

Stock Code: 8933



Ideal Bike Corporation

2023

General Shareholders' Meeting Agenda Handbook

Type of meeting: Physical general shareholders' meeting

Date: June 9, 2023 (Friday) at 9:30 AM

Venue: 2F, No. 497, Sec. 1, Gangbu Rd., Wuqi Dist., Taichung City (Staff's Dining Room on 2F of the Company)

Table of Contents

One. Meeting Agenda	1
Two. Management Presentation (Company Reports)	2
I. 2022 Business Report.....	2
II. Audit Committee Review Report on the 2022 financial statements.....	6
Three. Proposed Resolutions	7
I. Proposed resolution on the Business Report and Financial Statements of 2022	7
II. Proposed resolution on the motion on earnings allocation and loss make-up of 2022	8
Four. Discussion	9
I. The amendments to “Rules of Procedure for Shareholders’ Meeting”.....	9
II. The removal of non-compete restrictions imposed on the Company’s directors	18
Five. Questions and Extempore Motions	18
Six. Attachments	19
I. Financial Statements and Independent Auditor’s Report.....	19
Seven. Appendices	41
I. The Company’s “Articles of Incorporation”	41
II. “Rules of Procedure for Shareholders’ Meeting”	47
III. Impacts of Proposed Stock Dividends on the Company’s Business Performance and Earnings Per Share (EPS).....	49
IV. The Company’s Statement of Shareholdings by Directors.....	49

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Time: June 9, 2023 (Friday) at 9:30 AM

Place: 2F, No. 497, Sec. 1, Gangbu Rd., Wuqi Dist., Taichung City (Staff's Dining Room on 2F of the Company)

- I. Call the Meeting to Order (report the number of shares represented by present shareholders)**
- II. Chairperson Remarks**
- III. Management Presentation (Company Reports)**
 - (I) 2022 Business Report
 - (II) Audit Committee Review Report on the 2022 financial statements
- IV. Proposed Resolutions**
 - (I) Proposed resolution on the Business Report and Financial Statements of 2022
 - (II) Proposed resolution on the motion on appropriation of earnings allocation of 2022
- V. Discussion**
 - (I) The amendments to the "Rules of Procedure for Shareholders' Meeting"
 - (II) Proposed resolution on removal of restrictions imposed on the Company's directors
- VI. Questions and Motions**
- VII. Meeting adjournment**

Management Presentation (Company Reports)

[Case No. 1]: 2022 Business Report

Ladies and Gentlemen:

The COVID-19 pandemic has been impacting the world since 2020. Although countries around the world have gradually eased their pandemic control policy grip, the long-lasting pandemic has made exercise, fitness, and participation in outdoor activities more important in the minds of people in Europe and the US, sustaining the bicycle riding fever. Meanwhile, to achieve their renewable policy goals, e.g. achieving net zero emissions, European countries continued to subsidize purchase of bicycles and build relevant infrastructure, driving up sales of the bicycle industry.

As the bicycle industry continues its R&D innovation pace, developing high-end bicycles and electric bicycles will become the trend in the future. The European market for electric bicycles is especially noticeable. Aside from improving the design, quality, and price of existing models, Ideal Bike also focuses on developing electric bicycles. It is expected that exports of electric bicycles will gradually grow in terms of both value and volume.

As spiking inflation shows no sign of recess, the persistence of Russia–Ukraine War has also kept raw material price and energy price high, reducing the real purchasing power of people in the Europe and the US. Fortunately, the demand for high-end bicycles and electric bicycles still outstrips supply capacity so far, raising the likelihood of a higher unit price. Therefore, the central tasks for 2023 will be to have a good grasp of the supply and demand and price of raw materials, to consolidate internal and external information and resources, and to fully implement the business plan.

The Company's business report for 2022 and business plan for 2023 are hereby reported to each of you now.

We would like to give you

our best regards for the future ahead.

Chairman: Hermes Chang

(I) Business Report for the Previous Year

1. 2022 business plan and financial receipts and expenditures

Item	2022		2021		Increase/Decrease	
	NT\$ thousand	%	NT\$ thousand	%	NT\$ thousand	%
Operating revenue	5,591,120	100.00	4,613,524	100.00	977,596	21.19
Operating cost	4,764,217	85.21	4,069,482	88.21	694,735	17.07
Operating gross profit	826,903	14.79	544,042	11.79	282,861	51.99
Operating expense	469,296	8.39	416,273	9.02	53,023	12.74
Operating profit	357,607	6.40	127,769	2.77	229,838	179.89
Non-operating income and expenses, net	81,677	1.46	(7,729)	(0.17)	89,406	-1,156.76
Net profit after tax	334,358	5.98	82,591	1.79	251,767	304.84
EPS (after tax)	1.11		0.29		0.82	

2. Budget execution 2022: The Company did not disclose budget for 2022.

3. Profitability analysis 2022

Item		Year	2022	2021
Profitability	Return on Assets (%)		6.43	2.29
	Return on Shareholders' Equity (%)		15.20	4.91
	Paid-up Capital Ratio (%)	Operating Profit	13.19	4.83
		OPERATING INCOME BEFORE TAX	16.20	4.53
	EBIT Margin (%)		5.98	1.79
	EPS (NT\$)		1.11	0.29

4. Research and development:

(1) Enhancement of the ability to research, research and innovate:

In response to the trend, the Company continued to develop the demand for electrical bicycles, oriented toward the highly efficient and cost-effective products intended for commute and stressing functions.

(2) Improvement of the ability to design:

Strengthen the technological support and assistance to consumers for solution of problems and sharing of the Group's technological resources.

(II) Outline of the business plan this year

1. 2023 business policy

- (1) Focus on IDEAL Taiwan to enhance the operations center's functions.
- (2) Actively tap into the electric bicycle market of various countries.
- (3) Effectively grasp and expand the source of raw materials for electric bicycles and production capacity.
- (4) Share resources, divide labor among international partners.

2. 2023 production and sales plan

- (1) Grasp the supply and demand schedule of raw materials to improve production capacity and efficiency.
- (2) Provide the assembly efficiency improvement solutions voluntarily at the stage of development and design of new models across the year.
- (3) Increase the sales volume of bikes and electric bikes in the European market.

(III) Influence of External Competition Environment, Regulatory Environment, and Overall Business Environment

1. Global tariff barrier wars are testing bicycle manufacturers' manufacturing footprints.
2. Electric bicycle combined with the strength of the technology industry will present a different look; integration of E-bike and electrical information industry is the trend.
3. Battery technology and charging facilities are becoming more mature, resulting in the rise of the E-bike market.
4. Global inflationary pressure has fixed the price of raw materials and energy at a high level, reducing consumers' real purchasing power.
5. The industry shock and transformation effected by the overwhelming requirement that the bicycle industry innovate in terms of engineering, design, and environment friendliness to achieve energy conservation and carbon reduction.

Chairman: Hermas Chang

CEO: Ching-Wang Chen

CFO: Julia Lai

[Case No. 2] Audit Committee Review Report on the 2022 financial statements

Ideal Bike Corporation Audit Committee Review Report

This is to certify that:

The Board of Directors prepared and presented the Company's 2022 parent company only and consolidated financial statements which have been audited and attested by CPAs Su-Li Fang and Tung-Hwee Yeh from Deloitte and Touche, who have released an independent auditors' report. The above-mentioned financial statements together with business report and earnings distribution and loss make-up statement have been reviewed by the Audit Committee and no discrepancies have been found and a report was prepared for your review according to the provisions of Article 219 of the Company Act and Article 14-4 of the Securities and Exchange Act.

To

2023 General Shareholders' Meeting

Ideal Bike Corporation

Audit Committee Convener: Wen-Yi Lin

March 13, 2023

Proposed Resolutions

[Case No. 1] (Proposed by the Board of Directors)

Summary: The Company's Business Report and Financial Statements of 2022 are proposed for resolution.

Explanation: The Company's 2021 parent company only financial statements and consolidated financial statements have been approved upon resolution adopted by the Board of Directors and already audited and certified by CPAs Su-Li Fang and Tung-Huei Yeh of Deloitte & Touche. The same together with the business report were also reviewed by the Audit Committee, who also issued the review report accordingly. Please refer to (Pages 2–6 hereof) and Attachment 1 hereto (Pages 19–40).

Resolution:

[Case No. 2] (Proposed by the Board of Directors)

Summary: The Company's motion on earnings allocation and loss make-up for 2022 is proposed for resolution.

Explanation: The Company's Earnings Allocation and Loss Make-up Statement for 2022 is as follows:

Ideal Bike Corporation

Earnings Allocation and Loss Make-up Statement for 2022

Unit: NT\$

Item No.	Item		Amount
1		Undistributed earnings for the previous period (Losses to be covered)	(937,014,273)
2	Distributable earnings	Net income after tax for 2022	334,357,765
3		Re-measurement of defined benefit plan	2,145,515
4		Distributable earnings (losses to be covered)	(600,510,993)
5	Distributable items	Appropriation of 10% as legal reserves	0
6		Undistributed earnings (losses to be covered), ending	(600,510,993)
7		Total	(600,510,993)

Chairman: Hermas Chang

CEO: Ching-Wang Chen

CFO: Julia Lai

Resolution:

Discussion

[Case No. 1] (Proposed by the Board of Directors)

Summary: The amendments to the Company's "Rules of Procedure for Shareholders' Meeting" are submitted for discussion.

