

Stock Code: 8933



Ideal Bike Corporation

2024

General Shareholders' Meeting Agenda Handbook

Method of Convening: Held in the form of a physical meeting

Date: 9:00 am on May 30, 2024 (Thursday)

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

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Ideal Bike Corporation

2024 General Shareholders' Meeting Agenda

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Date: 9:00 am on May 30, 2024 (Thursday)

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) 2023 Business Report
- (II) Audit Committee's Review Report on 2023 Financial Statements
- (III) Amendment to the "Ethical Corporate Management Best-Practice Principles" and the "Code of Ethical Conduct"

IV. Proposed Resolutions

- (I) Adoption of the 2023 Business Report and Financial Statements
- (II) Adoption of the Proposal for 2023 Appropriation of profit or loss

V. Election

Re-election of the Company's directors

VI. Other Motions

Proposal of the removal of non-competition ban on the newly elected directors

VII. Questions and Motions

VIII. Adjournment

Management Presentation

“Report No. 1”: 2023 Business Report

Dear Shareholders:

In 2023, due to the weak demand for mid-to-low products in the European and American bicycle markets, the bicycle industry will still face the challenge of destocking in the short term. However, in the medium and long term, people in Europe and the United States still attach great importance to sports, fitness and outdoor activities, and use electric bicycles as an environmentally friendly commute tool and to engage in outdoor leisure activities. This is a trend that will increase bicycle industry sales and momentum.

With the bicycle industry’s ongoing research and innovation, high value-added products such as high-end bicycles and electric bicycles are becoming increasingly popular, with the electric bicycle market in Europe receiving special attention. Currently, the Company will continue to improve the design and quality of its existing sales vehicles, with electric bicycles being a key development product for IDEAL. Electric vehicle export volume and value are expected to increase over time.

Because of high global inflation pressures and the stalemate in the international war, raw material and energy prices remain high, causing the real purchasing power of European and American citizens to fall. However, as demand for high-end bicycles and electric bicycles continues to exceed supply, the average unit price of products shipped is expected to rise. The key goals for 2024 are to control raw material supply and demand, actively reduce inventory and price changes, integrate internal and external information and resources, and accurately execute the operating plan.

We hereby report to our shareholders the Company’s Business Report for 2023 and Business Plan for 2024.

(I) 2023 Business Report

1. 2023 Business Plan and Revenues and Expenditures

Item	2023		2022		Amount Increased/decreased	
	NT\$ thousand	%	NT\$ thousand	%	NT\$ thousand	%
Operating revenue	3,654,553	100.00	5,591,120	100.00	(1,936,567)	(34.64)
Operating cost	3,371,701	92.26	4,764,217	85.21	(1,392,516)	(29.23)
Operating gross profit	282,852	7.74	826,903	14.79	(544,051)	(65.79)
Operating expense	599,601	16.41	469,296	8.39	130,305	27.77
Operating profit (loss)	(316,749)	(8.67)	357,607	6.40	(674,356)	(188.57)
Non-operating income and expenses, net	42,222	1.16	81,677	1.46	(39,455)	(48.31)
Net profit after tax (loss)	(291,231)	(7.97)	334,358	5.98	(625,589)	(187.10)
EPS (after tax)	(0.97)		1.11		(2.08)	

2. Execution of the 2023 budget: The Company has yet to announce the 2023 budget.

3. 2023 Profitability analysis

Item		Year		
		2023	2022	
Profitability	Return on assets (%)	(3.69)	6.43	
	Return on Shareholders' Equity (%)	(12.81)	15.20	
	Paid-up Capital Ratio (%)	Operating Profit	(11.57)	13.19
		Net profit before tax	(10.03)	16.20
	EBIT Margin (%)		(7.96)	5.98
	EPS (NT\$)		(0.97)	1.11

4. Research and development:

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

In response to the trend, the Company will continue to develop electric vehicles, focusing on commuting uses and high-cost products that emphasize the use of functional integration, while also offering multifaceted electronic control systems to customers.

(2) Enhance design capabilities to meet environmental issues:

In response to ESG issues, we will find environmentally friendly materials and gradually reduce the use of plastic packaging materials, and strengthen technical support to assist customers with problems, and handle the sharing of technical resources with the Group.

(II) Outline of the business plan this year

1. Business policy in 2024

(1) The operation center will be strengthened with the focus on IDEAL-Taiwan.

(2) Actively develop the electric vehicle market in various countries.

(3) Effectively control and expand the source of key materials and production capacity for electric vehicle products, and actively reduce inventory.

(4) Resource sharing and international division of labor.

2. Production and sales plan in 2024

(1) Grasp the raw material supply and demand schedule and price changes, and improve production efficiency.

(2) During the development and design stage of new vehicle models in the next year, the Company will proactively provide proposals for improving vehicle assembly efficiency.

(3) Increase the sales volume of electric bicycles in the European market.

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

1. Global tariff barriers test the layout of production bases of bicycle manufacturers.
2. The combination of the strengths of the electric bicycle and the technology industry will present various appearances as the Electronic and electrical information industry becomes the trend.
3. Battery technology and charging devices are getting more and more matured and thereby result in the rising of the electrical bicycle market.
4. Inflationary pressures around the world have caused commodity and energy prices to remain high, resulting in the decline of purchasing power.
5. By combining engineering, design, and environmental considerations, the bicycle industry is responding in an innovative way to the trend of energy conservation and carbon reduction. This has resulted in significant changes and impacts on the industry as consumer preferences and market demands have shifted.

Looking ahead to 2024, the IDEAL management team will continue to work hard to achieve brilliant results. On behalf of all IDEAL employees, we look forward to collaborating with you on a new and sustainable future.

We wish everyone peace and joy, all the best

Chairman: Hermas Chang

Manager: Ching-Wang Chen

CFO: Julia Lai

“Report No. 2”: Audit Committee’s Review of the 2023 Financial Statements

Ideal Bike Corporation

Audit Committee’s Review Report

For approval

The 2023 consolidated financial statements and parent company only financial statements prepared by the Board of Directors of the Company have been audited by CPA Su-Li Fang and Tung-Hui Yeh of Deloitte Taiwan, and issued an independent auditor’s report. This Audit Committee found no inconsistency with the above-mentioned financial statements, the Business Report, and the Appropriation for Profit or Loss. We hereby submit our report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, please review.

2024 General Shareholders’ Meeting

Ideal Bike Corporation

Convener of the Audit Committee: LIN, WEN-YI

March 12, 2024

“Report No. 3”: Amendment of the “Ethical Corporate Management Best-Practice Principles” and “Code of Ethical Conduct”

Explanation: In response to the corporate governance evaluation, the Company’s “Ethical Corporate Management Best-Practice Principles” and “Code of Ethical Conduct” of the Company have been revised to make them more complete. The comparison table of the provisions before and after the revision is shown in the table below.

Ideal Bike Corporation

Comparison Table of the “Ethical Corporate Management Best-Practice Principles” before and after amendment

Article No.	Original clauses	Added (amended) clauses	Notes
Article 7 Procedures for handling the acceptance of improper benefits	<p>In the event that the personnel of the Company directly or indirectly provides or promises to give benefits specified in Article 4. In addition to the circumstances described in the preceding Articles, the following procedures shall be followed:</p> <p>1. If the person making the offer or promise has no job relationship with them, they must report to their direct supervisor within three days of receipt and notify the Business Planning Office if necessary.</p> <p>2. If the person provides or promises to have a stake in their position, they must return or reject the goods, report to their direct supervisor, and notify the Business Planning Office; if it is impossible to return the goods, report to the Business Planning Office within three days of acceptance.</p> <p>A conflict of interest referred to in the preceding paragraphs means a person under any of the following circumstances:</p> <p>1. Those who have business dealings, command and supervision, or reimbursement (award) for expenses.</p> <p>2. Those who are seeking, in progress, or have entered into a contracting, trading, or other contractual</p>	<p>In the event that the personnel of the Company directly or indirectly provides or promises to give benefits specified in Article 4, other than the circumstances described in the preceding Articles, they shall proceed as follows:</p> <p>1. If the person making the offer or promise has no job relationship with them, they must report to their direct supervisor within three days of receipt and notify the Business Planning Office if necessary.</p> <p>2. If the person who provides or promises to have a stake in their position should return or reject, and report to their immediate supervisor and inform the <u>Administration Department</u>; if it cannot be returned, they should be reported to the <u>Administration Department</u> within three days from the date of receipt.</p> <p>A conflict of interest referred to in the preceding paragraphs means a person under any of the following circumstances:</p> <p>1. Those who have business dealings, command and supervision, or reimbursement (award) for expenses.</p> <p>2. Those who are seeking, in progress, or have entered into a contracting,</p>	Amendment of unit name due to adjustment of organizational unit

