)	(4)	(137,346)	(7)
Total equity attributable to owners of the Company	2,331,973	87	1,033,650	50
TOTAL	\$ 2,674,161	100	\$ 2,070,102	100

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

(With Deloitte & Touche auditors' report dated March 13, 2023)

RIGHT WAY INDUSTRIAL CO., LTD.

STANDALONE STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 20 and 28)	\$ 921,898	100	\$ 831,065	100
OPERATING COSTS (Notes 10, 21 and 28)	<u>728,997</u>	<u>79</u>	<u>697,332</u>	<u>84</u>
GROSS PROFIT	<u>192,901</u>	<u>21</u>	<u>133,733</u>	<u>16</u>
UNREALIZED PROFIT FROM SALES	-	-	(49)	-
REALIZED PROFIT FROM SALES	<u>49</u>	<u>-</u>	<u>1,369</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>192,950</u>	<u>21</u>	<u>135,053</u>	<u>16</u>
OPERATING EXPENSES (Notes 9, 21, and 28)				
Selling and marketing expenses	17,059	2	16,708	2
General and administrative expenses	104,642	12	78,840	10
Research and development expenses	12,230	1	10,164	1
Expected credit loss (gain)	<u>490</u>	<u>-</u>	<u>(721)</u>	<u>-</u>
Total operating expenses	<u>134,421</u>	<u>15</u>	<u>104,991</u>	<u>13</u>
PROFIT FROM OPERATIONS	<u>58,529</u>	<u>6</u>	<u>30,062</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 28)				
Interest income	3,859	-	1,813	-
Other income	24,459	3	133,691	16
Other gains and losses	10,134	1	(36,950)	(4)
Finance costs	(7,362)	(1)	(14,668)	(2)
Share of profit or loss of subsidiaries and associates	<u>16,961</u>	<u>2</u>	<u>(68,191)</u>	<u>(8)</u>
Total non-operating expenses	<u>48,051</u>	<u>5</u>	<u>15,695</u>	<u>2</u>
INCOME BEFORE INCOME TAX	106,580	11	45,757	5
INCOME TAX EXPENSE (Notes 4 and 22)	<u>11,365</u>	<u>1</u>	<u>2,876</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>95,215</u>	<u>10</u>	<u>42,881</u>	<u>5</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 19 and 22)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(984)	-	(501)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	9,485	1	-	-

(Continued)

RIGHT WAY INDUSTRIAL CO., LTD.

STANDALONE STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Income tax related to items that will not be reclassified subsequently to profit or loss	\$ <u>197</u>	<u>-</u>	\$ <u>100</u>	<u>-</u>
	<u>8,698</u>	<u>1</u>	<u>(401)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating of the financial statement of foreign operations	13,995	1	(16,357)	(2)
Income tax related to items may be reclassified subsequently to profit or loss	<u>(2,799)</u>	<u>-</u>	<u>3,272</u>	<u>1</u>
	<u>11,196</u>	<u>1</u>	<u>(13,085)</u>	<u>(1)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>19,894</u>	<u>2</u>	<u>(13,486)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 115,109</u>	<u>12</u>	<u>\$ 29,395</u>	<u>4</u>
EARNINGS PER SHARE (New Taiwan Dollars; Note 23)				
Basic	\$ 0.43		\$ 0.26	
Diluted	0.43		0.26	

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

(With Deloitte & Touche auditors' report dated March 13, 2023)

(Concluded)

RIGHT WAY INDUSTRIAL CO., LTD.

**STANDALONE STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owner of the Company						Total Equity
	Share Capital			Unappropriated Earnings	Other Equity		
	Ordinary Shares	Advance Receipts	Capital Surplus		Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2021	\$ 1,631,618	\$ -	\$ 139,516	\$ (793,236)	\$ (124,261)	\$ -	\$ 853,637
Issuance of ordinary shares for cash (Note 19)	160,000	-	(12,160)	-	-	-	147,840
Net profit for the year ended December 31, 2021	-	-	-	42,881	-	-	42,881
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	(401)	(13,085)	-	(13,486)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	42,480	(13,085)	-	29,395
Compensation cost of employee share options (Note 24)	-	-	2,778	-	-	-	2,778
BALANCE AT DECEMBER 31, 2021	1,791,618	-	130,134	(750,756)	(137,346)	-	1,033,650
Issuance of ordinary shares for cash (Note 19)	990,000	-	185,880	-	-	-	1,175,880
Issuance of employee share options (Note 19)	6,150	110	2,191	-	-	-	8,451
Net profit for the year ended December 31, 2022	-	-	-	95,215	-	-	95,215
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	(787)	11,196	9,485	19,894
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	94,428	11,196	9,485	115,109
Disposal of financial assets at fair value through other comprehensive income (Note 8)	-	-	-	477	-	(477)	-
Compensation cost of employee share options (Note 24)	-	-	(1,117)	-	-	-	(1,117)
BALANCE AT DECEMBER 31, 2022	\$ 2,787,768	\$ 110	\$ 317,088	\$ (655,851)	\$ (126,150)	\$ 9,008	\$ 2,331,973