Explanation: The Company intends to amend some provisions in order to align with the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders' Meetings" promulgated by TPEX with its official letter titled Zheng-Gui-Jian-Zi No.11100543771. For the provisions before and after amendments, see the following table.

Ideal Bike Corporation
 Cross Reference Table for the “Rules of Procedure for Shareholders’
 Meeting” Before/After Amendments

Clauses	Original clauses	Added (amended) clauses	Notes to the amendments
Article 3:	Shareholders attending a meeting shall submit an attendance card in lieu of signing in; the attendance card shall then be used to calculate the number of shares represented by shareholders present.	<p>Shareholders attending a meeting shall submit an attendance card in lieu of signing in; the attendance card shall then be used to calculate the number of shares represented by shareholders present.</p> <p><u>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 attend the shareholders’ meeting in person. In the event of a virtual shareholders’ meeting, shareholders, solicitors, and proxies wishing to attend the meeting online shall register with the Company two days before the meeting date. In the event of a virtual shareholders’ meeting, the Company shall upload the meeting agenda book, 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.</u></p>	To align with the amendments of the Company Act and the regulations promulgated by the securities competent authority authorized by the Company Act.

Clauses	Original clauses	Added (amended) clauses	Notes to the amendments
Article 4:	Attendance and voting at shareholders' meetings shall be calculated based on numbers of shares. Unless otherwise provided by law, each share is entitled to one vote.	<p>Attendance and voting at shareholders' meetings shall be calculated based on numbers of shares. Unless otherwise provided by law, each share is entitled to one vote.</p> <p><u>The number of shares in attendance shall be calculated according to the shares indicated by the 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. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p> <p><u>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.</u></p>	To align with the amendments of the Company Act and the regulations promulgated by the securities competent authority authorized by the Company Act.

Clauses	Original clauses	Added (amended) clauses	Notes to the amendments
		<p><u>During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></p>	
Article 5:	<p>The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.</p>	<p>The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. <u>Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</u> <u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders' meeting.</u> <u>When the Company convenes a virtual-only shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u></p>	<p>To align with the amendments of the Company Act and the regulations promulgated by the securities competent authority authorized by the Company Act.</p>
Article 8:	<p>The Company shall record with an audio or video tape the whole proceedings of the shareholders' meeting, and said video tape or audio tape shall be kept for at least one year.</p>	<p>The Company shall record with an audio or video tape the whole proceedings of the shareholders' meeting, <u>and said video tape or audio tape shall be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</u> <u>Where a shareholders' meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in,</u></p>	<p>To align with the amendments of the Company Act and the regulations promulgated by the securities competent authority authorized by the Company Act.</p>

Clauses	Original clauses	Added (amended) clauses	Notes to the amendments
		<p><u>questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p> <p><u>The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u></p>	
Article 11:	<p>Shareholders who wish to speak during the meeting must first produce an opinion slip detailing the topic and shareholder account number (or conference pass serial number). The order of shareholders' comments shall be determined by the chairperson. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.</p>	<p>Shareholders who wish to speak during the meeting must first produce an opinion slip detailing the topic and shareholder account number (or conference pass serial number). The order of shareholders' comments shall be determined by the chairperson.</p> <p>A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.</p> <p><u>Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declares the meeting adjourned. No more than two questions on the same proposal may be raised. Each question</u></p>	To align with the amendments of the Company Act and the regulations promulgated by the securities competent authority authorized by the Company Act.

Clauses	Original clauses	Added (amended) clauses	Notes to the amendments
		<u>shall contain no more than 200 words. The regulations in the preceding paragraphs do not apply.</u>	
Article 16	Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.	Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. The results of the voting shall be announced on-site at the meeting, and a record made of the vote. <u>In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u>	To align with the amendments of the Company Act and the regulations promulgated by the securities competent authority authorized by the Company Act.
Article 18:	Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. If at the time of voting on a proposal the chair consults the shareholders present about the proposal and no person voices objection, the proposal is deemed to have been passed and will be as binding as if it were approved through a vote.	Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. If at the time of voting on a proposal the chair consults the shareholders present about the proposal and no person voices objection, the proposal is deemed to have been passed and will be as binding as if it were approved through a vote. <u>In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u>	To align with the amendments of the Company Act and the regulations promulgated by the securities competent authority authorized by the Company Act.

Clauses	Original clauses	Added (amended) clauses	Notes to the amendments
Article 21:	(addition)	<p><u>In case of incident of force majeure, the Chairman may decide to temporarily suspend the meeting and announce, depending on the situation, when the meeting will be resumed, or may, by resolution of shareholders present at the Meeting, resume the meeting within five days without further notice or public announcement.</u></p> <p><u>In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20 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.</u></p> <p><u>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.</u></p> <p><u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting</u></p>	To align with the amendments of the Company Act and the regulations promulgated by the securities competent authority authorized by the Company Act.

Clauses	Original clauses	Added (amended) clauses	Notes to the amendments
		<p><u>and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u></p> <p><u>During a postponed or resumed session of a shareholders' meeting held under the previous paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.</u></p> <p><u>When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u></p> <p><u>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.</u></p>	
Article 22	Matters not provided in the Rules shall be handled in accordance with the Company Act, the Articles		Adjust the article number.

Clauses	Original clauses	Added (amended) clauses	Notes to the amendments
	of Incorporation, and other applicable laws and regulations.		
Article 23	These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.		Adjust the article number.

Resolution:

[Case No. 2] (Proposed by the Board of Directors)

Summary: To remove the non-compete restrictions imposed on the Company's directors

Explanation:

1. To quote the non-compete provisions of Article 209 of the Company Act, "a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
2. To leverage the expertise and experience of the Company's Chairman, it is proposed that the shareholders' meeting gives its consent to removing the non-compete restrictions.
3. For concurrent position of directors, see the following table:

Job title	Name or Representative	Company exempted from non-competition ban	Position
Chairman	Hermes Chang	PCI International Investment Inc.	Director

Resolution:

[Questions and Motions]

[Adjournment]

Seven. Attachments

[Attachment 1]

Independent Auditors' Report

To IDEAL BIKE CORPORATION:

Audit opinion

We have audited the parent company only balance sheet of Ideal Bike Corporation as of December 31, 2022 and 2021, and the parent company only statement of comprehensive income, parent company only statement of changes in equity, and parent company only statement of cash flow for the period from January 1 to December 31, 2022 and 2021, and the notes to the parent company only financial statements (including the summary of significant accounting policies).

In our opinion, the said parent company only financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and thus presented fairly, in all material aspects, the financial position of Ideal Bike Corporation as of December 31, 2022 and 2021, and the parent company only financial performance and parent company only cash flow for the period from January 1 to December 31, 2022 and 2021.

Basis of audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the generally accepted auditing standards. Our responsibilities under such standards are further described in the "CPA's responsibility for the audit of the parent company only financial statements" section in this report. We were independent of Ideal Bike Corporation in accordance with the Norms of Professional Ethics for Certified Public Accountants and fulfilled all other responsibilities thereunder. We believe that we acquired sufficient and appropriate audit evidence to base our audit opinions.

Key audit matters

Key audit matters refer to, based on our professional judgment, the most important matters for auditing Ideal Bike Corporation's parent company only financial statements

for 2022. Such matters were addressed during the overall audit of the parent company only financial statements and the process of forming the audit opinions, and thus we did not provide opinions separately towards such matters.

The key audit matters for Ideal Bike Corporation's parent company only financial statements for 2022 are described as follows:

Recognition of sales revenue

Ideal Bike Corporation mainly sold bicycles and parts. The company recognized NTD3,191,538,000 as sales revenue in 2022. Please refer to Note 23. Considering the change to the bike market in recent years, the risk of inflated sales revenue at a significant amount from new customers might be increased and produce a significant effect on the parent company only financial statements. Thus, we found that the existence and occurrence of increase in the aforementioned sales revenue were the important matters to be audited in the current year.

Our audit procedure included (but was not limited to) evaluating the appropriateness of Ideal Bike Corporation's accounting policy in recognition of revenues, understanding and testing the effectiveness of internal control with respect to order handling and shipping procedures, and conducting spot check of relevant sales revenue certificates and other documents and making sure there were no abnormalities involved in any sales targets and any parties from whom payments were collected.

Responsibility of the management and governance unit for the parent company only financial statements

The management was responsible for preparation of the parent company only financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and maintaining the necessary internal control related to the preparation of the parent company only financial statements to ensure that the parent company only financial statements were free of material misstatements due to fraud or errors.

During preparation of the parent company only financial statements, the management was also responsible for evaluating Ideal Bike Corporation's ability to continue as a going concern, disclosure of relevant matters and application of the going concern basis of accounting unless the management intended to make Ideal Bike Corporation enter into liquidation or terminate its operations, or there was no other actual and feasible solutions other than liquidation or termination of its operations.

Ideal Bike Corporation's governance unit (including the Audit Committee) was responsible for supervising the financial reporting procedures.

CPA's responsibility for the audit of the Parent Company Only Financial Statements

We audited the parent company only financial statements for the purpose of obtaining reasonable assurance about whether the parent company only financial statements were free of material misstatements due to fraud or errors and issuing an audit report. 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 in the parent company only financial statements. The misstatements might be due to fraud or errors. If an individual or total amount misstated was reasonably expected to have a impact on the economic decision-making of users of the parent company only financial statements, the misstatements were deemed as material.

