

Code: 6603



富強鑫精密工業股份有限公司

Fu Chun Shin Machinery Manufacture Co., Ltd.

2024 Annual Meeting of Shareholders

Meeting Manual

Time: 9:00 A.M. June 18, 2024 (Tuesday)

Place: No.269, Baodong Road, Pitou Village, Guanmiao District, Tainan City, Taiwan

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Fu Chun Shin Machinery Manufacture Co., Ltd.

2024 Annual General Meeting Procedure

Time: 9:00AM, June 18, 2024 (Tuesday)

Place: No. 269, Baodong Rd., Pitou Vil., Guanmiao Dist., Tainan City

Form of Shareholders' Meeting: Physical

Meeting procedures:

- I. Call the meeting to order (Report on the number of shares represented by shareholders present at the meeting)
- II. Chairman's opening remarks
- III. Report items
- IV. Ratifications
- V. Discussions
- VI. Extempore Motions
- VII. Meeting adjourned

[Report items]

1. The Company's 2023 Business Report is submitted for review.

Explanation: For the Company's 2023 business report and financial statements, please refer to Pages 6–13 herein [Attachment 1].

2. The Audit Committee's Review Report on the 2023 financial statements is submitted for review.

Explanation: The Company's 2023 financial statements have been approved by the Board of Directors, audited and certified by Li Fang-Wen, CPA and Hu Tzu-Ren, CPA of EY Taiwan, and also reviewed by the Audit Committee. For the External Auditor's Report and Audit Committee's Review Report, please refer to Pages 14–20 [Attachments 2 and 3] and Pages 26–31 herein [Attachment 5].

3. The 2023 employee remuneration and directors' remuneration distribution proposal.

Explanation: (1) According to Article 31 of the Articles of Incorporation, no less than 3% of the annual profit, if any, shall be distributed as the remuneration to employees, and no more than 3% of the annual profit as the remuneration to directors, provided that profits must first be taken to offset against cumulative losses, if any. The annual profit mentioned in the preceding paragraph refers to the income before tax before the remuneration to employees, directors are deducted for the year.

(2) The profit sought by the Company in 2023 was NT\$38,391,423 (i.e. the income before tax before the remuneration to employees and directors are deducted, provided that profits must first be taken to offset against cumulated losses, if any). 7.09% thereof, amounting to NT\$2,720,249, was distributed as the remuneration to employees, and 2.4% thereof, amounting to NT\$940,087, was distributed as the remuneration to directors, all paid in cash.

4. Formulation of the Company's "Rules Governing Financial and Business Matters Between this Corporation and its Related Parties." Please Review.

Explanation: In accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies," the Company has formulated the "Rules Governing Financial and Business Matters Between this Corporation and its Related Parties" Review Report, please refer to Pages 37-41 herein [Attachments 7].

[Ratifications]

Proposal 1 (Proposed by the Board of Directors)

Summary: The 2023 business report and financial statements are submitted for ratification.

Explanation: 1.The Company's 2023 business report and financial statements including balance sheet, income statement, statement of changes in shareholders' equity and statement of cash flow have been approved by the Board of Directors meeting on March 15, 2023, and reviewed by the audit committee, who also issued the review report. The same was also audited by Li Fang-Wen, CPA and Hu Tzu-Ren, CPA of EY Taiwan. Please refer to Pages 6–20 [Attachments 1–3] and Pages 26–31 herein [Attachment 5].

2.For the 2023 financial statements, please refer to Pages 21–25 [Attachment 4] and Pages 32–36 herein [Attachment 6].

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Summary: The Company's earnings distribution proposal for 2023 is submitted for ratification.

Explanation: 1.The matter is handled in accordance with Article 31-1 of the Articles of Incorporation.

2.The 2023 statement of earnings distribution is shown below.

3.In the event that the number of the Company's outstanding shares on the record date for distribution of dividends is changed due to the factors, such as conversion of outstanding corporate bonds into ordinary shares, transfer of treasury stock to employees, cancelation of the stock, cash capital increase or others, the Board of Directors is authorized to adjust the payout ratio, based on the amount of stock dividend and cash dividend to be distributed per resolution on the earnings distribution proposal, and subject to the number of outstanding shares on the record date for distribution of dividends.

Fu Chun Shin Machinery Manufacture Co., Ltd.
Statement of Earnings Distribution
2023

[Table 1]
Unit: NT\$

Summary	Amount	Remarks
1. Undistributed earnings at the beginning of the period	378,938,956	
2. Add: others	160,856	Note 1
3. Net income for this period	20,597,381	
4. Provision of legal reserve(10%)	(2,075,824)	
5. Distributable earnings for this period	397,621,369	
6. Distributable items:		
Shareholder bonus – cash dividend (NT\$0.15 per share)	(23,547,889)	Note 2
7. Undistributed earnings at the end of the period	374,073,480	
Note: 1. Including the actuarial gains (losses) on defined benefit plan, NT\$160,856. 2. The undistributed earnings before 2023 and 2022 were distributed as the first priority. The stock dividend was calculated based on the distributable stock totaling 156,985,927 shares on February 29, 2024. 3. The amount of cash dividend was truncated to the nearest dollar. Fractional amounts were summed up and stated into the Company's other revenue.		

Resolution:

[Discussions]

Proposal 1 (Proposed by the Board of Directors)

Summary: Amendment to the Regulations for the Rules of Procedures for Shareholders' Meetings. Please proceed to discuss.

Explanation: 1. In order to conform to the needs of practical operations for convening shareholders' meetings via video conference, the company hereby proposes to amend the Regulations for the Rules of Procedures for Shareholders' Meetings.

2. For the Cross Reference Table for Amendments to Regulations for the Rules of Procedures for Shareholders' Meetings, please refer to Page 42–64 herein [Attachments 8]. For the of Procedures for Shareholders' Meetings before amendment, please refer to page 65–68 herein [Appendix 1].

Resolution:

[Extempore Motions]

[Meeting adjourned]

2023 Business Report

Ladies and Gentlemen:

Hello everyone! First of all, we represent the Company to welcome all of you to visit us and give us any advice. Meanwhile, we would like to extend our appreciation for your long-term support of the Company!

Looking into 2023, industries around the world have experienced economic downturns and negative factors, resulting in reduced capital expenditure for expansion and increased production. Many companies experienced monthly revenue fluctuations as a result of this situation. However, FCS, serving as a barometer for industrial economic trends, saw a significant increase in orders for its "All-Electric Injection Molding Machine," "Ultra-large Two-Platen Machine," and "Sandwich / Interval Injection Molding Machine" from major industry clients such as auto parts, luxury consumer goods, and 3C. The auto parts industry saw particularly strong demand, which helped to improve shipment performance and capacity utilization rates in Taiwan, Vietnam, and India. This resulted in a consolidated revenue of NT\$1.119 billion in the fourth quarter of 2023, up 16.31% from the previous quarter. For 2023, sales of the Group's multi-component injection molding machines exceeded 545 units, with sales reaching NT\$2.31 billion, and overall revenue of NT\$3.861 billion in 2023.

Key strategies that contribute to the Company's steadfast pursuit of operational growth objectives for the entire Company include acquiring new clients, modernizing equipment technology, maintaining stringent expense control, optimizing equipment order structures, and increasing production efficiencies. The Company has effectively acquired supply chain clients in the automotive parts sector from Japan, the United States, and Europe in recent years. Additionally, it has attracted clients from diverse industries, including food packaging and sports. The overall rate of growth in orders from new customers has remained robust. Demand for "All-Electric Injection Molding Machines" has increased substantially across industries, including food packaging, 3C, and luxury consumer goods, in particular, as a result of the ESG sustainability development wave. This not only resulted in a significant year-on-year growth of 165.87% in the performance of integrated solutions for all-electric injection machines for 2023, but also, with a current proportion of 5.4%, has the potential to increase further in terms of the absolute quantity of orders on hand. This will provide FCS with consistent and positive growth momentum for its overall operations in the future.

In order to comply with the global trend of net zero carbon emissions by 2050 and Taiwan's policy of net zero emissions by 2050, FCS established the "Green Task Force" in 2023, leading the industry to promote the collaboration between the factory and the horizontal and vertical supply chain companies. Established the 1+10 "Low-Carbon Injection Molding Ecosystem" project, which was highly recognized by the Industrial Development Bureau, Ministry of Economic Affairs. This project proposes a carbon-reducing pathway and development blueprint for the injection molding industry, focusing on three key areas: ① Optimize energy efficiency ② integrate low-carbon equipment and peripherals ③ develop recycled material technology. By building a low-carbon injection ecosystem and assisting clients in energy-saving and carbon reduction strategies, specific action plans include conducting in-house carbon footprint assessments and carbon reduction technologies, integrating energy-saving production lines with injection peripherals, increasing the use of recycled materials, improving new machine energy-saving technologies, and transforming old machines with energy-saving solutions while also helping This reduces the investment burden for customers, allowing them to seize opportunities before the economic recovery, and moves businesses beyond simply adopting net-zero carbon slogans to finding transformation solutions tailored to their specific needs. Customers have responded positively to this approach, which is driving the machinery's sales performance even higher.

Looking ahead to 2024, although negative factors such as global inflation, rising interest rates, and weak consumer demand continue to exist, which affect the intensity and speed of capital expenditures in various industries, we are optimistic that various industries worldwide will actively achieve net zero carbon emissions, environmental protection, and green The rise of ESG, smart manufacturing, and Industry 4.0, combined with the ban on the sale of fossil fuel vehicles in many countries, will result in significant changes in the electric vehicle market. FCS believes that the growth of the electric vehicle market will lead to the production and sale of large-scale automotive machines. In 2023, FCS expanded its new plant in Hangzhou Bay, Ningbo, and began trial production. We hope the expansion will complement our plants' production capacities in Taiwan and India and positively boost the Company's overall operations in the future. Furthermore, in order to comply with the ESG trend, FCS has used green alternative materials and new molding technologies to create lighter-weight products that are more environmentally friendly and recyclable. This includes the ban of chemical foaming agents in the international footwear industry beginning in 2025. The physical foam injection molding system GENTREX developed by FCS will also be able to meet the demand for machine replacement. Machines and peripheral equipment, on the other hand, are optimized using software to aid

in the Company's low-carbon transformation and development.

FCS will also continue to rely on its years of technology in developing a variety of diverse plastic injection molding machines for customers in different industries and one-stop integrated service capabilities, coupled with the establishment of factories in Taiwan, China, and India to circumvent import tariffs, and with 34 direct sales locations and agents in 21 countries providing localized and real-time service, the Company's market order volume continues to grow. As the value of the orders on hand continues to rise, the Group has increased the production capacity of its five largest plants in the Asia Pacific region, contributing to the Company's overall growth.

For the new year, the Company remains cautious, optimistic, and proactive by shaping an organizational culture featuring "high-ranking officers leading by example and total participation and engagement of all members on the team" and working to support the action policy when taking business orders. Meanwhile, management's performance in meeting KPI goals will be monitored to improve the organization's execution. Meanwhile, in accordance with our beliefs in environmental stewardship and philanthropy, we will pursue the interests of stakeholders while fulfilling our social responsibilities through sound corporate governance. Our goal is to reach "a revenue scale of NT\$6 billion in the next two years, and the opening of several ten Grade A world's factories in the next 50 years, in order to continue the process of becoming one of the top ten global companies, and create FCS's next 50 years, become Taiwan's century-old plastic injection leader." Finally, we seek the support of all shareholders as we strive to achieve our goals of increased revenue and consistent growth, allowing both the Company and shareholders to benefit from higher profits.

We hereby present the business report on the Company's 2023 business results and outline of the Company's 2024 business plan as follows:

1. 2023 business results

(1) Business plan implementation result

2023 consolidated business results are stated as follows:

Unit: NT\$ Thousand

Consolidated income items	2023	2022	Increase (decrease) (%)	Growth rate (%)
Operating revenue	3,861,005	4,605,204	-744,199	-16.16%
Operating cost	2,848,137	3,374,074	-525,937	-15.59%
Gross profit	1,012,868	1,231,130	-218,262	-17.73%

Operating expenses	974,649	973,165	1,484	0.15%
Operating gain (loss)	38,219	257,965	-219,746	-85.18%
Non-operating revenue and expense, net	19,604	-4,028	23,632	586.69%
Net income before tax	57,823	253,937	-196,114	-77.23%
Profit after tax	23,323	169,977	-146,654	-86.28%
Net profit attributed to the parent company	20,597	159,455	-138,858	-87.08%

(2) Budget implementation status: The Company did not have the 2023 financial forecast published; therefore, no budget was implemented.

(3) Financial revenue and expense and profitability analysis: 2023

1. Financial revenue and expense:

(1) Revenue: Operating revenue is NT\$3,861,005 thousand

(2) Expense: The operating cost is NT\$2,848,137 thousand.

Operating expense is NT\$974,649 thousand.

Non-operating revenue and expense, net is NT\$19,604 thousand.

(3) Earnings: The consolidated net profit before tax is NT\$57,823 thousand, income tax expense NT\$34,500 thousand, and net income NT\$23,323 thousand.

2. Profitability analysis:

(1) Return on assets (ROA): 0.65%

(2) Return on equity (ROE): 0.97%

(3) Profit margin: 0.60 (%)

(4) Earnings per share: NT\$0.13

(4) Research and development (R&D):

The Company's 2023 R&D expenses were NT\$ 102,949 thousand, a decrease of NT\$11,612 thousand, or a decline of 10.14%, from NT\$114,561 thousand in 2022.

