



Stock Code: 6603

Fu Chun Shin Machinery Manufacture Co., Ltd.

2024

Annual Report

To search for the annual report:

I. Market Observation Post System Website:

<http://mops.twse.com.tw/mops/web/index>

II. Corporate website: <http://www.fcs.com.tw/>

Printed on April 30, 2025

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- V. Name of Trading Site for Securities Listed Overseas and How to Search for the Said Overseas Securities: None.**
- VI. Corporate website: <http://www.fcs.com.tw>**

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One. Letter to Shareholders

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!

Reviewing 2024, the global economic environment continued to be affected by factors such as inflation, interest rate hikes, and supply chain shifts. Market demand remained mixed, leading various industries to adjust their capital expenditure strategies accordingly. Despite the challenges, Fu Chun Shin Machinery Manufacture Co., Ltd. (Hereinafter referred to as the "Company") has continued to optimize its product lines and improve operational flexibility with strong technical capability and market insights. Benefiting from the rapid electrification of the automotive industry, the global market for electric vehicles has shown a significant increase in demand for lightweight plastic components, which in turn drives the sales of large injection equipment, including the Company's core products of "All-Electric Injection Molding Machine", "Ultra-large Two-Platen Machine" and "Sandwich / Interval Injection Molding Machine", which have received great recognition from manufacturers of automotive parts and components, ICT (semi-conductor, information and communication), sports industry and consumer electronics industries, thereby maintaining the steady growth of the Company's business operation. In addition, under the promotion of ESG (environmental, social, corporate governance) policy, major brand makers have accelerated the introduction of all-electric injection molding equipment, driving the significant growth of the sales of the Company's "All-Electric Injection Molding Machine" and "Smart Injection Production Line", achieving a 64% of annual growth in the sales of all-electric injection molding machines in 2024 from the previous year. In addition, current orders on hand have also increased significantly, which is expected to become important momentum for the Company's future revenue growth.

In order to ensure the Company's long-term competitiveness, the Company continues to promote the following operating strategies: 1. Expand the global market: continue to expand the OEM and AM auto assembly industry in Europe, the US, and Japan, and actively enter the semiconductor, AI server/PC supply chain and strengthen the cooperation relationship in the sports industry. 2. Technology upgrade and product optimization: Actively develop high-efficiency energy-saving injection molding technology for the molding of polymer sustainable materials, such as the physical foam injection molding system GENTUREX, to meet the new market demand after the prohibition of the use of chemical foaming agent. 3. Increase production efficiency and reduce costs: Enhance production automation via smart manufacturing and Industry 4.0

technology applications, and implement strict control on operating expenses, in order to increase overall profitability. 4. Strengthen ESG and low-carbon transformation: Promote the "Green Innovation Project" to help customers to achieve low-carbon production through smart energy saving, low-carbon equipment and material recycling technology development, and to further enhance the competitiveness of the Company in the field of sustainable development. 5. Customized solution development: Develop specialized equipment for the specific needs of different industries, such as injection machines for semiconductor supply chain, high-precision electronic components, medical devices, and aerospace industry, in order to improve the market penetration rate. 6. Strengthen supply chain management: Through regional supply chain strategies, reduce logistics costs and delivery risks, and through strategic cooperation with key suppliers, ensure the stable supply of key components.

Looking ahead to 2025, although the global economy is still facing challenges, we remain cautiously optimistic about the market's development and will actively expand our market order-taking scope, in order to obtain sales orders and maintain great product visibility. As the governments of various countries have successively promoted the ban on the sale of internal combustion engine vehicles, the electric vehicle industry is expected to continue to drive the demand for large plastic injection machines. In addition, the Company has entered the semiconductor and AI server/PC supply chain, and the newly constructed Ningbo Qianwan Plant has started its operation for production process officially. Furthermore, with the production capacity of factories in Taiwan and India factories, the Company will further enhance its competitiveness in the global market. To adapt to the market trend, we will continue to strengthen our green manufacturing capabilities, invest in the research and development of environmental protection materials and light-weight technology, promote carbon reduction in the production process, and develop renewable plastic application technology, in order to enhance the value of product circular economy value. At the same time, the Company will also strengthen the energy-saving performance of products, in order to assist customers to reduce energy consumption. We will promote digital management and smart manufacturing. Through Big Data analysis and AI technology optimization of production schedule, we will improve the operation efficiency of machines, and introduce smart monitoring system, in order to improve production transparency and real-time response ability. In terms of market development, the Company will continue to expand its direct-sale bases in Southeast Asia, India, and South America, will also improve operational efficiency, and will enhance the cooperation with global strategic partners, in order to increase brand influence and market share. We will provide customized injection solutions for different regional markets, thereby further expanding our global market share.

We uphold the business philosophy of "Professionalism, Innovation, and

Sustainability" with continuous internal and external improvement, in order to establish the corporate culture of "Supervisors lead by example, Full participation of team members". We will continue to strengthen our technology research and development, enhance our market competitiveness, and actively promote ESG strategies, in order to ensure that the Company is able to maintain its leading position in the global market of plastic injection equipment. We look forward to achieve greater investment returns for all shareholders and to head toward the Company's goal of becoming a centennial enterprise.

We hereby present the business report on the Company's 2024 operational accomplishments and outline of the Company's 2025 business plan as follows:

I. 2024 Operational Accomplishments

(I) Business plan implementation result

2024 consolidated operational accomplishments are as follows:

Unit: NT\$ Thousand

Consolidated income items	2024	2023	Increase (decrease) (%)	Growth rate (%)
Operating revenue	4,529,411	3,861,005	668,406	17.31%
Operating cost	3,369,271	2,848,137	521,134	18.30%
Gross profit	1,160,140	1,012,868	147,272	14.54%
Operating expenses	1,039,567	974,649	64,918	6.66%
Operating gain (loss)	120,573	38,219	82,354	215.48%
Non-operating revenue and expense, net	11,611	19,604	-7,993	-40.77%
Net income before tax	132,184	57,823	74,361	128.60%
Profit after tax	72,105	23,323	48,782	209.16%
Net profit attributed to the parent company	78,765	20,597	58,168	282.41%

(II) Budget implementation status: The Company did not release its 2024 financial forecast and hence no budget implementation is involved.