We used our professional judgment to be skeptical during the audit conducted based on the generally accepted auditing standards. We also performed the following works:

1. We identified and evaluated the risk of any misstatements in the parent company only financial statements due to fraud or errors, designed and implemented applicable response measures for the evaluated risks, and acquired sufficient and appropriate audit evidence to base our audit opinions. 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. We understood the internal control related to the audit to an extent necessary to design audit procedures applicable to the current circumstance; however, the purpose of such work was not to express opinions towards the effectiveness of Ideal Bike Corporation's internal control.
3. We evaluated the appropriateness of the accounting policies adopted by the management and the rationality of the accounting estimates and relevant disclosures made by the management.
4. We drew a conclusion about the appropriateness of application of the going concern basis of accounting by the management and whether the event or circumstance which might cause major doubts about Ideal Bike Corporation's

ability of going concern had a material uncertainty. If any material uncertainty was deemed to exist in such event or circumstance, we must provide a reminder in the parent company only financial statements for the users to pay attention to relevant disclosure therein, or amend our audit opinions when such disclosure was inappropriate. Our conclusion was drawn based on the audit evidence acquired as of the date of this audit report. However, future events or circumstances might result in a situation where Ideal Bike Corporation would no longer have the ability of going concern.

5. We evaluated the overall presentation, structure and contents of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements presented relevant transactions and events fairly.
6. We acquired sufficient and appropriate audit evidence with respect to the financial information of the entities comprising Ideal Bike Corporation to provide opinions towards the parent company only financial statements. We were responsible for instruction, supervision and implementation of the audit cases, as well as formation of the audit opinions on Ideal Bike Corporation.

The matters for which we communicated with the governance unit include the planned audit scope and time, as well as major audit findings (including the significant deficiencies of internal control identified during the audit.)

We also provided a declaration of independence to the governance unit, which assured that we complied with the requirements related to independence in the Norm of Professional Ethics for Certified Public Accountant, and communicated all relationships and other matters (including relevant protective measures) which we deemed to be likely to cause a impact on the independence of CPAs to the governance unit.

We determined the key audit matters to be audited in Ideal Bike Corporation's parent company only financial statements for 2022 based on the matters communicated with the governance unit. Unless public disclosure of certain matters were prohibited by related laws or regulations or if, in very exceptional circumstances, we determined not to cover such matters in the audit report, as we could reasonably expect that the negative impact of the coverage was greater than the public interest brought thereby, we specified such matters in the audit report.

Deloitte & Touche Taiwan

CPA: Su-Li Fang

CPA: Tung-Hui Yeh

No. of approval official letter from the
Financial Supervisory Commission:
Jin-Guan-Zheng-Liu-Zi No.
0940161384

No. of approval official letter from the
Financial Supervisory Commission:
Jin-Guan-Zheng-Shen-Zi No.
0980032818

March 13, 2023

IDEAL BIKE CORPORATION Parent Company Only Balance Sheet
December 31, 2022 and 2021

Unit: NTD thousand

Code	Asset	December 31, 2022		December 31, 2021		Code	Liability and equity	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current assets						Current liabilities				
1100	Cash (Note 4, 6 and 28)	\$ 289,546	6	\$ 394,528	9	2100	Short-term loans (Note 17 and 28)	\$ 1,182,719	23	\$ 775,765	18
1110	Financial assets measured at fair value through profit or loss – current (Notes 4, 7, and 28)	13,881	-	21,597	1	2120	Financial liabilities measured at fair value through profit or loss – current (Notes 4, 7, and 28)	-	-	1,459	-
1170	Notes and accounts receivable, net (Notes 4, 5, 10, 23, and 28)	670,454	13	276,633	6	2130	Contractual liabilities - current (Note 3 and 23)	25,217	-	38,202	1
1180	Accounts receivable – related party, net (Notes 4, 23, 28, 29, and 31)	436,716	8	209,284	5	2170	Notes and accounts payable (Note 19 and 28)	362,239	7	389,184	9
1200	Other receivables (Note 10 and 28)	12,645	-	7,745	-	2180	Accounts payables – related party (Notes 28, 29, and 31)	43,419	1	102,824	2
1210	Other receivables – related party (Notes 28, 29, and 31)	21,880	1	27,358	1	2280	Lease liabilities - current (Note 14)	15,110	-	559	-
1220	Current income tax assets (Note 4, 5 and 25)	228	-	168	-	2219	Other payables (Note 20 and 28)	104,414	2	73,709	2
130X	Inventory (Note 4, 5 and 11)	1,198,418	23	812,774	19	2220	Other payables - related party (Note 28 and 29)	17,863	-	10,213	-
1410	Prepayment (Note 16)	70,058	1	53,352	1	2320	Long-term loans and corporate bonds maturing within one year (Notes 4, 7, 17, 18, 28, and 30)	429,645	8	575,560	14
1470	Other current assets (Note 16)	2,058	-	6,439	-	2300	Other current liabilities (Note 30)	4,543	-	2,033	-
11XX	Total current assets	<u>2,715,884</u>	<u>52</u>	<u>1,809,878</u>	<u>42</u>	21XX	Total current liabilities	<u>2,185,169</u>	<u>41</u>	<u>1,969,508</u>	<u>46</u>
	Non-current assets						Non-current liabilities				
1517	Financial assets measured at fair value through other comprehensive income non-current (Notes 4, 8, and 28)	12,638	-	97	-	2540	Long-term loans (Note 17, 28 and 30)	493,120	10	159,348	4
1535	Financial assets measured at amortized cost – non-current (Notes 4, 9, 28, and 30)	171,836	3	294,892	7	2570	Deferred income tax liabilities (Note 4 and 25)	145,124	3	115,447	3
1550	Investment under equity method (Notes 4, 12, 30, and 31)	1,886,058	36	1,655,950	39	2580	Lease liabilities - non-current (Note 14)	10,337	-	-	-
1600	Property, plant, and equipment (Notes 4, 13 and 30)	255,479	5	258,147	6	2640	Net defined benefit liabilities (Note 4 and 21)	16,031	-	18,615	-
1755	Right-of-use assets (Note 14)	25,347	1	546	-	25XX	Total non-current liabilities	<u>664,612</u>	<u>13</u>	<u>293,410</u>	<u>7</u>
1780	Intangible assets (Note 4 and 15)	1,737	-	1,442	-	2XXX	Total liabilities	<u>2,849,781</u>	<u>54</u>	<u>2,262,918</u>	<u>53</u>
1840	Deferred income tax assets (Note 4, 5 and 26)	169,293	3	229,610	6		Equity (Note 4 and 22)				
1900	Other non-current assets (Note 3 and 16)	12,202	-	9,913	-		Share capital				
15XX	Total non-current assets	<u>2,534,590</u>	<u>48</u>	<u>2,450,597</u>	<u>58</u>	3110	Common stock capital	3,017,243	57	2,996,009	70
						3200	Capital reserves	132,317	3	125,427	3
1XXX	Total assets	<u>\$ 5,250,474</u>	<u>100</u>	<u>\$ 4,260,475</u>	<u>100</u>		Cumulative loss				
						3310	Legal reserves	212,090	4	212,090	5
						3320	Special reserves	78,308	1	78,308	2
						3350	Losses to be covered	(600,511)	(11)	(937,014)	(22)
						3400	Other equities	(438,754)	(8)	(477,263)	(11)
						3XXX	Total equities	<u>2,400,693</u>	<u>46</u>	<u>1,997,557</u>	<u>47</u>
							Total liabilities and equities	<u>\$ 5,250,474</u>	<u>100</u>	<u>\$ 4,260,475</u>	<u>100</u>

The attached notes are part of the Parent Company Only Financial Statements.

Chairman: Hermas Chang

CEO: Ching-Wang Chen

CFO: Julia Lai

IDEAL BIKE CORPORATION Parent Company Only of Comprehensive Income
January 1 to December 31, 2022 and 2021

Code		Unit: NTD thousand, except Earnings Per Share expressed in NTD1			
		2022		2021	
		Amount	%	Amount	%
4000	Net operating revenue (Note 4, 23 and 29)	\$ 3,191,538	100	\$ 2,383,253	100
5000	Operating cost (Note 4, 11, 24 and 29)	<u>2,855,086</u>	<u>90</u>	<u>2,235,893</u>	<u>94</u>
5900	Operating gross profit	336,452	10	147,360	6
5910	(Unrealized) realized loss from sales involving subsidiaries and affiliates (Note 4)	(<u>13,988</u>)	-	(<u>3,827</u>)	-
5950	Realized operating gross profit	<u>322,464</u>	<u>10</u>	<u>143,533</u>	<u>6</u>
	Operating expense (Note 4, 24 and 29)				
6100	Marketing expense	84,593	2	73,734	3
6200	Administrative expense	88,985	3	79,215	3
6450	Expected gains on reversal of ECL	(<u>233</u>)	-	(<u>863</u>)	-
6000	Total operating expenses	<u>173,345</u>	<u>5</u>	<u>152,086</u>	<u>6</u>
6900	Operating profit (loss)	<u>149,119</u>	<u>5</u>	(<u>8,553</u>)	-
	Non-operating revenue and expense				
7100	Interest income (Note 24)	824	-	258	-
7010	Other incomes (Note 24 and 29)	35,310	1	18,836	1
7020	Other profits and losses (Note 24)	68,246	2	1,985	-
7050	Financial costs (Note 4 and 24)	(39,851)	(1)	(24,035)	(1)
7070	Share of profit/loss of subsidiaries and associates under equity method (Note 4 and 12)	<u>217,577</u>	<u>7</u>	<u>104,352</u>	<u>4</u>
7000	Total non-operating revenues and expenses	<u>282,106</u>	<u>9</u>	<u>101,396</u>	<u>4</u>