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

(With Deloitte & Touche auditors' report dated March 13, 2023)

RIGHT WAY INDUSTRIAL CO., LTD.

STANDALONE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 106,580	\$ 45,757
Adjustments for:		
Depreciation expenses	30,230	38,960
Expected credit loss recognized (reversed) on trade receivables	490	(721)
Net loss (gain) on financial assets at fair value through profit or loss	(14,234)	15,858
Finance costs	7,362	14,668
Interest income	(3,859)	(1,813)
Compensation cost of employee share options	(1,117)	2,778
Share of loss (profit) of subsidiaries and associates	(16,961)	68,191
Loss (gain) on disposal of property, plant and equipment	22,220	(539)
Loss on disposal of subsidiaries	28	-
Impairment loss on property, plant and equipment	1,875	-
Unrealized gain on the transaction with subsidiaries	-	49
Realized gain on the transaction with subsidiaries	(49)	(1,369)
Net loss on foreign currency exchange	-	3
Gain on lease modifications	-	29
Changes in operating assets and liabilities:		
Notes receivable	2,955	(18,681)
Accounts receivable (including related parties)	(13,345)	(28,161)
Other receivables (including related parties)	22,778	(29,225)
Inventories	(79,348)	(45,728)
Other current assets	(15,228)	20,600
Notes payable	-	(599)
Accounts payable (including related parties)	20,925	34,544
Other payables	9,416	11,590
Other current liabilities	4,172	(8,414)
Net defined benefit liabilities	(4,240)	(4,882)
Cash generated from operations	80,650	112,895
Interest received	3,859	1,813
Interest paid	(7,362)	(14,668)
Income tax paid	(309)	(155)
Net cash generated from operating activities	<u>76,838</u>	<u>99,885</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(434,511)	(149,559)
Proceeds from sale of financial assets at fair value through other comprehensive income	73,977	-
Purchase of financial assets at fair value through profit or loss	(10,619)	(43,670)
Proceeds from sale of financial assets at fair value through profit or loss	90,037	29,253
Proceeds from disposal of subsidiaries	186,773	-
Payments for property, plant and equipment	(440,273)	(7,282)

(Continued)

RIGHT WAY INDUSTRIAL CO., LTD.

STANDALONE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Proceeds from disposal of property, plant and equipment	\$ 38,218	\$ 952
Decrease in other receivables (including related parties)	-	52,341
Increase in other financial assets	-	(6,778)
Decrease in other financial assets	19,820	-
Increase in other non-current assets	<u>(34)</u>	<u>-</u>
Net cash used in investing activities	<u>(476,612)</u>	<u>(124,743)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	(219,960)	(71,429)
Proceeds from long-term debt	230,000	150,000
Repayments of long-term debt	(749,000)	(47,000)
Repayment of lease liabilities	-	(448)
Decrease in long-term notes payable	-	(14,580)
Proceeds from issuing shares	<u>1,184,331</u>	<u>147,840</u>
Net cash generated from financing activities	<u>445,371</u>	<u>164,383</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	45,597	139,525
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>182,499</u>	<u>42,974</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 228,096</u>	<u>\$ 182,499</u>

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

(With Deloitte & Touche auditors' report dated March 13, 2023)

(Concluded)

Right Way Industrial Co., Ltd.

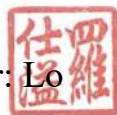
Earnings Distribution Plan

Items	Amount (NT\$ Thousand)
Beginning losses to be covered	(750,756)
Net income	95,215
Other comprehensive income adjustment	(310)
Ending losses to be covered	<u>(655,851)</u>

Chairman: Hsieh Li-Yun



General Manager: Lo



Shih-I

Accounting Manage



Huang Chun-Ta

Articles of Incorporation of Right Way Industrial Co., Ltd.

Chapter 1 General Provisions

Article 1: The Company is incorporated in accordance with the provisions on companies limited by shares under the Company Act and named Right Way Industrial Co., Ltd.