Products developed successfully and receiving awards in the most recent year:

Item No.	Year	Content
1	2022.12	Launched the e-commerce version "iMF 4.0-Lite" to help enterprises easily upgrade to "smart manufacturing"

2	2023.01	FCS was awarded the "Excellent Mechanical Organization Award" by the Chinese Mechanical Engineering Society
3	2023.03	FU CHUN SHIN in Ningbo was rated the "Top 50 Industrial Enterprises" in Jiangbei District, Ningbo City
4	2023.04	FCS was awarded "2022 Excellent Influential Brand Of Injection Molding Machine" for two consecutive years
5	2023.05	FCS Ningbo was honored with four major awards from Zhuangqiao Street, Jiangbei District, Ningbo City: Top 10 Industrial Enterprises, Golden Eagle Award, and Top 10 Taxpayer and Development Contribution Advanced Group Award
6	2023.06	FCS GW-1600RP Two-Platen Multi-Component Injection Molding Machine won the 2023 Plastic Industry Ringier Technology Innovation Award
7	2023.07	FCS and TIENKANG successfully developed the "multi-functional physical foam injection molding system" GENTREX to provide "net zero revolution" solutions for the transportation and sporting goods industries
8	2023.08	World's First Super Large Five-Color Two-Platen Multi-Component Injection Molding Machine from FCS Makes Delivery
9	2023.08	FCS Group was awarded three honors in the 2023 China Plastics Machinery Industry Dominant Enterprise Award. The Company was also selected as one of the "Top 10 Comprehensive Strength Enterprises of China Plastics Machinery Manufacturing Industry" in 2023.
10	2023.09	FCS Ningbo was awarded the "2023 Ningbo City Top 100 Competitive Enterprises"
11	2023.10	FCS GW-2200R Large two-platen turntable four-shot precision injection molding machine passed the 2023 Ningbo High-end equipment manufacturing industry's first domestic product (set) public list
12	2023.12	FCS Releases The SA-h PET Multimodal Medical Product Precision Molding System
13	2023.12	FCS Dongguan was awarded the title of "Friendly Enterprise"
14	2024..03	FCS GW-2200R two-platen X-type four-shot multi-component injection machine won the 2024 Plastic Industry Ringier Technology Innovation Award
15	2024.03	FCS participated in the 1st TAINANPLAS 2024

Under the R&D operating model, the parent company of FU CHUN SHIN in Taiwan is identified as the R&D center of the Group, which works with the R&D units of various subsidiaries to continue promoting the following R&D strategies:

1. Continue to develop niche products;
2. Optimize the existing product series;
3. Research and develop integrated products and solutions for market segments;

4. Develop iMF smart injection molding arts and crafts platform;
5. Train technical talents and cultivate R&D technology & energy.

2. Outline of 2024 business plan

(1) Business policy

In order to seize the market development opportunities and cope with the changes in economic and industrial environments, the Company's main business policies are stated as follows. The effective promotion and execution of various policies will help the Company improve its mid-term and long-term business performance.

1. Based on the ISO three-in-one standard integrated system, implement the systematic management, standardization of procedures and digitalization of operations, in order to establish the foundation for business sustainability
2. Promote KPI performance target management activities, and shape the organizational culture of "high-ranking officers leading by example and engagement of all members on the team", and fulfilling our missions.
3. Strengthen the operational performance of Vietnam, Indonesia, Thailand, and India plants, implement management systems, recruit more businesses, and increase revenue and profit.
4. The headquarters reserves the management talents of overseas subsidiaries, and strengthens the performance of reinvestment and overseas investments.
5. Plan the group's medium and long-term capital channels and strengthen the financial structure.
6. Cultivate the export market, actively participate in overseas exhibitions, and develop new business opportunities.
7. New distribution channels in Europe, Middle East and Africa to improve sales.
8. Develop products for market segments, create product differentiation and provide complete solutions (special machine for SA-h/p packaging, special machine for blood collection tubes, Mucell, long fiber).
9. Seek industrial strategic alliances and establish a strategic platform mechanism to ensure competitiveness.
10. The mass production of the Hangzhou Bay New Zone factory will expand the Group's processing capacity and production capacity, and optimize the mainframe's competitiveness in terms of delivery time and cost.
11. Promote T309 project to increase market share in Taiwan and drive machine sales in Taiwan.
12. Focus on the top 2000 manufacturing customers in Taiwan and obtain large orders in batches.
13. The Taiwan factory promotes the lean production model, and implements the advance confirmation of production line materials, supporting material supply and store management to eliminate waste and improve efficiency.
14. Implement the Group's quality conference system to improve the quality of

machines and achieve zero customer complaints.

15. Introduce the SPC commissioning system to improve the stability of the machine.

16. The Taiwan Factory has established a smart energy management system.

(2) Sales volume forecast and basis thereof

With reference to the operating results over the years, global economic forecast and relevant market information, the Company estimates that the sales volume of injection molding machines in 2024 will increase compared to 2023. Revenue for enameled wire is expected to remain flat due to a change in the operating model to focus on OEM revenue and the copper price fluctuations, but profits are expected to grow steadily.

(3) Important production & marketing policy:

1. Production policy:

(1) Solve the bottleneck of the supply chain, and optimize the delivery period and cost.

(2) Rebuild the production facility and adopt lean production procedures.

(3) Implement the SPC system to improve the stability of machine.

(4) Practice the quality meeting system to pursue zero complaint from customers against the products.

2. Sales policy:

(1) Develop new channels and locations in Europe.

(2) Improve the business performance of overseas self-managed locations.

(3) Continue to strengthen the online marketing force.

(4) Create the customer base for market segments.

(5) Reserve sales personnel and strengthen the application technology and abilities.

3. The Company's future development strategies:

The Company's future development is oriented toward "SHAPE A BETTER WORLD" as its corporate mission, in order to fulfill the corporate social responsibility and corporate governance, and strengthen the business sustainability. Based on the corporate mission, the Company continues to create high value-added products as its management philosophy and combines global and diversified business strategies. The Company not only deepens the R&D, production and sales of the injection molding machine industry, but also launches into cables, 3C optoelectronics and materials technology industries. Meanwhile, the Company will engage in strategic cooperation with relevant industries for co-existence and co-prosperity, hoping to move toward more precision and high-tech fields, improve the corporate value and international competitiveness, and

implement the corporate vision, i.e. “Top Ten Globally, Customer First, Happy Growth and Profit Sharing,” and achieve the goal for business sustainability.

4. Impact of the external competition, legal, and overall business environments

1. As far as the external competition is concerned, industrial competition is inevitable and also drives the continuing growth. The Company insists on continuing to research and develop new products, orient its development toward high customization and differentiated service strategy, and also layout the marketing channels to improve its strengths, raise its competitiveness and satisfy customers' needs.
2. No significant impact has been posed by the changes in domestic/foreign major policies and laws to the Company's business and finance in recent years. Notwithstanding, the Company will keep noting related information and research necessary responsive measures to satisfy the Company's business needs.
3. As the overall business environment is becoming more and more complex, the Company will take the global overall economy and the Company's status into account when evaluating its future business orientation and making major decisions, in order to deliberate the best strategies more thoroughly.

Finally, we wish you and your family good health and good luck.

Chairman: Wang Po-Hsun

CEO: Wang Chun-Hsien

June 18, 2024

Audit Committee' Review Report

The Company's 2023 business report, financial statements and earnings distribution proposal have been prepared and submitted by the Board of Directors. Among other things, the financial statements were already audited by Li Fang-Wen, CPA and Hu Tzu-Ren, CPA of EY Taiwan appointed by the Board of Directors, who issued the audit report accordingly. Based on our review, said business report, financial statements and earnings distribution proposal are found complying with the related laws and regulations including the Company Act. The Report is presented in accordance with Article 219 of the Company Act accordingly.

To:

2024 Annual General Meeting of the Company

Fu Chun Shin Machinery Manufacture Co., Ltd.

Chairman of the Audit Committee: Huang Chung-hui

March 15, 2024

To: Fu Chun Shin Machinery Manufacture Co., Ltd.

Audit opinions

We have completed our review on the Parent Company Only Balance Sheet of Fu Chun Shin Machinery Manufacture Co., Ltd. on December 31, 2023 and 2022, and Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Cash Flow Statements, and Notes to the Parent Company Only Financial Statements (including a summary of significant accounting policies) for January 1–December 31, 2023 and 2022.

In our opinion, said parent company only financial statements in all major respects are in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. They are sufficient to adequately express the financial status of Fu Chun Shin Machinery Manufacture Co., Ltd. as of December 31, 2023 and 2022 and its financial performance and cash flow from January 1 through December 31, 2023 and 2022.

Basis for Opinion

We are entrusted to conduct the audit in accordance with the Regulations Governing the Audit of Financial Statements and Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only financial statements section of our report. We are independent of Fu Chun Shin Machinery Manufacture Co., Ltd. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit on the parent company only financial statements of Fu Chun Shin Machinery Manufacture Co., Ltd. for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Allowance for loss of accounts receivable

Until December 31, 2023, the carrying amount of accounts receivable of Fu Chun Shin Machinery Manufacture Co., Ltd. and its subsidiaries has amounted to NT\$330,060 thousand (already less the allowance for loss, NT\$20,457 thousand). The net amount of accounts receivables was approximately 6.30% of total assets, which is significant to the parent company only financial statements. Considering the assessment of allowance for loss of accounts receivable is measured by lifetime expected credit loss, the process of measurement must appropriately divide accounts receivables into groups, determine and analyze the use of relevant assumptions in the process of measurement, including appropriate account aging intervals and the account aging loss rate for each interval, that reflected the measurement of the expected credit loss involving judgment, analysis and estimates, and the result of measurement affect the net amount of accounts receivables, we determined this as a key audit matter.

Our audit procedures included (without limitation to) evaluating and testing the internal control established by the management to evaluate the impairment loss on accounts receivable; evaluating the adequacy of the policy to provide allowance for loss; analyzing the adequacy of grouping of accounts receivable; testing the provision matrix adopted by Fu Chun Shin Machinery Manufacture Co., Ltd., including evaluating whether the determination of account aging internals of each group is reasonable, and conducting the random check on original documents to check the accuracy of basic information, and also conducting the random check on the collections of accounts receivables during the subsequent period to evaluate the collectability of the accounts.

We also assessed the adequacy of disclosures of accounts receivables referred to in Notes V, VI and XII to the parent company only financial statements.

Valuation on slow-moving inventories

As of December 31, 2023, the carrying amount of net inventories of Fu Chun Shin Machinery Manufacture Co., Ltd. amounted to NT\$453,965 thousand, approximately 8.66 % of total assets, which is significant to the parent company only financial statements. In consideration of the multiple raw materials and supplies to be purchased to meet the need for production process and customers' requirement for specifications, and said amount of provision of slow-moving inventories involving the significant judgment of the management of Fu Chun Shin Machinery Manufacture Co., Ltd., we determined the estimation of allowance for slow-moving inventories as a key audit matter.

Our audit procedures included (without limitation to) evaluating and testing the internal control established by the management for valuation on slow-moving inventories; evaluating the adequacy of the policy to provide allowance for slow-moving inventories; conducting the random check on accuracy of the inventory aging, analyzing changes in the inventory aging and evaluating the inventories for which allowance for slow-moving inventory loss shall be provided separately; and re-calculating the allowance for inventory price decline to confirm the compliance with the Company's accounting policy.

We also assessed the adequacy of disclosures of inventories referred to in Notes V and VI to the parent company only financial statements.

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

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

In preparing the parent company only financial statements, the management is also responsible for assessing the ability of Fu Chun Shin Machinery Manufacture Co., Ltd. to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the management either intends to liquidate Fu Chun Shin Machinery Manufacture Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing the financial reporting process of Fu Chun Shin Machinery Manufacture Co., Ltd.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. The term "reasonable assurance" refers to a high level of assurance. Nevertheless, the audit performed according to auditing standards cannot

guarantee the discovery of material misstatements in the parent company only financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the parent company only financial statements.

As part of an audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risk of material misstatement of the parent company only financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Fu Chun Shin Machinery Manufacture Co., Ltd.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Fu Chun Shin Machinery Manufacture Co., Ltd. to continue as a going concern. In case where we consider that such events or circumstances have a material uncertainty, then relevant disclosure of the parent company only financial statements are required to be provided in our audit report to allow users of parent company only financial statements to be aware of such events or circumstances, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Fu Chun Shin Machinery Manufacture Co., Ltd. to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including relevant notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of the Group and provide opinion on the parent company only financial statements. We handle the guidance, supervision and execution of the audit on the Group and are responsible for preparing the opinion for the Group.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence under the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and to communicate with them all relationships and other matters that may reasonably be considered affecting our independence, and where applicable, other matters (including related safeguards).

From the matters communicated with the governance unit, we have determined key audit matters of 2023 parent company only financial statements of Fu Chun Shin Machinery Manufacture Co., Ltd. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

EY Taiwan

The financial report is disclosed to the public
upon approval of the competent authority.

Audit and	Jin-Guan-Zheng-Shen-Zi	No.
Certification No.:	1010045851	
	Jin-Guan-Zheng-Shen-Zi	No.
	1010045851	

Lee Fang-Wen

Certified Public Accountant:

Mink Hu

March 15, 2024

Fu Chun Shin Machinery Manufacture Co., Ltd.