Article No.	Original clauses	Added (amended) clauses	Notes
	<p>relationship.</p> <p>3. The decision, execution or non-execution of the Company’s business that will be beneficial or detrimental to the situation.</p> <p>Depending on the nature and value of the benefits referred to in paragraph 1, the Company’s <u>Business Planning Office</u> shall make a proposal for refund, payment, return to the public, donation to charitable organizations, or other appropriate proposals, and submit the proposal to the Chairman for approval before implementation.</p>	<p>trading, or other contractual relationship.</p> <p>3. The decision, execution or non-execution of the Company’s business that will be beneficial or detrimental to the situation.</p> <p>Depending on the nature and value of the benefits referred to in paragraph 1, the <u>Administration Department of the Company</u> shall make a proposal for refund, payment, return to the public, donation to charitable organizations, or other appropriate suggestions, and submit it to the Chairman for approval before implementation.</p>	
<p>Article 8 Prohibition of facilitation fee and handling procedure</p>	<p>The Company shall not offer or promise any facilitation fee. If the personnel of the Company are threatened or intimidated to offer or promise to offer facilitation fee, record the process and report to the supervisor and notify <u>the Business Planning Office</u>. The <u>Business Planning Office</u> shall take immediate action upon receiving the notification under the preceding paragraph, and conduct a review of the relevant matter in order to reduce the risk of recurrence. Immediately report to the judiciary if any illegal activity is found.</p>	<p>The Company shall not offer or promise any facilitation fee. If the personnel of the Company offer or promise to offer facilitation fee due to threats or intimidation, they shall record the process and report to their immediate supervisor and notify the <u>Administration Department</u>. The <u>Administration Department</u> shall take immediate action upon receiving the notification under the preceding paragraph, and shall review the relevant matter to reduce the risk of recurrence. Immediately report to the judiciary if any illegal activity is found.</p>	<p>Amendment of unit name due to adjustment of organizational unit</p>

Article No.	Original clauses	Added (amended) clauses	Notes
<p>Article 19 Responding to Unethical Behaviors of the Company's Personnel</p>	<p>The Company has a mailbox for complaints, and whistle blowers <u>shall</u> provide at least the following information: the whistleblower's name, ID card number and an address where the whistleblower can be reached, telephone number, e-mail address, the name of the respondent or any other item that can be used to identify the whistleblower and specific facts supporting the investigation.</p> <p>The <u>relevant personnel of the Company handling the complaints shall declare in writing to keep the identity of the whistleblower and the content of the report confidential. The Company</u> undertakes to protect the whistleblowers from improper treatment due to their reports, and <u>the Company's audit</u> unit shall handle them according to the following procedures: Notify the department head if regular employees are involved. If senior executives or directors are involved, the matter should be reported to the Audit Committee. The relevant facts shall be promptly ascertained by the audit unit of the Company and the supervisor or personnel referred to in the preceding subparagraph. If required, assistance shall be provided by the legal compliance or other pertinent departments. If the reported person is proven to have violated the relevant laws and regulations or the Company's ethical corporate management policies and regulations, the reported person shall be required to immediately stop the relevant behavior and take appropriate disposition, and if necessary, seek compensation for damages through legal proceedings, in order to protect the Company's reputation and interests.</p>	<p>The Company has set up a complaint mailbox. Whistleblowers can submit reports to <u>the employees through the mailbox set up in the plants or the mailbox disclosed in the human resources section of the Company's website</u>. At least the following information must be provided: the whistleblower's name, ID card number and an address where the whistleblower can be reached, telephone number, e-mail address, the name of the respondent or any other item that can be used to identify the whistleblower and specific facts supporting the investigation.</p> <p>The Company <u>shall treat the identities and details of the whistleblowers or investigators with absolute confidentiality and protection, and shall</u> undertake to protect the whistleblowers from improper treatment due to their reports. The <u>HR</u> unit shall handle according to the following procedures: Notify the department head if regular employees are involved. If senior executives or directors are involved, the matter should be reported to the Audit Committee. The relevant facts shall be promptly ascertained by the HR unit of the Company and the supervisor or personnel referred to in the preceding subparagraph. If required, assistance shall be provided by the legal compliance or other pertinent departments. If the reported person is proven to have violated the relevant laws and regulations or the Company's ethical corporate management policies and regulations, the reported person shall be required to immediately stop the relevant behavior and take appropriate disposition, and if necessary, seek compensation for damages through legal proceedings, in order to protect the Company's reputation and interests. <u>The respondent may file an appeal with the human resources unit if</u></p>	<p>Supplement relevant text of the reporting channel and the complete handling process to make it more complete.</p>

Article No.	Original clauses	Added (amended) clauses	Notes
	<p>The acceptance of a report, the investigation process, and the results of the investigation shall be kept in writing and retained for 5 years, which can be retained in electronic means. Before the expiry of the retention period, in case of a lawsuit related to the content of the report, the relevant information shall be kept until the end of the lawsuit. For the alleged incidents proven to be substantiated, the responsible department of the Company shall review the relevant internal control system and operating procedures, and propose corrective measures to prevent the recurrence of the same behavior.</p> <p>The Company's <u>audit</u> unit shall report the reported matter, the handling method and the subsequent review and improvement measures to the Board of Directors.</p>	<p><u>dissatisfied; the unit shall provide written notification of the appeal's outcome.</u></p> <p><u>In cases where the allegations made by the whistleblowers are supported by evidence, the rewards and penalties prescribed by the Company are applied.</u></p> <p>The acceptance of a report, the investigation process, and the results of the investigation shall be kept in writing and retained for 5 years, which can be retained in electronic means. Before the expiry of the retention period, in case of a lawsuit related to the content of the report, the relevant information shall be kept until the end of the lawsuit.</p> <p>For the alleged incidents proven to be substantiated, the responsible department of the Company shall review the relevant internal control system and operating procedures, and propose corrective measures to prevent the recurrence of the same behavior.</p> <p>The Company's <u>HR</u> unit shall report the reported matter, the handling method and the subsequent review and improvement measures to the Board of Directors.</p>	

Article No.	Original clauses	Added (amended) clauses	Notes
Article 21 Internal dissemination	<p><u>The Company shall organize and participate in a minimum of one internal dissemination per year, during which the Chairman, President, or senior management shall address directors, employees, and appointees regarding the significance of integrity.</u></p> <p>The Company will dismiss any of the Company's personnel found to be in violation of the ethical corporate management regulations. In addition, the Company is obligated to provide the following information regarding the ethical violator: the date, nature, and response of the violation, as well as the title and name of the individual responsible.</p>	<p><u>The Company shall communicate the importance of integrity to its internal colleagues, directors and managers through the signing of appointment contracts or agreement to office, and the disclosure of the Ethical Corporate Management Best-Practice Principles on the internal platform and the Company's website.</u></p> <p>If any of the Company's personnel violates the ethical corporate management regulations, <u>they shall be dismissed upon investigation in accordance with Article 19.</u> In addition, the Company is obligated to provide the following information regarding the ethical violator: the date, nature, and response of the violation, as well as the title and name of the individual responsible.</p>	Supplement relevant written descriptions on the specific actions of internal promotion
Article 22 (Accounting and Internal Control)		<p>The Company shall establish an effective accounting system and internal control system for business activities with a higher risk of unethical conducts, shall not keep open accounts or secret accounts, and shall review the system from time to time to ensure that the design and implementation of such systems continue to be effective.</p> <p>The internal audit unit shall establish relevant audit plans based on the assessment results of the risk of unethical conduct, including the auditees, scope, items, and frequency, and examine the compliance with the preventive programs accordingly. Professional assistance may be required.</p> <p>The results of the aforementioned audits shall be reported to the senior management and the dedicated unit for ethical management, and shall be compiled into an audit report and submitted to the Board of Directors.</p>	Preventive measures for accounting and internal control, and execution of internal audits were added

Article No.	Original clauses	Added (amended) clauses	Notes
Article 23 Review and Amendment of Ethical Corporate Managemen t Policies and Measures		The Company shall pay attention to the development of domestic and foreign regulations related to ethical management at all times, review and improve the ethical management policy and the measures for promoting it, in order to enhance the effectiveness of the Company's ethical management.	Addition of Ethical Corporate Management Policy Review Guidelines
Article 24 Implementat ion	These Standards shall be implemented after resolution of the Board of Directors and shall be reported to the shareholders' meeting; the same shall apply to any amendment thereto. When the Standards are submitted to the Board of Directors for discussion, the opinions of each independent director shall be fully considered, and their objections or reservations shall be recorded in the minutes of the Board of Directors meeting; if an independent director is unable to attend the Board meeting in person to express objection or reservation, and reasons, the Board of Directors shall issue a written opinion in advance and record it in the minutes of the Board of Directors' meeting.	These Standards shall be implemented after resolution of the Board of Directors and shall be reported to the shareholders' meeting; the same shall apply to any amendment thereto. When the Standards are submitted to the Board of Directors for discussion, the opinions of each independent director shall be fully considered, and their objections or reservations shall be recorded in the minutes of the Board of Directors meeting; if an independent director is unable to attend the Board meeting in person to express objection or reservation, and reasons, the Board of Directors shall issue a written opinion in advance and record it in the minutes of the Board of Directors' meeting.	Previous Article 23 was amended as Article 24

