

Hotai Finance Co., Ltd.

The Articles of Incorporation

2025.05.27

Section I - General Provisions

Article 1

The Company shall be incorporated, as a company limited by shares, under the Company Act of Taiwan and its official business name shall be 和潤企業股份有限公司 in Chinese, and HOTAI FINANCE CO., LTD. in English.

Article 2

The scope of business of the Company shall be as follows:

1. F113010 Wholesale of Machinery
2. F213080 Retail Sale of Machinery and Equipment
3. F113020 Wholesale of Household Appliance
4. F213010 Retail Sale of Household Appliance
5. F113050 Wholesale of Business Machinery Equipment
6. F213030 Retail sale of Business Machinery Equipment
7. F114010 Wholesale of Automobiles
8. F214010 Retail Sale of Automobiles
9. F114020 Wholesale of Motorcycles
10. F214020 Retail Sale of Motorcycles
11. F114030 Wholesale of Motor Vehicle Parts and Supplies
12. F214030 Retail Sale of Motor Vehicle Parts and Supplies
13. F113100 Wholesale of Pollution Controlling Equipment
14. F213100 Retail Sale of Pollution Controlling Equipment
15. HZ01010 Accounts Receivable Purchase
16. I601010 Rental and Leasing Business
17. JZ99050 Agency Services
18. IZ11010 Overdue Account Receivable Management Services
19. I201010 Credit Bureau Services
20. ZZ99999 All business items that are not prohibited or restricted by Act, except those that are subject to special approval.
21. G101091 Pickup Truck Rental and Leasing
22. G101041 Passenger Car Rental and Leasing
23. F108031 Wholesale of Drugs, Medical Goods
24. F208031 Retail sale of Medical Equipment
25. HZ02010 Financial Institution Creditor's Right(Money) Purchase
26. HZ02020 Financial Institution Creditor's Right(Money) Appraisal and Auction
27. J303010 Magazine and Periodical Publication
28. D101050 Steam and Electricity Paragenesis
29. D101060 self-usage power generation equipment utilizing renewable energy industry
30. D401010 Heat Energy Supplying
31. E601010 Electric Appliance Construction
32. E601020 Electric Appliance Installation
33. E603040 Fire Fighting Equipments Construction
34. E603050 Cybernation Equipments Construction
35. E604010 Machinery Installation Construction
36. E605010 Computing Equipments Installation Construction
37. E606010 Electricity Equipments Checking and Maintenance
38. EZ05010 Apparatus Installation Construction
39. F401010 International Trade

40.IG03010 Energy Technical Services

41.J101010 Buildings Cleaning Service

Article 3

The Company's headquarter is located in Taipei City, Taiwan. With the approval of the board of directors, the Company may establish branch offices within or outside Taiwan.

Article 4

“Public Announcement” of the Company shall be made in accordance with the Company Act and other applicable laws and regulations.

Section II - Capital Stock

Article 5

The total capital stock of the Company shall be in the amount of 10,000,000,000 New Taiwan Dollars, divided into 1,000,000,000 shares, at ten New Taiwan Dollars each, and may be issued in installments under approval of board of directors, where a portion of the shares may be in the form of preferred shares.

Article 5-1

The rights, obligation, and other important issuance terms of the Company's preferred shares are as

1、The fiscal year-end earnings of the Company shall be applied to the following uses in order: payments of taxes, making-up of deficit, legal reserve, special reserve by law, and the remaining shall be paid to holders of preferred shares as the current year's dividends.

2、The dividends of preferred shares are capped at 8% per annum on the issue price. Cash dividends will be distributed annually in arrears. Once the Company's Audited Financial Reports have been acknowledged in the annual general meeting of the shareholders, the Board shall be authorized to set the payment date for the distribution of the payable preferred share dividends for the previous year. In the year of issuance and redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.

3、The Company has discretion over the dividend distribution of preferred shares. The Company may decide not to distribute dividends of preferred shares in the following circumstances:(a) there are no earnings in a fiscal year, (b) the earnings are insufficient to distribute dividends of preferred shares. The cancellation of dividend payment should not constitute an event of default. The preferred shares are noncumulative, and the preferred shareholders do not have the right to claim any of the unpaid or omitted dividends in the future.