Parent Company Only Balance Sheets

December 31, 2023 and 2022

Unit: NT\$ Thousand

Assets			December 31, 2023		December 31, 2022	
Code	Accounting titles	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	IV/VI.1	\$114,212	2.18	\$96,314	1.94
1110	Financial assets at FVTPL - Current	IV/VI.2	9,603	0.18	8,104	0.16
1140	Contract assets - Current	IV/VI.14 & 15	53,902	1.03	2,288	0.05
1150	Net notes receivable	IV/VI.3 & 15/VII	117,666	2.24	134,551	2.71
1170	Net accounts receivable	IV/VI.4 & 15/VII	330,060	6.30	219,829	4.43
1210	Other receivables – Related party	IV/VII	183,404	3.50	67,841	1.37
130x	Inventories	IV/VI.5	453,965	8.66	497,605	10.03
1470	Other current assets	VIII	91,354	1.74	66,421	1.34
11xx	Total current assets		1,354,166	25.83	1,092,953	22.03
	Non-current assets					
1510	Financial assets at FVTPL - Non-current	IV/VI.2	56,041	1.07	48,410	0.98
1550	Investment accounted for using the equity method	IV/VI.6	2,675,857	51.05	2,683,044	54.09
1600	Property, plant and equipment	IV/VI.7/VIII	743,795	14.19	742,051	14.96
1760	Net investment property	IV/VI.8/VIII	220,129	4.20	221,433	4.46
1780	Intangible assets	4.	57,076	1.09	53,172	1.07
1840	Deferred tax income assets	IV/VI.20	89,222	1.70	83,788	1.69
1900	Other non-current assets	IV/VI.3	45,607	0.87	35,644	0.72
15xx	Total non-current assets		3,887,727	74.17	3,867,542	77.97
1xxx	Total assets		\$5,241,893	100.00	\$4,960,495	100.00

(Please refer to the notes to the parent company only financial statements.)

Chairman:

Managerial Officer:

Accounting Officer:

Fu Chun Shin Machinery Manufacture Co., Ltd.
Parent Company Only Balance Sheet(Cont'd)
December 31, 2023 and 2022

Unit: NT\$ Thousand

Liabilities and Equity			December 31, 2023		December 31, 2022	
Code	Accounting titles	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	IV/VI.9	\$190,000	3.62	\$183,071	3.69
2130	Contract liability	IV/VI.14	74,068	1.41	50,152	1.01
2150	Notes payable	4.	1,967	0.04	811	0.02
2170	Accounts payable	IV/VII	166,233	3.17	97,652	1.97
2200	Other payables	4.	92,568	1.77	92,090	1.86
2220	Other payables - Related party	IV/VII	-	-	69,405	1.40
2230	Current tax liabilities	IV/VI.20	2,702	0.05	-	-
2322	Long-term borrowings – current portion	IV/VI.11	17,000	0.32	73,088	1.47
2399	Other current liabilities – Others		2,193	0.04	2,006	0.04
21xx	Total current liabilities		546,731	10.42	568,275	11.46
	Non-current liabilities					
2530	Bonds payable	IV/VI.10	844,198	16.10	835,015	16.83
2540	Long-term borrowings	IV/VI.11	914,657	17.45	565,087	11.39
2570	Deferred income tax liabilities	IV/VI.20	538,620	10.28	542,727	10.94
2640	Net defined benefit liabilities - Non-current	IV/VI.12	31,703	0.60	39,168	0.79
2645	Deposits received	4.	10,176	0.19	10,087	0.20
2670	Other non-current liabilities – Others	IV/VI.6/VII	138,365	2.65	119,227	2.41
25xx	Total non-current liabilities		2,477,719	47.27	2,111,311	42.56
2xxx	Total Liabilities		3,024,450	57.69	2,679,586	54.02
	Equity					
3100	Share capital	VI.13				
3110	Common share capital		1,569,860	29.95	1,524,079	30.72
3130	Bond conversion entitlement certificates		-	-	57	-
3200	Capital surplus	VI.13	42,520	0.81	42,520	0.86
3300	Retained earnings					
3310	Legal reserve	VI.13	166,042	3.17	149,928	3.02
3320	Special reserve	VI.13	188,685	3.60	188,685	3.80
3350	Unappropriated earnings	VI.13	399,697	7.63	486,501	9.81
	Total retained earnings		754,424	14.40	825,114	16.63
3400	Other equities	IV	-149,361	(2.85)	-110,861	-2.23
3xxx	Total equity		2,217,443	42.31	2,280,909	45.98
	Total liabilities and equities		\$5,241,893	100.00	\$4,960,495	100.00

(Please refer to the notes to the parent company only financial statements.)

Chairman:

Managerial Officer:

Accounting Officer:

Fu Chun Shin Machinery Manufacture Co., Ltd.
Unconsolidated Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand

Code	Accounting titles	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	IV/VI.14/VII	\$1,078,451	100.00	\$1,259,810	100.00
5000	Operating cost	VI.5 & 17/VII	-841,617	-78.04	-996,490	-79.10
5900	Gross profit		236,834	21.96	263,320	20.90
5920	Realized net income on sales		1,213	0.11	860	0.07
5950	Net gross profit		238,047	22.07	264,180	20.97
6000	Operating expenses	VI.12 & 17				
6100	Selling expenses		-164,982	-15.30	-178,567	-14.18
6200	Administrative expenses		-96,782	-8.97	-101,894	-8.09
6300	Research and development expenses		-33,660	-3.12	-50,041	-3.97
6450	Expected credit impairment losses	VI.15	-23,780	-2.21	-5,217	-0.41
	Total operating expenses		-319,204	-29.60	-335,719	-26.65
6900	Operating(losses)		-81,157	-7.53	-71,539	-5.68
7000	Non-operating income and expense	IV/VI.18/VII				
7010	Other income		57,829	5.36	59,458	4.72
7020	Other gains or losses		-4,388	-0.41	-21,837	-1.73
7050	Financial costs		-29,875	-2.77	-19,079	-1.51
7070	Share of profit or loss from subsidiaries and associates accounted for using t		92,322	8.56	257,002	20.40
	Total non-operating incomes and expenses		115,888	10.74	275,544	21.88
7900	Net income before tax		34,731	3.21	204,005	16.20
7950	Income tax expenses	IV/VI.20	-14,134	-1.31	-44,550	-3.54
8200	Current period net profit		20,597	1.90	159,455	12.66
8300	Other comprehensive income	IV/VI.19&20				
8310	Items not reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit programs		201	0.02	2,687	0.21
8349	Income taxes related to the items not re-classified		-40	-	-537	-0.04
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of the financial statements of foreign		-48,124	-4.46	22,210	1.76
8399	Income tax relating to items that may be reclassified subsequently to profit		9,624	0.89	-4,442	-0.35
	Other comprehensive income of the current year (net amount after-tax)		-38,339	-3.55	19,918	1.58
8500	Total comprehensive income in the current period		<u>\$ (17,742)</u>	<u>-1.65</u>	<u>\$ 179,373</u>	<u>14.24</u>
	Earnings per share (NT\$)	VI.21				
9750	Basic earnings per share		<u>\$ 0.13</u>		<u>\$ 1.02</u>	
9850	Diluted earnings per share		<u>\$ 0.13</u>		<u>\$ 0.97</u>	

(Please refer to the notes to the parent company only financial statements.)

Chairman:

Managerial Officer:

Accounting Officer:

Fu Chun Shin Machinery Manufacture Co., Ltd.
Unconsolidated Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NTS Thousand

Code	Items	Share capital	Bond conversion entitlement certificates	Capital surplus	Retained earnings			Other items of equity differences on translation of the financial statements	Treasury stocks	Total Equity
					Legal reserve	Special reserve	Unappropriated earnings			
		3110	3130	3200	3310	3320	3350	3410	3500	3XXX
A1	Balance on January 1, 2022	\$1,494,388	\$ -	\$23,649	\$138,371	\$188,685	\$411,150	\$(128,629)	\$(12,263)	\$2,115,351
B1	2021Earning provision and appropriation									
B1	Provision of legal reserve	-	-	-	11,557	-	-11,557	-	-	-
B5	Cash dividend from ordinary shares	-	-	-	-	-	-44,536	-	-	-44,536
B9	Stock dividend from ordinary shares	29,691	-	-	-	-	-29,691	-	-	-
C5	Recognition of equity components due to the issuance of convertible bonds	-	-	18,804	-	-	-	-	-	18,804
D1	2022Net profit	-	-	-	-	-	159,455	-	-	159,455
D3	2022Other comprehensive income	-	-	-	-	-	2,150	17,768	-	19,918
D5	Total comprehensive income in the current period	-	-	-	-	-	161,605	17,768	-	179,373
I1	Conversion of convertible corporate bonds	-	57	38	-	-	-	-	-	95
N1	Transfer of treasury stocks to employees	-	-	-	-	-	-470	-	12,263	11,793
T1	Others	-	-	29	-	-	-	-	-	29
Z1	Balance on December 31, 2022	<u>\$1,524,079</u>	<u>\$57</u>	<u>\$42,520</u>	<u>\$149,928</u>	<u>\$188,685</u>	<u>\$486,501</u>	<u>\$(110,861)</u>	<u>\$ -</u>	<u>\$2,280,909</u>
A1	Balance on January 1 , 2023 _	\$1,524,079	\$57	\$42,520	\$149,928	\$188,685	\$486,501	\$(110,861)	\$ -	\$2,280,909
B1	Earnings appropriation and distribution for 2022									
B1	Provision of legal reserve	-	-	-	16,114	-	-16,114	-	-	-
B5	Cash dividend from ordinary shares	-	-	-	-	-	-45,724	-	-	-45,724
B9	Stock dividend from ordinary shares	45,724	-	-	-	-	-45,724	-	-	-
D1	2023 net income	-	-	-	-	-	20,597	-	-	20,597
D3	Other comprehensive income (loss) in 2023	-	-	-	-	-	161	-38,500	-	-38,339
D5	Total comprehensive income in the current period	-	-	-	-	-	20,758	-38,500	-	-17,742
I3	Conversion of bond conversion entitlement certificates	57	-57	-	-	-	-	-	-	-
Z1	Balance as of December 31 , 2023	<u>\$1,569,860</u>	<u>\$ -</u>	<u>\$42,520</u>	<u>\$166,042</u>	<u>\$188,685</u>	<u>\$399,697</u>	<u>\$(149,361)</u>	<u>\$ -</u>	<u>\$2,217,443</u>

(Please refer to the notes to the parent company only financial statements.)

Chairman:

Managerial Officer:

Accounting Officer:

Fu Chun Shin Machinery Manufacture Co., Ltd.
Parent Company Only Cash Flow Statements
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand

Code	Items	2023	2022	Code	Items	2023	2022
		Amount	Amount			Amount	Amount
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$34,731	\$204,005	B00010	Purchase of financial assets at fair value through profit or loss	(12,848)	(8,687)
A20000	Adjustment items:			B00020	Disposal of financial assets at FVTPL	12,608	10,772
A20010	Income/expenses items:			B01800	Investment accounted for using the equity method	(7,857)	(57,523)
A20100	Depreciation expense	28,591	37,714	B02700	Acquisition of property, plant and equipment	(27,307)	(6,622)
A20200	Amortization expenses	8,927	10,160	B02800	Disposal of property, plant and equipment	403	692
A20300	Expected credit impairment losses	23,780	5,217	B04300	Decrease(increase) in other receivables – Related party	(120,783)	(14,341)
A20400	Net (gain) loss on financial assets and liabilities measured at fair value	(8,890)	6,047	B04500	Acquisition of intangible assets	(12,831)	(850)
A20900	Interest expenses	29,875	19,079	B05400	Acquisition of investment property	(187)	-
A21200	Interest revenue	(7,947)	(5,073)	B07600	Dividends received	79,593	-
A21300	Dividend income	(247)	(220)	BBBB	Net cash outflow from investing activities	(89,209)	(76,559)
A22300	Share of profit or loss from subsidiaries and associates accounted for	(92,322)	(257,002)				
A22500	Disposal of property, plant and equipment (gain)	(403)	(669)	CCCC	Cash flows from financing activities:		
A23500	Loss on financial asset impairment	-	4,990	C00100	Increase in short-term borrowings	220,000	337,269
A23700	Loss on non-financial asset impairment	-	5,593	C00200	Decrease in short-term borrowings	(213,071)	(313,539)
A24000	Realized (gains) on sales	(1,213)	(860)	C01200	Issuance of bonds	-	494,850
A30000	Changes in operating assets/liabilities:			C01600	Proceeds from long-term borrowings	490,000	548,156
A31125	(Increase)decreasein contract assets	(51,614)	8,959	C01700	Repayments of long-term borrowings	(196,518)	(855,682)
A31130	(Increase) in notes receivable	(6,621)	(16,695)	C03000	Increase in deposits received	89	93
A31150	Decrease (increase) in accounts receivable	(116,703)	88,464	C03800	(Decrease) in other payables - Related party	(69,405)	(65,120)
A31190	Decrease (increase) in other receivables - related parties	5,220	(20,868)	C04500	Allocation of cash dividends	(45,724)	(44,536)
A31200	Decrease in inventory	43,640	14,429	C05100	Employees' subscription for treasury stocks	-	11,793
A31240	Decrease(increase)in other current assets	(24,933)	18,258	C09900	Other financing activities	-	29
A31990	Decrease(increase) in other non-current assets	(5,302)	(11,951)	CCCC	Net cash inflow from financing activities	185,371	113,313
A32125	Increase (decrease) of contract liabilities	23,916	(55,621)				
A32130	Increase (decrease) in notes payable	1,156	(1,203)	EEEE	Increase(decrease)in cash and cash equivalents for the current period	17,898	(72,679)
A32150	Increase (decrease) in accounts payable	68,581	(137,722)	E00100	Cash and cash equivalents at the beginning of the year	96,314	168,993
A32180	Increase (decrease) in other accounts payable	1,084	(9,261)	E00200	Cash and cash equivalents at the end of the year	\$114,212	\$96,314
A32230	Increase of other current liabilities	187	343				
A32240	(Decrease) in net defined benefit liabilities	(7,264)	(2,410)				
A33000	Cash (outflow) from operations	(53,771)	(96,297)				
A33100	Interest received	7,947	5,073				
A33200	Dividends received	247	220				
A33300	Interest paid	(21,298)	(15,862)				
A33500	Income tax (paid)	(11,389)	(2,567)				
AAAA	Net cash outflow from operating activities	(78,264)	(109,433)				

(Please refer to the notes to the parent company only financial statements.)