(III) Financial revenue and profitability analysis: 2024

1. Financial revenue and expense:

(1) Income: Operating income was NT\$4,529,411 thousand

(2) Expenditure: Operating cost was NT\$3,369,271 thousand.

Operating expenditure was NT\$1,039,567 thousand.

Non-operating income and expenditure were NT\$11,611 thousand.

(3) Earnings: The net profit before tax was NT\$132,184 thousand and income tax expenses were NT\$60,079 thousand, and net profit after tax was NT\$72,105 thousand.

2. Profitability analysis:

- (1) Return on assets (ROA): 1.5%
- (2) Return on equity (ROE): 2.88%
- (3) Net profit margin: 1.59%
- (4) Earnings per share: NT\$0.5

(IV) Research and development:

The Company's 2024 R&D expenses were NT\$119,650 thousand, indicating an increase of NT\$16,701 thousand from NT\$102,949 thousand in 2023, a growth of 16.22%.

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

Item No.	Year	Content
1	2023.01	FCS was awarded the "Excellent Mechanical Organization Award" by the Chinese Mechanical Engineering Society
2	2023.03	FCS Ningbo was rated one of the "Top 50 Enterprises in the Industry" in Jiangbei District, Ningbo.
3	2023.04	FCS was awarded "2022 Excellent Influential Brand Of Injection Molding Machine" for two consecutive years
4	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
5	2023.06	FCS GW-1600RP Two-Platen Multi-Component Injection Molding Machine won the 2023 Plastic Industry Ringier Technology Innovation Award
6	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
7	2023.08	World's First Super Large Five-Color Two-Platen Multi-Component Injection Molding Machine from FCS Makes Delivery
8	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.
9	2023.09	FCS Ningbo was awarded the "2023 Ningbo City Top 100 Competitive Enterprises"
10	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
11	2023.12	FCS Releases The SA-h PET Multimodal Medical Product Precision Molding System
12	2023.12	FCS Dongguan was awarded the title of "Friendly Enterprise"

13	2024.03	FCS GW-2200R two-platen X-type four-shot multi-component injection machine won the 2024 Plastic Industry Ringier Technology Innovation Award
14	2024.03	FCS participated in the 1st TAINANPLAS 2024
15	2024.05	Fu Chun Shin (Ningbo) Machinery Manufacture Co., Ltd. received four awards of "Top 10 Strong Enterprise in 2023", "Top 10 Enterprise for Tax Payments in 2023", "2023 Development Contribution Advanced Unit", and "2023 Golden Bull Award".
16	2024.09	The Company received the honor of "Golden Quality Award" and "Aesthetics Award" of the First Term of TAIPEIPLAS AWARD
17	2024.11	Fu Chun Shin Group was honored as the “2024 Injection Machine Brand with Outstanding Influence”
18	2024.12	Fu Chun Shin Group honorably received four awards of Ningbo City Plastic Industry National Outstanding New Mini Giants Key Cultivation Enterprise, Ningbo City Plastic Industry National Single Champion Key Cultivation Enterprise, Ningbo Plastic Industry and Manufacturing Industry Top 50 Enterprises, and Ningbo City Government Plastic Industry Outstanding Enterprise.

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. Develop servo-driven spontaneous key technologies and talent.

II. Overview of 2025 Business Plan

(I) 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.Expand new distribution channels in Europe, Middle East and Africa to improve sales performance.
- 8.Develop segmented market products to create product differentiation and provide comprehensive 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.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 batch orders.
- 13.Promote lean production model in our Taiwan Plant, 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.

(II) 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 2025 will increase compared to 2024.

(III) 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-operated sites.
- (3)Continue to strengthen the online marketing force.
- (4)Create the customer base for market segments.
- (5)Reserve sales personnel and strengthen application technology and abilities.

III. 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 this corporate mission, the Company is committed to continuously creating high value-added products, guided by a philosophy of innovation. Leveraging global and diversified business strategies, the Company remains focused on the R&D, production, and sales of injection molding machines while intensifying efforts in high-value industries such as smart injection production line planning, precision injection molding machines for automotive components, specialized injection machines for semiconductor equipment, and the development, manufacturing, and sales of sustainable polymer material molding. By advancing into higher precision and high-tech fields, the Company aims to enhance its corporate value and international competitiveness. This aligns with the gradual realization of its corporate vision: "Top Ten Globally, Customer First, Happy Growth, and Profit Sharing," and the ultimate goal of achieving sustainable business development.

IV. 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, I wish you

Health and blessings!

Chairman: Po-Hsun Wang

CEO: Alan Wang

June 20, 2025

Two. Corporate Governance Report

I. Information on Directors, General Manager, Deputy General Managers, Assistant Deputy General Managers, and Heads of Departments and Branches