(Next page)

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Code		2022		2021	
		Amount	%	Amount	%
7900	Pre-tax profit	\$ 431,225	14	\$ 92,843	4
7950	Income tax expenses (Note 4, 5 and 25)	(96,867)	(3)	(10,252)	-
8200	Net profit for the year	<u>334,358</u>	<u>11</u>	<u>82,591</u>	<u>4</u>
	Other comprehensive income				
8310	Titles not reclassified as profit or loss:				
8311	Re-measurement of defined benefit plan	2,145	-	1,997	-
8316	Unrealized valuation profit/loss from investment in equity instruments measured at fair value through other comprehensive income	(5,697)	-	-	-
8360	Titles potentially reclassified as profit or loss subsequently:				
8361	Exchange differences from translation of foreign financial statements (Note 4 and 22)	37,333	1	(40,158)	(2)
8399	Income tax related to titles potentially being reclassified	<u>6,873</u>	<u>-</u>	<u>(8,031)</u>	<u>-</u>
8300	Other comprehensive income (after tax) for the year	<u>40,654</u>	<u>1</u>	<u>(46,192)</u>	<u>(2)</u>
8500	Total comprehensive income for the year	<u>\$ 375,012</u>	<u>12</u>	<u>\$ 36,399</u>	<u>2</u>
	Earnings per share (Note 26)				
9710	Basic EPS	<u>\$ 1.11</u>		<u>\$ 0.29</u>	
9810	Diluted EPS	<u>\$ 1.11</u>		<u>\$ 0.29</u>	

The attached notes are part of the Parent Company Only Financial Statements.

Chairman: Hermas Chang

CEO: Ching-Wang Chen

CFO: Julia Lai

IDEAL BIKE CORPORATION Parent Company Only Statement of Changes in Equity
January 1 to December 31, 2022 and 2021

Unit: NTD thousand unless otherwise specified.

Code	Share capital			Retained earnings (Accumulated losses)			Other equities			
	Number of shares (thousand shares)	Common stock capital	Capital reserves	Legal reserves	Special reserves	Undistributed earnings (Losses to be covered)	Exchange differences from translation of foreign financial statements	Unrealized profit/loss from the financial assets measured at fair value through other comprehensive income	Total equities	
A1	Balance as of December 31, 2021	243,279	\$ 2,432,787	\$ 92,940	\$ 212,090	\$ 78,308	(\$ 1,021,602)	(\$ 134,788)	(\$ 294,286)	\$ 1,365,449
C5	Changes in other capital surplus: Components of equity recognized upon issuance of convertible corporate bonds	-	-	(4,842)	-	-	-	-	-	(4,842)
C17	Changes in other capital surplus	-	-	129	-	-	-	-	-	129
D1	Net profit for 2021	-	-	-	-	-	82,591	-	-	82,591
D3	Other comprehensive income after tax for 2021	-	-	-	-	-	1,997	(48,189)	-	(46,192)
D5	Total comprehensive income for 2021	-	-	-	-	-	84,588	(48,189)	-	36,399
E1	Follow-on offering	50,000	500,000	10,000	-	-	-	-	-	510,000
I1	Corporate bonds converted to common stock	6,322	63,222	27,200	-	-	-	-	-	90,422
Z1	Balance as of December 31, 2021	299,601	2,996,009	125,427	212,090	78,308	(937,014)	(182,977)	(294,286)	1,997,557
D1	Net profit for 2022	-	-	-	-	-	334,358	-	-	334,358
D3	Other comprehensive income after tax for 2022	-	-	-	-	-	2,145	44,206	(5,697)	40,654
D5	Total comprehensive income for 2022	-	-	-	-	-	336,503	44,206	(5,697)	375,012
I1	Corporate bonds converted to common stock	2,123	21,234	6,890	-	-	-	-	-	28,124
Z1	Balance as of December 31, 2022	301,724	\$ 3,017,243	\$ 132,317	\$ 212,090	\$ 78,308	(\$ 600,511)	(\$ 138,771)	(\$ 299,983)	\$ 2,400,693

The attached notes are part of the Parent Company Only Financial Statements.

Chairman: Hermas Chang

CEO: Ching-Wang Chen

CFO: Julia Lai

IDEAL BIKE CORPORATION
Parent Company Only Statement of Cash Flow
January 1 to December 31, 2022 and 2021

Code		2022	2021
			Unit: NTD thousand
	Cash flow from operating activities		
A10000	Pre-tax profits	\$ 431,225	\$ 92,843
A20000	Income and expenses:		
A20100	Depreciation expense	23,836	11,852
A20200	Amortization expense	1,266	989
A20300	Expected gains on reversal of ECL	(233)	(863)
A20400	Net losses (gains) from financial assets and liabilities measured at fair value through profit or loss	9,464	(9,025)
A20900	Financial cost	39,851	24,035
A21200	Interest income	(824)	(292)
A21300	Dividend income	(8,828)	(1,388)
A22400	Share of profit/loss of subsidiaries and associates under equity method	(217,577)	(104,352)
A22500	Gain from disposal of property, plant, and equipment	(33)	-
A23800	Inventory devaluation and obsolescence loss (reversal gain)	12,276	(4,501)
A23900	Unrealized sales loss on inter-affiliate accounts	13,988	3,827
A29900	Loss from redemption of corporate bonds	4,209	4,575
A24100	Unrealized loss (profit) from conversion of foreign currencies	9,708	(4,733)
A30000	Net changes in operating assets and liabilities		
A31150	Notes and accounts payable (including related party)	(615,752)	44,791
A31180	Other receivables (including related parties)	1,194	210,594
A31200	Inventory	(397,920)	(425,283)
A31240	Other current assets	(10,378)	(21,264)
A32125	Contractual liabilities	(13,120)	15,877
A32150	Notes and accounts payable (including related party)	(89,353)	17,197
A32180	Other payables (including related party)	36,530	(8,050)
A32230	Other current liabilities	3,381	938
A32240	Net defined benefit liabilities	(439)	(4,263)
A33000	Cash inflow (outflow) from operation	(767,529)	(156,496)
A33100	Interest received	824	292
A33200	Dividend received	2,083	1,388
A33300	Interest paid	(36,869)	(16,866)
A33500	Income tax paid	(60)	(12)
AAAA	Net cash outflow from operating activities	(801,551)	(171,694)

(Next page)

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Code		2022	2021
	Cash flow from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(\$ 18,238)	\$ -
B00050	Disposal of financial assets measured at amortized cost	124,201	32,049
B00100	Acquisition of financial assets measured at fair value through profit or loss	(9)	-
B00200	Disposal of financial assets measured at fair value through profit or loss	-	1,659
B01900	Disposal of long-term equity investments under equity method	10,814	-
B01800	Acquisition of long-term equity investments under equity method	-	(364,652)
B02700	Acquisition of property, plant, and equipment	(12,378)	(25,038)
B02800	Disposal of property, plant, and equipment	1,718	-
B03700	Increase in guarantee deposits paid	(2,155)	(1,299)
B04500	Acquisition of intangible assets	(1,561)	(1,762)
B07100	Increase in prepayment for equipment purchase	(134)	(2,189)
B07600	Dividend received	<u>6,745</u>	<u>-</u>
BBBB	Net cash inflow (outflow) from investing activities	<u>109,003</u>	<u>(361,232)</u>
	Cash flow from financing activities		
C00100	Increase in short-term loans	3,503,601	2,120,662
C00200	Decrease in short-term loans	(3,096,647)	(2,030,277)
C01300	Redemption of corporate bonds	(357,255)	(78,740)
C01600	Borrowing of long-term loan	798,432	299,583
C01700	Repayment of long-term loans	(248,782)	(151,063)
C04020	Repayment of lease liabilities	(11,264)	(1,647)
C04600	Follow-on offering	-	510,000
C09900	Other financing activities	<u>-</u>	<u>129</u>
CCCC	Net cash inflow from financing activities	<u>588,085</u>	<u>668,647</u>
DDDD	Effect of changes in exchange rate on cash and cash equivalents	(519)	(1,136)
EEEE	Increase (decrease) in cash and cash equivalents	(104,982)	134,585
E00100	Balance of cash and cash equivalents - beginning of year	<u>394,528</u>	<u>259,943</u>
E00200	Balance of cash and cash equivalents - ending of year	<u>\$ 289,546</u>	<u>\$ 394,528</u>

The attached notes are part of the Parent Company Only Financial Statements.

Chairman: Hermas Chang

CEO: Ching-Wang Chen

CFO: Julia Lai

Independent Auditors' Report

To IDEAL BIKE CORPORATION:

Audit opinion

We have audited the consolidated balance sheet of Ideal Bike Corporation and its subsidiaries (collectively referred to as the "Group" hereinafter) as of December 31, 2022 and 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the period from January 1 to December 31, 2022 and 2021, and the notes to the consolidated financial statements (including the summary of significant accounting policies).

In our opinion, the said consolidated financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC interpretations, and SIC interpretations that were approved and released by the Financial Supervisory Commission, and thus presented fairly, in all material aspects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and the consolidated financial performance and cash flow for the period from January 1 to December 31, 2022 and 2021.