Chairman:

Managerial Officer:

Accounting Officer:

To FU CHUN SHIN PRECISION INDUSTRY CO., LTD.:

Audit opinions

We have completed our review on the Consolidated Balance Sheet of Fu Chun Shin Machinery Manufacture Co., Ltd. and its subsidiaries on December 31, 2023 and 2022, and Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Cash Flow Statements, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) for January 1–December 31, 2023 and 2022.

In our opinion, said consolidated financial statements in all major respects are in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), Standing Interpretation Committee (SIC) interpretation and International Financial Reporting Standards Interpretations Committee (IFRSIC) announcement, endorsed by the Financial Supervisory Commission. They are sufficient to adequately express the consolidated financial status of the Fu Chun Shin Machinery Manufacture Co., Ltd. and its subsidiaries as of December 31, 2023 and 2022 and its consolidated financial performance and consolidated cash flow from January 1 through December 31, 2023 and 2022.

Basis for Opinion

We are entrusted to conduct the audit in accordance with the Regulations Governing the Audit of Financial Statements and Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Fu Chun Shin Machinery Manufacture Co., Ltd. and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of Fu Chun Shin Machinery Manufacture Co., Ltd. and its subsidiaries for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Allowance for loss of accounts receivable

Until December 31, 2023, the carrying amount of accounts receivable of Fu Chun Shin Machinery Manufacture Co., Ltd. and its subsidiaries has amounted to NT\$1,083,705 thousand (already less the allowance for loss, NT\$85,920 thousand). The net amount of accounts receivables was approximately 14.88 % of total consolidated assets, which is significant to the consolidated financial statements. Considering the assessment of allowance for loss of accounts receivable is measured by lifetime expected credit loss, the process of measurement must appropriately divide accounts receivables into groups, determine and analyze the use of relevant assumptions in the process of measurement, including appropriate account aging intervals and the account aging loss rate for each interval, that reflected the measurement of the expected credit loss involving judgment, analysis and estimates, and the result of measurement affect the net amount of accounts receivables, we determined this as a key audit matter.

Our audit procedures included (without limitation to) evaluating and testing the internal control established by the management to evaluate the impairment loss on accounts receivable; evaluating the adequacy of the policy to provide allowance for loss; analyzing the adequacy of grouping of accounts receivable; testing the provision matrix adopted by Fu Chun Shin Machinery Manufacture Co., Ltd. and its subsidiaries, including evaluating whether the determination of account aging intervals of each group is reasonable, and conducting the random check on original documents to check the accuracy of basic information, and also conducting the random check on the collections of accounts receivables during the subsequent period to evaluate the collectability of the accounts.

We also assessed the adequacy of disclosures of accounts receivables referred to in Notes V, VI and XII to the consolidated financial statements.

Valuation on slow-moving inventories

As of December 31, 2023, the carrying amount of net inventories of Fu Chun Shin Machinery Manufacture Co., Ltd. and its subsidiaries amounted to NT\$1,589,608 thousand, approximately 21.82 % of total consolidated assets, which is significant to the consolidated financial statements. In consideration of the multiple raw materials and supplies to be purchased to meet the need for production process and customers' requirement for specifications, and said amount of provision of slow-moving inventories involving the significant judgment of the management of Fu Chun Shin Machinery Manufacture Co., Ltd. and its subsidiaries, we determined the estimation of allowance for slow-moving inventories as a key audit matter.

Our audit procedures included (without limitation to) evaluating and testing the internal control established by the management for valuation on slow-moving inventories; evaluating the adequacy of the policy to provide allowance for slow-moving inventories; conducting the random check on accuracy of the inventory aging, analyzing changes in the inventory aging and evaluating the inventories for which allowance for slow-moving inventory loss shall be provided separately; and re-calculating the allowance for inventory price decline to confirm the compliance with the Company's accounting policy.

We also assessed the adequacy of disclosures of inventories referred to in Notes V and VI to the consolidated financial statements.

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

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the R.O.C., and for necessary internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is also responsible for assessing the ability of Fu Chun Shin Machinery Manufacture Co., Ltd. and its subsidiaries to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the management either intends to liquidate Fu Chun Shin Machinery Manufacture Co., Ltd. and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing the financial reporting process of Fu Chun Shin Machinery Manufacture Co., Ltd. and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. The term "reasonable assurance" refers to a high level of assurance. Nevertheless, the audit performed according to auditing standards cannot guarantee the discovery of material misstatements in the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of an audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risk of material misstatement of the consolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Fu Chun Shin Machinery Manufacture Co., Ltd. and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the ability of Fu Chun Shin Machinery Manufacture Co., Ltd. and its subsidiaries to continue as a going concern. In case where we consider that such events or circumstances have a material uncertainty, then relevant disclosure of the consolidated financial statements are required to be provided in our audit report to allow users of consolidated financial statements to be aware of such events or circumstances, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Fu Chun Shin Machinery Manufacture Co., Ltd. and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including relevant notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of the Group and provide opinion on the consolidated financial statements. We handle the guidance, supervision and execution of the audit on the Group and are responsible for preparing the opinion for the Group.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence under the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and to communicate with them all relationships and other matters that may reasonably be considered affecting our independence, and where applicable, other matters (including related safeguards).

From the matters communicated with the governance unit, we have determined key audit matters of 2023 consolidated financial statements of Fu Chun Shin Machinery Manufacture Co., Ltd. and its subsidiaries. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

Fu Chun Shin Machinery Manufacture Co., Ltd. and its subsidiaries has prepared the parent company only financial statements for 2023 and 2022, to which we have also issued an independent auditor's report with unqualified opinion along with the section on other matters and provided for reference.

EY Taiwan

The financial report is disclosed to the public upon approval of the competent authority.

Audit and Jin-Guan-Zheng-Shen-Zi No.

Certification No.: 1010045851

Jin-Guan-Zheng-Shen-Zi No.

1010045851

Lee Fang-Wen

Certified Public Accountant:

Mink Hu

March 15, 2024

FU CHUN SHIN MACHINERY MANUFACTURE CO., LTD. and its Subsidiaries

[Attachment 6]

Consolidated Balance Sheet

December 31, 2023 and 2022

Unit: NT\$ Thousand

Assets			December 31, 2023		December 31, 2022	
Code	Accounting titles	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	IV/VI.1	\$489,397	6.72	\$696,349	9.94
1110	Financial assets at FVTPL - Current	IV/VI.2	269,800	3.70	228,750	3.27
1140	Contract assets - Current	VI.14 & 15	53,902	0.74	2,288	0.03
1150	Net notes receivable	IV/VI.4 & 15	498,089	6.84	429,870	6.14
1170	Net accounts receivable	IV/VI.5 & 15	1,083,705	14.88	1,256,879	17.95
130x	Inventories	IV/VI.6	1,589,608	21.82	1,424,423	20.34
1470	Other current assets	VIII	260,111	3.57	205,117	2.93
11xx	Total current assets		4,244,612	58.27	4,243,676	60.60
	Non-current assets					
1510	Financial assets at FVTPL - Non-current	IV/VI.2	56,041	0.77	48,410	0.69
1517	Financial assets at FVOCI - Non-current	IV/VI.3	57,392	0.79	57,676	0.82
1550	Investment accounted for using the equity method	4.	7,349	0.10	13,286	0.19
1600	Property, plant and equipment	IV/VI.7/VIII	2,151,039	29.53	1,815,657	25.93
1755	Right-of-use assets	IV/VI.16/VIII	145,744	2.00	153,163	2.19
1760	Net investment property	IV/VI.8/VIII	327,735	4.50	333,874	4.77
1780	Intangible assets	4.	71,419	0.98	69,079	0.99
1840	Deferred tax income assets	IV/VI.20	105,722	1.45	110,252	1.57
1900	Other non-current assets – Others	VI.4 & 5/VIII	117,503	1.61	158,010	2.25
15xx	Total non-current assets		3,039,944	41.73	2,759,407	39.40
1xxx	Total assets		\$7,284,556	100.00	\$7,003,083	100.00

(Please refer to the notes to the consolidated financial statements.)

Chairman:

Managerial Officer:

Accounting Officer:

FU CHUN SHIN MACHINERY MANUFACTURE CO., LTD. and its Subsidiaries
Consolidated Balance Sheet(Cont'd)
December 31, 2023 and 2022

Unit: NT\$ Thousand

Liabilities and Equity			December 31, 2023		December 31, 2022	
Code	Accounting titles	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	IV/VI.9	\$322,182	4.42	\$590,659	8.43
2130	Contract liability	IV/VI.14	192,454	2.64	189,591	2.70
2150	Notes payable	4.	144,765	1.99	246,465	3.52
2170	Accounts payable	4.	1,015,864	13.95	619,135	8.84
2200	Other payables	4.	360,176	4.94	387,158	5.53
2230	Current tax liabilities	4.	5,330	0.07	33,574	0.48
2280	Lease liabilities – Current	IV/VI.16	1,301	0.02	1,274	0.02
2322	Long-term borrowings – current portion	IV/VI.11	60,543	0.83	115,601	1.65
2399	Other current liabilities – Others		13,990	0.19	5,263	0.08
21xx	Total current liabilities		2,116,605	29.05	2,188,720	31.25
	Non-current liabilities					
2530	Bonds payable	IV/VI.10	844,198	11.59	835,015	11.92
2540	Long-term borrowings	IV/VI.11	1,337,707	18.36	908,162	12.97
2570	Deferred income tax liabilities	IV/VI.20	538,769	7.40	542,727	7.75
2580	Lease liabilities – Non-current	IV/VI.16	22,834	0.31	24,587	0.35
2640	Net defined benefit liabilities - Non-current	IV/VI.12	31,703	0.44	39,168	0.56
2645	Deposits received		11,318	0.16	12,391	0.18
25xx	Total non-current liabilities		2,786,529	38.26	2,362,050	33.73
2xxx	Total Liabilities		4,903,134	67.31	4,550,770	64.98
	Equity attributable to owners of the company					
31xx	Share capital	VI.13				
3100	Common share capital		1,569,860	21.55	1,524,079	21.76
3130	Bond conversion entitlement certificates		-	-	57	-
3200	Capital surplus	VI.13	42,520	0.58	42,520	0.61
3300	Retained earnings					
3310	Legal reserve	VI.13	166,042	2.28	149,928	2.14
3320	Special reserve	VI.13	188,685	2.59	188,685	2.69
3350	Unappropriated earnings	VI.13	399,697	5.49	486,501	6.95
	Total retained earnings		754,424	10.36	825,114	11.78
3400	Other equities	4.	(149,361)	(2.05)	(110,861)	(1.58)
36xx	Non-controlling interests	VI.13	163,979	2.25	171,404	2.45
3xxx	Total equity		2,381,422	32.69	2,452,313	35.02
	Total liabilities and equities		\$7,284,556	100.00	\$7,003,083	100.00

(Please refer to the notes to the consolidated financial statements.)

Chairman:

Managerial Officer:

Accounting Officer:

FU CHUN SHIN MACHINERY MANUFACTURE CO., LTD. and its Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand

Code	Accounting titles	Note	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	IV/VI.14	\$3,861,005	100.00	\$4,605,204	100.00
5000	Operating cost	IV/VI.6 & 17/VII	(2,848,137)	(73.77)	(3,374,074)	(73.27)
5900	Gross profit		1,012,868	26.23	1,231,130	26.73
6000	Operating expenses	VI.16 & 17/VII				
6100	Selling expenses		(591,469)	(15.31)	(611,103)	(13.26)
6200	Administrative expenses		(244,981)	(6.35)	(219,163)	(4.76)
6300	Research and development expenses		(102,949)	(2.67)	(114,561)	(2.49)
6450	Expected credit impairment losses	VI.15	(35,250)	(0.91)	(28,338)	(0.62)
	Total operating expenses		(974,649)	(25.24)	(973,165)	(21.13)
6900	Operating income		38,219	0.99	257,965	5.60
7000	Non-operating income and expense	IV/VI.18				
7010	Other income		100,815	2.61	76,970	1.67
7020	Other gains or losses		(17,614)	(0.46)	(42,095)	(0.91)
7050	Financial costs		(57,660)	(1.49)	(37,859)	(0.82)
7060	Share of profit or loss from associates and joint ventures accounted for using the equity method		(5,937)	(0.15)	(1,044)	(0.02)
	Total non-operating incomes and expenses		19,604	0.51	(4,028)	(0.08)
7900	Net income before tax		57,823	1.50	253,937	5.52
7950	Income tax expenses	IV/VI.20	(34,500)	(0.89)	(83,960)	(1.82)
8200	Current net profit		23,323	0.61	169,977	3.70
8300	Other comprehensive income	IV/VI.19&20				
8310	Items not reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit programs		201	0.01	2,687	0.06
8349	Income taxes related to the items not re-classified		(40)	-	(537)	(0.01)
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of the financial statements of foreign operations		(52,720)	(1.37)	20,747	0.45
8399	Income tax relating to items that may be reclassified subsequently to profit or loss		9,624	0.25	(4,442)	(0.10)
	Other comprehensive income of the current year (net amount after-tax)		(42,935)	(1.11)	18,455	0.40
8500	Total comprehensive income in the current period		<u>\$ (19,612)</u>	<u>(0.50)</u>	<u>\$ 188,432</u>	<u>4.10</u>
8600	Net profit attributed to:					
8610	Owners of the Company		\$20,597		\$159,455	
8620	Non-controlling interests		2,726		10,522	
			<u>\$23,323</u>		<u>\$169,977</u>	
8700	Total comprehensive income attributable to:					
8710	Owners of the Company		\$ (17,742)		\$179,373	
8720	Non-controlling interests		(1,870)		9,059	
			<u>\$ (19,612)</u>		<u>\$188,432</u>	
	Earnings per share (NT\$)	VI.21				
9750	Basic earnings per share		<u>\$0.13</u>		<u>\$1.02</u>	
9850	Diluted earnings per share		<u>\$0.13</u>		<u>\$0.97</u>	

(Please refer to the notes to the consolidated financial statements.)