Article 2: The Company's business lines are stated as follows:

1. CA02080 Metal Forging
2. CA02990 Other Metal Products Manufacturing
3. CA04010 Surface Treatments
4. CB01010 Mechanical Equipment Manufacturing
5. CB01990 Other Machinery Manufacturing
6. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
7. CD01030 Motor Vehicles and Parts Manufacturing
8. CD01040 Motorcycles and Parts Manufacturing
9. CD01050 Bicycles and Parts Manufacturing
10. CQ01010 Mold and Die Manufacturing
11. F106010 Wholesale of Hardware
12. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
13. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: The Company's total investment may be exempted from the restriction of no more than 40% of the paid-in capital.

Article 3: The Company's headquarters is located in Tainan City. The Company may set up branch companies in Taiwan or abroad subject to resolutions by the Board of Directors.

Article 4: The Company shall make announcements, if any, in a prominent position in the daily news circulated in the jurisdiction where the Company is situated.

Chapter 2 Shares

Article 5: The Company's authorized total capital is NT\$5 billion, which is divided into 500 million shares (including 2.3 million shares to which may be subscribed through the exercise of employee stock options) at a par value of NT\$10 per share, and the Board of Directors is authorized to issue the shares in tranches, if necessary. Notwithstanding, the total employee stock warrants issued actually shall satisfy the laws and regulations governing the issuance of securities and never exceed the statutory percentage of such warrants in the total number of issued shares.

The Company's issuance of employee stock warrants at the subscription price lower than the closing price of the Company's common stocks prevailing on the date of issuance, if any, shall be subject to approval by more than two-thirds of the shareholders present at a shareholders' meeting attended by the shareholders representing more than a majority of the total outstanding shares. The same may be completed in tranches within one year upon approval.

Article 6: The share certificates of the Company shall be registered, and bear the signatures or seals of directors representing the Company and may only be issued subject to certification pursuant to laws. The Company may issue shares exempted from the requirements on the printing of stock certificates, and shall register the shares with a centralized securities depository institution.

Article 7: The transfer registration, loss, damage, split, consolidation and exchange of the stocks, or creation of pledge thereof shall be handled in accordance with the Company Act and related laws & regulations. TDCC may apply for consolidation and conversion to large-denomination stocks.

Article 8: The Company may invite foreigners or overseas Chinese to invest in the Company.

Article 9: Shareholders shall complete their certificates of specimen seal and record the same at the Company to handle the shareholders service and exercise of stock options. The creation of certificate of specimen seal, and abolishment, update, loss and damage of the original specimen seal shall be handled in accordance with related laws and regulations.

Article 10: The registration of changes in the roster of shareholders, if any, shall be suspended within 60 days before an annual general meeting, within 30 days

before a special shareholders' meeting, or within 5 days before the record date decided by the Company for distribution of dividends and bonuses or other benefits.

Article 11: Printing fees and stamp duty may be collected, in the case of replacement for and re-issuance of new stocks.

Chapter 3 Shareholder Meeting

Article 12: The shareholders' meeting is classified into two types, the annual general meeting and the special shareholders' meeting.

Article 13: The annual general meeting shall be convened by the Board of Directors at least once per year and within six months after the end of each fiscal year. A special shareholders' meeting shall be convened according to laws whenever necessary.

Article 13-1: The shareholders' meetings can be held by means of visual communication network or by any other methods promulgated by the Ministry of Economic Affairs.

Article 14: A meeting notice shall be given before 30 days in the case of an annual general meeting, and before 15 days in the case of a special shareholders' meeting.

Article 15: Any shareholder who is unable to attend a shareholders' meeting with causes may appoint one proxy to attend the meeting on behalf of him/her by personally presenting a power of attorney indicating the scope of power as printed by the Company. However, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 16: Shareholders' meetings shall be presided over by the Chairman. In the case that the Chairman is absent for any cause, he/she shall appoint one director to act on behalf of him/her in accordance with Article 208 of the Company Act.

Article 17: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority of voting rights of the shareholders present, who represent a majority of the total outstanding shares.

The Company shall adopt the exercise of voting rights by correspondence or electronic means pursuant to laws. When voting rights are exercised by

correspondence or electronic means, the method shall be specified in the shareholders' meeting notice.

Article 18: A shareholder shall be entitled to one vote for each share held, except when the shares are RSAs or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.