Basis of audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the generally accepted auditing standards. Our responsibilities under such standards are further described in the "CPA's responsibility for the audit of the consolidated financial statements" section in this report. We were independent of the Group in accordance with the Norms of Professional Ethics for Certified Public Accountants and fulfilled all other responsibilities thereunder. We believe that we acquired sufficient and appropriate audit evidence to base our audit opinions.

Key audit matters

Key audit matters refer to, based on our professional judgment, the most important matters for auditing the Group's consolidated financial statements for 2022. Such matters were addressed during the overall audit of the consolidated financial statements and the process of forming the audit opinions, and thus we did not provide opinions separately on such matters.

The key audit matters for the Group's consolidated financial statements for 2022 are described as follows:

Recognition of sales revenue

The Group mainly sold bicycles and parts. The Group recognized NTD 5,591,120,000 as sales revenue. Please refer to Note 25. Considering the change to the bike market in recent years, the risk of inflated sales revenue at a significant amount from new customers might be increased and produce a significant effect on the consolidated financial statements. Thus, we found that the existence and occurrence of increase in the aforementioned sales revenue were the important matters to be audited in the current year.

Our audit procedures included (but were not limited to the following) evaluating the appropriateness of the Group's accounting policy in recognition of revenues, understanding and testing the effectiveness of internal control with respect to order handling and shipping procedures, and conducting spot check of relevant sales revenue certificates and other documents and making sure there were no abnormalities involved in any sales targets and any parties from whom payments were collected.

Other Matters:

For the parent company only financial statements prepared by Ideal Bike Corporation for 2022 and 2021, we had an independent auditors' report issued with unqualified opinions for reference.

Responsibility of the management and governance unit for the consolidated financial statements

The management was responsible for preparation of the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC interpretations, and SIC interpretations that were approved and released by the Financial Supervisory Commission and maintaining the necessary internal control related to preparation of the

consolidated financial statements to ensure that the consolidated financial statements were free of material misstatements due to fraud or error.

During preparation of the consolidated financial statements, the management was also responsible for evaluating the Group's ability to continue as a going concern, disclosure of relevant matters and application of the going concern basis of accounting unless the management intended to liquidate the Group or terminate its operations, or there was no other actual and feasible solutions other than liquidation or termination of its operations.

The Group's governance unit (including the Audit Committee) was responsible for supervising the financial reporting procedures.

CPA's responsibility for the audit of the consolidated financial statements

We have audited the consolidated financial statements for the purpose of obtaining reasonable assurance about whether the consolidated financial statements as a whole were free of material misstatements due to fraud or error and issuing an audit report. Reasonable assurance refers to a high level of assurance; however, we could not guarantee to detect all material misstatements in the consolidated financial statements through the audit conducted based on the auditing standards. The misstatements might be due to fraud or errors. If an individual or total amount misstated was reasonably expected to have an impact on the economic decision-making of users of the consolidated financial statements, the misstatements were deemed as material.

We used our professional judgment to be skeptical during the audit conducted based on the auditing standards. We also performed the following works:

1. We identified and evaluated the risk of any misstatements in the consolidated financial statements due to fraud or error, designed and implemented applicable response measures for the evaluated risks, and acquired sufficient and appropriate audit evidence to base our audit opinions. 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. We understood the internal control related to the audit to an extent necessary to design audit procedures applicable to the current circumstance; however, the purpose of such work was not to express opinions on the effectiveness of the Group's internal control.

3. We evaluated the appropriateness of the accounting policies adopted by the management and the rationality of the accounting estimates and relevant disclosures made by the management.
4. We drew a conclusion about the appropriateness of application of the going concern basis of accounting by the management and whether the event or circumstance which might cause major doubts about the Group's ability of going concern had a material uncertainty. If any material uncertainty was deemed to exist in such event or circumstance, we must provide a reminder in the consolidated financial statements for the users to pay attention to relevant disclosure therein, or amend our audit opinions when such disclosure was inappropriate. Our conclusion was drawn based on the audit evidence acquired as of the date of this audit report. However, future events or circumstances might result in a situation where the Group would no longer have the ability to remain a going concern.
5. We evaluated the overall presentation, structure and contents of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements presented relevant transactions and events fairly.
6. We acquired sufficient and appropriate audit evidence with respect to the financial information of the entities comprising the Group to provide opinions on the consolidated financial statements. We were responsible for instruction, supervision and implementation of the group audit cases, as well as the formation of the audit opinions on the Group.

The matters for which we communicated with the governance unit include the planned audit scope and time, as well as major audit findings (including the significant deficiencies of internal control identified during the audit.)

We also provided a declaration of independence to the governance unit, which assured that we complied with the requirements related to independence in the Norm of Professional Ethics for Certified Public Accountant, and communicated all relationships and other matters (including relevant protective measures) which we deemed to be likely to cause a impact on the independence of CPAs to the governance unit.

We determined the key audit matters to be audited in the Group's consolidated financial statements for 2022 based on the matters communicated with the governance unit. Unless public disclosure of certain matters were prohibited by related laws or regulations or if, in very exceptional circumstances, we determined not to cover such

matters in the audit report, as we could reasonably expect that the negative impact of the coverage was greater than the public interest brought thereby, we specified such matters in the audit report.

Deloitte & Touche Taiwan

CPA: Su-Li Fang

CPA: Tung-Hui Yeh

Approval No. from the Financial
Supervisory Commission:
Jin-Guan-Zheng-Liu-Zi No.
0940161384

Approval No. from the Financial
Supervisory Commission:
Jin-Guan-Zheng-Shen-Zi No. 0980032818

March 13, 2023

IDEAL BIKE CORPORATION and Subsidiaries Consolidated Balance Sheet

December 31, 2022 and 2021

Unit: NTD thousand

Code	Asset	December 31, 2022		December 31, 2021		Code	Liability and equity	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current assets						Current liabilities				
1100	Cash and cash equivalents (Notes 4, 6, and 30)	\$ 686,811	11	\$ 823,670	16	2100	Short-term loans (Notes 18, and 30)	\$ 1,441,174	22	\$ 922,591	18
1110	Financial assets measured at fair value through profit or loss – current (Notes 4, 7, and 30)	13,881	-	21,597	-	2120	Financial liabilities measured at fair value through profit or loss – current (Notes 4, 7, and 30)	-	-	1,459	-
1170	Accounts receivable, net (Notes 4, 5, 10, 25, and 30)	1,330,037	20	668,176	13	2130	Contractual liabilities – current (Note 25)	270,412	4	168,723	3
1200	Other receivables (Notes 10 and 30)	51,667	1	41,903	1	2170	Notes and accounts payable (Notes 20 and 30)	871,328	13	932,607	18
1220	Current income tax assets (Note 4, 5 and 27)	1,640	-	2,289	-	2219	Other payables (Note 21)	261,440	4	192,152	4
130X	Inventory (Notes 4 and 11)	2,781,625	42	1,934,412	37	2230	Current income tax liabilities (Note 4, 5 and 27)	905	-	11,274	-
1410	Prepayment (Note 17)	111,362	2	150,410	3	2280	Lease liabilities – current (Note 15)	15,110	-	559	-
1460	Rights to products to be returned – current (Note 25)	60,622	1	-	-	2322	Long-term loans and corporate bonds maturing within one year (Notes 4, 18, 19, 30, and 32)	429,645	7	575,560	11
1470	Other current assets	6,941	-	5,590	-	2399	Other current liabilities (Note 21)	99,057	1	8,787	-
11XX	Total current assets	<u>5,044,586</u>	<u>77</u>	<u>3,648,047</u>	<u>70</u>	21XX	Total current liabilities	<u>3,389,071</u>	<u>51</u>	<u>2,813,712</u>	<u>54</u>
	Non-current assets						Non-current liabilities				
1517	Financial assets measured at fair value through other comprehensive income non-current (Notes 4, 8, and 30)	12,638	-	97	-	2540	Long-term loans (Notes 18, 30, and 32)	495,016	8	162,332	3
1535	Financial assets measured at amortized cost – non-current (Notes 4, 9, 30, and 32)	171,836	3	294,892	6	2570	Deferred income tax liabilities (Note 4, 5 and 27)	146,695	2	115,447	2
1550	Investment under equity method (Notes 4, 13, 32, and 33)	189,944	3	189,118	3	2580	Lease liabilities – non-current (Note 15)	10,337	-	-	-
1600	Property, plant, and equipment (Notes 4, 14 and 3)	625,917	10	572,532	11	2640	Net defined benefit liabilities (Note 4 and 22)	16,031	-	18,615	-
1755	Right-of-use assets (Note 15)	71,155	1	47,040	1	2635	Preferred shares liabilities – non-current (Note 23)	104,414	2	127,328	3
1780	Intangible assets (Notes 4 and 16)	219,437	3	198,755	4	25XX	Total non-current liabilities	<u>772,493</u>	<u>12</u>	<u>423,722</u>	<u>8</u>
1840	Deferred income tax assets (Notes 4, 5 and 27)	211,261	3	267,919	5	2XXX	Total liabilities	<u>4,161,564</u>	<u>63</u>	<u>3,237,434</u>	<u>62</u>
1990	Other non-current assets (Note 17)	15,483	-	16,591	-		Equity attributable to the owner of parent company (Notes 4 and 24)				
15XX	Total non-current assets	<u>1,517,671</u>	<u>23</u>	<u>1,586,944</u>	<u>30</u>		Share capital				
						3110	Common stock capital	3,017,243	46	2,996,009	57
						3200	Capital reserves	132,317	2	125,427	2
							Retained earnings				
						3310	Legal reserves	212,090	3	212,090	4
						3320	Special reserves	78,308	1	78,308	2
						3350	Losses to be covered	(600,511)	(9)	(937,014)	(18)
						3400	Other equities	(438,754)	(6)	(477,263)	(9)
						3XXX	Total equities	<u>2,400,693</u>	<u>37</u>	<u>1,997,557</u>	<u>38</u>
1XXX	Total assets	<u>\$ 6,562,257</u>	<u>100</u>	<u>\$ 5,234,991</u>	<u>100</u>		Total liabilities and equities	<u>\$ 6,562,257</u>	<u>100</u>	<u>\$ 5,234,991</u>	<u>100</u>