4、Not entitled to common shares' cash or stock dividends derived from earnings or capital reserve.

5、The order of claim for distribution of property is prior to ordinary shares. The claim of all series of preferred shareholders are equal, but subordinate to the holders of debts. The repayment shall be capped at the respective issue amount of preferred shares upon liquidation.

6、Preferred shareholders do not have voting rights or suffrage. However, they have voting rights with respect to agendas related to the rights and obligations of preferred shares in shareholders' meetings.

7、Cannot be converted to common shares and Holders do not have the right to request the company to redeem preferred shares.

8、The preferred shares are perpetual. Preferred shares may be redeemed in whole or in part at issue price any time after five years of issuance at the option of the Company. Unredeemed preferred shares shall continue to have the rights and obligations of issuance terms prescribed in this Article. The distribution of the payable dividends until redemption date shall be calculated based on the actual number of days the preferred shares remained outstanding in that year as the Company resolved on dividend distribution.

The Board of Directors is authorized to resolve preferred share matters including names, issuance date, and other pragmatic terms in accordance with Articles of Incorporation and related commercial laws by market circumstances and investors' willingness.

Article 6

The total amount of the Company's investment in other companies shall not be subject to forty percent (40%) of the Company's paid-up capital.

Article 7

All the Company's share certificates shall bear the shareholder's name and shall be serially numbered, and the share certificates shall be affixed with the signatures or personal seals of the director representing the company, and shall be duly certified or authenticated by the bank. The Company may issue shares without printing share certificate, and shall register the issued shares with a centralized securities depository enterprise. The same applies in case of issue other securities.

Article 8

All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address or similar stock transaction conducted by shareholders of the Company shall follow the "Regulations Governing the Administration of Shareholder Services of Public Companies" unless specified otherwise by law and securities regulations.

Article 9

The transfer of share certificates shall not be filed with the Company within 60 days prior to the date of the annual shareholders' meeting or within 30 days prior to the special shareholders' meeting or within 5 days prior to the date fixed for allocating dividends, bonuses or other benefits. The affairs of share certificates shall be ascertained by referring to Regulations Governing the Administration of Shareholder Services of Public Companies unless specified otherwise by law and securities regulations.

Section III - Shareholder's Meeting

Article 10

Shareholders' meeting shall be of the following two kinds:

1. Regular meeting of shareholders: To be held at least once every year and convened within six months after close of each fiscal year.
2. Special meeting of shareholders: To be held when necessary. A shareholders' meeting shall, unless otherwise provided for Company Act, be convened by the board of directors.
3. The preferred shareholders' meeting may be convened when it deemed necessary in accordance with applicable laws and regulations.

Article 10-1

The company's shareholders' meeting may be held by video conference or other means announced by the central competent authorities.

Article 11

Unless otherwise provided in laws, during the session of a shareholders' meeting, the chairman of the board of directors shall be the chairperson of the meeting. Where the chairman of the board of directors is on leave or absent or cannot exercise his/her power and authority for any cause, he/she shall designate one managing director to act on his/her behalf. Where the chairman of the board of directors is on leave or absent or cannot exercise his/her power and authority for any cause, he/she shall designate one director to act on his/her behalf. Where the chairman fails to designate a proxy, the directors shall elect among them an acting chairperson of the meeting. The shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

Article 12

The meeting notice of shareholders' meeting, including date, location and resolutions, shall be delivered to each shareholders 30 days prior to the annual shareholders' meeting or 15 days prior to the special shareholders' meeting. The notice of shareholders' meeting may, as an alternative, be given by means of

electronic transmission, after obtaining a prior consent from the recipient(s) thereof. The notice of the shareholders meeting to be given by an issuer to shareholders who own less than 1,000 shares of nominal stocks may be given in the form of a public announcement. The notice and public announcement of shareholders' meeting shall be ascertained by referring to the Article 172 of Company Act.