(I) Information on Directors

April 22, 2025

Title	Nationality or registered domicile	Name	Gender Age	Date (Inaugurated)	Term in office	Initial date of inauguration	Shares held upon inauguration		Shares held now		Shares held currently by the spouse or any underage child		Shares held in someone else's name		Major education and work experience	Concurrent positions in the Company and in other companies	Other department heads, directors, or supervisors who are the spouse or a relative within the second degree of kinship			Remarks
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relation	
Chairman and Group President	R.O.C.	Po-Hsun Wang	Male 79	2022.05.31	3 years	1991.08.28	11,366,947	7.61%	11,718,766	7.01%	7,021,570	4.20%	—	—	Doctorate in Industrial Engineering and Administration of National Kaohsiung University of Science and Technology Chairman of Fu Chun Shin and President of the Fu Chun Shin Group	(Note 1)	Representative Corporate Director Deputy General Manager Vice Chairman CEO	Po-Feng Wang Jane Wang Chun-Chieh Wang Alan Wang	Brothers Brother-Sister Father-Son Father-Son	(Note 11) (Note 12)
Vice Chairman and Chairman and President of Ningbo Branch	R.O.C.	Chun-Chieh Wang	Male 54	2022.05.31	3 years	June 21, 2007	6,262,303	4.19%	6,721,055	4.02%	1,804,017	1.08%	—	—	Master's Degree in Business Administration, National Chung Hsing University Chairman of FCS Ningbo	(Note 2)	Chairman CEO	Po-Hsun Wang Alan Wang	Father-Son Brothers	(Note 11)
Director and Vice President	R.O.C.	Chia-Miao Chiu	Male 80	2022.05.31	3 years	1991.08.28	664,659	0.44%	627,040	0.37%	596,692	0.36%	—	—	Department of Graphics Design, National Tainan Industrial High School Chairman, Shyuan Yeu Automation Co., Ltd.	(Note 3)	None	None	None	None
Director and CEO	R.O.C.	Alan Wang	Male 52	2022.05.31	3 years	June 17, 2010	5,919,433	3.96%	6,365,105	3.81%	1,445,983	0.86%	—	—	M.Sc., Department of Mechanical and Electro-Mechanical Engineering, National Sun Yat-sen University National Cheng Kung University CEO of Fu Chun Shin	(Note 4)	Chairman Vice Chairman	Po-Hsun Wang Chun-Chieh Wang	Father-Son Brothers	(Note 12)

Director (Corporate Shareholder)	R.O.C.	Feng Wei Investment Co., Ltd.	28	2022.05.31	3 years	June 21, 2007	3,147,253	2.11%	3,306,503	1.98%	—	—	—	—	—	—	None	None	None	None
Director (Corporate representative)	R.O.C.	Representative of Feng Wei Investment Co., Ltd.: Po-Feng Wang	Male 70	2022.05.31	3 years	June 21, 2007	651	0.01%	20,000	0.01%	3,318,084	1.98%	—	—	National Tainan Industrial High School Special Assistant at Fu Chun Shin	(Note 5)	Chairman Director	Po-Hsun Wang Suzhen Zhang	Brothers Husband and Wife	None
Director	R.O.C.	Hans Wang	Male 46	2022.05.31	3 years	June 20, 2013	701,365	0.47%	786,243	0.47%	—	—	—	—	Graduate Institute of Physics, National Sun Yat-sen University Associate Manager of R&D, Innolux Corporation	(Note 6)	None	None	None	None
Director	R.O.C.	Tsung-Cheng Wu	Male 76	2022.05.31	3 years	June 27, 2003	—	—	—	—	2,183	0.00%	—	—	Master of Industrial Administration, National Chung Kung University Associate Professor at National Cheng Kung University		None	None	None	None
Director	R.O.C.	Suzhen Zhang	Female 67	2022.05.31	3 years	June 20, 2013	3,154,469	2.11%	3,318,084	1.98%	20,000	0.01%	—	—	National Tainan Commercial Vocational Senior High School	(Note 7)	Representative Corporate Director	Po-Feng Wang	Husband and Wife	None
Director	R.O.C.	Fei-Ju Chen	Female 63	2022.05.31	3 years	June 17, 2010	39264	0.03%	41250	0.02%	4514	0.00%	—	—	Nan Ying Vocational High School Finance Department, Fu Chun Shin	None	None	None	None	None
Independent director	R.O.C.	Wen-Pin Tsai	Male 72	2022.05.31	3 years	June 27, 2003	—	—	—	—	—	—	—	—	College of Law, National Taiwan University Associate Professor at National Cheng Kung University, Attorney		None	None	None	None
Independent director	R.O.C.	Ying-Fang Huang	Male 72	2022.05.31	3 years	May 31, 2016	—	—	—	—	—	—	—	—	Doctorate in Strategic Management, UK University of Paisley Professor, National Kaohsiung University of Applied Sciences	(Note 8)	None	None	None	None

Independent director	R.O.C.	Chung Hui Huang	Male 69	2022.05.31	3 years	2022.05.31	—	—	—	—	—	—	—	—	—	EMBA, National Cheng Kung University Person in Charge of Diwan & Company	(Note 9)	None	None	None	None
Independent director	R.O.C.	Bo-Wen Kreng	Male 63	2022.05.31	3 years	2022.05.31	—	—	—	—	—	—	—	—	—	Doctorate, Purdue University Professor, Department of Industrial and Information Management, National Cheng Kung University	(Note 10)	None	None	None	None