Chapter 4 Directors and Audit Committee

Article 19: The Company shall appoint 9~13 directors who are elected from the list of candidates at a shareholders' meeting via a candidate nomination system, shall serve the term of office for 3 years, and may be eligible for re-election. The total shares of registered stocks to be held by the whole directors shall be governed by the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" promulgated by the competent authority."

Article 19-1: In response to the Securities and Exchange Act, among said directors, there should be no less than three independent directors (at least one of them shall have the expertise in accounting or finance) who shall be no less than one-fifth of the total number of directors. The professional qualifications, number of shares held, restrictions on concurrent positions, methods of nomination and election, and other compliance matters with respect to the independent directors, shall comply with the related requirements posed by the competent authority. The Company establishes the Audit Committee, which consists of all independent directors, in accordance with the Securities and Exchange Act. The composition, powers, parliamentary rules and other compliance matters of the Company's Audit Committee shall comply with the related requirements posed by the competent authority in charge of securities.

Article 20: The Board of Directors shall consist of the Company's directors. The Chairman and Vice Chairman shall be elected among and from the directors. The Chairman and Vice Chairman shall execute the Company's business in accordance with laws, the Articles of Incorporation, and resolutions of shareholders' meetings and Board of Directors' meetings

Article 21: The Board of Directors shall meet at least once per quarter. Directors who attend the meetings by means of visual communication network shall be deemed to be attending the meetings in person.

The Board of Directors' meeting shall be presided over by the Chairman. Where the Chairman is absent with cause, a deputy shall be designated in the manner referred to in Article 208 of the Company Act.

If a director cannot attend the meeting for some reason, they may appoint another director to attend the meeting on their behalf.

A director may accept the appointment to act as the proxy of one other director only.

Article 22: The notice for a meeting of the Board of Directors shall set forth the causes thereof and be sent to each director within 7 days prior to the meeting, provided that the meeting may be convened at any time, in the case of emergencies. The notice referred to in the preceding paragraph may be sent in writing or via email or fax.

Article 23: Directors shall exercise their powers per the resolutions adopted by the Board of Directors and shareholders' meetings, and any other laws and regulations.

Article 24: All of the Company's businesses shall be subject to the resolution given by the Board of Directors. The resolutions shall, unless otherwise provided for in the Company Act, be adopted subject to approval by a majority of the directors present at the meeting attended by a majority of the total directors.

Article 25: The Board of Directors is authorized to decide the remuneration to directors subject to their engagement in the Company's operation and value of their contribution to the Company's operation, and in reference to the rate generally adopted by the peers in the same industry.

The Company's Board of Directors may, based on the business operations, establish the Remuneration Committee or other functional committees.

Article 26: The Company may maintain the liability insurance for directors, in order to mitigate and disperse the risk over significant damages caused by decisions to the Company and shareholders.

Chapter 5 Managerial officers and Consultants

Article 27: The Company shall appoint managerial officers. The appointment and dismissal thereof and remuneration to them shall be governed by Article 29 of the Company Act.

Article 28: The Company may retain several consultants per resolution of the Board of

Directors.

Chapter 6 Accounting

Article 29: The Company's fiscal year commences from January 1 to December 31 of each year. The financial accounts shall be prepared at the end of each year.

Article 30: At the end of each fiscal year of the Company, the Board of Directors shall prepare the following documents and submit them to the Audit Committee for countersignature or have them audited by the CPAs retained by the Audit Committee within 30 days before the date of the annual general meeting, and then for ratification by the annual general meeting.

I. Business report. II. Financial statements. III. Motions for earnings distribution or loss compensation.

Article 31: Subject to the profit sought for the current year, the Company shall allocate 0.1%~3% of the profit as the remuneration to employees. The Board of Directors may resolve to distribute the remuneration in the form of stock or in cash, and the recipients of such stock dividends or cash dividends shall include employees of associated companies that meet certain conditions. The Company may have its Board of Directors resolve to allocate no more than 1.5% of said profit as the remuneration to directors. The proposals for distribution of the remuneration to employees and directors shall be reported to a shareholders' meeting, provided that the profit must first be taken to offset against the Company's cumulative losses, if any, and then the remuneration to employees and directors may be allocated subject to the proportions referred to in the preceding paragraph.

Article 31-1: If there is a surplus after account settlement of the fiscal year, the Company shall pay applicable taxes pursuant to laws and make up for any accumulated losses, followed by the allocation of 10% of the remainder as legal reserve, unless such legal reserve amounts to the paid-in capital, and the remainder, if any, is appropriated for special reserve or reversed as special reserve. If there is still a balance, it will be pooled up with the undistributed earnings carried forward from previous years for distribution as shareholder dividends and bonuses under a proposal prepared by the Board of Directors subject to resolution made at a shareholders' meeting.