Article 13

In each meeting of shareholders, a shareholder may delegate a proxy by filling a form printed by the Company representing a power of attorney stating the scope of authority delegated to the person attending the meeting of shareholders. Beside the Article 177 of Company Act, the policies of shareholder appoint proxy shall also be ascertained by referring to the set forth in the preceding Paragraph and Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Article 14

Each share of stock shall be entitled to one vote, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act. The voting power at a shareholders' meeting may be exercised in writing or by way of electronic transmission. A shareholder who exercises his/her/its voting power at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the shareholders' meeting in person, the voting procedures shall follow the related provisions issued by the competent authorities.

Article 15

Except as otherwise provided in the Company Act, resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting, and shareholders' meetings may be held if attended shareholders more than one half of the total issued and outstanding capital stock of the Company.

Article 15-1

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within 20 days after the close of the meeting. The distribution of the minutes of shareholders' meeting may be effected by means of electronic form or public notice.

Section IV - Directors, Managers and Audit Committee

Article 16

The Company has 5 to 15 Directors with a term of office of three years, and they can be re-elected and re-appointed. The total shareholding ratio of all Directors of the Company shall be subject to the requirements of the Company Act and the competent authority for securities. Among the number of Directors mentioned above, there shall be no less than three Independent Directors. The candidate nomination system is adopted for the election of Directors, and the shareholders' meeting shall elect Directors from the list of Director candidates.

The election of independent directors and non-independent directors shall be held together; however, the number of independent directors and non-independent directors elected shall be calculated separately. The ones with more votes are the ones being independent or non-independent directors. The company may take out liability insurance for directors with respect to liabilities resulting from exercising their duties during their terms of occupancy.

Article 17

The directors shall form a board of directors. The functions of the board shall be:

- a. Preparation of operation plans;
- b. Preparation of proposals for distribution or appropriation of profits or losses of the company;
- c. Recommendation of capital increases or decreases;
- d. Construction of organization structure and policies;
- e. Appointment or dismissal of the managerial officers;
- f. Establishment and abolishment of branches;
- g. Review of the budget and the financial statements of the company; and

h. Other functions prescribed by the Company Act or authorized by the shareholders' meeting.

Article 18

The chairman of the board of directors shall be elected from among the directors by a majority vote at the meeting of a board of directors attended by at least two thirds (2/3) of the directors. The Company shall have a vice chairman through the same way if necessary. The chairman of the board of directors shall represent the company.

Article 19

Except otherwise prescribed by the Company Act of Taiwan, the meeting of the board of directors shall be convened by its chairman. Except as otherwise provided in Company Act of Taiwan, a meeting of board of directors may be held if attended by a majority of total directors and resolutions shall be adopted with the concurrence of the majority of the directors present at the meeting. In calling a meeting of the board of directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each director and supervisor no later than 7 days prior to the scheduled meeting date. However, in the case of emergency, the meeting may be convened at any time. Notices of board of directors' meetings could be through written, fax or electronic.

Article 20

The chairman of the board of directors shall preside at the meeting of the board of directors. In case the chairman is to be absent or cannot exercise his powers for any cause whatsoever, he/she may designate one of the directors to act on his/her behalf. In the absence of such a designation, the directors shall elect one from among themselves. A director shall attend meetings of the board of directors in person, if he/she may not attend, he/she shall by written authorization, appoint another director to attend on his/her behalf of meetings of the board of directors, and to vote for him on all matters presented at such meeting. The proxy shall accept the designation of one director only. In case the independent directors not attend, he/she shall only appoint another independent director to attend the meeting as proxy. The meeting of the board of directors may be preceded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 21

In compliance with the Securities and Exchange Act, the Company may establish an Audit Committee, which shall consist of all independent directors. The Audit Committee shall be responsible for those responsibilities of Supervisors specified under Company Act, Securities and Exchange Act and other relevant regulations of Republic of China. The exercise of power by audit committee members and related matters shall be set forth in accordance with the laws and regulations. The regulation of Audit Committee shall be specified by board of directors. In compliance with laws and operation requirements, the Company may establish remuneration committee or function committees. Establishment and scope of duty of relevant committees shall follow relevant rules promulgated by the competent authorities. The regulation of function committees shall be specified by board of directors.

Article 22

Board of directors is authorized to determine the compensation for directors, the standards of the industry shall take into account.