- Note 1: President of Fu Chun Shin Group; Chairman of FU CHUN SHIN CO., LIMITED (British Virgin Islands); Vice Chairman of Dongguan Fu Chun Shin Plastic Machinery Manufacture Co., Ltd.; Director of Fu Chun Shin (Ningbo) Machinery Manufacture Co., Ltd.; Chairman of Shing Fu Tai Technology Co., Ltd.; Director of Fushin Nano Technology Co., Ltd.; Chairman of PT. Shin Preform Plastic (Indonesia); Chairman of Batam Xinsheng Plastics Co., Ltd.; Chairman of Xinsheng Plastics Pte. Ltd. (Singapore); Director of FCS Machinery (Thailand) Co., Ltd.; Director of Fu Chun Shin (Ningbo) Precision Technology Co., Ltd.; Director of FCS Machinery (India) Private Ltd.; and Director of FCS Manufacturing (India) Private Ltd.
- Note 2: Vice Chairman of FCS Group; Chairman and General Manager of Fu Chun Shin (Ningbo) Machinery Manufacture Co., Ltd.; Director of FCS RG PLASTIC PTE., LTD; Director of PT. FCS RGP Plastic; Chairman of Fu Chun Shin (Ningbo) Precision Technology Co., Ltd.; General Manager of Dongguan Fu-Chuang-Sin (Ningbo) Plastic Machinery Manufacturing Co., Ltd.
- Note 3: Vice Chairman of the Fu Chun Shin Group; Director of JUST NANOTECH CO., LTD.; Director of Dongguan Fu Chun Shin Plastic Machinery Manufacture Co., Ltd.; Director of Fu Chun Shin (Ningbo) Machinery Manufacture Co., Ltd.; Director of Jungshen Technology Co., Ltd.
- Note 4: General Manager of Fu Chun Shin (Taiwan) and Group CEO; Chairman of PT. Fu Chun Shin Technology (Indonesia); Director of Fushin Nano Technology Co., Ltd.; Director of Batam Xinsheng Plastics Co., Ltd.; Director of Xinsheng Plastics Pte. Ltd. (Singapore); Director of PT. Shin Preform Plastic (Indonesia); Director of FCS Machinery (Thailand) Co., Ltd.; Director of FCS Plastic Machinery (Thailand) Co., Ltd.; Director of Fu Chun Shin (Ningbo) Precision Technology Co., Ltd.
- Note 5: Vice Chairman of Dongguan Fu Chun Shin Plastic Machinery Manufacture Co., Ltd.
- Note 6: Director of Ji Xiang Investment Co., Ltd.
- Note 7: Chairman of Fengwei Investment Company
- Note 8: Concurrently served as independent director of Sheng Yu Steel Co., Ltd.
- Note 9: Independent director of O-TA Precision Industry Co., Ltd., Nam Liong Global Corporation
- Note 10: Chairman of JingFong Industry Co., Ltd., Chairman of TAIWAN FASTENERS INTEGRATED SERVICE CO., LTD., Director of JINGFONG INVESTMENT CO., LTD., Director of MACAUTO INDUSTRIAL CO., LTD, Director of TA YIH INDUSTRIAL CO.,LTD, and Director of TAYIH KENMOS AUTO PARTS CO., LTD.
- Note 11: The Chairman of the Company and that of FCS Ningbo are of first-degree kinship. Due to the valuable educational background of the latter, who holds a Master's degree in Business Administration from National Chung Hsing University, his expertise and knowledge can be effectively utilized for the benefit of the Company. Therefore, it is deemed necessary to increase the number of independent directors in accordance with the Company's regulations.
- Note 12: The Chairman of the Company and that of FCS Ningbo are of first-degree kinship. Due to the valuable educational background of the latter, who holds a M.Sc. from the Department of Mechanical and Electro-Mechanical Engineering, National Sun Yat-sen University and EMBA from National Cheng Kung University, his expertise and knowledge can be effectively utilized for the benefit of the Company. Therefore, it is deemed necessary to increase the number of independent directors in accordance with the Company's regulations.

Major shareholders of corporate shareholders

April 22, 2025

Name of corporate shareholder (Note 1)	Major shareholders of corporate shareholder and their holding ratios (Note 2)
Feng Wei Investment Co., Ltd.	Po-Hsiang Wang (6.67%), Su-Chen Chang (14%), Chun-Wei Wang (16.67%), Su-Fen Su Chou (13.33%) Wang, Ching-Wen (13.33%), Wang, Ching-I (11%), Chang, Su-Shih (10%), Hsu, Hui-Ru (6.67%), Lin, Hsiu-Chueh (8.33%)

- Note 1: When the director/supervisor is a corporate shareholder, the name of the said corporate shareholder shall be provided.
- Note 2: The names of major shareholders (those with a holding ratio among Top 10) and their holding ratios shall be provided. If their major shareholders are also corporations, please complete the following Table 2.
- Note 3: When a corporate shareholder is not a corporation/an organization, the names and holding ratios of the shareholders indicated in the foregoing whose information shall be disclosed will be the name and the funding ratio or donation ratio of the funder. If the donors are deceased, please indicate "deed".

Information on Directors (II)

I. Disclosure of Directors' Professional Qualifications and Independence of Independent Directors:

Criterion Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public offering companies serving as independent directors
Chairman Po-Hsun Wang	Doctorate, National Kaohsiung University of Applied Sciences With the work experience required for commercial and corporate operations.	None	None
Director Chia-Miao Chiu	Department of Graphics Design, National Tainan Industrial High School With the work experience required for commercial and corporate operations.	None	None
Feng Wei Investment Co., Ltd. Representative: Po-Feng Wang	National Tainan Industrial High School With the work experience required for commercial and corporate operations.	None	None
Vice Chairman Chun-Chieh Wang	Master's Degree in Business Administration, National Chung Hsing University With the work experience required for commercial and corporate operations.	None	None
Director Alan Wang	M.Sc., Department of Mechanical and Electro-Mechanical Engineering, National Sun Yat-sen University and EMBA, National Cheng Kung University With the work experience required for commercial and corporate operations.	None	None
Director Hans Wang	Graduate Institute of Physics, National Sun Yat-sen University	None	None

Criterion Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public offering companies serving as independent directors
	With the work experience required for commercial and corporate operations.		
Director Suzhen Zhang	National Tainan Commercial Vocational Senior High School With the work experience required for commercial and corporate operations.	None	None
Director Tsung-Che ng Wu	Master of Industrial Administration, National Chung Kung University With the work experience required for commercial and corporate operations.	None	None
Director Fei-Ju Chen	Nan Ying Vocational High School With the work experience required for commercial and corporate operations.	None	None
Independe nt director Wen-Pin Tsai	College of Law, National Taiwan University Doctorate in Law, China University of Political Science and Law Has more than 20 years of work experience required for commercial, legal, and corporate operations and is an attorney having passed the national exam and holding a license. Is a member of the Audit Committee, and is without any of the conditions under Article 30 of the Company Act.	1. The person, the spouse, or a relative within the second degree of kinship does not serve as the director, supervisor, or employee of the Company or any of its affiliates. 2. The person, the spouse, or a relative within the second degree of kinship (or anyone else whose name is used) does not hold shares of the Company, nor do we have any percentage ownership. 3. The person, the spouse, or a relative within the second degree of kinship does not serve as the director, supervisor, or employee of a company affiliated to the Company to a certain extent (meeting the requirements in Article 3 Paragraph 1 Sub-paragraphs 5 through 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).	None