Ideal Bike Corporation

Comparison Table of Codes of Ethical Conduct Before and After Revision

Article No.	Original clauses	Added (amended) clauses	Notes
Article 10. Encouragem ent to report any illegal activities or violations of the Code of Ethical Conduct	<p>The Company should raise awareness of ethics internally and encourage employees to report to the Audit Committee, managers, chief internal auditor, or other appropriate personnel when they suspect or discover any violation of laws, regulations, or the Code of Ethical Conduct.</p> <p><u>The Company has set up a complaint mailbox, and the whistleblower shall provide at least the following information:</u></p> <p>(1) The name and ID card number of the whistleblower, and an address, telephone number, and e-mail address where the whistleblower may be reached</p> <p>(2) The name of the person being reported or other information that is sufficient to identify the person being reported</p> <p>(3) Specific facts available for investigation</p> <p><u>The Company shall keep the identity of the whistleblower and the content reported confidential in a written statement by the relevant personnel handling the report, and the Company undertakes to protect the whistleblower from improper disposal as a result of the report. The Company's audit unit will handle it according to the following procedures:</u></p> <p><u>(1) If the report involves regular employees, report to the head of the Business Department. If the report involves directors or senior executives, report to the Audit Committee.</u></p> <p><u>(2) The relevant facts shall be promptly ascertained by the audit unit of the Company and the supervisor or personnel referred to in the preceding subparagraph. If required, assistance shall be provided by the legal compliance or other pertinent departments.</u></p>	<p>When employees suspect or discover a violation of laws, regulations, or the Code of Ethical Conduct, the organization should increase internal awareness of ethics and encourage them to report such incidents orally, in writing, or to the chief internal auditor, managers, or other appropriate personnel.</p> <p><u>The whistleblower shall provide at least the following information:</u></p> <p>(1) The name and ID card number of the whistleblower, and an address, telephone number, and e-mail address where the whistleblower may be reached</p> <p>(2) The name of the person being reported or other information that is sufficient to identify the person being reported</p> <p>(3) Specific facts available for investigation</p> <p><u>The Company shall handle complaints in accordance with the procedures for handling unethical conduct by the Company's personnel. The identity and content of the whistleblower or investigation personnel shall be absolutely confidential and protected, and the Company shall promise to protect the whistleblower from improper treatment due to the whistleblower.</u></p>	<p>Considerin g that the content of this article is similar to the content of the Ethical Corporate Managemen t Best-Practi ce Principles, the description is simplified to avoid confusion or inconsisten cy among readers</p>

Article No.	Original clauses	Added (amended) clauses	Notes
	<p><u>(3) In the event that it is established that the respondent has contravened applicable legislation or the Company’s code of ethical conduct, the Company shall promptly demand the respondent to cease the aforementioned conduct and undertake suitable actions; if litigation is required to recover damages, it shall be initiated promptly. To ensure the protection of the Company’s interests, rights, and reputation.</u></p> <p><u>(4) The Company’s audit unit shall report the reported matter, the handling method and the subsequent review and improvement measures to the Chairman or Board of Directors.</u></p>		
Article 11. Disciplinary measures	The Company has established a personnel review committee to provide grievances and remedies for violators of the Code. However, if the case is substantiated after investigation, the matter shall be handled in accordance with the Company’s relevant regulations.	<p><u>When a director or managerial officer of the Company violates the Code of Ethical Conduct, the Company shall handle such matter in accordance with the relevant regulations. In addition, the Company shall disclose on the Market Observation Post System, the information on the date of violation, the reasons for violation, the violation of the code, and the handling status of the personnel who violated the Code of Ethical Conduct in a timely manner. In case of punishment for violating the provisions of the Codes, the violator may file a complaint in accordance with the relevant regulations.</u></p>	Revision of the wording

Proposed Resolutions

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

Cause of motion: Adoption of the 2023 Business Report and Financial Statements

Explanation: The parent company only financial statements and consolidated financial statements of the Company have been approved by the Board of Directors and audited by Su-Li Fang and Tung-Hui Yeh of Deloitte Taiwan. They were submitted for review alongside the Business Report to the Audit Committee, and an audit report has been issued and filed in accordance with the findings. Please refer to the audit report on record (Pages 2 to 5) and Attachment 1 (Pages 20 to 39).

Resolution:

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

Cause of motion: The adoption of the proposal for 2023 Appropriation of Profit or Loss

Explanation: The Company's appropriation table for 2023 profit and loss is as follows:

Ideal Bike Corporation

2023 Appropriation Table of Profit or Loss

Unit: NT\$

Item No.	Item	Amount
1	Distributable earnings	Undistributed earnings for the previous period (Losses to be covered)
2		2023 net loss after-tax
3		Re-measurement of defined benefit plan
4		Disposal at fair value through other comprehensive income Adjustments for measured financial assets
5		Distributable earnings (losses to be covered)
6	Distributable items	Appropriate 10% of legal reserve
7		Undistributed earnings (losses to be covered), ending
8		Total

Chairman: Hermas Chang

Manager: Ching-Wang Chen

Accounting Supervisor: Julia Lai

Resolution:

Election

[Election] (Proposed by the Board of Directors)

Summary: Proposal for election of the Company's directors.

Explanation:

1. A comprehensive election of directors should be held at the annual general meeting of shareholders this year, as the current term of office of the directors of the Company concludes on July 19, 2024.
2. According to the Company’s Articles of Incorporation, seven directors (including three independent directors) shall be elected. The election method shall adopt the nomination system. New directors and independent directors shall take office on the date of election, and their terms of office shall be 3 years, from May 30, 2027 to May 29, 2027.
3. This election will be conducted in accordance with the “Regulations for Election of Directors,” and the registered ballot will be adopted in the cumulative voting method.
4. The list of candidates for directors (including independent directors) has been reviewed and approved by the Board of Directors on March 12, 2024. The relevant information is set forth as follows:

Type	Candidate Name	Gender	Academic background	Major experience	Number of shares held
Director	CHANG, YUAN-PIN	Male	University of Washington Financial management Master’s	Ideal Bike Corporation Chairman Fulltech Fiber Glass Corp. Chairman	14,238,647
Director	GUOLIN INVESTMENT CORPORATION. Representative : CHEN, HEN-KUAN	Male	National Taiwan University Department of Commerce, School of Management Master’s	Kuan & Tien Attorneys-at-Low Director General Nangang Tire Co., Ltd. Corporate Director Representative Corporate Supervisor Representative of Nanzong Construction Developments, Co., Ltd. Integrated Solutions Technology, Inc. Independent Director	21,333,643

Type	Candidate Name	Gender	Academic background	Major experience	Number of shares held
Director	GUOLIN INVESTMENT CORPORATION. Representative : HSU, YUNG-SHENG	Male	National Taiwan University Graduate Institute of Accounting Doctoral Degree	National Chung Hsing University Professor, Department of Accounting GLOBE UNION INDUSTRIAL CORP Independent Director Independent director of Adimmune Corporation	21,333,643
Director	TAICHUNG HARBOR WAREHOUSING & STEVEDORING CO., LTD. Representative : CHANG, FANG-MING	Male	University of San Francisco Institute of Human Resources	Ideal Bike Corporation Vice Chairman	611,661
Independent Director	LIN, WEN-YI	Male	State University of New York at Buffalo Finance and Managerial Economics Doctoral Degree	Feng Chia University Associate Professor, Institute of Financial Law	0
Independent Director	CHIOU, SHEAN-JUINN	Male	University of Michigan Ph.D., Department of Mechanical Engineering	National Chung Hsing University Associate Professor, Department of Mechanical Engineering N-TECH Machinery Co, Ltd. Independent Director	0
Independent Director	CHEN, SHIOU-YU	Female	National Taiwan University Ph.D., Institute of International Business Administration	National Taiwan Ocean University Professor, Department of Shipping and Transportation Management	0

Note: The reasons why the candidate is nominated again when he or she has already served as an independent director for three consecutive terms: Candidate LIN, WEN-YI has served as an independent director of the Company for three consecutive terms. With his professionalism in finance and accounting, familiarity in relevant laws and unique experience in corporate governance, he has been independent and impartial during his terms of office and able to oversee the Board with professional opinions so as to improve the Company's operations management and perform his duty of supervision. Therefore, he is nominated again for the independent directorship in 2024.

Election result:

Other Motions

[Other Motions] (Proposed by the Board of Directors)

Cause of motion: Proposal of the removal of non-competition ban on the newly elected directors. Please proceed to discuss.

Explanation:

1. The restriction on directors' competing businesses is governed by Article 209 of the Company Act. In the event that a director acts on his or her own behalf or on behalf of another individual in the course of conducting business for the Company, the shareholders' meeting shall be duly informed of the material aspects of the act and shall obtain its approval.
2. In order to make use of the expertise and related experience of the directors of the Company, we propose to the shareholders' meeting for approval to lift the non-competition ban on the new directors elected at the 2024 General Shareholders' Meeting.
3. Please refer to the following table for director candidates' concurrent duties:

Job Title	Name or Representative	Company exempted from non-competition ban	Position
Director	CHANG, YUAN-PIN	PCI International Investment Inc.	Director

Resolution:

[Questions and Motions]

[Adjournment]

VII. Attachment



Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 11073, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 and 2022, and the parent company only financial performance and parent company only cash flow for the period from January 1 to December 31, 2023 and 2022.