The Company adopts the dividend policy in response to the current and future

development plans and by taking into account the investment environment, funding needs and domestic/foreign competition overview, as well as shareholders' interest. The shareholder dividends may be distributed in stock and in cash per the earnings distribution plan prepared by the Board of Directors. Among the other things, the cash dividend shall be no less than 50% of the total dividends.

Chapter 7 Supplementary Articles

Article 32: The Company's articles of association and enforcement rules thereof shall be established separately.

Article 33: Any other matters not covered herein shall be governed by the Company Act.

Article 34: The Articles were established on November 2, 1964, and enforced upon the competent authority's approval of the Company's incorporation. The 1st amendments hereto were made on April 27, 1966. 2nd amendments hereto were made on March 27, 1967. 3rd amendments hereto were made on July 20, 1967. 4th amendments hereto were made on July 16, 1969. 5th amendments hereto were made on August 16, 1970. 6th amendments hereto were made on April 16, 1971. 7th amendments hereto were made on August 25, 1972. 8th amendments hereto were made on October 20, 1973. 9th amendments hereto were made on August 24, 1975. 10th amendments hereto were made on June 15, 1976. 11th amendments hereto made on January 6, 1978. 12th amendments hereto were made on May 30, 1978. 13th amendments hereto made on January 15, 1979. 14th amendments hereto were made on May 20, 1979. 15th amendments hereto were made on June 24, 1979. 16th amendments hereto were made on March 23, 1980. 17th amendments hereto were made on April 12, 1981. Enforced upon the competent authority's approval of the registration of the changes. 18th amendments hereto were made on April 25, 1982. 19th amendments hereto were made on May 22, 1983. 20th amendments hereto were made on April 29, 1984. 21st amendments hereto were made on May 11, 1985. 22nd amendments hereto were made on May 9, 1987. 23rd amendments hereto were made on April 30, 1988. 24th amendments hereto were made on April 22, 1989. 25th amendments hereto were made on May 26, 1990. 26th amendments hereto were made on May 25, 1991. 27th amendments hereto were made on December 30, 1991. 28th

amendments hereto were made on June 20, 1994. 29th amendments hereto were made on June 7, 1995. 30th amendments hereto were made on May 21, 1996. 31st amendments hereto were made on June 16, 1997. 32nd amendments hereto were made on April 15, 1998. 33rd amendments hereto were made on June 28, 1999. 34th amendments hereto were made on June 28, 2000. 35th amendments hereto were made on June 21, 2001. 36th amendments hereto were made on June 25, 2002. 37 amendments hereto were made on June 26, 2003. 38th amendments hereto were made on June 29, 2004. 39th amendments hereto were made on June 28, 2005. 40th amendments hereto were made on June 30, 2006. 41st amendments hereto were made on June 28, 2007. 42nd amendments hereto were made on June 19, 2009. 43rd amendments hereto were made on August 12, 2009. 44th amendments hereto were made on June 25, 2010. 45th amendments hereto were made on June 23, 2011. 46th amendments hereto were made on June 5, 2012. 47th amendments hereto were made on June 10, 2013. 48th amendments hereto were made on January 24, 2014. 49th amendments hereto were made on June 24, 2014. 50th amendments hereto were made on June 9, 2015. 51st amendments hereto were made on June 15, 2016. 52nd amendments hereto were made on June 29, 2018. 53rd amendments hereto were made on June 30, 2020. 54th amendments hereto were made on June 20, 2022.

Right Way Industrial Co., Ltd.
**Cross Reference Table of Amendments to Articles of
Incorporation**