Criterion Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public offering companies serving as independent directors
		4. The amount of rewards received for commercial, legal, financial, or accounting services provided to the Company or its affiliates over the past 2 years.	
Independent director Ying-Fang Huang	<p>Doctorate in Strategic Management, UK University of Paisley</p> <p>With more than 20 years of work experience required for commercial and corporate operations, a retired professor from related departments required by the Company, a member of the Audit Committee of the first intake of the Company, and without any of the conditions under Article 30 of the Company Act.</p>	<p>1. The person, the spouse, or a relative within the second degree of kinship does not serve as the director, supervisor, or employee of the Company or any of its affiliates.</p> <p>2. The person, the spouse, or a relative within the second degree of kinship (or anyone else whose name is used) does not hold shares of the Company, nor do we have any percentage ownership.</p> <p>3. The person, the spouse, or a relative within the second degree of kinship does not serve as the director, supervisor, or employee of a company affiliated to the Company to a certain extent (meeting the requirements in Article 3 Paragraph 1 Sub-paragraphs 5 through 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).</p> <p>4. The amount of rewards received for commercial, legal, financial, or accounting services provided to the Company or its affiliates over the past 2 years.</p>	1
Independent director Chung Hui Huang	<p>EMBA of Accounting, National Cheng Kung University and person in charge of Diwan & Company (the predecessor of EY Taiwan)</p> <p>With financial expertise, more than 20 years of work experience required for corporate operations, and is</p>	<p>1. The person, the spouse, or a relative within the second degree of kinship does not serve as the director, supervisor, or employee of the Company or any of its affiliates.</p> <p>2. The person, the spouse, or a relative within the second degree of kinship (or anyone else whose name is used) does not hold shares</p>	2

Criterion Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public offering companies serving as independent directors
	a retired CPA from related departments required by the Company. Also a member of the Audit Committee, and without any of the conditions under Article 30 of the Company Act.	of the Company, nor do we have any percentage ownership. 3. The person, the spouse, or a relative within the second degree of kinship does not serve as the director, supervisor, or employee of a company affiliated to the Company to a certain extent (meeting the requirements in Article 3 Paragraph 1 Sub-paragraphs 5 through 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. The amount of rewards received for commercial, legal, financial, or accounting services provided to the Company or its affiliates over the past 2 years.	
Independent director Bo-Wen Kreng	Doctorate in Industrial Engineering, Purdue University With more than 20 years of work experience required for commercial and corporate operations, a retired professor from related departments required by the Company, a member of the Audit Committee of the first intake of the Company, and without any of the conditions under Article 30 of the Company Act.	1. The person, the spouse, or a relative within the second degree of kinship does not serve as the director, supervisor, or employee of the Company or any of its affiliates. 2. The person, the spouse, or a relative within the second degree of kinship (or anyone else whose name is used) does not hold shares of the Company, nor do we have any percentage ownership. 3. The person, the spouse, or a relative within the second degree of kinship does not serve as the director, supervisor, or employee of a company affiliated to the Company to a certain extent (meeting the requirements in Article 3 Paragraph 1 Sub-paragraphs 5 through 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).	None

Criterion Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public offering companies serving as independent directors
		4. The amount of rewards received for commercial, legal, financial, or accounting services provided to the Company or its affiliates over the past 2 years.	

Note 1: Professional qualifications and experience: Specify the professionalism and experience of individual directors and supervisors. For those who are Audit Committee members with accounting or financial expertise, for example, the accounting or financial background and work experience shall be specified. Also, the occurrence of any of the conditions under Article 30 of the Company Act shall be indicated.

Note 2: For independent directors, the status of independence shall be specified, including, without limitation, whether or not the independent director, their spouse, or a relative within the second degree of kinship is serving as the director, supervisor of, or working for the Company or any of its affiliates, the number and weight of shares the independent director, their spouse, or a relative within the second degree of kinship holds, whether or not the independent director, their spouse, or a relative within the second degree of kinship is serving as the director, supervisor of, or working for a company in a specific relationship with the Company (refer to the requirements in Article 3 Paragraph 1 Sub-paragraphs 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies), and the amount of rewards received for corporate commerce, legal affairs, financial affairs, and accounting services provided over the past two years to the Company or any of its affiliates.

II. Diversification and Independence of Board of Directors:

(I) Diversification of Board of Directors:

1. The Company promotes and respects the diversification policy regarding the Board of Directors. In order to reinforce corporate governance and to promote the normalized composition and structure of the Board of Directors. It is believed that the policy will help boost the overall performance of the Company. The selection of board members adheres strictly to the principle of meritocracy, ensuring a diverse and complementary range of capabilities across various industries. The members must be capable and complementary to one another in cross-industrial fields, including the basic composition (such as age, gender, nationality, etc.) and possess the required industrial experience and related skills (such as finance, accounting, law, and administration). The Company has institutionalized management, standardized processes, and digitized operations. During the final board meeting each year, concrete objectives for the following year are presented, and managers report on the achievement of the current year's goals.
2. The Board of Directors of the Company currently consists of 13 directors, including 4 independent directors and 9 non-independent directors. The directors are all eminent professionals in their respective fields in industry and academia. One Board member is between 40 and 49 years old, two Board members are between 50 and 59, four are between 60 and 69, five are between 70 and 79, and one is between 80 and 89. The average age of all Board members is 66 years old.
3. All of the directors in the Company (including independent directors) are well-known people in the industry. Four of the members have obtained their doctorate in Taiwan, Mainland China, and the US and 4 obtained their master's degree in Taiwan. The members cover multiple cultures and international horizons. Besides sufficient corporate governance and industrial/technical experience, professional knowledge and skills of the directors cover multiple aspects, industrial, finance and accounting, technical and managerial, etc.
4. The professional knowledge and skills composition of the Company's board members includes: 1 member with expertise in law, 2 members with expertise in finance and accounting, 2 members with expertise in marketing, 5 members with expertise in engineering and machinery, 2 members with expertise in business management, and 1 member with expertise in administrative management.
5. If the number of female directors in the Board of Directors of the Company is less than one-third of the total number of directors, specify the reason and the strategy for enhancing the diversity of the Board of Directors:

As of the date of publication of this report, the Board of Directors of the Company consists of 13 seats, including 2 female directors, accounting for 15%. The number of seats of Directors not meeting the requirement of one-third of the total number of seats of Directors of any gender.