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

Chairman: Hermas Chang

CEO: Ching-Wang Chen

CFO: Julia Lai

IDEAL BIKE CORPORATION and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2022 and 2021

Unit: NTD thousand,
Earnings Per Share expressed in NTD1

Code		2022		2021	
		Amount	%	Amount	%
4000	Net operating revenue (Notes 4 and 25)	\$ 5,591,120	100	\$ 4,613,524	100
5000	Operating cost (Note 4, 11, and 26)	<u>4,764,217</u>	<u>85</u>	<u>4,069,482</u>	<u>88</u>
5900	Operating gross profit	<u>826,903</u>	<u>15</u>	<u>544,042</u>	<u>12</u>
	Operating expense (Note 26)				
6100	Marketing expense	256,566	5	229,624	5
6200	Administrative expense	213,040	4	186,560	4
6450	Expected (profit) loss from credit impairment	(<u>310</u>)	<u>-</u>	<u>89</u>	<u>-</u>
6000	Total operating expenses	<u>469,296</u>	<u>9</u>	<u>416,273</u>	<u>9</u>
6900	Operating profit	<u>357,607</u>	<u>6</u>	<u>127,769</u>	<u>3</u>
	Non-operating revenue and expense				
7100	Interest income (Note 26)	5,369	-	1,261	-
7010	Other incomes (Note 26)	43,590	1	19,677	1
7020	Other profits and losses (Note 26)	88,620	2	(8,595)	-
7050	Financial cost (Note 26)	(56,728)	(1)	(35,827)	(1)
7060	Share of profit/loss of associates under equity method (Note 4 and 13)	<u>826</u>	<u>-</u>	<u>15,755</u>	<u>-</u>
7000	Net non-operating revenue and expense	<u>81,677</u>	<u>2</u>	(<u>7,729</u>)	<u>-</u>
7900	Pre-tax profit	439,284	8	120,040	3
7950	Income tax profit (expenses) (Note 4 and 27)	(<u>104,926</u>)	(<u>2</u>)	(<u>37,449</u>)	(<u>1</u>)
8200	Net profit for the year	<u>334,358</u>	<u>6</u>	<u>82,591</u>	<u>2</u>

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Code		2022		2021	
		Amount	%	Amount	%
8310	Other comprehensive income Titles not reclassified as profit or loss:				
8311	Re-measurement of defined benefit plan	\$ 2,145	-	\$ 1,997	-
8316	Unrealized valuation profit/loss from investment in equity instruments measured at fair value through other comprehensive income	(5,697)	-	-	-
	Titles potentially reclassified as profit or loss subsequently:				
8361	Exchange differences from translation of foreign financial statements (Note 4 and 24)	37,333	1	(40,158)	(1)
8399	Income tax related to titles potentially being reclassified	<u>6,873</u>	<u>-</u>	(<u>8,031</u>)	<u>-</u>
8300	Other comprehensive income for the year	<u>40,654</u>	<u>1</u>	(<u>46,192</u>)	(<u>1</u>)
8500	Total comprehensive income for the year	<u>\$ 375,012</u>	<u>7</u>	<u>\$ 36,399</u>	<u>1</u>
	Net profit attributable to:				
8610	The owners of the Company	\$ 334,358	6	\$ 82,591	2
8620	Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8600		<u>\$ 334,358</u>	<u>6</u>	<u>\$ 82,591</u>	<u>2</u>
	Total comprehensive income attributable to:				
8710	The owners of the Company	\$ 375,012	7	\$ 36,399	1
8720	Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8700		<u>\$ 375,012</u>	<u>7</u>	<u>\$ 36,399</u>	<u>1</u>
	Earnings per share (Note 28)				
9710	Basic EPS	<u>\$ 1.11</u>		<u>\$ 0.29</u>	
9810	Diluted EPS	<u>\$ 1.11</u>		<u>\$ 0.29</u>	

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

Chairman: Hermas Chang

CEO: Ching-Wang Chen

CFO: Julia Lai

IDEAL BIKE CORPORATION and Subsidiaries Consolidated Statement of Changes in Equity
January 1 to December 31, 2022 and 2021

Unit: NTD thousand, unless otherwise specified

Code		Share capital			Retained earnings (Accumulated losses)			Other equities		Total equities
		Number of shares (thousand shares)	Common stock capital	Capital reserves	Legal reserves	Special reserves	Undistributed earnings (Losses to be covered)	Exchange differences from translation of foreign financial statements	Unrealized profit/loss from the financial assets measured at fair value through other comprehensive income	
A1	Balance as of December 31, 2021	243,279	\$2,432,787	\$ 92,940	\$ 212,090	\$ 78,308	(\$1,021,602)	(\$ 134,788)	(\$ 294,286)	\$1,365,449
C5	Changes in other capital surplus: Components of equity recognized upon issuance of convertible corporate bonds	-	-	(4,842)	-	-	-	-	-	(4,842)
C17	Changes in other capital surplus	-	-	129	-	-	-	-	-	129
D1	Net profit for 2021	-	-	-	-	-	82,591	-	-	82,591
D3	Other comprehensive income after tax for 2021	-	-	-	-	-	1,997	(48,189)	-	(46,192)
D5	Total comprehensive income for 2021	-	-	-	-	-	84,588	(48,189)	-	36,399
E1	Capital increase in cash	50,000	500,000	10,000	-	-	-	-	-	510,000
I1	Corporate bonds converted to common stock	6,322	63,222	27,200	-	-	-	-	-	90,422
Z1	Balance as of December 31, 2021	299,601	2,996,009	125,427	212,090	78,308	(937,014)	(182,977)	(294,286)	1,997,557
D1	Net profit for 2022	-	-	-	-	-	334,358	-	-	334,358
D3	Other comprehensive income after tax for 2022	-	-	-	-	-	2,145	44,206	(5,697)	40,654
D5	Total comprehensive income for 2022	-	-	-	-	-	336,503	44,206	(5,697)	375,012
I1	Corporate bonds converted to common stock	2,123	21,234	6,890	-	-	-	-	-	28,124
Z1	Balance as of December 31, 2022	301,724	\$3,017,243	\$ 132,317	\$ 212,090	\$ 78,308	(\$ 600,511)	(\$ 138,771)	(\$ 299,983)	\$2,400,693

The attached notes are part of the Consolidated Financial Statements.

Chairman: Hermas Chang

CEO: Ching-Wang Chen

CFO: Julia Lai

IDEAL BIKE CORPORATION and Subsidiaries Consolidated Statements of Cash Flow
January 1 through December 31, 2022 and 2021

Unit: NTD thousand

Code		2022	2021
	Cash flow from operating activities		
A10000	Net profit before tax for the year	\$ 439,284	\$ 120,040
A20010	Income and expenses:		
A20100	Depreciation expense	63,857	53,357
A20200	Amortization expense	2,329	2,176
A20300	Expected impairment loss (reversal profit)	(310)	89
A20400	Net losses (gains) from financial assets and liabilities measured at fair value through profit or loss	9,464	(9,466)
A20900	Financial cost	56,728	35,827
A21200	Interest income	(5,369)	(1,261)
A21300	Dividend income	(8,828)	(1,388)
A22300	Share of profit or loss of associates and joint ventures under equity method	(826)	(15,755)
A22500	Profit from disposal of property, plant, and equipment	695	2,282
A23700	Inventory devaluation and obsolescence loss (gain from price recovery)	19,557	(5,002)
A24100	Unrealized profit from translation of foreign currencies	(26,541)	(14,009)
A29900	Loss from redemption of corporate bonds	4,209	4,575
A30000	Net changes in operating assets and liabilities		
A31150	Notes and accounts receivable	(654,243)	89,383
A31180	Other receivables	(9,360)	412
A31200	Inventory	(868,405)	(811,672)
A31240	Other current assets	(21,291)	(50,026)
A32125	Contractual liabilities	101,689	6,929
A32150	Notes and accounts payable	(61,279)	39,182
A32180	Other payables	70,300	82,903
A32230	Other current liabilities	88,862	(7,887)
A32240	Net defined benefit liabilities	(439)	(4,263)
A33000	Cash generated from operations	(799,917)	(483,574)
A33100	Interest received	5,369	1,261
A33200	Dividend received	2,083	1,388
A33300	Interest paid	(50,941)	(28,987)
A33500	Income tax paid	(18,341)	(11,159)
AAAA	Net cash outflow from operating activities	(861,747)	(521,071)