Basis of audit opinion

We conducted the audit in accordance with the Regulations Governing the Audit of Financial Statements and 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 2023. Such matters were addressed during the overall audit of the separate 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 2023 are described as follows:

Recognition of sales revenue

Ideal Bike Corporation mainly sold bicycles and parts. The company recognized NTD 1,997,904 thousand as sales revenue in 2023. 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 the following) 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 checks 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 separate financial statements

The management was responsible for preparation of the separate 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 separate financial statements to ensure that the separate 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 were 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 financial statements

We audited the separate financial statements for the purpose of obtaining reasonable assurance about whether the separate 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 separate 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 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 toward 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 separate 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 separate financial statements (including relevant notes), and whether the separate 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 separate 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 2023 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

Financial Supervisory Commission's
approval number
Jin-Guan-Zheng-Liu-Zi No. 0940161384

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

March 13, 2024

IDEAL BIKE CORPORATION
Separate Balance Sheet
December 31, 2023 and 2022

Unit: NTD thousand

Code	Asset	December 31, 2023		December 31, 2022		Code	Liability and equity	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current assets						Current liabilities				
1100	Cash (Note 4, 6 and 28)	\$ 270,490	6	\$ 289,546	6	2100	Short-term loans (Notes 17, 28, and 30)	\$ 1,194,008	26	\$ 1,182,719	23
1110	Financial assets measured at fair value through profit or loss – current (Notes 4, 7, and 28)	20,852	-	13,881	-	2130	Contractual liabilities – current (Note 23)	28,847	1	25,217	-
1150	Notes receivable, net (Notes 4 and 10)	718	-	-	-	2170	Accounts payables (Notes 19 and 28)	169,716	4	362,239	7
1170	Net accounts receivable (Notes 4, 10, 23, and 28)	270,078	6	670,454	13	2180	Accounts payable – Related parties (Notes 28, 29, and 31)	6,123	-	43,419	1
1180	Accounts receivable – related party, net (Notes 4, 23, 28, 29, and 31)	511,041	11	436,716	8	2280	Lease liabilities - current (Note 14)	9,843	-	15,110	-
1200	Other receivables (Note 10 and 28)	759	-	12,645	-	2219	Other payables (Note 20 and 28)	68,744	1	104,414	2
1210	Other receivables – related party (Notes 28, 29, and 31)	5,622	-	21,880	1	2220	Other payables - related party (Note 28 and 29)	3,344	-	17,863	-
1220	Current income tax assets (Note 4, 5 and 25)	648	-	228	-	2320	Long-term loans and corporate bonds maturing within one year (Notes 4, 7, 17, 18, 28, and 30)	602,876	13	429,645	8
130X	Inventory (Notes 4 and 11)	1,012,349	22	1,198,418	23	2300	Other current liabilities (Note 20)	12,396	-	4,543	-
1410	Prepayment (Note 16)	42,048	1	70,058	1	21XX	Total current liabilities	2,095,897	45	2,185,169	41
1470	Other current assets (Note 16)	276	-	2,058	-		Non-current liabilities				
11XX	Total current assets	2,134,881	46	2,715,884	52	2540	Long-term loans (Note 17, 28 and 30)	244,450	6	493,120	10
	Non-current assets					2570	Deferred income tax liabilities (Notes 4, 5, and 25)	141,044	3	145,124	3
1517	Financial assets measured at fair value through other comprehensive income non-current (Notes 4, 8, and 28)	12,661	-	12,638	-	2580	Lease liabilities - current (Note 14)	454	-	10,337	-
1535	Financial assets measured at amortized cost – non-current (Notes 4, 9, 28, and 30)	190,130	4	171,836	3	2640	Net defined benefit liabilities (Note 4 and 21)	6,471	-	16,031	-
1550	Investment under equity method (Notes 4, 12, 30, and 31)	1,852,827	40	1,886,058	36	25XX	Total non-current liabilities	392,419	9	664,612	13
1600	Property, plant and equipment (Note 4, 13 and 30)	258,545	6	255,479	5	2XXX	Total liabilities	2,488,316	54	2,849,781	54
1755	Right-of-use assets (Note 14)	10,114	-	25,347	1		Equity (Note 4 and 22)				
1780	Intangible assets (Note 4 and 15)	1,403	-	1,737	-	3110	Share capital				
1840	Deferred income tax assets (Notes 4, 5, and 25)	163,850	4	169,293	3	3200	Common stock capital	3,017,243	65	3,017,243	57
1900	Other non-current assets (Note 16)	6,977	-	12,202	-	3300	Capital reserves	132,317	3	132,317	3
15XX	Total non-current assets	2,496,507	54	2,534,590	48	3310	Cumulative loss				
						3320	Legal reserves	212,090	4	212,090	4
						3320	Special reserves	78,308	2	78,308	1
						3350	Losses to be covered	(883,105)	(19)	(600,511)	(11)
						3400	Other equities	(413,781)	(9)	(438,754)	(8)
						3XXX	Total equities	2,143,072	46	2,400,693	46
1XXX	Total assets	\$ 4,631,388	100	\$ 5,250,474	100		Total liabilities and equities	\$ 4,631,388	100	\$ 5,250,474	100

The attached notes are part of the separate financial statements.

IDEAL BIKE CORPORATION
Separate Statement of Comprehensive Income
January 1 through December 31, 2023 and 2022

Unit: NTD thousand; earnings (loss), Earnings (losses) in NTD

Code		2023		2022	
		Amount	%	Amount	%
4000	Net operating revenue (Note 4, 23 and 29)	\$ 1,997,904	100	\$ 3,191,538	100
5000	Operating cost (Note 4, 11, 24 and 29)	<u>1,834,286</u>	<u>92</u>	<u>2,855,086</u>	<u>90</u>
5900	Operating gross profit	163,618	8	336,452	10
5910	(Unrealized) realized loss from sales involving subsidiaries and affiliates (Note 4)	(<u>22,921</u>)	(<u>1</u>)	(<u>13,988</u>)	<u>-</u>
5950	Realized operating gross profit	<u>140,697</u>	<u>7</u>	<u>322,464</u>	<u>10</u>
	Operating expense (Note 4, 24 and 29)				
6100	Marketing expense	111,197	6	84,593	2
6200	Administrative expense	99,108	5	88,985	3
6450	Expected credit impairment loss (gain on reversal)	<u>144,317</u>	<u>7</u>	(<u>233</u>)	<u>-</u>
6000	Total operating expenses	<u>354,622</u>	<u>18</u>	<u>173,345</u>	<u>5</u>
6900	Net operating profit (loss)	(<u>213,925</u>)	(<u>11</u>)	<u>149,119</u>	<u>5</u>
	Non-operating revenue and expense				
7100	Interest income (Note 24)	12,739	1	824	-
7010	Other incomes (Note 24 and 29)	44,941	2	35,310	1
7020	Other profits and losses (Note 24)	30,350	1	68,246	2
7050	Financial costs (Note 4 and 24)	(66,830)	(3)	(39,851)	(1)
7070	Share of profit/loss of subsidiaries and associates under equity method (Note 4 and 12)	(<u>98,906</u>)	(<u>5</u>)	<u>217,577</u>	<u>7</u>

(To be continued)

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Code		2023		2022	
		Amount	%	Amount	%
7000	Total non-operating revenues and expenses	(<u>77,706</u>)	(<u>4</u>)	<u>282,106</u>	<u>9</u>
7900	Net profit (loss) before tax	(\$ <u>291,631</u>)	(<u>15</u>)	\$ <u>431,225</u>	<u>14</u>
7950	Income tax income (expense) (Notes 4, 5 and 25)	<u>400</u>	<u>-</u>	(<u>96,867</u>)	(<u>3</u>)
8200	Net profit (loss) for the year	(<u>291,231</u>)	(<u>15</u>)	<u>334,358</u>	<u>11</u>
	Other comprehensive income				
8310	Titles not reclassified as profit or loss:				
8311	Re-measurement of defined benefit plan	1,752	-	2,145	-
8316	Unrealized valuation profit/loss from investment in equity instruments measured at fair value through other comprehensive income	967	-	(<u>5,697</u>)	-
8360	Titles potentially reclassified as profit or loss subsequently:				
8361	Exchange differences from translation of foreign financial statements (Note 4 and 22)	32,654	2	37,333	1
8399	Income tax related to titles potentially being reclassified	(<u>1,763</u>)	<u>-</u>	<u>6,873</u>	<u>-</u>
8300	Other comprehensive income (after tax) for the year	<u>33,610</u>	<u>2</u>	<u>40,654</u>	<u>1</u>
8500	Total comprehensive income for the year	(\$ <u>257,621</u>)	(<u>13</u>)	\$ <u>375,012</u>	<u>12</u>
	Earnings (losses) per share (Note 26)				
9710	Basic	(\$ <u>0.97</u>)		\$ <u>1.11</u>	
9810	Diluted	(\$ <u>0.97</u>)		\$ <u>1.11</u>	

The attached notes are part of the separate financial statements.

Chairman: Hermas Chang

CEO: Ching-Wang Chen

CFO: Julia Lai

IDEAL BIKE CORPORATION
Separate Statement of Changes in Equity
January 1 through December 31, 2023 and 2022

Unit: NTD thousand unless otherwise specified.

Code		Share capital		Retained earnings			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 January 1, 2022	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
D1	Net loss for 2023	-	-	-	-	-	(291,231)	-	-	(291,231)
D3	Other comprehensive income after tax for 2023	-	-	-	-	-	1,752	30,891	967	33,610
D5	Total comprehensive income for 2023	-	-	-	-	-	(289,479)	30,891	967	(257,621)
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	6,885	-	(6,885)	-
Z1	Balance as of December 31, 2023	301,724	\$ 3,017,243	\$ 132,317	\$ 212,090	\$ 78,308	(\$ 883,105)	(\$ 107,880)	(\$ 305,901)	\$ 2,143,072

The attached notes are part of the separate financial statements.