Article 23

The Company may have managerial officers. The decision to engage, terminate and pay for the managers shall be held in the meeting of board of directors if attended by a majority of total directors and resolutions shall be adopted with the concurrence of the majority of the directors present at the meeting.

Article 24

The Company shall have managerial officers in charge of the Company operations in accordance with the resolutions of the board of directors.

Section - V Account

Article 25

The fiscal year for the Company shall be from January 1 of each year to December³¹ of the same year.

Article 26

After the close of each fiscal year, in accordance with Article 228 of the Company Act, the following reports shall be prepared by board of directors, and submitted to the audit committee before 30 days of regular shareholders' meeting:

- a. Business Report;
- b. Financial Statements;
- c. The surplus earning distribution or loss offsetting proposals.

Article 27

The payment of dividends shall be proportionate to the number of shares held by each of the shareholders. Except distribution of reserve in accordance with competent laws and regulations, the Company shall not pay dividends when there is no surplus profit.

Article 28

One percent of profit of the current year distributable as employees' compensation shall be definitely specified in the Articles of Incorporation. However, the Company's accumulated losses shall have been covered, and then allocate the remuneration of employees in accordance with the proportion of the preceding paragraph.

Of the amount of employee remuneration mentioned in the preceding paragraph, no less than 50% should be allocated to remuneration for its non-executive employees.

The Company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Article 28-1

At the end of each accounting year, the Company's profit shall first be paid for income taxes and put forwards making up the prior years' losses. Then, 10 percent of the net profit shall set aside as statutory surplus reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. According to related regulation, make provision, reverse special reserve, and pay for preferred shares dividends with unappropriated warnings shall be accumulated retained earnings for shareholders. After distributing to the shareholders as dividends from the distributable retained earnings, the board of directors may consider proposing distribution of shareholders' bonus; which proposal shall be adopted in the shareholders' meeting before execution. The Company is currently at a developing stage. The Company's dividend distribution policy is subject to the Company's current and future investment environment, fund requirements, and competition from local and abroad, as well as taking into consideration of the interests of shareholders and the long-term financial planning. Shareholder dividends shall not be less than 50% of earnings available for appropriation for the year and cash dividends shall not be less 10% of total dividends.

Article 28-2

The Board of Directors of the Company may, with the presence of at least two-thirds of the directors and by a resolution of a majority of the directors present, resolve to distribute all or part of the dividends and bonuses payable in cash and report the resolution.

Article 29

Dividends will be paid only to those shareholders whose names are filed and recorded in the shareholders' register five days prior to the date fixed for distributing dividends.

Section VII Supplementary Provisions

Article 30

The Company may act as a guarantor externally as required for business in accordance with the government's regulation. The Company may undertake the activities of guarantee in accordance with operation, and the affairs of guarantee shall be enforced by referring to the Operation Procedure of Endorse Guarantee.

Article 31

The Company's articles of organization and enforcement rules thereof shall be defined separately.

Article 32

In regard to all matters not provided for in these Articles of Incorporation, the Company Act and other related regulations of Taiwan shall govern.

Article 33

The Articles of Incorporation is executed by all the incorporators on May 6, 1999, and conducted the 1st amendment was made on July 9, 1999; the 2nd amendment was made on December 27, 1999; the 3rd amendment was made on June 19, 2001; the 4th amendment was made on June 25, 2002; the 5th amendment was made on December 26, 2002; the 6th amendment was made on August 13, 2003; the 7th amendment was made on November 15, 2004; the 8th amendment was made on June 13, 2005; the 9th amendment was made on June 18, 2008; the 10th amendment was made on June 23, 2009; the 11th amendment was made on June 20, 2012; the 12th amendment was made on June 29, 2015; the 13th amendment was made on June 22, 2016; the 14th amendment was made on June 28, 2018; the 15th amendment was made on November 7, 2018; the 16th amendment was made on June 25, 2019; the seventeenth amendment was made on June 24, 2020; the eighteenth amendment was made on June 23, 2022; the nineteenth amendment was made on May 31, 2023; the 20th amendment was made on May 29, 2024; the 21st amendment was made on May 27, 2025.