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Code		2022	2021
	Cash flow from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(\$ 18,238)	\$ -
B00020	Disposal of financial assets measured at fair value through other comprehensive income	-	1,659
B00050	Disposal of financial assets measured at amortized cost	124,201	41,660
B00100	Acquisition of financial assets measured at fair value through profit or loss	(9)	-
B00200	Disposal of financial assets measured at fair value through profit or loss	-	441
B02700	Acquisition of property, plant, and equipment	(100,629)	(44,517)
B02800	Disposal of property, plant, and equipment	2,194	2,080
B03800	Increase in guarantee deposits paid	(2,193)	(1,288)
B04500	Acquisition of intangible assets	(1,689)	(2,349)
B07100	Decrease (Increase) in prepayments for equipment	2,470	(5,991)
B06700	Other non-current assets	831	976
B07600	Dividend received	<u>6,745</u>	<u>-</u>
BBBB	Net cash inflow (outflow) from investing activities	<u>13,683</u>	<u>(7,329)</u>
	Cash flow from financing activities		
C00100	Increase in short-term loans	4,005,069	2,667,563
C00200	Decrease in short-term loans	(3,488,827)	(2,563,347)
C01300	Redemption of corporate bonds	(357,255)	(78,740)
C01600	Borrowing of long-term loan	813,476	299,626
C01700	Repayment of long-term loans	(250,069)	(166,669)
C02900	Repayment of preferred stock liabilities	(36,852)	(41,520)
C04600	Capital increase in cash	-	510,000
C04020	Repayment of lease liabilities	(11,551)	(1,647)
C09900	Other financing activities	<u>-</u>	<u>129</u>
C000	Net cash inflow from financing activities	<u>673,991</u>	<u>625,395</u>
DDDD	Effect of changes in exchange rate on cash and cash equivalents	<u>37,214</u>	<u>(39,648)</u>
EEEE	Increase (decrease) in cash and cash equivalents – net	(136,859)	57,347
E00100	Balance of cash and cash equivalents - beginning of year	<u>823,670</u>	<u>766,323</u>
E00200	Balance of cash and cash equivalents - ending of year	<u>\$ 686,811</u>	<u>\$ 823,670</u>

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

Chairman: Hermas Chang

CEO: Ching-Wang Chen

CFO: Julia Lai

Nine. Appendices

[Appendix I]

Articles of Incorporation of Ideal Bike Corporation

Chapter I. General Provisions

- Article 1 The Company was organized in accordance with the regulations governing companies limited by shares in the Company Act and named IDEAL BIKE CORPORATION.
- Article 2 The Company is engaged in the principal business specified below:
- 001 CD01050 Bicycles and Parts Manufacturing
 - 002 F114040 Wholesale of Bicycle and Component Parts Thereof
 - 003 F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
 - 004 CD01030 Motor Vehicles and Parts Manufacturing
 - 005 CD01990 Other Transport Equipment and Parts Manufacturing
 - 006 F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
 - 007 F114990 Wholesale of Other Traffic Means of Transport and Component Parts Thereof
 - 008 F401010 International Trade
 - 009 CD01040 Motorcycles and Parts Manufacturing
- Article 3 The Company is headquartered in Taichung City, Taiwan, and may establish domestic or overseas branches under the resolution of the Board of Directors, where necessary.
- Article 4 The Company's announcements shall be made in accordance with Article 28 of the Company Act.

Chapter II. Share

- Article 5 The Company's authorized capital amounts to NT\$3.5 billion, divided into 350 million shares at NT\$10 per share, which may be issued in installments subject to a resolution of the Board of Directors.
- Article 6 The Company may issue shares exempted from the requirements for printing of stock certificates, but shall register the shares with the centralized securities depository institutions.
- Article 7 The Company's shareholders service affairs shall be processed according to the Company Act, Regulations Governing the Administration of Shareholder Services of Public stock Companies, and related laws & regulations.
- Article 8 Registration for the transfer of stock shall be suspended 60 days before any general shareholders' meeting, 30 days before any special shareholders' meeting, or 5 days before the record date for determination of the shareholders entitled to dividends, bonuses or any other profits distributed by the Company.

Chapter III. Shareholders' Meeting

- Article 9 The Company's shareholders' meetings consist of the general shareholders' meeting and special shareholders' meeting. The general shareholders' meeting is convened once a year within six months after the end of each fiscal year and notified to each shareholder by the Board of Directors within 30 days prior to the meeting. The special shareholders' meetings may be held whenever deemed necessary.
- Article 9-1 The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.
- Article 10 Any shareholder who is unable to attend a shareholders' meeting in person may appoint a proxy to attend the meeting on behalf of him by presenting a power of attorney, in accordance with Article 177 of the Company Act.
- Article 11 During the session of a shareholders' meeting, the Chairman of Board shall be the chairperson. In case the Chairman is absent for any cause, he/she shall appoint one director to act on his/her behalf. In the absence of such a designation, the Directors shall elect from among themselves an acting chairperson of the meeting. If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convener shall chair the meeting. When there are two or more such conveners, they shall mutually select a chairperson from among themselves.
- Article 12 The Company's shareholders are entitled to one vote per share, unless otherwise provided in laws.
- Article 13 Resolutions at a shareholders' meeting shall, unless otherwise provided for in Company Act, be adopted by a majority of voting rights of the shareholders present, who represent more than one-half of the total issued shares.
- Article 14 Resolutions adopted at a shareholders' meeting shall be recorded in the meeting minutes, which shall be affixed with the signature or seal of the chairperson and shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting. The distribution of the meeting minutes may be done by public notice. The minutes shall record a summary of the essential points of the proceedings and results of the meeting, which, together with the attendance book signed by present shareholders and powers of attorney issued to proxies, shall be retained at the Company for the specific period referred to in Article 183 of the Company Act.

Chapter IV. Directors

- Article 15 The Company shall have seven directors, who shall hold the office for a term of 3 years after being elected through the candidate nomination system. They shall be elected by the shareholders' meeting from the list of candidates and may be in office for another term if re-elected. The total number of shares held by the whole directors shall satisfy the requirements under the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" promulgated by the securities competent authority.
- The directors referred to in the preceding paragraph shall include three independent directors. The professional qualification, shareholdings, restrictions on concurrent positions, means of nomination and election, and other requirements thereof shall comply with the related laws.
- Article 15-1 The Company shall assemble an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act in 2021.
- The Audit Committee, consisting of all independent directors, is responsible

for carrying out duties of the supervisors, as specified in the Company Act, Securities and Exchange Act, and other relevant regulations.

- Article 16 If the Board loses more than one-third of its directors, the Company shall convene a shareholders' meeting to elect new directors for the shortfall pursuant to laws. Directors elected during the by-election shall serve the remaining term of the current Board.
- Article 17 In the event that no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.
- Article 18 The Board of Directors shall consist of all directors. One Chairman of Board and one Vice Chairman of Board shall be elected among and from the directors upon resolution adopted by a majority of the directors present at a meeting attended by more than two-thirds of the whole directors, in order to execute all of the Company's affairs per laws, Articles of Incorporation, and resolution adopted by a shareholders' meeting and Board of Directors' meeting. When the Chairman is unable to perform his job duty, the Vice Chairman shall act on behalf of him.
- Article 19 The Company's business policy and other important motions shall be approved by the Board of Directors through a resolution. Except the first meeting of the Board of Directors of each term, which shall be convened by the Board of Directors in accordance with Article 203 of the Company Act, the other meetings shall be convened and also chaired by the Chairman of Board. In case the Chairman cannot perform his job duty, the Vice Chairman shall act on his behalf. In case the Vice Chairman is also absent, the Chairman shall appoint one director to act on his/her behalf. In the absence of such a designation, the Directors shall elect from among themselves an acting Chairman of the Board.
- Article 20 Resolutions at a meeting of the Board of Directors shall, unless otherwise provided for in the Company Act, be adopted by a majority of the directors present at the meeting attended by a majority of the whole directors. Where any director fails to attend the meeting in person, he/she may appoint another director as his/her proxy to attend the meeting on his/her behalf by issuing a power of attorney specifying the scope of authority with reference to the subjects to be discussed at the meeting, provided that a director may accept the appointment to act as the proxy of another director only. In case a meeting of the Board of Directors is conducted in the form of video conference, the directors taking part in such a video conference shall be deemed to have attended the meeting in person.
- Article 20-1 A notice setting forth therein the causes of a meeting of the Board of Directors shall be sent to each director within 7 days prior to the meeting, provided that the meeting may be convened at any time, in case of emergencies. Meeting advices may be served in various forms such as written correspondence, fax or email.
- Article 21 Resolutions adopted at a meeting of the Board of Directors shall be recorded in the meeting minutes, which shall be affixed with the signature or seal of the chairperson and shall be distributed to all directors of the Company within twenty (20) days after the close of the meeting. The minutes shall record a summary of the essential points of the proceedings and results of the meeting, which, together with the attendance book signed by present directors and powers of attorney issued to proxies, shall be retained at the Company for the

specific period referred to in Article 183 of the Company Act.

Article 22

Deleted.

Article 22-1

The Board of Directors is authorized to determine the level of remuneration to Chairman and directors (including independent directors) based on their engagement in and contribution to the Company's operations, and by reference to peer companies' pay.

Chapter V. Managers and Officers

Article 23

The Company shall appoint one President and several vice presidents. The appointment and dismissal thereof shall be subject to the resolution adopted by a majority of the whole Board directors, provided that the vice presidents to be appointed/dismissed shall be nominated by the President at first.