Chairman: Hermas Chang

CEO: Ching-Wang Chen

CFO: Julia Lai

IDEAL BIKE CORPORATION
Separate Statement of Cash Flow

January 1 through December 31, 2023 and 2022

Unit: NTD thousand

Code		2023	2022
	Cash flow from operating activities		
A10000	Net profit (loss) before tax	(\$ 291,631)	\$ 431,225
A20000	Income and expenses:		
A20100	Depreciation expense	28,469	23,836
A20200	Amortization expense	1,531	1,266
A20300	Expected credit impairment loss (gain on reversal)	144,317	(233)
A20400	Net (profit) loss of financial assets and liabilities measured at fair value through profit or loss	(6,971)	9,464
A20900	Financial cost	66,830	39,851
A21200	Interest income	(12,739)	(824)
A21300	Dividend income	(1,653)	(8,828)
A22400	Share of profit/loss of subsidiaries and associates under equity method	98,906	(217,577)
A22500	Profit from disposal of property, plant, and equipment	-	(33)
A23700	Inventory devaluation and obsolescence loss	50,022	12,276
A23900	Unrealized sales loss on inter-affiliate accounts	22,921	13,988
A29900	Loss from redemption of corporate bonds	-	4,209
A24100	Unrealized (profit) loss from translation of foreign currencies	(11,028)	9,708
A30000	Net changes in operating assets and liabilities		
A31150	Notes and accounts payable (including related party)	182,116	(615,752)
A31180	Other receivables (including related parties)	27,592	1,194
A31200	Inventory	136,047	(397,920)
A31240	Other current assets	29,792	(10,378)
A32125	Contractual liabilities	3,630	(13,120)
A32150	Notes and accounts payable (including related party)	(227,512)	(89,353)
A32180	Other payables (including related party)	(49,834)	36,530
A32230	Other current liabilities	8,261	3,381
A32240	Net defined benefit liabilities	(7,808)	(439)
A33000	Cash inflows (outflows) from operations	191,258	(767,529)
A33100	Interest received	12,739	824
A33200	Dividend received	1,653	2,083
A33300	Interest paid	(66,217)	(36,869)

(To be continued)

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Code		2023	2022
A33500	Income tax paid	(<u>420</u>)	(<u>60</u>)
AAAA	Net cash inflow (outflow) from operation activities	<u>139,013</u>	(<u>801,551</u>)
	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	944	-
B00040	Acquisition of financial assets at amortized cost	(18,289)	-
B00050	Disposal of financial assets measured at amortized cost	-	124,201
B00100	Acquisition of financial assets measured at fair value through profit or loss	-	(9)
B01900	Disposal of long-term equity investments under equity method	35,248	10,814
B01800	Acquisition of long-term equity investments under equity method	(94,260)	-
B02700	Acquisition of property, plant, and equipment	(13,255)	(12,512)
B02800	Disposal of property, plant, and equipment	-	1,718
B03700	Decrease (increase) in refundable deposits	1,585	(2,155)
B04500	Acquisition of intangible assets	(1,197)	(1,561)
B07600	Dividend received	<u>-</u>	<u>6,745</u>
BBBB	Net cash inflow (outflow) from investing activities	(<u>89,224</u>)	<u>109,003</u>
	Cash flow from financing activities		
C00100	Increase in short-term loans	3,919,768	3,503,601
C00200	Decrease in short-term loans	(3,908,479)	(3,096,647)
C01300	Redemption of corporate bonds	(5,100)	(357,255)
C01600	Borrowing of long-term loan	483,530	798,432
C01700	Repayment of long-term loans	(546,130)	(248,782)
C04020	Repayment of lease liabilities	(<u>15,504</u>)	(<u>11,264</u>)
CCCC	Net cash inflow (outflow) from financing activities	(<u>71,915</u>)	<u>588,085</u>
DDDD	Effect of changes in exchange rate on cash and cash equivalents	<u>3,070</u>	(<u>519</u>)
EEEE	Net decrease in cash and cash equivalents	(19,056)	(104,982)
E00100	Balance of cash and cash equivalents - beginning of year	<u>289,546</u>	<u>394,528</u>
E00200	Balance of cash and cash equivalents - ending of year	<u>\$ 270,490</u>	<u>\$ 289,546</u>

The attached notes are part of the separate 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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 and 2022, and the consolidated financial performance and cash flow for the period from January 1 to December 31, 2023 and 2022.

Basis of audit opinion

We conducted the audit in accordance with the Regulations Governing the Audit of Financial Statements and 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 2023. 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 toward such matters.

The key audit matters for the Group's consolidated financial statements for 2023 are described as follows:

Recognition of sales revenue

The Group mainly sold bicycles and parts. The Group recognized NTD 3,654,553 thousand 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) 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 2023 and 2022, 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 toward 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 toward the consolidated financial statements. We were responsible for instruction, supervision and implementation of the group audit cases, as well as 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 2023 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, 2024

IDEAL BIKE CORPORATION and Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NTD thousand

Code	Asset	December 31, 2023		December 31, 2022		Code	Liability and equity	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current assets						Current liabilities				
1100	Cash (Notes 4, 6, and 30)	\$ 628,509	12	\$ 686,811	11	2100	Short-term borrowings (Notes 18, 30, and 32)	\$ 1,318,745	25	\$ 1,441,174	22
1110	Financial assets measured at fair value through profit or loss –					2130	Contractual liabilities – current (Note 25)				
	Current (Notes 4, 7 and 30)	20,852	-	13,881	-	2170	Trade payables (Notes 20 and 30)	149,700	3	270,412	4
1150	Notes receivable, net (Notes 10 and 30)	718	-	-	-	2219	Other payables (Note 21)	413,143	8	871,328	13
1170	Net accounts receivable (Notes 4, 10, 25, and 30)	555,208	10	1,330,037	20	2230	Current income tax liabilities (Note 4, 5 and 27)	187,436	3	261,440	4
1200	Other receivables (Notes 10 and 30)	29,093	1	51,667	1	2250	Provisions – current	5,868	-	905	-
1220	Current income tax assets (Note 4, 5 and 27)	1,231	-	1,640	-	2280	Lease liabilities – current (Note 15)	2,621	-	-	-
130X	Inventory (Notes 4 and 11)					2322	Long-term loans and corporate bonds maturing within one year (Notes 4, 18, 19, 30, and 32)	9,843	-	15,110	-
1410	Prepayment (Note 17)	2,534,944	48	2,781,625	42		Preferred stock liabilities – current (Note 23)	602,876	11	429,645	7
1460	Rights of product to be returned – current (Note 25)	62,388	1	111,362	2	2325		52,199	1	-	-
1470	Other current assets	-	-	60,622	1	2399	Other current liabilities (Note 21)	28,453	1	99,057	1
11XX	Total current assets	<u>3,837,256</u>	<u>72</u>	<u>5,044,586</u>	<u>77</u>	21XX	Total current liabilities	<u>2,770,884</u>	<u>52</u>	<u>3,389,071</u>	<u>51</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)	12,661	-	12,638	-	2540	Long-term loans (Notes 18, 30, and 32)	244,450	5	495,016	8
1535	Financial assets measured at amortized cost – non-current (Notes 4, 9, 30, and 32)	190,130	4	171,836	3	2570	Deferred income tax liabilities (Note 4, 5 and 27)	146,469	3	146,695	2
1550	Investments accounted for using equity method (Notes 4, 13, 32 and 33)	172,883	3	189,944	3	2580	Lease liabilities – non-current (Note 15)	454	-	10,337	-
1600	Property, plant and equipment (Notes 4, 14 and 32)	615,774	12	625,917	10	2640	Net defined benefit liabilities (Note 4 and 22)	6,471	-	16,031	-
1755	Right-of-use assets (Note 15)	53,761	1	71,155	1	2635	Preferred shares liabilities – non-current (Note 23)	-	-	104,414	2
1780	Intangible assets (Notes 4 and 16)	218,654	4	219,437	3	25XX	Total non-current liabilities	<u>397,844</u>	<u>8</u>	<u>772,493</u>	<u>12</u>
1840	Deferred income tax assets (Notes 4, 5 and 27)	201,840	4	211,261	3	2XXX	Total liabilities	<u>3,168,728</u>	<u>60</u>	<u>4,161,564</u>	<u>63</u>
1990	Other non-current assets (Note 17)	8,841	-	15,483	-		Equity attributable to the owner of parent company (Notes 4 and 24)				
15XX	Total non-current assets	<u>1,474,544</u>	<u>28</u>	<u>1,517,671</u>	<u>23</u>	3110	Share capital				
						3200	Common stock capital	3,017,243	57	3,017,243	46
						3300	Capital reserves	132,317	2	132,317	2
						3310	Retained earnings				
						3320	Legal reserves	212,090	4	212,090	3
						3330	Special reserves	78,308	2	78,308	1
						3350	Losses to be covered	(883,105)	(17)	(600,511)	(9)
						3400	Other equities	(413,781)	(8)	(438,754)	(6)
						3XXX	Total equities	<u>2,143,072</u>	<u>40</u>	<u>2,400,693</u>	<u>37</u>
1XXX	Total assets	<u>\$ 5,311,800</u>	<u>100</u>	<u>\$ 6,562,257</u>	<u>100</u>		Total liabilities and equities	<u>\$ 5,311,800</u>	<u>100</u>	<u>\$ 6,562,257</u>	<u>100</u>

The attached notes are part of the Consolidated Financial Statements.