Original clauses	Original clauses	Amended Articles	Reasons of the amendments
Article 5	<p>The Company’s business lines are stated as follows:</p> <ol style="list-style-type: none"> 1. CA02080 Metal Forging 2. CA02990 Other Metal Products Manufacturing 3. CA04010 Surface Treatments 4. CB01010 Mechanical Equipment Manufacturing 5. CB01990 Other Machinery Manufacturing 6. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing 7. CD01030 Motor Vehicles and Parts Manufacturing 8. CD01040 Motorcycles and Parts Manufacturing 9. CD01050 Bicycles and Parts Manufacturing 10. CQ01010 Mold and Die Manufacturing 11. F106010 Wholesale of Hardware 12. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories 13. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval. 	<p>The Company’s business lines are stated as follows:</p> <ol style="list-style-type: none"> 1. CA02080 Metal Forging 2. CA02990 Other Metal Products Manufacturing 3. CA04010 Surface Treatments 4. CB01010 Mechanical Equipment Manufacturing 5. CB01990 Other Machinery Manufacturing 6. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing 7. CD01030 Motor Vehicles and Parts Manufacturing 8. CD01040 Motorcycles and Parts Manufacturing 9. CD01050 Bicycles and Parts Manufacturing 10. CQ01010 Mold and Die Manufacturing 11. F106010 Wholesale of Hardware 12. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories <u>13. C501040 Manufacture of Wood-based Panels</u> <u>14. CN01010 Furniture and Decorations Manufacturing</u> <u>15. E801010 Indoor Decoration</u> <u>16. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures</u> <u>17. F111090 Wholesale of Building Materials</u> <u>18. F401010 International Trade</u> <u>19. I503010 Landscape and Interior Designing</u> <u>20. F199010 Wholesale of Recycling Materials</u> 	Company’s operating planning

Original clauses	Original clauses	Amended Articles	Reasons of the amendments
		<u>21. J101080 Resource Recycling</u> <u>22. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</u>	
Article 34	<p>The Articles were established on November 2, 1964, and enforced upon the competent authority’s approval of the Company’s Incorporation. The 1st amendments hereto were made on April 27, 1966. 2nd amendments hereto were made on March 27, 1967. (Omitted)</p> <p>51st amendments hereto were made on June 15, 2016. 52nd amendments hereto were made on June 29, 2018. 53rd amendments hereto were made on June 30, 2020. 54th amendments hereto were made on June 20, 2022.</p>	<p>The Articles were established on November 2, 1964, and enforced upon the competent authority’s approval of the Company’s Incorporation. The 1st amendments hereto were made on April 27, 1966. 2nd amendments hereto were made on March 27, 1967. (Omitted)</p> <p>51st amendments hereto were made on June 15, 2016. 52nd amendments hereto were made on June 29, 2018. 53rd amendments hereto were made on June 30, 2020. 54th amendments hereto were made on June 20, 2022. <u>55th amendments hereto were made on June 9, 2023.</u></p>	Add the date of amendments.

Directors' Shareholding Position

- I. The Company's paid-in capital is NT\$3,001,115,010 and the Company has issued a total of 300,111,501 shares.
- II. According to Article 26 of the Securities and Exchange Act, the total registered shares to be held by all of the Company's directors shall be no less than 12,004,460 shares.
- III. The shareholdings held by the directors, individually and in aggregate, until the book closure date (April 11, 2023) of the shareholders' meeting as identified in the roster of shareholders are stated as following:

Roster of Directors of Right Way Industrial Co., Ltd.

Book closure date: April 11, 2023

Title	Name		Date of onboard	Number of Shares Currently Held			Notes
				Type	Number of Shares	As % of the issued shares	
Chairman	Brighton-Best International (Taiwan) Inc.	Representative: Hsieh Li-Yun	2022.06.20	Common stock (including those in private placement)	53,540,000	17.84	
Director	Brighton-Best International (Taiwan) Inc.	Representative: Lo Shih-I	2022.06.20	Common stock (including those in private placement)	53,540,000	17.84	
Director	Brighton-Best International (Taiwan) Inc.	Representative: Li Chien-Te	2022.06.20	Common stock (including those in private placement)	53,540,000	17.84	
Director	Brighton-Best International (Taiwan) Inc.	Representative: Chiu Sheng-Tien	2022.06.20	Common stock (including those in private placement)	53,540,000	17.84	
Director	Kuo Jui-Tsai		2022.06.20	Common stock	0	0.00	
Director	Chen Po-Han		2022.06.20	Common stock	0	0.00	
Independent Director	Shen Ming-Chang		2022.06.20	Common stock	0	0.00	
Independent Director	Wang Kuan-Hsiang		2022.06.20	Common stock	0	0.00	
Independent Director	Yeh Yen-Hsiu		2022.06.20	Common stock	0	0.00	
Total					53,540,000	17.84	

Rules of Procedure for Shareholders' Meeting of Right Way Industrial Co., Ltd.

(Amended and approved per resolution of the annual general meeting on June 20, 2022)

- I. The shareholders meeting should be handled according to the Rules unless otherwise stated by the law.