Article 24

The Company may retain counselors and key officers per the resolution made by the Board of Directors pursuant to Article 23 herein.

Article 25

Deleted

Chapter VI. Final Accounts

Article 26

The Board of Directors shall prepare the following statements and reports at the end of each fiscal year. These statements and reports shall be submitted to a general shareholders' meeting for acknowledgment:

- I. Business report
- II. Financial statements
- III. Motion for earnings distribution or compensation for losses

Article 27

If the Company has earnings at the end of any fiscal year, it is required to allocate 2%–10% thereof as the remuneration to employees and no more than 5% thereof as the remuneration to directors, and report the allocation to the Board of Directors for approval and then reported to a shareholders' meeting. However, when the Company still has accumulated losses, an amount equivalent to said losses shall be reserved from the earnings before allocating the remuneration to employees and directors, and the balance thereof, if any, shall be allocated according to said percentage referred to in the preceding paragraph.

Article 27-1

If the Company has earnings upon final account of any fiscal year, it shall first pay the tax, make up for any losses from past years, and then make contribution of 10% as the legal reserve. After appropriating or reversing a special reserve in accordance with the laws and regulations and the competent authority's requirements, the motion for distribution of the balance, if any, is proposed by the Board of Directors, and submitted to a shareholders' meeting for resolution.

The Company's dividend policy is adopted in response to the current and future development plans, investment environment, financing needs and domestic and international competition as well as the shareholders' interests and other factors. The Company's shareholders' dividends are allocated in the form of cash or stock dividends. The cash dividend shall be more than 20% of the total shareholders' dividends.

Chapter VII. Supplementary Clauses

- Article 28 The Company's Memorandum and Articles of Association shall be enacted by the Board of Directors separately.
- Article 29 The total amount of investment made by the Company may be exempted from the restriction on 40% of the paid-in capital for investment referred to in Article 13 of the Company Act.
- Article 29-1 The Company's endorsements and/or guarantees made for a third party, if any, are subject to its "Procedures for Making of Endorsements/Guarantees."
- Article 30 Any matters not covered herein shall be governed by the Company Act and other related laws & regulations.
- Article 31 These Articles were enacted on September 11, 1980.
1st amendments hereto were made on November 7, 1982.
2nd amendments hereto were made on June 21, 1983.
3rd amendments hereto were made on January 12, 1984.
4th amendments hereto were made on August 18, 1984.
5th amendments hereto were made on December 11, 1985.
6th amendments hereto were made on May 15, 1987.
7th amendments hereto were made on June 30, 1993.
8th amendments hereto were made on July 30, 1993.
9th amendments hereto were made on June 26, 1994.
10th amendments hereto were made on July 5, 1996.
11th amendments hereto were made on October 5, 1996.
12th amendments hereto were made on June 10, 1997.
13th amendments hereto were made on June 20, 1998.
14th amendments hereto were made on June 11, 1999.
15th amendments hereto were made on May 12, 2000.
16th amendments hereto were made on June 15, 2001.
17th amendments hereto were made on August 20, 2001.
18th amendments hereto were made on June 5, 2002.
19th amendments hereto were made on November 18, 2002.
20th amendments hereto were made on June 6, 2003.
21st amendments hereto were made on May 17, 2004.
22nd amendments hereto were made on June 27, 2005.
23rd amendments hereto were made on June 20, 2006.
24th amendments hereto were made on June 11, 2007.
25th amendments hereto were made on June 20, 2008.
26th amendments hereto were made on May 26, 2009.
27th amendments hereto were made on June 18, 2010.
28th amendments hereto were made on June 15, 2012.
29th amendments hereto were made on June 14, 2013.
30th amendments hereto were made on June 12, 2014.
31st amendments hereto were made on June 23, 2015.
32nd amendments hereto were made on June 14, 2016.
33rd amendments hereto were made on June 13, 2017.

34th amendments hereto were made on June 11, 2018.
35th amendments hereto were made on June 21, 2019.
36th amendment hereto were made on July 20, 2021.
37th amendments hereto were made on June 9, 2022.

Ideal Bike Corporation

Chairman: Hermas Chang

Ideal Bike Corporation
Rules of Procedure for Shareholders' Meeting (in its entirety
before amendments)

- Article 1: The shareholders' meetings of the Company shall be governed by the Rules.
- Article 2: The shareholders referred to herein shall mean the shareholders per se and proxies attending the meetings on behalf of them.
- Article 3: Shareholders attending a shareholders' meeting shall hand in the attendance card in lieu of check-in, and the number of shares in attendance shall be calculated based on the attendance card.
- Article 4: Attendance and votes during shareholders' meetings shall be calculated based on the number of shares held; each share is entitled to one vote, unless otherwise provided by law.
- Article 5: Shareholders' meetings shall be held at the Company's location or any other locations that are suitable and convenient for shareholders to attend. Meetings must not commence at any time earlier than 9 a.m. or later than 3 p.m.
- Article 6: Unless otherwise provided in laws, where the Board of Directors convenes a shareholders' meeting, the Chairman shall preside over. If the Chairman is unable to perform duties with cause, the Chairman shall appoint one director to act on his behalf. If a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convener shall chair the meeting. When there are two or more such conveners, they shall mutually select a chairperson from among themselves.
- Article 7: The Company may designate the attorney-at-law, CPA or related personnel appointed by it to be present at a shareholders' meeting. Staff handling administrative affairs of a shareholders' meeting must wear proper identification.
- Article 8: The minutes of a shareholders' meeting shall be kept on record by voice recording or videotaping, and retained for at least one year.
- Article 9: The chairperson shall call the meeting to order at the appointed meeting time, and announce the number of non-voting shares and the number of shares 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, may be made. If the quorum is not met after two postponements, but the attending shareholders represent one-thirds or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1 of Article 175 of the Company Act.
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.
- Article 10: Where a shareholders' meeting is convened by the Board of Directors, the Board of Directors will determine the agenda. The agenda cannot be changed unless resolved during a shareholders' meeting.
The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.
Before the parliamentary procedure is accomplished in accordance with the agenda (including extempore motions) as stated in the preceding two paragraphs, the chairperson may not announce the adjournment of the meeting unless with the resolution rendered by the shareholders.
If the chairperson declares the adjournment of the meeting in a manner in violation of the Company's Rules of Procedure for Shareholders' Meeting, a new chairperson of the meeting may be elected by a resolution to be adopted by a majority of the shareholders present at the meeting to continue the meeting.
After the meeting is adjourned, shareholders cannot nominate another chairperson or seek another venue for the continuation of the meeting.
- Article 11: Shareholders who wish to speak during the meeting must first produce an opinion slip detailing

the topic and shareholder account number (or conference pass serial number). The order of shareholders' comments shall be determined by the chairperson.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, 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.

Article 12: Shareholders cannot speak for more than twice, for no more than 5 minutes each, on the same motion without the consent of the chairperson.

The chairperson may restrain shareholders in violation of the above rule or interrupt any comments that are irrelevant to the topics discussed.

Article 13: Any corporate entity that has been designated as a proxy can only appoint one representative to attend the shareholder 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.

Article 14: After a shareholder has delivered his/her speech, the chairperson may answer the shareholder's queries personally or appoint any relevant personnel to do so.

Article 15: The chairperson may announce to discontinue further discussions if the topic is considered to have been sufficiently discussed to proceed with the vote.

Article 16: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. The outcome of the vote must be documented and announced on site.

Article 17: The chairperson may call the meeting into recess at a suitable time.

Article 18: Unless otherwise specified in The Company Act or the Articles of Incorporation, a decision is passed with the consent of shareholders representing more than half of the total voting interests in the meeting.

A motion is considered passed as same as duly resolved through balloting process if the chairperson receives no objection from anyone.

Article 19: When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 20: The chairperson may direct the proctors (or security personnel) to help maintain order at the meeting place. While maintaining order in the meeting, all proctors (or security personnel) must wear arm badges that identify their role as "Proctor."

Article 21: Any matters not covered herein shall be governed by the Company Act, Articles of Incorporation and other related laws & regulations.

Article 22: The Rules shall be enforced upon approval by a shareholders' meeting. The same shall apply where the Rules are amended.

[Appendix III]

- III. **Impacts of Proposed Stock Dividends on the Company's Business Performance and Earnings per share (EPS):**
Not applicable, since the Company didn't distribute stock dividends this year.

[Appendix IV]

IV. **Statement of Shareholdings by Directors**

1. **The minimum number of shares to be held by all directors and the number of shares held by them identified in the roster of shareholders:**

Job Title	Number of shares to be held	Number of shares recorded in the roster of shareholders
Director	12,068,972	36,074,951

Book closure date: April 11, 2023

2. **Statement of Shareholdings by Directors**

Job Title	Name	Number of shares recorded in the roster of shareholders
Chairman	Hermes Chang	14,129,647
Vice Chairman	Representative of TAICHUNG HARBOR WAREHOUSING & STEVEDORING CO., LTD.: Fang-Ming Chang	611,661
Director	Guo Ling Investment Co., Ltd. Representative: Heng-Kuan Chen	21,333,643
Director	Guo Ling Investment Co., Ltd. Representative: Yung-Sheng, Hsu	21,333,643
Independent Director	Wen-Yi Lin	-
Independent Director	Hsien-Chun Chiu	-
Independent Director	Kun-Tien Liu	-

Book closure date: April 11, 2023

Thank you for attending the general
shareholders' meeting!

Thank you for your opinion at any time!