Chairman:

Managerial Officer:

Accounting Officer:

FU CHUN SHIN MACHINERY MANUFACTURE CO., LTD. and its Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand

Code	Items	Equity attributable to owners of the company									Non- controlling interests	Total Equity
		Share capital	Conversion of bonds Entitlement certificates	Capital surplus	Retained earnings		Other items of equity			Total		
					Legal reserve	Special reserve	Unappropriate d earnings	Exchange differences on translation of the financial	Treasury stocks			
		3110	3130	3200	3310	3320	3350	3410	3500	31XX	36XX	3XXX
A1	Balance on January 1, 2022	\$1,494,388	\$ -	\$23,649	\$138,371	\$188,685	\$411,150	\$(128,629)	\$(12,263)	\$2,115,351	\$159,200	\$2,274,551
	2021 Earning provision and appropriation											
B1	Provision of legal reserve	-	-	-	11,557	-	(11,557)	-	-	-	-	-
B5	Cash dividend from ordinary shares	-	-	-	-	-	(44,536)	-	-	(44,536)	-	(44,536)
B9	Stock dividend from ordinary shares	29,691	-	-	-	-	(29,691)	-	-	-	-	-
C5	Recognition of equity components due to the issuance of convertible bonds	-	-	18,804	-	-	-	-	-	18,804	-	18,804
D1	2022 net income	-	-	-	-	-	159,455	-	-	159,455	10,522	169,977
D3	Other comprehensive income (loss) in 2022	-	-	-	-	-	2,150	17,768	-	19,918	(1,463)	18,455
D5	Total comprehensive income in the current period	-	-	-	-	-	161,605	17,768	-	179,373	9,059	188,432
I1	Conversion of convertible corporate bonds	-	57	38	-	-	-	-	-	95	-	95
M7	Change in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	3,145	3,145
N1	Transfer of treasury stocks to employees	-	-	-	-	-	(470)	-	12,263	11,793	-	11,793
T1	Others	-	-	29	-	-	-	-	-	29	-	29
Z1	Balance on December 31, 2022	<u>\$1,524,079</u>	<u>\$57</u>	<u>\$42,520</u>	<u>\$149,928</u>	<u>\$188,685</u>	<u>\$486,501</u>	<u>\$(110,861)</u>	<u>\$ -</u>	<u>\$2,280,909</u>	<u>\$171,404</u>	<u>\$2,452,313</u>
A1	Balance on January 1 , 2023	\$1,524,079	\$57	\$42,520	\$149,928	\$188,685	\$486,501	\$(110,861)	\$ -	\$2,280,909	\$171,404	\$2,452,313
	Earnings appropriation and distribution for 2022											
B1	Provision of legal reserve	-	-	-	16,114	-	(16,114)	-	-	-	-	-
B5	Cash dividend from ordinary shares	-	-	-	-	-	(45,724)	-	-	(45,724)	-	(45,724)
B9	Stock dividend from ordinary shares	45,724	-	-	-	-	(45,724)	-	-	-	-	-
D1	2023 net income	-	-	-	-	-	20,597	-	-	20,597	2,726	23,323
D3	Other comprehensive income (loss) in 2023	-	-	-	-	-	161	(38,500)	-	(38,339)	(4,596)	(42,935)
D5	Total comprehensive income in the current period	-	-	-	-	-	20,758	(38,500)	-	(17,742)	(1,870)	(19,612)
I3	Conversion of bond conversion entitlement certificates	57	(57)	-	-	-	-	-	-	-	-	-
O1	Increase/decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(5,555)	(5,555)
Z1	Balance as of December 31 , 2023	<u>\$1,569,860</u>	<u>\$-</u>	<u>\$42,520</u>	<u>\$166,042</u>	<u>\$188,685</u>	<u>\$399,697</u>	<u>\$(149,361)</u>	<u>\$ -</u>	<u>\$2,217,443</u>	<u>\$163,979</u>	<u>\$2,381,422</u>

(Please refer to the notes to the consolidated financial statements.)

Chairman:

Managerial Officer:

Accounting Officer:

FU CHUN SHIN MACHINERY MANUFACTURE CO., LTD. and its Subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand

Code	Items	2023	2022	Code	Items	2023	2022
		Amount	Amount			Amount	Amount
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$57,823	\$253,937	B00100	Purchase of financial assets at fair value through profit or loss	(1,190,252)	(1,739,189)
A20000	Adjustment items:			B00200	Disposal of financial assets at FVTPL	1,150,535	1,925,190
A20010	Income/expenses items:			B01800	Investment accounted for using the equity method	-	(11,250)
A20100	Depreciation expense	125,487	100,240	B02700	Acquisition of property, plant and equipment	(480,869)	(397,985)
A20200	Amortization expenses	10,411	12,221	B02800	Disposal of property, plant and equipment	6,384	3,562
A20300	Expected credit impairment losses	35,250	28,338	B04500	Acquisition of intangible assets	(13,024)	(3,113)
A20400	Net (gain) on financial assets at FVTPL	(13,087)	(716)	B05400	Acquisition of investment property	(187)	-
A20900	Interest expenses	57,660	37,859	BBBB	Net cash (outflow) from investing activities	(527,413)	(222,785)
A21200	Interest revenue	(30,735)	(23,490)				
A21300	Dividend income	(247)	(220)	CCCC	Cash flows from financing activities:		
A22300	Share of losses on affiliates and joint ventures accounted for using the equity method	5,937	1,044	C00100	Increase in short-term borrowings	661,136	1,751,875
A22500	Losses on disposal of property, plant and equipment	3,319	1,489	C00200	Decrease in short-term borrowings	(930,251)	(1,767,328)
A23500	Loss on financial asset impairment	-	4,990	C01200	Issuance of bonds	-	494,850
A23700	Loss on non-financial asset impairment	-	5,593	C01600	Proceeds from long-term borrowings	621,393	844,758
A30000	Changes in operating assets/liabilities:			C01700	Repayments of long-term borrowings	(237,076)	(855,682)
A31125	(Increase)decreasein contract assets	(51,614)	8,959	C03100	Increase (decrease) in deposits received	(1,073)	2,397
A31130	(Increase) in notes receivable	(89,407)	(139,403)	C04020	Repayment of principal portion of lease	(1,269)	(1,228)
A31150	Decrease (increase) in accounts receivable	122,763	(88,071)	C04500	Allocation of cash dividends	(45,724)	(44,536)
A31200	Decrease (increase) in inventory	(179,212)	114,619	C05100	Employees' subscription for treasury stocks	-	11,793
A31240	Decrease(increase)in other current assets	(54,994)	52,617	C05800	Increase in non-controlling interests	(5,555)	3,145
A31990	Decrease(increase) in other non-current assets	61,362	(29,400)	C09900	Other financing activities	-	29
A32125	Increase (decrease) of contract liabilities	2,863	(144,315)	CCCC	Net cash inflow from financing activities	61,581	440,073
A32130	Notes payable (decrease)	(101,700)	(100,555)				
A32150	Increase (decrease) in accounts payable	396,729	(167,149)	DDDD	Effect of exchange rate changes on cash and cash equivalents	(4,124)	(3,924)
A32180	(Decrease) increase in other payables	(28,267)	84,260				
A32230	Increase of other current liabilities	8,727	1,951	EEEE	(Decrease) increase in cash and cash equivalents for the current period	(206,952)	162,375
A32240	(Decrease) in net defined benefit liabilities	(7,264)	(2,410)	E00100	Cash and cash equivalents at the beginning of the year	696,349	533,974
A33000	Cash inflow from operating activities	331,804	12,388	E00200	Cash and cash equivalents at the end of the year	\$489,397	\$696,349
A33100	Interest received	30,735	23,490				
A33200	Dividends received	247	220				
A33300	Interest paid	(47,192)	(34,257)				
A33500	Income tax paid	(52,590)	(52,830)				
AAAA	Net cash inflow (outflow) from operating activities	263,004	(50,989)				

(Please refer to the notes to the consolidated financial statements.)

Chairman:

Managerial Officer:

Accounting Officer:

[Attachment 7]

Fu Chun Shin Machinery Manufacture Co., Ltd.
Rules Governing Financial and Business Matters Between this Corporation
and its Affiliated Enterprises

Article 1

To ensure sound financial and business interactions between this Corporation and its affiliated enterprises and to prevent non arm's-length transactions and improper channeling of interests with respect to the purchase and sale of goods, the acquisition and disposal of assets, the provision of endorsements and guarantees, and loans of funds between this Corporation and its affiliated enterprises, these Rules are adopted pursuant to Article 17 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

Except as otherwise provided by law and regulation or by the articles of incorporation, financial and business matters between this Corporation and any of its affiliated enterprises shall be handled in accordance with the provisions of these Rules.

Article 3

The term "affiliated enterprise" as used herein means an enterprise that, in accordance with Article 369-1 of the Company Act, exists independently and has either of the following relationships with this Corporation:

- 1.A relationship of control or subordination.
- 2.A relationship of mutual investment. In determining whether a relationship of control or subordination under the preceding subparagraph exists, the substance of the relationship shall be considered in addition to the legal form.

Article 4

This Corporation shall establish an effective internal control system in regard to its own and its affiliated enterprises' overall operational activities, and shall continue to review the system in order to adapt to changes in the internal and external environment and ensure that the system's design and operation remain effective.

This Corporation shall ensure that any subsidiary develops an effective internal control system, taking into account the laws and regulations of the jurisdiction in which the subsidiary is located and the nature of its operations. For any affiliated enterprise that is not a public company, this Corporation shall still, in consideration of the degree of influence it has on this Corporation's business and finances, require that it develop effective systems for internal control and for managing financial, business, and accounting matters.

Article 5

In addition to implementing the adopted internal control system, this Corporation shall pay close attention to the following matters when exercising supervision over the operation and management of its affiliated enterprises:

1. The Company may appoint appropriate personnel to serve as directors or supervisors of affiliated companies to fulfill their duties, and find out the causes of material abnormalities and report to the Chairman or President of the Company.
2. This Corporation may assign competent personnel to assume important positions at its affiliated enterprise, such general manager, financial officer, or internal audit officer, in order to assume the duties and responsibilities of management, decision-making, and supervision and evaluation.
3. This Corporation, in consideration of the type of business, scale of operations, and number of personnel of a subsidiary, may instruct the subsidiary in the procedures and methods for establishing an internal audit unit and adopting internal control system self-inspection operations.
4. In addition to reviewing the audit reports or self-inspection reports submitted by each subsidiary, the internal audit personnel of this Corporation must also carry out audits of the subsidiaries on a scheduled or unscheduled basis. After audit findings and recommendations have been presented, they shall instruct the audited subsidiaries to make any necessary corrections, and basis to ensure that the subsidiaries have taken appropriate corrective measures in a timely manner.
5. Subsidiaries of this Corporation shall regularly submit financial statements, including balance sheets, income statements, and statements of loans to others and endorsements/guarantees. In the event of major irregularities, analysis reports shall also be submitted to allow management and control by this Corporation.

Article 6

This Corporation shall establish an effective system of communication with each affiliated enterprise with respect to financial and business matters, and to mitigate credit risks, shall regularly conduct comprehensive risk assessments of their banks, principal clients, and key suppliers. With respect to an affiliated enterprise with which it has financial and business interactions, this Corporation shall especially maintain close control over material financial and business items for the purpose of risk management.

Article 7

Any loans or endorsements/guarantees between this Corporation and an affiliated enterprise shall be carefully assessed and carried out in compliance with the provisions of the Regulations Governing Lending of Funds and Making of Endorsements/Guarantees by Public Companies and with the procedures prescribed by this Corporation regarding loans to others and provision of endorsements/guarantees.

With respect to the provision of loans, endorsements, or guarantees between this Corporation and an affiliated enterprise, in accordance with the preceding paragraph shall be closely reviewed, and results of the assessment submitted to the board of directors.

Article 8

For professional or technical services provided between the Corporation and an affiliated enterprise, both parties shall enter into a contract stipulating the scope of the services, fees charged, time period, payment terms, and after-sales service. The contract shall be implemented after approval by managers with decision-making authority of this Corporation, and all contract terms and conditions shall comply with normal business practice.

The accounting personnel of the Company and the related party shall regularly check the balances of payments arising from their transactions with each other. If there is any difference, they shall understand the reasons and prepare a reconciliation statement.

Article 8-1

Where the Company purchases or sells goods, performs labor services or technical services from related parties and the estimated transaction amount for the whole year reaches 50% of the Company's most recent consolidated total assets or the most recent consolidated Except as required by the Regulations Governing the Acquisition or Disposal of Assets by the Public Company, or transactions between the Company and the parent company, subsidiaries, or between subsidiaries, the public company shall submit the following information to the board of directors for approval before proceeding with the transaction:

1. The item, purpose, necessity, and expected benefits of the transaction.
2. The reason for choosing the affiliated enterprise as a trading counterparty.
3. The calculation principles of the transaction price and the upper limit of the expected transaction amount for the whole year.
4. A description of whether the transaction conditions comply with normal commercial terms and do not impair the interests of the Company and shareholders.
5. Restrictive conditions for the transaction and other important contractual matters.

For the related party transactions approved by the board of directors in the preceding paragraph, the following matters shall be reported to the nearest shareholders' meeting after the end of the year:

1. The actual transaction amount and the terms and conditions.
2. Whether the transaction price is calculated in accordance with the principles approved by the board of directors.
3. Whether the transaction amount has not exceeded the upper limit of the annual transaction amount approved by the board of directors. If the upper limit of the transaction amount has been exceeded, the reason, necessity and reasonableness thereof shall be explained.