The main reason for the failure to have a female director elected is that the number of female candidates was low in the past nomination of directors, resulting in the failure to have a female director elected.

To improve the diversity of the Board of Directors, the Company has adopted the following strategies and measures: the Company will expand the scope of director candidate nomination for the next term of directors (2025 shareholders' meeting) to actively seek female candidates with professional competence and experience, and will include them in the list of director candidates.

The Company will continue to strive to promote the diversity of the Board of Directors, strengthen corporate governance, and improve the quality of decision-making, in order to meet

the goal of sustainable development.

(II) Independence of Board of Directors:

1. There are a total of 13 directors in the Company, including 9 directors and 4 independent directors.
2. The 4 independent directors account for 30.8% of the Board. Two independent directors have served less than 3 years, one has served for 3 terms, and one has served for more than 3 terms.
3. The independence of the 4 independent directors can be referenced in the "Disclosure of Directors' Professional Qualifications and Independence of Independent Directors" table for details on their independence status.

(II) Information on the General Manager, Deputy General Manager, Associate, and Heads of Respective Departments and Branches

April 22, 2025

Title	Nationality	Name	Gender	Elected (Inaugurated) Date	Shares held		Shares held by the spouse or any underage child		Shares held in someone else's name		Education and work experience	Position held in any other company at present	Manager who is the spouse or a relative within the second degree of kinship			Remarks
					Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relation	
Vice Chairman	R.O.C.	Chun-Chieh Wang	Male	January 1, 2007	6,721,055	4.02%	1,804,017	1.08%	—	—	Master's Degree, National Chung Hsing University Vice Chairman of Ningbo Branch	(Note 1)	President and Group CEO	Alan Wang	Brothers	Note 8
CEO	R.O.C.	Alan Wang	Male	December 1, 2017	6,365,105	3.81%	1,445,983	0.86%	—	—	M.Sc., Department of Mechanical and Electro-Mechanical Engineering, National Sun Yat-sen University EMBA, National Cheng Kung University CEO, Fu Chun Shin Group	(Note 2)	Vice Chairman and Chairman and President of Ningbo Branch	Chun-Chieh Wang	Brothers	Note 9
Chief Operating Officer	R.O.C.	Sheng-Tsung Tsai	Male	December 27, 2017	85,265	0.05%	—	—	—	—	Master's Degree in Business Administration, National Chengchi University CEO, Fu Chun Shin Group	(Note 3)	None	None	None	None
Deputy General Manager	R.O.C.	Jane Wang	Female	May 8, 2015	204,809	0.12%	—	—	—	—	Department of Business Administration, Shu-Te University General Manager of Tiantai Co., Ltd.	(Note 4)	None	None	None	None
Assistant Vice President and Chief Corporate Governance Officer	R.O.C.	Nichole Chang	Female	January 1, 2008	22,000	0.01%	—	—	—	—	EMBA, National Cheng Kung University Program designer, Dongguang Company	None	None	None	None	None
Deputy General Manager	R.O.C.	Sam Kao	Male	March 13, 2017	32,455	0.02%	884,736	0.53%	—	—	National Pingtung University of Science and Technology Deputy General Manager at the Ningbo Branch	(Note 5)	Deputy General Manager and Manager of the Hangzhou Bay Branch	Sally Gao	Sister-Brother	None
Assistant Vice President	R.O.C.	Sally Gao	Female	April 1, 2019	1,804,017	1.08%	6,721,055	4.02%	—	—	EMBA, Shanghai Jiao Tong University Deputy General Manager at the Ningbo Branch	(Note 6)	Vice Chairman and Chairman and President of Ningbo Branch Deputy General Manager at the Ningbo Branch	Chun-Chieh Wang Sam Kao	Husband and Wife Sister-Brother	None
Assistant Vice President	R.O.C.	Shu-Chuan Cheng	Female	2024.08.01	1,286,282	0.77%	6,524,806	3.90%	—	—	EMBA and Foreign Languages, National Cheng Kung University Manager, International Marketing Division, Fu Chun Shin Group	(Note 7)	President and Group CEO	Alan Wang	Husband and Wife	None
Assistant Vice President	R.O.C.	Tsung-Yen Lin	Male	2025.03.04	11,000	0.01%	—	—	—	—	Ph.D. in Engineering Technology, National Kaohsiung First University of Science and Technology Manager, Research and Development Center, Fu Chun Shin Group	None	None	None	None	None

Note 1: Vice Chairman of FCS Group; Chairman and President of Fu Chun Shin (Ningbo) Machinery Manufacture Co., Ltd.; Director of FCS RG PLASTIC PTE., LTD; Director of PT.

FCS RGP Plastic ; Chairman of Fu Chun Shin (Ningbo) Precision Technology Co., Ltd.; President of Dongguan Fu-Chuang-Sin (Ningbo) Plastic Machinery Manufacturing Co., Ltd.