IDEAL BIKE CORPORATION and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 through December 31, 2023 and 2022

Unit: NTD thousands, except Earnings Per Share expressed in NTD1

Code		2023		2022	
		Amount	%	Amount	%
4000	Net operating revenue (Notes 4 and 25)	\$ 3,654,553	100	\$ 5,591,120	100
5000	Operating costs (Notes 4, 11, and 26)	<u>3,371,701</u>	<u>92</u>	<u>4,764,217</u>	<u>85</u>
5900	Operating gross profit	<u>282,852</u>	<u>8</u>	<u>826,903</u>	<u>15</u>
	Operating expense (Note 26)				
6100	Marketing expense	161,303	5	256,566	5
6200	Administrative expense	186,382	5	213,040	4
6450	Expected (profit) loss from credit impairment	<u>251,916</u>	<u>7</u>	<u>(310)</u>	<u>-</u>
6000	Total operating expenses	<u>599,601</u>	<u>17</u>	<u>469,296</u>	<u>9</u>
6900	Operating profit	<u>(316,749)</u>	<u>(9)</u>	<u>357,607</u>	<u>6</u>
	Non-operating revenue and expense				
7100	Interest income (Note 26)	16,780	-	5,369	-
7010	Other incomes (Note 26)	54,981	1	43,590	1
7020	Other gains and losses (Note 26)	77,268	2	88,620	2
7050	Financial cost (Note 26)	<u>(89,746)</u>	<u>(2)</u>	<u>(56,728)</u>	<u>(1)</u>
7060	Share of profit or loss of associates using the equity method (Notes 4 and 13)	<u>(17,061)</u>	<u>-</u>	<u>826</u>	<u>-</u>
7000	Net non-operating revenue and expense	<u>42,222</u>	<u>1</u>	<u>81,677</u>	<u>2</u>
7900	Net profit (loss) before tax	<u>(274,527)</u>	<u>(8)</u>	<u>439,284</u>	<u>8</u>
7950	Income tax profit (expenses) (Note 4 and 27)	<u>(16,704)</u>	<u>-</u>	<u>(104,926)</u>	<u>(2)</u>
8200	Net profit for the year	<u>(291,231)</u>	<u>(8)</u>	<u>334,358</u>	<u>6</u>

(To be continued)

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Code		2023		2022	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Titles not reclassified as profit or loss:				
8311	Re-measurement of defined benefit plan	\$ 1,752	-	\$ 2,145	-
8316	Unrealized valuation profit/loss from investment in equity instruments measured at fair value through other comprehensive income	967	-	(5,697)	-
	Titles potentially reclassified as profit or loss subsequently:				
8361	Exchange differences on translation of the financial statements of foreign operations (Notes 4 and 24)	32,654	1	37,333	1
8399	Income tax related to titles potentially being reclassified	(1,763)	-	6,873	-
8300	Other comprehensive income for the year	<u>33,610</u>	<u>1</u>	<u>40,654</u>	<u>1</u>
8500	Total comprehensive income for the year	<u>(\$ 257,621)</u>	<u>(7)</u>	<u>\$ 375,012</u>	<u>7</u>
	Net profit attributable to:				
8610	The owners of the Company	(\$ 291,231)	(8)	\$ 334,358	6
8620	Non-controlling interests	-	-	-	-
8600		<u>(\$ 291,231)</u>	<u>(8)</u>	<u>\$ 334,358</u>	<u>6</u>
	Total comprehensive income attributable to:				
8710	The owners of the Company	(\$ 257,621)	(7)	\$ 375,012	7
8720	Non-controlling interests	-	-	-	-
8700		<u>(\$ 257,621)</u>	<u>(7)</u>	<u>\$ 375,012</u>	<u>7</u>
	Earnings per share (Note 28)				
9710	Basic	<u>(\$ 0.97)</u>		<u>\$ 1.11</u>	
9810	Diluted	<u>(\$ 0.97)</u>		<u>\$ 1.11</u>	

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 Statement of Changes in Equity
January 1 through December 31, 2023 and 2022

Unit: NTD thousand unless otherwise specified

Code		Share capital		Retained earnings			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 January 1, 2022	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
D1	Net loss for 2023	-	-	-	-	-	(291,231)	-	-	(291,231)
D3	Other comprehensive income after tax for 2023	-	-	-	-	-	1,752	30,891	967	33,610
D5	Total comprehensive income for 2023	-	-	-	-	-	(289,479)	30,891	967	(257,621)
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	6,885	-	(6,885)	-
Z1	Balance as of December 31, 2023	301,724	\$ 3,017,243	\$ 132,317	\$ 212,090	\$ 78,308	(\$ 883,105)	(\$ 107,880)	(\$ 305,901)	\$ 2,143,072

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, 2023 and 2022

Unit: NTD thousand

Code		2023	2022
	Cash inflow (outflow) from operating activities		
A10000	Net profit (loss) before tax	(\$ 274,527)	\$ 439,284
A20010	Income and expenses:		
A20100	Depreciation expense	71,570	63,857
A20200	Amortization expense	2,153	2,329
A20300	Expected impairment loss (reversal profit)	251,916	(310)
A20400	Net losses (gains) from financial assets and liabilities measured at fair value through profit or loss	(6,971)	9,464
A20900	Financial cost	89,746	56,728
A21200	Interest income	(16,780)	(5,369)
A21300	Dividend income	(1,653)	(8,828)
A22300	Share of profit or loss of associates and joint ventures under equity method	17,061	(826)
A22500	Disposal of property, plant and equipment losses (gains)	(1,609)	695
A23700	Inventory devaluation and obsolescence loss	152,021	19,557
A24100	Unrealized profit from translation of foreign currencies	(18,433)	(26,541)
A29900	Loss from redemption of corporate bonds	-	4,209
A30000	Net changes in operating assets and liabilities		
A31150	Notes and accounts receivable	529,755	(654,243)
A31180	Other receivables	21,471	(9,360)
A31200	Inventory	92,026	(868,405)
A31240	Other current assets	112,868	(21,291)
A32125	Contractual liabilities	(120,712)	101,689
A32150	Notes and accounts payable	(458,185)	(61,279)
A32180	Other payables	(74,004)	70,300
A32230	Other current liabilities	(67,575)	88,862
A32240	Net defined benefit liabilities	(7,808)	(439)
A33000	Cash generated from operations	292,330	(799,917)
A33100	Interest received	16,780	5,369
A33200	Dividend received	1,653	2,083
A33300	Interest paid	(84,534)	(50,941)
A33500	Income tax paid	(3,665)	(18,341)
AAAA	Net cash inflow (outflow) from operation activities	<u>222,564</u>	<u>(861,747)</u>

(To be continued)

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Code		2023	2022
	Cash inflow (outflow) 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	944	-
B00050	Acquisition of financial assets at amortized cost	(18,289)	-
B00060	Disposal of financial assets measured at amortized cost	-	124,201
B00100	Acquisition of financial assets measured at fair value through profit or loss	-	(9)
B02700	Acquisition of property, plant, and equipment	(32,579)	(98,159)
B02800	Disposal of property, plant, and equipment	4,721	2,194
B03800	Decrease (increase) in refundable deposits	1,393	(2,193)
B04500	Acquisition of intangible assets	(1,202)	(1,689)
B06700	Other non-current assets	53	831
B07600	Dividend received	<u>1,158</u>	<u>6,745</u>
BBBB	Net cash inflow (outflow) from investing activities	<u>(43,801)</u>	<u>13,683</u>
	Cash inflow (outflow) from financing activities		
C00100	Increase in short-term loans	4,274,732	4,005,069
C00200	Decrease in short-term loans	(4,397,161)	(3,488,827)
C01300	Redemption of corporate bonds	(5,100)	(357,255)
C01600	Borrowing of long-term loan	475,793	813,476
C01700	Repayment of long-term loans	(548,251)	(250,069)
C02900	Repayment of preferred stock liabilities	(52,199)	(36,852)
C04020	Repayment of lease liabilities	<u>(15,504)</u>	<u>(11,551)</u>
CCCC	Net cash inflow (outflow) from financing activities	<u>(267,690)</u>	<u>673,991</u>
DDDD	Effect of changes in exchange rate on cash and cash equivalents	<u>30,625</u>	<u>37,214</u>
EEEE	Net decrease in cash and cash equivalents	(58,302)	(136,859)
E00100	Balance of cash and cash equivalents - beginning of year	<u>686,811</u>	<u>823,670</u>
E00200	Balance of cash and cash equivalents - ending of year	<u>\$ 628,509</u>	<u>\$ 686,811</u>

The attached notes are part of the Consolidated Financial Statements.

Chairman: Hermas Chang

CEO: Ching-Wang Chen

CFO: Julia Lai

Eight. 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 DEAL BIKE CORPORATION.
- Article 2. The business of the Company is as follows:
- 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 has its head office in Taichung City, Taiwan. When necessary, the Board of Directors may, through resolution, establish branch offices domestically and internationally in accordance with the law.
- Article 4. The Company's announcements shall be made in accordance with Article 28 of the Company Act.

Chapter II. Share

- Article 5. The authorized capital of the Company is NT\$3.5 billion, divided into 350 million shares at the price of NT\$10 per share. The Board of Directors is authorized to issue shares in multiple tranches.
- Article 6. The shares issued by the Company may be exempted from printing share certificates and shall be registered with a centralized securities depository.
- Article 7. The Company's stock affairs shall be conducted in accordance with the Company Act, the Regulations Governing the Administration of Shareholder Services of Public Companies and other relevant laws and regulations.
- Article 8. Share trading shall be halted 5 days prior to the record date for the distribution of dividends, bonuses, or other benefits as determined by the Company, or 60 days prior to each annual general meeting of shareholders, 30 days prior to any extraordinary general meeting of shareholders.