Article 9

Any asset transaction, derivative trading, merger, demerger, acquisition, or share transfer between this Corporation and an affiliated enterprise shall be conducted in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, the procedures for acquisition and disposal of assets and Regulations Governing Derivatives Transactions prescribed by this Corporation.

Article 10

With respect to any financial or business interaction between this Corporation and any affiliated enterprise that requires a resolution of the board of directors, full consideration shall be given to each independent director's opinion. Specific opinions by independent directors expressing assent or dissent, and the reasons for dissent, shall be included in the minutes of board meetings.

When a director is an interested party with respect to a particular agenda item, that director shall enter into recusal and may neither vote on that item nor exercise voting rights as proxy for another director. Directors shall maintain self-discipline among themselves and may not enter into relationships of inappropriate mutual support with other directors.

If a director's spouse, second-degree relatives and other blood relatives, or a company with a controlling and subordinate relationship with the director has an interest in an item at the meeting of the preceding paragraph, it shall be deemed that the director has a conflict of interest in the matter.

Article 11

This Corporation, in compliance with the requirements of laws and regulations regarding matters that must be publicly disclosed or filed and the deadlines for so doing, shall make timely arrangements for the provision by each subsidiary of required financial and business information, or to retain CPAs to audit or review the financial reports of each subsidiary.

Article 12

When any of the following circumstances applies to an affiliated enterprise, this Corporation shall make a public disclosure and regulatory filing on its behalf:

1. For a subsidiary whose shares have not been publicly issued domestically, the dollar amount of the subsidiary's acquisition or disposal of assets, endorsements or guarantees for others, and loans of funds to others meets the criteria for public disclosure and regulatory filing.
2. The parent or the subsidiary undergoes bankruptcy or reorganization proceedings pursuant to applicable laws and regulations.
3. A major policy is adopted by resolution of the affiliated enterprise's board of directors that has a material effect on the rights and interests of the shareholders or the securities prices of this Corporation.

4.Any matter regarding a subsidiary or the unlisted (neither TWSE nor GTSM listed) parent of this Corporation constitutes material information required to be announced under the provisions of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities and of the GreTai Securities Market Procedures for Verification and Disclosure of Material Information of Companies with GTSM Listed Securities.

Article 13

These Rules, and any amendments hereto, shall be implemented after adoption by the board of directors.

This regulation were enacted on Dec 20, 2023.

Cross Reference Table for Amendments to the Rules of Procedures for Shareholders' Meetings

Amendments	Original Article	Explanations
<u>III. Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors. The Company convening a shareholders' meeting via videoconference shall be stated in the Articles of Incorporation and resolved by the board of directors, and the videoconference shall be attended by at least two-thirds of the board of directors. A resolution is passed with the consent of a majority of the directors.</u>	(None)	Add the Regulations of Web Conference.
<p>IV. The company shall specify in the meeting notice the time and place for the sign-in of the shareholders and other related matters.</p> <p>The shareholders' meeting reporting time referred to in the preceding paragraph shall be 30 minutes prior to the meeting started. There should be clear signs at the reporting place with adequate staff assigned to handle the process.<u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be</u></p>	<p>III. The company shall specify in the meeting notice the time and place for the sign-in of the shareholders and other related matters.</p> <p>The shareholders' meeting reporting time referred to in the preceding paragraph shall be 30 minutes prior to the meeting started. There should be clear signs at the reporting place with adequate staff assigned to handle the process.</p> <p>Shareholders or their proxies (hereinafter referred to as the "shareholders") shall attend the shareholders' meetings with their attendance cards, sign-in cards, or other certificates of</p>	<p>1.Item Adjustment</p> <p>2. Add the Regulations of Web Conference.</p> <p>3. In line with the establishment of the Audit Committee, the wording of supervisor is deleted</p>

Amendments	Original Article	Explanations
<p><u>deemed as attend the shareholders meeting in person.</u></p> <p>Shareholders or their proxies (hereinafter referred to as the "shareholders") shall attend the shareholders' meetings with their attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attendance presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>The Company shall furnish the attending shareholders with a sign-in book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>The Company shall furnish attending shareholders with the meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, ballots shall also be furnished.</p> <p><u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.</u></p> <p><u>In the event of a virtual shareholders meeting, this</u></p>	<p>attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attendance presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>The Company shall furnish the attending shareholders with a sign-in book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>The Company shall furnish attending shareholders with the meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, ballots shall also be furnished.</p>	

Amendments	Original Article	Explanations
<u>Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u>		
<u>V. To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:</u> <u>How shareholders attend the virtual meeting and exercise their rights.</u> <u>1. How shareholders attend the virtual meeting and exercise their rights.</u> <u>2.Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u> <u>A.To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u> <u>B.Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u>	(None)	Add the Regulations of Web Conference.

Amendments	Original Article	Explanations
<p><u>C.In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p><u>D.Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></p> <p><u>3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in</u></p>		

Amendments	Original Article	Explanations
<p><u>attending a virtual shareholders meeting online shall be specified. Shareholders must be furnished with the requisite connection equipment and support, with the exception of the circumstances delineated in Paragraph 6 of Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies. Furthermore, it is imperative to specify any pertinent precautions and the timeframe within which shareholders are permitted to submit applications to the Company.</u></p>		
<p><u>VI. Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.</u></p> <p>The chair shall call the meeting to order at the scheduled meeting time; however, the chair may have the meeting postponed if the attending shareholders do not represent more than half of the total shares issued. The meeting</p>	<p>IV. The chair shall call the meeting to order at the scheduled meeting time; however, the chair may have the meeting postponed if the attending shareholders do not represent more than half of the total shares issued. The meeting postponement is limited to two times for a total of less than 1 hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned. (Omitted below)</p>	<p>1. Item Adjustment 2. Add the Regulations of Web Conference.</p>

Amendments	Original Article	Explanations
<p>postponement is limited to two times for a total of less than 1 hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned.<u>In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.</u></p> <p>(Omitted below)</p>		
<p><u>VII.</u> 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 the order set by 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 other than the Board of Directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meeting. If the chair declares the adjournment</p>	<p><u>V.</u> 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 the order set by 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 other than the Board of Directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meeting. If the chair declares the adjournment</p>	<p>1. Item Adjustment 2. Format adjustment (sections)</p>

Amendments	Original Article	Explanations
of the meeting in a manner in violation of such rules governing the proceedings of meetings, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting. Shareholders may not select another chair to continue the meeting at the original meeting place or at another place after the meeting is adjourned.	of the meeting in a manner in violation of such rules governing the proceedings of meetings, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting. Shareholders may not select another chair to continue the meeting at the original meeting place or at another place after the meeting is adjourned.	
<u>VIII.</u> When a meeting is in progress, the chair may announce a break based on time considerations. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days for the proposal that could not be concluded in the meeting without the need of issuing a notice and announcement.	<u>VI.</u> When a meeting is in progress, the chair may announce a break based on time considerations. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days for the proposal that could not be concluded in the meeting without the need of issuing a notice and announcement.	Item Adjustment
<u>IX.</u> Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will	<u>VII.</u> Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will	1.Item Adjustment 2. Merger of the original provisions of "7, 8 and 19" 3. Add the Regulations of Web Conference.

Amendments	Original Article	Explanations
<p>be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech is not in alignment with the subject on the speaker's slip, the spoken content shall prevail. Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped. A shareholder's single speech may not exceed 5 minutes, provided that the speech may be extended once upon permission of the chair. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal. If the shareholder's speech violates the rules or exceeds the scope of the agenda item or disturbs the order of the proceeding, the chair may stop such act or terminate the speech discretionally or upon the request of other shareholders. <u>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</u> <u>Where a virtual shareholders meeting is convened,</u></p>	<p>be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech is not in alignment with the subject on the speaker's slip, the spoken content shall prevail. Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped. A shareholder's single speech may not exceed 5 minutes, provided that the speech may be extended once upon permission of the chair. <u>VIII.</u> Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal. If the shareholder's speech violates the rules or exceeds the scope of the agenda item or disturbs the order of the proceeding, the chair may stop such act or terminate the speech discretionally or upon the request of other shareholders.</p>	

Amendments	Original Article	Explanations
<p><u>shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words.</u></p> <p><u>As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</u></p>		
<p><u>X.</u> The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote</p>	<p><u>IX.</u> The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote</p>	Item Adjustment
<p><u>XI.</u> Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by</p>	<p><u>X.</u> Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by</p>	<p>1.Item Adjustment 2. Change the voting method by electronic ballot</p>

Amendments	Original Article	Explanations
the attending shareholders.	the attending shareholders. During voting, if the chair solicits and receives no dissents, the proposal is deemed passed, with equivalent force as a resolution by vote.	
<u>XII.</u> Attendance and voting at shareholders' meetings shall be calculated based on the number of shares.	<u>XI.</u> Attendance and voting at shareholders' meetings shall be calculated based on the number of shares.	Item Adjustment
<u>XIII.</u> The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for the meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting. <u>The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.</u>	<u>XII.</u> The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for the meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.	1.Item Adjustment 2.Add the Regulations of Web Conference.
<u>XIV.</u> If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of Board. In case the Chairman is on leave or absent or cannot exercise his power and authority for any cause, the Vice Chairman shall act on his behalf. In case the Vice Chairman is also on leave or	<u>XIII.</u> If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of Board. In case the Chairman is on leave or absent or cannot exercise his power and authority for any cause, the Vice Chairman shall act on his behalf. In case the Vice Chairman is also on leave or	Item Adjustment

Amendments	Original Article	Explanations
<p>absent or unable to exercise his power and authority for any cause, the Chairman shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chair. Where a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves. When a director serves as the chair, as referred to in the preceding paragraph, the director shall have held that position for six months or more with great understanding of the Company's financial position and business conditions. The same shall apply for a representative of an institutional director to serve as the chair.</p>	<p>absent or unable to exercise his power and authority for any cause, the Chairman shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chair. Where a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves. When a director serves as the chair, as referred to in the preceding paragraph, the director shall have held that position for six months or more with great understanding of the Company's financial position and business conditions. The same shall apply for a representative of an institutional director to serve as the chair.</p>	
<p><u>XV.</u> The Company may appoint its attorneys, CPAs, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or armbands.</p> <p><u>At the place of a shareholders meeting, if a shareholder</u></p>	<p><u>XIV.</u> The Company may appoint its attorneys, CPAs, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or armbands.</p>	<p>1.Item Adjustment 2. Adjusted according to actual operation</p>

Amendments	Original Article	Explanations
<p><u>attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.</u></p> <p><u>When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.</u></p>		
<p><u>XVI.</u> The Company shall make an uninterrupted audio and video recording of the entire process of the shareholders' meeting from shareholders' sign-in, the proceedings of the meeting, as well as the process of voting and vote counting. The audio and video recording in the preceding paragraph shall be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p> <p><u>Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and</u></p>	<p><u>XV.</u> The Company shall make an uninterrupted audio and video recording of the entire process of the shareholders' meeting from shareholders' sign-in, the proceedings of the meeting, as well as the process of voting and vote counting. The audio and video recording in the preceding paragraph shall be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p>	<p>1.Item Adjustment 2.Add the Regulations of Web Conference.</p>

Amendments	Original Article	Explanations
<p><u>video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p> <p><u>The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u></p> <p><u>In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u></p>		
<p><u>XVII.</u> The representative of a juristic person shareholder shall not be limited to one person, provided that the voting right that may be exercised shall be calculated on the basis of the total number of voting shares it holds, and shall be exercised by a single representative centrally, or several representatives separately.</p>	<p><u>XVI.</u> The representative of a juristic person shareholder shall not be limited to one person, provided that the voting right that may be exercised shall be calculated on the basis of the total number of voting shares it holds, and shall be exercised by a single representative centrally, or several representatives separately.</p>	Item Adjustment
<p><u>XVIII.</u> 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</p>	<p><u>XVII.</u> 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</p>	Item Adjustment

Amendments	Original Article	Explanations
will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.	will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.	
<u>XIX.</u> The juristic person who has attended the shareholder's meeting by proxy can authorize only one representative to attend the 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.	<u>XVIII.</u> The juristic person who has attended the shareholder's meeting by proxy can authorize only one representative to attend the 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.	Item Adjustment
(Delete)	XIX. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.	Merged into "9"
XX. Vote counting for proposals or elections at a shareholders' meeting shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting and recorded. <u>When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders</u>	XX. Vote counting for proposals or elections at a shareholders' meeting shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting and recorded.	Add the Regulations of Web Conference.

Amendments	Original Article	Explanations
<p><u>attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p> <p><u>When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.</u></p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any</u></p>		

Amendments	Original Article	Explanations
<u>amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u>		
<p><u>XXIII. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</u></p> <p><u>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of this Corporation.</u></p>	(None)	Add the Regulations of Web Conference.

Amendments	Original Article	Explanations
<p><u>Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes. When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online</u></p>		
<p><u>XXIV: (Public disclosure)</u> <u>On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented</u></p>	(None)	Add the Regulations of Web Conference.

Amendments	Original Article	Explanations
<p><u>by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting. During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></p> <p><u>If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.</u></p>		
<p><u>XXV. (Disclosure of information at virtual meetings)</u></p>	<p>(None)</p>	<p>Add the Regulations of</p>

Amendments	Original Article	Explanations
<u>In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u>		Web Conference.
<u>XXVI. (Location of the chair and secretary of virtual-only shareholders meeting) When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u>	(None)	Add the Regulations of Web Conference.
<u>XXVII. (Handling of disconnection) In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues. In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless</u>	(None)	Add the Regulations of Web Conference.