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

- II. The Company shall specify in its meeting notices the time during which attendance registrations of shareholders, solicitors and proxies (hereinafter referred to as the "shareholders") will be accepted, the place to register for attendance, and any other important matters. To convene a virtual shareholders' meeting, the Company shall include the following particulars in the shareholders' meeting notice: how shareholders attend the virtual meeting and exercise their rights; actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to force majeure events; and the date to which the meeting is postponed, if necessary, or on which the meeting will resume, and any other notes. If a virtual shareholders' meeting is convened, appropriate alternative measures available to shareholders with difficulties in attending the meeting shall be specified.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attending the shareholders' meeting in person. Shareholders shall attend the shareholders' meetings based on the attendance pass, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting power of attorneys shall also bring identification documents for verification.

An attendance log shall be provided to record shareholders' attendance; alternatively, shareholders may present attendance cards to signify their presence. Shareholders who attend the meeting shall be given a copy of the meeting handbook, annual report, attendance pass, opinion slip, motion ballots and any information relevant to the meeting. Additional ballots shall be prepared if director election is also being held during the meeting.

Where the shareholder is a government agency or juristic person, more than one representative may attend the shareholders' meetings on its behalf. Juristic persons that have been designated as proxy attendants can only appoint one representative to attend the shareholders' meeting.

Where a shareholders' meeting is convened by means of visual communication network and any shareholder intends to attend the virtual shareholders' meeting, the shareholder shall register with the Company within 2 days prior to the shareholders' meeting.

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

- III. Attendance at meetings of shareholders shall be calculated based on number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked-in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.
- IV. The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for the meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
The restrictions on the venue for the meeting referred to in the preceding paragraph shall not apply when the Company convenes a shareholders' meeting by means of visual communication network only.
- V. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be presided over by the Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the chairperson, the Chairman shall appoint the Vice Chairman to act as the chairperson. If no Vice Chairman is appointed or the Vice Chairman is also on leave or for any reason unable to

exercise the power of the chairperson, the Chairman shall appoint one of the managing directors to act as the chairperson. If no managing director is appointed, the Chairman shall appoint one director to act as the chairperson. If the Chairman does not make such a designation, the managing directors, or directors, shall select from among themselves one person to serve as the chairperson.

If a shareholders' meeting is convened by a party with the power to convene other than the Board of Directors, the convening party shall preside over the meeting. When there are two or more such convening parties, they shall mutually select a chairperson from among themselves.

When a managing director, or director, serves as the chairperson, as referred to in the preceding paragraph, the managing director, or director, shall be one who has held that position for 6 months or more and who understands the financial and business conditions of the Company. The same shall apply, if the chairperson is a juristic person director's representative.

- VI. The Company may appoint its attorneys-at-law, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity. Staff handling the administrative affairs of a shareholders' meeting shall wear identification cards or armbands.
- VII. The minutes of a shareholders' meeting shall be kept by the Company on record by voice recording or videotaping, and retained for at least one year. However, if a shareholder files a lawsuit according to Article 189 of the Company Act, the recording materials shall be retained until the conclusion of the litigation.
Where a virtual shareholders' meeting is held, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence.
- VIII. The Chairman shall call the meeting to order at the appointed meeting time, and announce the number of shareholders without voting rights and shares of represented by present shareholders at the same time.
However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than

one hour, are made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chairperson shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned on the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1 of Article 175 1 of the Company Act. All shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register with the Company in accordance with Article 2.

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

- IX. If the shareholders' meeting is convened by the Board of Directors, its agenda shall be set by the Board of Directors. The meeting shall be conducted according to the scheduled agenda, and shall not be changed without the resolution of a shareholders' meeting.

If the shareholders' meeting is convened by a convening party other than the Board of Directors, the provisions of the preceding paragraph shall apply.

The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including Extemporaneous Motions), except by a resolution of the shareholders meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, the attending shareholders shall elect a new chairperson by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

- X. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, their shareholder account number (or attendance pass number), and account name. The order in which shareholders speak will be set by the chairperson.

The attending shareholders are considered to offer no statement if they only provide speech notes without giving statements. When the contents of the speech do not correspond to the subject given on the speaker's slip, the spoken contents shall prevail.

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

- XI. Except with the consent of the chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.

Notwithstanding, if the shareholder's speech violates the requirements or exceeds the scope of the agenda item, the chairperson may terminate the speech.

- XII. Where the shareholder is a government agency or juristic person, more than one representative may attend the shareholders' meetings on its behalf. Juristic persons that have been designated as proxy attendants can only appoint one representative to attend the shareholders' meeting.