Chapter III. Shareholders' Meeting

- Article 9. The Company's shareholders' meetings consist of the general shareholders' meeting and special shareholders' meeting. The regular session shall be convened once a year, within 6 months after the end of each fiscal year, the Board of Directors shall give notice to all shareholders 30 days prior to the meeting. The special shareholders' meetings may be held whenever deemed necessary.

- Article 9-1. The shareholders' meeting of the Company may be held by video conference or other means as announced 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. The Chairman of the Board of Directors shall preside over the meeting of shareholders. In the absence of the Chairman of the Board of Directors, the Chairman of the Board of Directors shall designate a director to act as deputy. In the absence of such a designation, the directors shall elect from among themselves one person to serve as Chairman. If the meeting is convened by a party with the convening authority other than the board meeting, the convener shall be the Chairman. When there are two or more convening holders, they shall select one from among themselves.
- Article 12. Unless otherwise provided by laws and regulations, each shareholder of the Company has one voting right for each share held.
- Article 13. Unless otherwise specified by the Company Act, the resolutions of the shareholders' meeting shall be valid only with the presence of shareholders representing more than half of the total issued shares and the consent of more than half of the voting rights represented at the meeting.
- Article 14. The resolutions of the shareholders' meeting shall be recorded in the minutes of the meeting, signed or sealed by the Chairman, and the meeting minutes distributed to the shareholders within 20 days. However, the distribution of the meeting minutes may be made by public announcement. Meeting minutes should record the proceedings. The summary of the process and the result, together with the attendance book for sign-ins and the proxy form, shall be kept within the Company, the retention period shall be in accordance with Article 183 of the Company Act.

Chapter 4 Directors

- Article 15. The Company shall have seven directors, and the election of directors shall adopt the candidate nomination system, for a term of three years and eligible for re-election. The total amount of shares held by all directors shall adhere to the regulations from "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies."
- Out of the directors mentioned in the previous clause, three are classified as independent directors. Regarding independent directors, all affairs pertaining to their qualifications, shareholding, limitations on concurrent positions, nomination and election procedures, and additional matters shall be managed in accordance with the applicable laws and regulations.
- Article 15-1. In accordance with Article 14-4 of the Securities and Exchange Act, the Company established an Audit Committee in 2021, composed of all independent directors responsible for carrying out the duties of a supervisor under the Company Act, the Securities and Exchange Act, and other laws and regulations.
- Article 16. In accordance with the law, the Board of Directors is required to call a shareholders' meeting to conduct supplementary elections when one-third of the director positions become vacant.
- The term of office shall be restricted to the duration of the initial term.
- Article 17. If a re-election cannot be made before the expiry of the term of office of a director, the term of office of the director shall be extended until the re-elected directors take office.
- Article 18. The board is organized by the Board of Directors, with the consent of the majority of attending directors and the presence of two-thirds or more of the directors. They shall elect one another to the positions of Chairman and Vice Chairman. In accordance with

regulations set forth by statutes, articles of association, shareholders' meeting resolutions, and the Board of Directors, the Chairman assumes the duty of carrying out all corporate operations.

When the Chairman is absent, the vice Chairman assumes the role of a proxy.

- Article 19. The Board of Directors makes determinations regarding pertinent issues such as the Company's business policies. Article 203 of the Company Act mandates the convening of the initial board meeting of each term; the Chairman of the board presides over the remaining meetings. The Vice Chairman shall serve in their stead if the Chairman is incapable of carrying out their responsibilities. The Chairman shall appoint a director to exercise proxy duties in the vice Chairman's absence. One director shall be appointed by consensus of the directors to serve as a proxy in the absence of a specific designation.
- Article 20. A majority of directors are required to be present at board meetings, unless the Company Act specifies otherwise, and decisions are reached with the consent of the majority of attending directors. A director may issue a power of attorney defining the scope of authorization for convening and appointing another director to attend the board meeting on their behalf if they are unable to attend for any reason; each director may only represent one other director. Directors who actively participate via video conference are regarded as physically present during board meetings.
- Article 20-1. In order to properly prepare for the board meeting, all directors shall be duly informed of the reason designated for the assembly seven days in advance. However, in the event of an emergency, the meeting could be called as needed. Meeting advices may be served in various forms such as written correspondence, fax or email.
- Article 21. The minutes shall be a record of the deliberations of the Board of Directors. They shall be signed or stamped by the Chairman and disseminated to every director no later than twenty days subsequent to the meeting. The signature list of attending directors and any proxy authorization letters should be appended to the minutes, which should also contain a summary of the proceedings and their results. The preservation of these records shall be the responsibility of the Company, in adherence to the guidelines outlined in Article 183 of the Company Act.
- Article 22. Deleted.
- Article 22-1. The remuneration to the Chairman and directors (including independent directors) shall be based on their level of involvement in the Company's operations and the value of their contributions, as well as the usual industry standards.

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. At the end of each fiscal year, the Board of Directors shall prepare the list and submit it to the shareholders' meeting for recognition:
- I. Business Report.
 - II. Financial statements;
 - III. Proposal for earnings distribution or loss offsetting proposal.

Article 27 If there is profit in the annual final accounting, the Company shall first set aside 2% to 10% of the profit as employee's remuneration, up to 5% as remuneration to directors, which shall be approved by the Board of Directors and reported to the shareholders' meeting. If there is profit in the current year to be appropriated as employees' and directors' remuneration, the amount shall be retained to offset the accumulated loss. The remainder may subsequently be distributed in accordance with the proportions previously mentioned.

Article 27-1 In the event that the Company reports profits in its yearly financial statements, 10% shall be designated as statutory surplus reserves subsequent to the settlement of tax obligations and the offsetting of accumulated losses. In accordance with regulatory authority directives and statutes governing the allocation or reversal of special surplus reserves, in the event that a surplus remains, the Board of Directors shall prepare a distribution proposal and present it to the shareholders' meeting for approval prior to the payment of dividends to shareholders.

In light of the investment environment, capital requirements, domestic and international competition, and shareholder interests, the dividend policy of the Company is consistent with its present and future advancement strategies. Cash or stock may be used to distribute dividends to shareholders, with cash dividends constituting a minimum of 20% of the aggregate dividend sum.

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 may make external endorsements/guarantees in accordance with the Company's Operational Procedures for 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.
The 36th amendments hereto were made on July 20, 2021.
The 37th amendments hereto were made on June 9, 2022.

Ideal Bike Corporation

Chairman: Hermas Chang

Ideal Bike Corporation
Rules of Procedure for Shareholders’ Meeting

- Article 1. The Company shall conduct its shareholders’ meetings in accordance with these Rules.
- Article 2. The term “shareholder” as used in these Rules means the shareholder in person and the agent entrusted by the shareholder.
- Article 3. Shareholders shall attend the meeting by handing in the attendance card in lieu of signing in, and the number of shares represented shall be calculated based on the attendance card.
- The registration of shareholders should commence a minimum of 30 minutes prior to the start of the shareholders’ meeting. The registration area ought to be conspicuously marked, and the registration procedure should be managed by competent personnel. Registration for shareholders’ meetings conducted via video conference should be accepted on the video conferencing platform for shareholders’ meetings at least 30 minutes prior to the start of the meeting. It shall be presumed that shareholders who have successfully completed the registration procedure were present in person at the shareholders’ meeting.
- Shareholders, requesting parties, or proxies who wish to participate in a shareholders’ meeting via video conference must submit an application to the Company for registration no later than two days prior to the meeting.
- If a shareholders’ meeting is convened by video conference, the Company shall upload the agenda handbook, annual report and other relevant materials to the shareholders’ meeting video conference platform at least 30 minutes before the start of the meeting, and keep the disclosure until the end of the meeting.
- Article 4. Attendance and voting at a shareholders’ meeting shall be based on the number of shares. Unless otherwise provided by law, each share is entitled to one vote.
- The number of shares represented by attendance shall include the number of shares for which shareholders exercise their voting rights in writing or electronically, the number of shares for which attendance cards are handed in and the number of shares represented by video conferencing platform.
- A shareholder who exercises his/her right to vote by way of a written or electronic means without revoking his/her declaration of intent and participates in the shareholders’ meeting by video conferencing shall not exercise its voting right on the original proposal, propose any amendment to the original proposal, or exercise voting rights on an amendment to the original proposal except for extempore motions.
- Disclosure of the number of shares obtained through solicitation, shares represented by proxy agents, and shares represented by shareholders present in writing or electronically shall be included in a statistical table compiled by the Company on the day of the shareholders’ meeting and in the format specified. The shareholders’ meeting location shall feature a conspicuous display of this table. The aforementioned information shall be uploaded to the video conferencing platform for shareholders’ meetings conducted via video conference by the Company a minimum of 30 minutes prior to the commencement of the meeting. The Company shall further disclose the information until the conclusion of the meeting.
- The Company holds a video conference of the shareholders’ meeting. When announcing the meeting, the number of shareholders’ attendance rights should be disclosed on the video conference platform. The same shall apply if the votes for attendance are calculated otherwise at the meeting.
- Article 5. The shareholders’ meeting shall be held at the Company’s premises or at a place easily accessible to shareholders. The meeting may begin no earlier than 9:00 a.m. or later than 3:00 p.m. The opinion of the independent directors shall be fully considered with respect to the venue and time of the convening meeting.
- The location of a shareholders’ meeting of the Company held by video conference is not limited by the preceding paragraph.
- When the Company convenes a video shareholders’ meeting, the Chairman and the recording personnel should be at the same location within the country. The Chairman should also announce the address of the location at the beginning of the meeting.
- Article 6. Unless otherwise provided in laws and regulations, a shareholders’ meeting shall be convened by the Board of Directors and shall be chaired by the Chairman. If the Chairman is unable to exercise the powers for any

reason, the Chairman shall designate a director to act as the Chairman. 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 appoint its appointed lawyers, certified public accountants or related personnel to attend the shareholders' meeting in a non-voting capacity. The administrative staff of the shareholders' meeting shall wear identification badges.