Amendments	Original Article	Explanations
<p><u>under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.</u></p> <p><u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have</u></p>		

Amendments	Original Article	Explanations
<p><u>successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u></p> <p><u>During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</u></p> <p><u>When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in</u></p>		

Amendments	Original Article	Explanations
<p><u>the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting. When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations hall handle the matter based on the date of the shareholders meeting that is</u></p>		

Amendments	Original Article	Explanations
<u>postponed or resumed under the second paragraph.</u>		
<u>XXVIII. When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online. Shareholders must be furnished with the requisite connection equipment and support, with the exception of the circumstances delineated in Paragraph 6 of Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies. Furthermore, it is imperative to specify any pertinent precautions and the timeframe within which shareholders are permitted to submit applications to the Company.</u>	(None)	Add the Regulations of Web Conference.
<u>XXIX. The matters not addressed in the Rules should be processed in accordance with other related laws and the Company's Articles of Incorporation.</u>	<u>XXIII. The matters not addressed in the Rules should be processed in accordance with other related laws and the Company's Articles of Incorporation.</u>	Item Adjustment
<u>XXX. These Rules and all amendments thereto shall be enforced upon approval by a shareholders' meeting. The latest amendments to the Rules were made on <u>June, 2024.</u>)</u>	<u>XXIV. These Rules and all amendments thereto shall be enforced upon approval by a shareholders' meeting. The latest amendments to the Rules were made on <u>May 31, 2016.</u>)</u>	The latest date of amendment

Rules of Procedures for Shareholders' Meetings

- I. The rules of procedures for shareholders' meetings of FU CHUN SHIN MACHINERY MANUFACTURE CO., LTD. (hereinafter referred to as the "Company"), except as otherwise provided by laws, shall be as provided in these Rules.
- II. The shareholders mentioned in the "Rules" refer to the shareholders and the representatives entrusted by the shareholders to attend the meeting on behalf of them.
- III. The company shall specify in the meeting notice the time and place for the sign-in of the shareholders and other related matters.

The shareholders' meeting reporting time referred to in the preceding paragraph shall be 30 minutes prior to the meeting started. There should be clear signs at the reporting place with adequate staff assigned to handle the process.

Shareholders or their proxies (hereinafter referred to as the "shareholders") shall attend the shareholders' meetings with their attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attendance presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with a sign-in book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, ballots shall also be furnished.
- IV. The chair shall call the meeting to order at the scheduled meeting time; however, the chair may have the meeting postponed if the attending shareholders do not represent more than half of the total shares issued. The meeting postponement is limited to two times for a total of less than 1 hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned. If there are not enough shareholders representing at least one-third of issued shares attending the meeting after two postponements, tentative resolutions may be passed in accordance with Article 175, Paragraph 1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of outstanding shares, the

chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

- V. 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 the order set by 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 other than the Board of Directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meeting. If the chair declares the adjournment of the meeting in a manner in violation of such rules governing the proceedings of meetings, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting. Shareholders may not select another chair to continue the meeting at the original meeting place or at another place after the meeting is adjourned.
- VI. When a meeting is in progress, the chair may announce a break based on time considerations. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days for the proposal that could not be concluded in the meeting without the need of issuing a notice and announcement.
- VII. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech is not in alignment with the subject on the speaker's slip, the spoken content shall prevail. Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped. A shareholder's single speech may not exceed 5 minutes, provided that the speech may be extended once upon permission of the chair.
- VIII. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal. If the shareholder's speech violates the rules or exceeds the scope of the agenda item or disturbs the order of the proceeding, the chair may stop such act or terminate the speech discretionally or upon the request of other shareholders.
- IX. The chair shall allow ample opportunity during the meeting for explanation and

discussion of proposals and of amendments or extempore motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

- X. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. During voting, if the chair solicits and receives no dissents, the proposal is deemed passed, with equivalent force as a resolution by vote.
- XI. Attendance and voting at shareholders' meetings shall be calculated based on the number of shares.
- XII. The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for the meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
- XIII. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of Board. In case the Chairman is on leave or absent or cannot exercise his power and authority for any cause, the Vice Chairman shall act on his behalf. In case the Vice Chairman is also on leave or absent or unable to exercise his power and authority for any cause, the Chairman shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chair. Where a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

When a director serves as the chair, as referred to in the preceding paragraph, the director shall have held that position for six months or more with great understanding of the Company's financial position and business conditions. The same shall apply for a representative of an institutional director to serve as the chair.

- XIV. The Company may appoint its attorneys, CPAs, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or armbands.
- XV. The Company shall make an uninterrupted audio and video recording of the entire process of the shareholders' meeting from shareholders' sign-in, the proceedings of the meeting, as well as the process of voting and vote counting.

The audio and video recording in the preceding paragraph shall be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

- XVI. The representative of a juristic person shareholder shall not be limited to one person, provided that the voting right that may be exercised shall be calculated on the basis of the total number of voting shares it holds, and shall be exercised by a single representative centrally, or several representatives separately.
- XVII. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.
- XVIII. The juristic person who has attended the shareholder's meeting by proxy can authorize only one representative to attend the 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.
- XIX. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- XX. Vote counting for proposals or elections at a shareholders' meeting shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting and recorded.
- XXI. The chair may direct disciplinary personnel or security personnel to help keep the meeting place in order.
- XXII. Upon occurrence of the significant disasters, such as air raid warning, earthquake, and fire during the meeting, if any, the chair shall announce the closure or suspension of the meeting and evacuate all attendees. After the disaster is relieved, the chair shall announce the time for reopening the meeting.
- XXIII. The matters not addressed in the Rules should be processed in accordance with other related laws and the Company's Articles of Incorporation.
- XXIV. These Rules and all amendments thereto shall be enforced upon approval by a shareholders' meeting.

The latest amendments to the Rules were made on May 31, 2016.

Articles of Incorporation

Chapter I General Provision

Article 1: The Company is incorporated in accordance with the Company Act and named Fu Chun Shin Machinery Manufacture Co., Ltd.

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

1. CB01010 Mechanical Equipment Manufacturing
2. CB01990 Other Machinery Manufacturing
3. CC01020 Electric Wires and Cables Manufacturing
4. CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing
5. CC01080 Electronics Components Manufacturing
6. CD01030 Motor Vehicles and Parts Manufacturing
7. CD01040 Motorcycles and Parts Manufacturing
8. CQ01010 Mold and Die Manufacturing
9. C805990 Other Plastic Products Manufacturing
10. F401010 International Trade
11. H703100 Real Estate Leasing
12. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company's headquarters is located in Tainan City. The Company may set up branches or branch offices at any other adequate locations, if necessary, and the establishment, abolishment or changes thereof shall be subject to resolutions by the Board of Directors.

Article 4: The Company's announcement method shall be handled in accordance with the provisions of Article 28 of the Company Act.

Chapter II Shares

Article 5: The Company's total capital is NT\$5 billion, which is divided into 500 million shares at a par value of NT\$10 per share, and the Board of Directors may issue unissued shares in tranches, if necessary.

Article 6: Deleted.

Article 7: The share certificates of the Company shall be registered, and bear the signatures or seals of directors representing the Company and may only be issued subject to certification by the competent authority pursuant to laws. The Company may issue shares exempted from the requirements about printing of stock certificates, and shall register the shares with a centralized securities depository institution.

Article 8: Shareholders shall report their real names or designations and addresses to the Company, and submit the completed specimen seal certificates to the Company for record. The loss of such specimen seal, if any, shall be handled

in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies.”

Article 9: In the event of share transfer, the transferor and transferee shall complete the “Application Form for Share Transfer” and submit the same together with the stock certificates to the Company to apply for the registration of transfer.

Before the transfer procedures are recorded on the roster of shareholders, such transfer shall not be set up as a defense against the Company.

Article 10: In the event of loss of or damage to the stock certificates, the “Regulations Governing the Administration of Shareholder Services of Public Companies” promulgated by the competent authority shall apply.

Article 11: If the Company processes a shareholder’s application for issuance of replacement stocks due to splits and such split stocks do not exceed 1,000 shares, the Company may charge a handling fee.

Article 12: The registration of share transfer shall be suspended 60 days before an annual general meeting, 30 days before a special shareholders’ meeting, or within five days before the Company decides to pay out dividends, bonuses, or other benefits.

Chapter III Shareholders’ Meeting

Article 13: There are annual general and special shareholders’ meetings. The Board of Directors shall convene the annual general meeting once a year within six months after the end of each fiscal year, by a 30-day prior notice to each shareholder. The special shareholders’ meeting shall be convened according to laws whenever necessary, by a 15-day prior written notice to each shareholder. Shareholders’ meetings of the Company may be held by way of video conferences or other methods announced by the central competent authority. If a video conference is adopted, shareholders who participated in the meeting via a video call shall be deemed as attending in person.

Article 14: Any shareholder who is unable to attend a shareholders’ meeting in person may appoint another shareholder to attend the meeting on behalf of him/her by personally presenting a power of attorney printed by the Company indicating the scope of power. The other matters related to attendance by proxy shall follow Article 177 of the Company Act, and also the “Regulations Governing the Use of Proxies for Attendance at Shareholders’ Meetings of Public Companies” promulgated by the competent authority.

Article 15: A shareholders’ meeting shall be chaired by the Chairman of Board. In case the Chairman is on leave or absent or cannot exercise his power and authority for any cause, the Vice Chairman shall act on his behalf. In case the Vice Chairman is also on leave or absent or unable to exercise his power and authority for any cause, the directors shall elect from among themselves an acting chair. Where a Board of Directors meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties,

they shall mutually select a chair from among themselves.

Article 16: Each of the Company's shareholders is entitled to one vote per share. (Notwithstanding, the shares that are held by the Company itself in accordance with laws have no voting rights.)

Article 17: Resolutions at a shareholders' meeting shall, unless otherwise provided by other applicable laws, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. According to the requirements of the competent authority, shareholders of the Company may exercise their voting rights by electronic means; by doing so, such shareholders shall be deemed attending the meeting in person; relevant matters shall be subject to the requirements of laws and regulations.

Article 18: Matters relating to the resolutions by a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minute referred to in the preceding paragraph shall be distributed in the manner under the Company Act. The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chair, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Company. The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the company for a minimum period of at least one year.

Chapter IV Directors and Audit Committee

Article 19: The Company shall have 7–13 directors on the board in place. Their term of office is three years. The shareholders' meeting shall elect such directors from candidates with the legal capacity, and they shall be eligible for re-elections.

Article 19-1: The directors referred to in the preceding article shall include at least two independent directors who shall account for no less than one-fifth of the whole directors. The election of directors shall adopt the candidate nomination system under Article 192-1 of the Company Act. The method of accepting the nomination of director candidates, announcements and other related matters shall be handled in accordance with the relevant laws and regulations of the Company Act and the Securities and Exchange Act. Independent directors and non-independent directors shall be elected one at a time, and the number of elected positions shall be calculated separately. The votes obtained represent those with more voting rights to be elected as independent directors and non-independent directors.

Article 19-2: The Company has established its Audit Committee according to

requirements under Article 14-4 of the Securities and Exchange Act. The Audit Committee shall compose of all Independent Directors; the number of persons, tenure, powers, rules of procedures, and other matters shall be subject to relevant requirements under the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies; the "Audit Committee Charter" shall be otherwise established.

Article 20: In case election of new directors cannot be effected in time after expiration of the term of office of existing directors, the existing directors shall continue to perform their duties until the new directors elect has assumed their office as directors.

Article 21: The Board of Directors shall consist of all directors. A Chairman of Board and a Vice Chairman of the Board shall be elected among and from the directors upon resolution adopted by a majority of the directors present at a meeting attended by more than two-third of the whole directors, and shall execute all of the Company's affairs per laws, Articles of Incorporation, and any resolution adopted by a shareholders' meeting and Board of Directors' meeting.

Article 22: When the number of vacancies in the Board of Directors equals one-third of the total number of directors, the Board of Directors shall call, within 60 days, a special shareholders' meeting to elect succeeding directors to fill the vacancies for the remaining service time of the dismissed directors.

Article 23: The Board of Directors shall meet once per three months. If the Chairman of Board deems it necessary, or upon request of more than two directors, a special shareholders' meeting may be convened and chaired by the Chairman. In case the Chairman is on leave or absent or cannot exercise his power and authority for any cause, the Vice Chairman shall act on his behalf. In case the Vice Chairman is also on leave or absent or unable to exercise his power and authority for any cause, the directors shall elect from among themselves an acting chair. In calling a meeting of the Board of Directors, a notice shall be given to each director within 7 days prior to the scheduled meeting date. In the case of emergency, however, the meeting may be convened at any time.

The meeting notice referred to in the preceding paragraph may be given by correspondence or via fax or email.

Article 24: Unless otherwise provided by the Company Act, the resolutions by the Board of Directors shall be adopted by more than half of the directors present at a Board of Directors meeting attended by more than half of all directors. Any director who is unable to attend the meeting with causes may appoint another director to attend the meeting on behalf of him/her by personally presenting a power of attorney indicating the scope of power. However, a director may accept the appointment to act as the proxy of another one director only. In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual

communication meeting shall be deemed to have attended the meeting in person.

Article 25: Resolutions adopted by a Board of Directors meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chair of the meeting and distributed to each director of the Company within twenty days after the close of the meeting. The minute shall record a summary of the essential points of the proceedings and the results of the meeting. The minutes, together with the present directors' attendance book and power of attorney for proxy, if any, shall be kept by the Company pursuant to laws.

Article 26: Deleted.

Article 27: The Company's directors may claim transportation allowance. The Board of Directors is authorized to determine the remunerations to all directors (including the Chairman of the Board) based on their engagement in the Company's operations, contribution, and the pay level among peers in the industry.