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

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

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the time when the chairperson declares the meeting open until the time the chairperson declares the meeting adjourned. No more than two questions on the same proposal may be raised. Each question shall contain no more than 200 words. The provisions referred to in Article X~Article XII do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

- XIV. Where the chairperson thinks the proposals brought up by shareholders are ready to be voted on, the chairperson may proclaim the closure of discussion and proceed to the vote.

- XV. A shareholder shall be entitled to one vote for each share held, except when the shares are RSAs or are deemed non-voting shares under Paragraph 2, Article 179

of the Company Act.

Shareholders may exercise their voting power in correspondence or by electronic transmission in shareholder meetings, and the exercise method shall be specified in the notice of shareholders' meetings. Shareholders who have voted in writing or using the electronic method are considered to have attended the shareholders' meeting in person. However, they are considered to have waived their rights to participate in any special motions or amendments to the original discussions that may arise during the shareholders' meeting. For this reason, the Company should avoid proposing special motions and amendments to the original agendas where possible.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, unless the shareholder has issued a proper declaration to withdraw said intent.

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

Unless otherwise regulated by The Company Act or the Articles of Incorporation, a motion is passed when supported by shareholders representing more than half of total voting rights in the meeting. At the time of a vote, each shareholder shall proceed with the voting. On the same day the meeting ended, the results, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chairperson shall

present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel on a proposal shall be appointed by the chairman, providing that all monitoring personnel shall be shareholders of the Company.

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

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chairperson announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders' meeting, if shareholders, solicitors or proxies who have registered to attend the meeting online in accordance with relevant requirements decide to attend the physical shareholders' meeting in person, they shall revoke their registration 2 days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for Extemporaneous Motions, they will not be able to exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposals.

- XVI. When a meeting is in progress, the chairperson may announce a break based on time considerations.
- XVII. Unless otherwise regulated by The Company Act or the Articles of Incorporation, a motion is passed when supported by shareholders representing more than half of total voting rights in the meeting. During voting, if the chairperson solicits and receives no dissent opinions, the proposal is deemed passed, with equivalent force as a resolution by vote.
- XVIII. When there is an amendment or an alternative to a proposal, the chairperson shall

present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

XIX. The chairperson may direct the proctors or security personnel to help maintain order at the meeting place. The proctors (or security personnel) helping to maintain order at the meeting place shall wear an armband bearing the word "Proctor."

XX. Resolutions adopted by a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be affixed with the signature or seal of the chairperson and distributed to all shareholders within twenty days after the meeting. The minutes may be produced and distributed in an electronic form. The Company may distribute the meeting minutes referred to in the preceding paragraph by means of a public announcement made through the MOPS.

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

Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chairperson's and minute recorder's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to force majeure, and how issues are dealt with shall also be included in the minute.

XXI. On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event of a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep

this information disclosed until the end of the meeting. During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the number of votes represented by attending shareholders is released during the meeting. If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations and under the regulations of TWSE (TPEX), the Company shall upload the contents of such resolution to the MOPS within the prescribed time period.

- XXII. In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and elections immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue for at least 15 minutes after the chairperson has announced the meeting adjourned.
- XXIII. When the Company convenes a virtual shareholders' meeting, both the chairperson and minute recorder shall be at the same location, and the chairperson shall declare the address of their location when the meeting is called to order.
- XXIV. In the event of a virtual shareholders' meeting, when declaring the meeting open, the chairperson shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

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

For a meeting to be postponed or resumed under Paragraph 1, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postponed or resumed session, at the affected shareholders' meeting, shall be counted towards the total

number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders' meeting held under Paragraph 1, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or for the name list of elected directors.

When the Company convenes a virtual shareholders' meeting, and the virtual meeting cannot continue as described in Paragraph 1, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under Paragraph 1 is required.

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

When postponing or resuming a meeting according to Paragraph 1, the Company shall handle the lead-time work based on the date of the original shareholders' meeting in accordance with the requirements listed under Paragraph 7 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under the latter part of Article 12, and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and 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 handle the matter based on the date of the shareholders meeting that is postponed or resumed under Paragraph 2.

- XXV. Any matters not covered herein shall be governed by the Company Act, the Company's Articles of Incorporation, and other related laws and regulations.
- XXVI. The Rules shall be enforced upon approval by the shareholders' meeting. The same

shall apply where the Rules are amended.

XXVII. The Rules were established on June 10, 2013. 1st amendments hereto were made on June 20, 2022.