Article 8. The proceedings of a shareholders' meeting shall be audio or video recorded.

The aforementioned audiovisual data shall be retained for at least one year. However, if a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Act, the records shall be retained until the end of the lawsuit.

If a shareholders' meeting is convened by videoconference, the Company shall keep records of shareholders' registration, attendance, questioning, voting, and the Company's vote counting results, and the videoconference shall be audio and video recorded throughout the entire process.

The information and audio recordings referred to in the preceding paragraph shall be properly kept by the Company during the period of existence, and the audio and video recordings shall be provided to the entrusted person handling the video conference affairs for their preservation.

Article 9: The Chairman shall call the meeting to order at the appointed meeting time, and at the same time announce the number of non-voting shares and the number of shares attending the meeting. 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. If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in accordance with the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The Chairman shall not announce for the adjournment of the meeting before the conclusion of the proceedings (including extemporaneous motions) of the preceding two paragraphs on the agenda.

If the Chairman announces the adjournment of the meeting in violation of the Rules of Procedure, the shareholders present with a majority of voting rights may elect a person to be the Chairman to continue the meeting.

After the meeting is adjourned, shareholders cannot nominate another Chairman or seek another venue for 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. The content of the speech shall prevail if it is inconsistent with the statement slip.

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

If a shareholders' meeting is convened by video conference, shareholders participating by way of video conference may ask questions in text form on the video conference platform of the shareholders' meeting after the Chairman calls the meeting to order. Each question may not be asked more than twice for each proposal, no more than 200 words. The preceding paragraph does not apply.

- Article 12. Except with the consent of the Chairman, a shareholder may not speak more than twice on the same motion, and a single speech may not exceed 5 minutes.
- 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. When the Chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chairman may announce the discussion closed and call for a 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 results of the voting shall be announced on the spot and recorded.
- Upon the conclusion of the voting period on a video conferencing platform used for a shareholders' meeting, the Company is obligated to expeditiously disclose the outcomes of the vote as well as the results of each agenda item's election. After the Chairman declares the meeting adjourned, this disclosure must continue for a minimum of 15 minutes.
- Article 17. During a meeting, the Chairman may announce a break based on time considerations.
- Article 18. Motions shall be passed by a simple majority of the votes cast by the attending shareholders, unless otherwise provided in the Company Act and the Articles of Incorporation. If there is no objection after the Chairman's inquiry, it shall be deemed as passed, and its effect shall be the same as that of a poll.
- If the shareholders' meeting is convened by video conference, the votes shall be counted in one lump sum and the voting and election results shall be announced after the Chairman announces the close of voting.
- 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. If any one of the proposals has been passed, the other proposals are deemed rejected and no further voting is 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. In the event of force majeure at the time of the meeting, the Chairman may rule to suspend the meeting and, depending on the circumstances, announce a time when the meeting will be resumed, or, with a resolution of the shareholders' meeting, to resume the meeting within five days without notice or announcement.
- In the event that a shareholders' meeting is conducted via video conference, the Chairman is required to explicitly state in the call-to-order announcement that the meeting cannot be adjourned or extended except in accordance with the provisions outlined in Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. Article 182 of the Company Act shall not apply to the postponement or rescheduling of the shareholders' meeting in the event that the video conference platform or video conference is disrupted for more than 30 minutes due to force majeure prior to the Chairman announcing the meeting's adjournment.
- In the event of the aforementioned meeting that should be adjourned or adjourned, shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the adjourned or adjourned meeting.
- Regarding the meeting that ought to be adjourned or postponed in accordance with the stipulations outlined in paragraph 2, the number of shares represented, the number of voting rights exercised, and the number of shares attended while the shareholder who was unable to participate in the adjourned or postponed meeting via video conference did so. The voting rights of shareholders present at the adjourned or postponed meeting shall be factored into the total number of shares, voting rights, and voting rights.
- When a shareholders' meeting is adjourned or resumed in accordance with the preceding paragraph, it is

not necessary to rediscuss or resolve a proposal for which the voting has been completed and votes counted, and the voting results or the slate of elected directors have been announced.

If a video conference is convened by the Company and the video conference cannot be held under the circumstance specified in paragraph 2, if the total number of shares represented by the shareholders still reaches the legal limit determined by the video conference after deducting the number of shares attending the video conference. It is not necessary to postpone or continue the meeting in accordance with paragraph 2.

If a shareholder participates in the shareholders' meeting by way of video conference on any matter that should be proceeded with the meeting in the preceding paragraph, the number of shares in attendance shall be counted in the total number of shares held by the shareholders in attendance, but the votes shall be deemed as their abstention on all proposals at the shareholders' meeting.

Article 22. Matters not provided for in these Rules shall be governed by the Company Act, the Articles of Incorporation and other relevant laws and regulations.

Article 23. These Rules, and any amendments hereto, shall be implemented after approval by the shareholders' meeting.

**Ideal Bike Corporation
Regulations for Election of Directors**

- Article 1. Except as otherwise provided by laws and regulations or the Articles of Incorporation, elections of directors of the Company shall be conducted in accordance with these Procedures.
- Article 2. The Company employs a nomination system for candidates and a cumulative voting method for the election of directors. Allocate an equivalent number of votes per share as the number of directors up for election, unless legal provisions otherwise require. In order to elect multiple candidates, shareholders may distribute their votes or concentrate them in support of one candidate. Elected in succession are the candidates who have accumulated the greatest number of votes in representation of all voting rights.
Independent directors and non-independent directors shall be elected together, and the voting rights of independent directors and non-independent directors shall be calculated according to the number of seats specified in the Articles of Incorporation, and those receiving ballots representing a greater number of votes shall be elected in order.
- Article 3. During the election, the Chairman shall appoint a number of persons with respect to the scrutineers and tally clerks to perform their respective duties. The ballot box shall be prepared by the Board of Directors, and the ballot scrutineers shall inspect the voting in public before the voting.
- Article 4. Directors of the Company shall be elected by the shareholders’ meeting from the candidate list.
If two or more persons receive the same number of votes and exceed the specified number of seats, they shall draw lots to determine the winners in the same number of votes, with the Chairman drawing lots for the absentees.
- Article 5. The Board of Directors shall prepare the same number of ballots as the number of directors to be elected, and specify the number of voting rights. The attendance card number printed on the ballot may be used instead of the registered name of the voter.
- Article 6. Voters shall indicate the account name or name of the candidate in the column of “Candidate.” However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered. Voters are required to enter

the number of votes to be allocated and select the seat numbers of the candidates when casting their ballots electronically. In addition to ensuring that the number of allocated votes does not surpass the total number of voting rights held by the voter, the selected seat numbers of candidates must not surpass the number of positions that require filling.

Article 7. A ballot shall be invalid under any of the following circumstances:

- (1) Not using the ballot specified in these Regulations.
- (2) The ballots have not been put into the ballot box set up by the Board of Directors.
- (3) Placing a blank ballot in the ballot box.
- (4) The writing on the ballot is blurred and cannot be identified.
- (5) The candidate entered in the ballot is not a candidate listed in the candidate list.
- (6) Other words or marks appeared in addition to the candidate's name or account title.
- (7) Two or more candidates are selected on the same ballot.

Article 8. The ballot will be counted on site immediately after the end of the poll. The results of the ballot will be announced by the Chairman along with the name list of the losing directors and the number of votes won by them.

Article 9. The Board of Directors will issue the notices to the elected directors.

Article 10. These Regulations shall be implemented after the approval of the shareholders' meeting, and shall be amended in the same manner.

“Appendix 4”

- III. Impacts of the proposed stock dividends on the Company’s operating performance and earnings per share:**
Not applicable, since the Company didn't distribute stock dividends this year.

“Appendix 5”

IV. Details of the Shares Held by Directors

1. **Minimum number of shares to be held by all directors and details of the number of shares held as stated in the shareholder registry:**

Job Title	Number of shares to be held	Number of shares recorded in the roster of shareholders
Director	12,068,972	36,183,951

Date of suspension of transfer: April 1, 2024

2. **Details of shares held by directors:**

Job Title	Name	Number of shares recorded in the roster of shareholders
Chairman	CHANG, YUAN-PIN	14,238,647
Vice Chairman	TAICHUNG HARBOR WAREHOUSING & STEVEDORING CO., LTD. Representative : CHANG, FANG-MING	611,661
Director	GUOLIN INVESTMENT CORPORATION. Representative : CHEN, HEN-KUAN	21,333,643
Director	GUOLIN INVESTMENT CORPORATION. Representative : HSU, YUNG-SHENG	21,333,643
Independent Director	LIN, WEN-YI	-
Independent Director	CHIOU, SHEAN-JUINN	-
Independent Director	LIU, KUN-DIAN	-

Date of suspension of transfer: April 1, 2024

Thank you for attending the general shareholders' meeting!

Please feel free to give your opinion at any time!