Article 27-1: The Board of Directors' shall perform the following functions:

- (1) Review and approval of various charters and rules.
- (2) Determination of financing and wealth management.
- (3) Approval of annual budget and review on annual accounts.
- (4) Review, supervision and execution of annual business plans.
- (5) Important personnel decision making.
- (6) Preparation of earnings distribution proposal and loss compensation proposal.
- (7) Determination of capital increase/reduction.
- (8) Approval of important contracts or other significant matters.
- (9) Appointment and discharge of the Company's external auditors.
- (10) Other powers granted pursuant to laws and by a shareholders' meeting.

Chapter V. Managers and Officers

Article 28: The Company shall appoint several managers (including General Manager). The appointment and dismissal thereof and remuneration to them shall be governed by Article 29 of the Company Act.

Article 29: The Company may retain advisors or important officers per resolution by the Board of Directors.

Chapter VI. Account Closure

Article 30: At the end of each fiscal year, the Company shall have the Board of Directors prepare the following reports and submitted to the shareholders' meeting for approval according to legal procedures.

1. the business report;
2. the financial statements; and

3. earning distribution proposal or loss compensation proposal.

Article 31: The Company shall distribute no less than 3% of the annual profit, if any, as the remuneration to employees, and no more than 3% of the annual profit as the remuneration to directors, provided that profits must first be taken to offset against cumulative losses, if any.

The annual profit mentioned in the preceding paragraph refers to the income before tax before the remuneration to employees, directors are deducted for the year.

Receivers of the remuneration to employees paid in the form of stock or in cash shall include employees of the Company's associates who meet certain conditions.

Article 31-1: If the Company records earnings from the account during the interim period, it shall estimate and retain taxes payable, compensation for accumulated losses, estimate and retain remuneration of employees and remuneration of Directors, and then, appropriate 10% as the legal reserve; however, this shall not apply when the legal reserve has reached the paid-in capital of the Company; subsequently, the Company shall appropriate or reverse special reserve according to the requirements of laws and regulations. If there are still earnings, after adding the balance to the undistributed earnings from prior years, the Board shall prepare the distribution proposal; if the proposal adopts a distribution by way of the issuance of new shares, it shall be proposed to the shareholders' meeting for resolution before the distribution; if the proposal adopts the distribution in cash, it shall be resolved by the Board and reported to the shareholders' meeting.

If the Company has surplus earnings in the annual final settlement, it shall first legally pay all taxes and dues and cover the losses in the previous years, and then set aside ten percent (10%) of the surplus earnings as legal reserve, unless the amount of such legal reserve reaches the Company's total paid-in capital. Additionally, the special reserves set aside or reversed in accordance with applicable laws or the competent authority's requirements shall be stated as the current earnings which, together with the undistributed earnings at the beginning of the period, shall be regarded as the distributable earnings, and the Board of Directors shall draft a proposal for distribution of the same and then submit the proposal to a shareholders' meeting for resolution.

As the Company is engaged in the precision machinery industry, the dividend policy, including amount, category and ratio of shareholder bonus, shall be prepared subject to the current and future investment environment which the Company is in, the Company's funding needs, domestic/foreign competition status and capital budget, and by taking into account the shareholders' interest, balanced dividends and the Company's long-term financial planning. The total distributable dividends shall be no more than

80% of the annual distributable earnings, including the cash dividends no less than 20% of the distributable dividends.

Regarding the net reduction items of other equity accounted for and accumulated in the preceding period and the net increase in the fair value of investment properties, the Company shall appropriate special reserve with an equivalent amount from the undistributed earnings from the preceding period. If the undistributed earnings are insufficient, the amount shall be appropriated from profit after tax of the period, plus items other than profit after tax of the period, that is included in the amount of undistributed earnings for the period.

Article 32: Deleted.

Chapter VII Supplementary Provisions

Article 33: The Company may provide endorsements or guarantees to external entities.

Article 34: The Company's total investment may be exempted from the restriction about 40% of the total paid-in capital.

Article 35: The Company's articles of association and enforcement rules shall be established by the Board of Directors separately.

Article 36: Matters not specified in the Articles of Incorporation shall be handled in accordance with the Company Act and other related laws and regulations.

Article 37: The Articles of Incorporation shall be enforced upon resolution by a shareholders' meeting and approval of the competent authority. The same shall apply where the Articles of Incorporation are amended.

Article 38: The Articles of Incorporation were enacted on May 24, 1991.

1st amendments hereto were made on August 8, 1991.

2nd amendments hereto were made on September 15, 1994.

3rd amendments hereto were made on December 5, 1994.

4th amendments hereto were made on August 10, 1995.

5th amendments hereto were made on December 1, 1996.

6th amendments hereto were made on July 30, 1997.

7th amendments hereto were made on February 21, 1998

8th amendments hereto were made on June 27, 1998.

9th amendments hereto were made on June 24, 2000.

10th amendments hereto were made on June 16, 2001.

11th amendments hereto were made on June 30, 2002.

12th amendments hereto were made on June 27, 2003.

13th amendments hereto were made on June 5, 2004.

14th amendments hereto were made on June 29, 2005.

15th amendments hereto were made on June 29, 2006.

16th amendments hereto were made on June 21, 2007.

17th amendments hereto were made on June 17, 2010.

18th amendments hereto were made on June 21, 2012.

19th amendments hereto were made on June 27, 2014.

20th amendments hereto were made on June 27, 2015.
21st amendments hereto were made on May 31, 2016.
22nd amendments hereto were made on June 30, 2020.
23rd amendments hereto were made on August 30, 2021.
24th amendments hereto were made on May 31, 2022.

Fu Chun Shin Machinery Manufacture Co., Ltd.

Chairman: Wang Po-Hsun

Regulations Governing Transfer of Repurchased Shares to Employees

- Article 1: In order to encourage employees and improve their cohesiveness to the Company, the Company adopts the Regulations Governing Transfer of Repurchased Shares to Employees in accordance with the sub-paragraph 1, Paragraph 1 of Article 28-2 of the Securities and Exchange Act, and the “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” promulgated by the Financial Supervisory Committee (hereinafter referred to as “FSC”). The Company’s transfer of repurchased shares to employees shall be governed by the Regulations, in addition to the related laws and regulations.
- Article 2: The shares to be transferred to employees are all common shares. The right and obligation vested therein shall be the same as those vested in the other outstanding common shares, unless otherwise provided in laws and Regulations.
- Article 3: The repurchased shares may be transferred to employees, in full or in batch, within five years as of the date of the share repurchase, in accordance with the Regulations. The Chairman of Board is authorized to prescribe the period in which employees may subscribe for the shares and pay the purchase cost of subscribed shares in each operation separately.
- Article 4: Any employees who are onboard before the record date of subscription for shares or make special contribution to the Company are eligible to subscribe for the shares at the amount set forth in Article 5 herein, upon approval of the Board of Directors. The employees referred to herein shall mean the Company’s employees, including the full-time employees with pay of the subsidiaries at home and abroad in which the Company holds more than 50% of the shares with voting right, directly or indirectly. Any part-time workers, temporary workers, short-term student workers and outsourcing workers of the Company are ineligible to apply the Regulations.
- Article 5: The quantity of shares which the employees are allowed to subscribe for shall be determined subject to the employees’ job rank, service seniority and special contribution to the Company, and based on the total quantity of repurchased shares held by the Company on the record date of subscription for shares and the limit of shares which a single employee is allowed to subscribe for and

reported to the Board of Directors for approval. Notwithstanding, the subscriber who also serves as a managerial officer shall be reviewed by the Remuneration Committee and then reported to the Board of Directors for resolution. The transferee who doesn't serve as a managerial officer shall be subject to approval of the Audit Committee and then reported to the Board of Directors for resolution.

Article 6: The operating procedure for transfer of repurchased shares to the employees is stated as follows:

1. Announce, report and repurchase the Company's shares within the execution period, per the Board of Directors' resolution.
2. The Board of Directors shall prescribe and announce the record date of the employees' subscription, limit of quantity of shares allowed for subscription, stock price payment period, contents of rights and restrictive conditions
3. Gather the statistics about the quantity of paid-up shares and complete the registration of share transfer.

Article 7: The repurchased shares shall be transferred to the employees at the price equal to the average actual share repurchase price. Notwithstanding, where the common shares already issued by the Company increase or decrease prior to the transfer, said price may be increased or decreased on a pro rata basis subject to the quantity of issued shares. The transfer price may be adjusted in the following manners:

Transfer price after adjustment = average actual share repurchase price x total quantity of common shares already issued at the time of report on repurchased shares ÷ total quantity of common shares before the Company transfers the repurchased shares to employees.

Article 8: Upon the Company's transfer of repurchased to employees and completion of the registration of the transfer, the employees who receive the shares are not allowed to transfer or sell the shares within one year upon receipt of the same. Unless otherwise provided, the rights and obligation vested in the repurchased shares shall be the same as those vested in the original shares.

Article 9: For the transfer of repurchased shares to employees, the Company shall still pay the related tax and duty pursuant to laws and then may proceed to complete the registration of the transfer.

Article 10: The shares repurchased by the Company in order to transfer the same to employees shall be transferred in whole within five years from the date of

repurchase. Any shares not transferred within said-noted time limit shall be considered as the Company's unissued shares, for which the Company shall apply for cancellation of shares and registration of the change pursuant to the laws therefor.

Article 11: The Regulations shall become effective upon resolution of the Board of Directors and shall be reported to the latest shareholders' meeting. The same shall apply where the Regulations are amended.

Article 12: This regulation were enacted on Mar 29, 2023.

Fu Chun Shin Machinery Manufacture Co., Ltd.

[Appendix 4]

Shareholding of Directors

Book closure date: April 20, 2024

Position	Name	Date elected	Shareholding while elected			Current shareholding			Remarks
			Type	shares	Shareholding ratio (%)	Type	shares	Shareholding ratio (%)	
Chairman	Wang Po-Hsun	May 31, 2022	Ordinary share	11,366,947	7.61%	Ordinary share	12,029,766	7.66%	
Vice Chairman	Wan Chun-Chieh	May 31, 2022	Ordinary share	6,262,303	4.19%	Ordinary share	6,678,055	4.25%	
Director	Chiu Chia-Miao	May 31, 2022	Ordinary share	664,659	0.44%	Ordinary share	574,040	0.37%	
Director	Wang Chun-Hsien	May 31, 2022	Ordinary share	5,919,433	3.96%	Ordinary share	6,327,105	4.03%	
Director	Representative of Feng Wei Investment Co., Ltd.: Wang Po-Li	May 31, 2022	Ordinary share	3,147,253	2.11%	Ordinary share	3,306,503	2.11%	
Director	Wang Chun-Yu	May 31, 2022	Ordinary share	701,365	0.47%	Ordinary share	750,243	0.48%	
Director	Wu Tsung-Cheng	May 31, 2022	Ordinary share	0	0.00%	Ordinary share	0	0.00%	
Director	Chang Su-Chen	May 31, 2022	Ordinary share	3,154,469	2.11%	Ordinary share	3,318,084	2.11%	
Director	Chen Fei-Ju	May 31, 2022	Ordinary share	39,264	0.03%	Ordinary share	41,250	0.03%	
Independent director	Tsai Wen-Pin	May 31, 2022	Ordinary share	0	0.00%	Ordinary share	0	0.00%	
Independent director	Huang Ying-Fang	May 31, 2022	Ordinary share	0	0.00%	Ordinary share	0	0.00%	
Independent director	Huang Chung-hui	May 31, 2022	Ordinary share	0	0.00%	Ordinary share	0	0.00%	
Independent director	Kreng Bor-Wen	May 31, 2022	Ordinary share	0	0.00%	Ordinary share	0	0.00%	
Total					31,255,693		33,025,046		

Total number of shares issued on May 31, 2022: 149,438,780 shares

Total number of shares issued on April 20, 2024: 156,985,927 shares

Remark: The number of shares to be held by the Company's whole directors pursuant to

laws: 9,419,155 shares

Number of shares held until April 20, 2024: 33,025,046 shares

◎The shares held by independent directors are excluded from those held by directors.

◎As Fu Chun Shin Machinery Manufacture Co., Ltd. has established the Audit Committee, the minimum shareholding requirements for Supervisors shall not apply.

The influence of the stock dividend proposed at the shareholders' meeting on the Company's operating performance and earnings per share: Not applicable

Unit: NT\$ Thousand, except EPS in NT\$

Item		Year	2024 (estimated)
Paid-in capital, beginning			1,569,859
Stock or cash dividend for this year	Cash dividend per share (NT\$) (Note 1)		NT\$0.15
	Number of shares allotted per share for capitalization of earnings (Note 1)		0 share
	Number of shares allotted per share for capitalization of capital surplus (Note 1)		—
Changes in operating performance	Operating income		Not applicable (Note 2)
	Increase (decrease) in operating income YoY		
	Net income after tax		
	Increase (decrease) in net profit after tax YoY		
	Earnings per share (NT\$)		
	Increase (decrease) in earnings per share YoY		
	Annual average return on investment (annual average earning yield)		
Pro forma earnings per share and price-earnings ratio	If the capitalization of earnings is replaced with payout of cash dividends	Imputed earnings per share (NT\$)	Not applicable (Note 2)
		Pro forma annual average return on investment	
	If the capitalization of capital surplus is not conducted	Imputed earnings per share (NT\$)	
		Pro forma annual average return on investment	
	If the capitalization of capital surplus is not conducted and the capitalization of earnings is replaced with payout of cash dividends	Imputed earnings per share (NT\$)	
		Pro forma annual average return on investment	

Note 1: The estimated payout of dividends for 2023 is based on the earnings distribution proposal resolved by the Board of Directors on March 15, 2024.

Note 2: The Company didn't release a 2024 financial forecast, but followed the letter of the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan under (91) Tai-Cai-Zheng (1) Zi-No. 002534.