Note 2: General Manager of Fu Chun Shin (Taiwan) and Group CEO; Chairman of PT. Fu Chun Shin Technology (Indonesia); Director of Fushin Nano Technology Co., Ltd.; Director of Batam Xinsheng Plastics Co., Ltd.; Director of Xinsheng Plastics Pte. Ltd. (Singapore); Director of PT. Shin Preform Plastic (Indonesia); Director of FCS Machinery (Thailand) Co., Ltd.; Director of FCS Plastic Machinery (Thailand) Co., Ltd.; Director of Fu Chun Shin (Ningbo) Precision Technology Co., Ltd.

Note 3: Supervisor of PT. FCS RGP Plastic; Supervisor of PT. Shin Preform Plastic; Supervisor of Indonesia FCS.

Note 4: Director of Jungshen Technology Co., Ltd.

Note 5: Director, Fu Chun Shin (Ningbo) Precision Technology Co., Ltd.

Note 6: Supervisor, Fu Chun Shin (Ningbo) Precision Technology Co., Ltd.

Note 7: General Manager of FU CHUN SHIN(VIETNAM) CO., LTD., Director of FCS MACHINERY (THAILAND) CO., LTD.

Note 8: The Chairman of the Company and that of FCS Ningbo are of first-degree kinship. Due to the valuable educational background of the latter, who holds a Master's degree in Business Administration from National Chung Hsing University, his expertise and knowledge can be effectively utilized for the benefit of the Company. Therefore, it is deemed necessary to increase the number of independent directors in accordance with the Company's regulations.

Note 9: The Chairman of the Company and that of FCS Ningbo are of first-degree kinship. Due to the valuable educational background of the latter, who holds a M.Sc. from the Department of Mechanical and Electro-Mechanical Engineering, National Sun Yat-sen University and EMBA from National Cheng Kung University, his expertise and knowledge can be effectively utilized for the benefit of the Company. Therefore, it is deemed necessary to increase the number of independent directors in accordance with the Company's regulations.

(III) Remuneration paid to the directors, supervisors, General Manager, and Deputy General Manager over the most recent year

1. Remuneration paid to directors (including independent directors)

December 31, 2024; Unit: NTD Thousand

Title	Name	Remuneration of Directors								Ratio of the sum of A, B, C, and D to net profit after tax (%)		Related remuneration to those who are also employees								Ratio of the sum of A, B, C, D, E, F, and G to net profit after tax (%)		Remuneration claimed from reinvestees other than subsidiaries or the parent company
		Reward (A)		Retirement and pension (B)		Remuneration to directors (C)		Operational expenditure (D)				Salary, bonus, and special expenditure (E)		Retirement and pension (F)		Remuneration to employees (G)						
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report			
																Amount paid in cash	Amount in stock	Amount paid in cash	Amount in stock			
Chairman	Po-Hsun Wang	0	0	0	0	72	72	60	60	132 0.17%	132 0.18%	3,240	3,240	403	403	322	0	322	0	4,097 5.20%	4,097 5.68%	0
Director	Chia-Miao Chiu	0	0	0	0	72	72	60	60	132 0.17%	132 0.18%	1,775	2,005	95	95	50	0	50	0	2,052 2.61%	2,282 3.16%	0
Director	Feng Wei Investment Co., Ltd.	0	0	0	0	72	72	40	40	112 0.14%	112 0.16%	0	0	0	0	0	0	0	0	0 0.00%	0 0.00%	0
	Corporate representative Po-Feng Wang	0	0	0	0					0 0.00%	0 0.00%	1,540	1,540	79	79	0	0	0	0	1,619 2.06%	1,619 2.25%	0
Vice Chairman	Chun-Chieh Wang	0	0	0	0	72	72	60	60	132 0.17%	132 0.18%	1,618	5,098	99	99	317	0	317	0	2,166 2.75%	5,646 7.83%	0
Director	Alan Wang	0	0	0	0	72	72	60	60	132 0.17%	132 0.18%	3,245	3,245	99	99	301	0	301	0	3,777 4.80%	3,777 5.24%	0
Director	Hans Wang	0	0	0	0	72	72	60	60	132 0.17%	132 0.18%	1,829	1,829	48	48	67	0	67	0	2,076 2.64%	2,076 2.88%	0
Independent Director	Wen-Pin Tsai	0	0	0	0	72	72	100	100	172 0.22%	172 0.24%	0	0	0	0	0	0	0	0	172 0.22%	172 0.24%	0
Independent Director	Ying-Fang Huang	0	0	0	0	72	72	100	100	172 0.22%	172 0.24%	0	0	0	0	0	0	0	0	172 0.22%	172 0.24%	0
Independent Director	Chung-Hu Huang	0	0	0	0	72	72	95	95	167 0.22%	167 0.23%	0	0	0	0	0	0	0	0	167 0.21%	167 0.23%	0
Independent Director	Bo-Wen Krenge	0	0	0	0	72	72	80	80	152 0.19%	152 0.21%	0	0	0	0	0	0	0	0	152 0.19%	152 0.21%	0
Independent Director	Sung-Cheng Wu	0	0	0	0	72	72	65	65	137 0.17%	137 0.19%	0	0	0	0	0	0	0	0	137 0.17%	137 0.19%	0
Director	Su-Chen Chang	0	0	0	0	72	72	60	60	132 0.17%	132 0.18%	0	0	0	0	0	0	0	0	132 0.17%	132 0.18%	0
Director	Fei-Ju Chen	0	0	0	0	72	72	65	65	137 0.17%	137 0.19%	0	0	0	0	0	0	0	0	137 0.17%	137 0.19%	0

- Note: 1. Please specify the policy, system, standard and structure of the remuneration to independent directors, and the correlation with the amount of remuneration based on the responsibilities, risks, time invested and other factors: In accordance with Article 27 of the Company's Articles of Incorporation "The Company's directors/supervisors may claim a transportation allowance. The amount thereof shall be resolved in a shareholders' meeting. In addition, the Board of Directors is authorized to determine the remuneration 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." Furthermore, as stipulated in Article 31, the Company shall distribute no more than 3% of the current year's profit as directors' remuneration. However, if the Company still has accumulated losses, it shall make up for it. The Company also purchases liability insurance for the directors in order to reduce their risk of being filed a lawsuit against by shareholders or other related parties while performing duties as required by law.
2. Besides those disclosed in the above table, remuneration paid to directors in the most recent year for having provided services to all companies covered in the financial statement (such as working as a consultant who is not an employee): None.

2. Remuneration to Supervisors

An Audit Committee has been established to replace supervisors, there this is not applicable.

3. Remuneration to General Manager and Deputy General Managers

December 31, 2024; Unit: NTD Thousand

Title	Name	Salary (A)		Retirement and pension (B)		Bonus and special expenditure, etc. (C)		Amount of remuneration to employees (D)				Ratio of the sum of A, B, C, and D to net profit after tax (%)		Remuneration claimed from reinvestees other than subsidiaries or the parent company
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report	
								Amount paid in cash	Amount in stock	Amount paid in cash	Amount in stock			
Concurrently serves as CEO and General Manager	Alan Wang	1,588	1,588	99	99	1,657	1,657	301	0	301	0	3,645 4.63%	3,645 5.06%	None
General Manager of Ningbo and Dongguan	Chun-Chieh Wang	1,618	3,115	99	99	0	1,983	317	0	317	0	2,034 2.58%	5,514 7.65%	None
Deputy General Manager of Taiwan	Jane Wang	1,200	1,560	73	73	167	1,613	50	0	50	0	1,490 1.89%	3,296 4.57%	None
General Manager of Hangzhou Bay	Sam Kao	1,097	2,551	66	66	0	0	167	0	167	0	1,330 1.69%	2,784 3.86%	None

3-1. Remuneration paid to the Top 5 department heads with the highest remuneration

December 31, 2024; Unit: NTD Thousand

Title	Name	Salary (A)		Retirement and pension (B)		Bonus and special expenditure, etc. (C)		Amount of remuneration to employees (D)				Ratio of the sum of A, B, C, and D to net profit after tax (%)		Remuneration claimed from reinvestees other than subsidiaries or the parent company
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report	
								Amount paid in cash	Amount in stock	Amount paid in cash	Amount in stock			
General Manager of Ningbo and Dongguan	Chun-Chieh Wang	1,618	3,115	99	99	0	1,983	317	0	317	0	2,034 2.58%	5,514 7.65%	None
General Manager	Po-Hsun Wang	2,067	2,067	403	403	1,306	1,306	332	0	332	0	4,108 5.70%	4,108 5.70%	None
Concurrently serves as CEO and General Manager	Alan Wang	1,588	1,588	99	99	1,657	1,657	301	0	301	0	3,645 4.63%	3,645 5.06%	None
Deputy General Manager of Taiwan	Jane Wang	1,200	1,560	73	73	167	1,613	50	0	50	0	1,490 1.89%	3,296 4.57%	None
General Manager of Hangzhou Bay	Sam Kao	1,097	2,551	66	66	0	0	167	0	167	0	1,330 1.69%	2,784 3.86%	None

4. Names of managers assigned with employee remuneration and the distribution:

December 31, 2024; Unit: NTD Thousand

	Title	Name	Amount of stock bonus	Amount of cash bonus	Total	Ratio of sum to net profit after tax (%)
Manager	Concurrently serves as CEO and General Manager	Alan Wang	—	1,152	1,152	1.5977%
	Vice General Manager (President of Ningbo)	Chun-Chieh Wang				
	Deputy General Manager (General Manager of Hangzhou Bay)	Sam Kao				
	Deputy General Manager	Jane Wang				
	Assistant Vice President, Main Office	Nichole Chang				
	Assistant Vice President (Vice General Manager of Ningbo)	Sally Gao				
	Finance/Accounting Officer	Chung-Chin Liu				

5. Respectively compare and describe the analysis of the proportion of total remuneration paid to the Company's Directors, Supervisors, General Manager and Deputy General Manager by the Company and all the companies listed in the consolidated financial statements in the most recent two years to the Net Income After Tax in individual financial statements, and describe the policies, standards and packages for payment of remuneration, as well as the procedures followed for determining remuneration, and their linkages to business performance and future risk.

(1) Analysis of ratios of total remunerations paid to directors supervisors, the President, and the Vice General Manager of the Company to net profit after tax as shown in the entity's or the stand-alone financial statement over the past two years:

Unit: NT\$ Thousand

Item	2023				2024			
	The Company		All companies in the Consolidated Statement		The Company		All companies in the Consolidated Statement	
	Amount	Ratio of sum to net profit after tax of the parent company (%)	Amount	Ratio of sum to net profit after tax of the parent company (%)	Amount	Ratio of sum to net profit after tax of the parent company (%)	Amount	Ratio of sum to net profit after tax of the parent company (%)
Remuneration of Directors	5,419	26.30%	5,419	23.23%	1,841	2.34%	1,841	2.55%
Remuneration to General Manager and Deputy General Manager	8,707	42.27%	11,539	49.47%	8,499	10.79%	15,239	21.13%

(2) Correlation among the remuneration payment policy, standards and combination, remuneration establishment procedures, and its correlation with operational performance:

A. Article 27 of the Company's Articles of Incorporation states that "The Company's directors/supervisors may claim a transportation allowance. The amount thereof shall be resolved in a shareholders' meeting. In addition, the Board of Directors is authorized to determine the remuneration 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."

B. Article 28 of the Company's Articles of Incorporation states that "the Company shall appoint managers (including the

President). The appointment and dismissal thereof and remuneration to them shall be governed by Article 29 of the Company Act, where it states that “The Company may retain advisors or important officers per resolution by the Board of Directors.”

- C. The remuneration paid by the Company to the directors and supervisors is mainly that set aside from the earnings and is based on the requirements in the Articles of Incorporation. The Compensation and Remuneration Committee shall make a decision first and bring it forth to the Board of Directors to be finalized and it may be distributed upon approval through the shareholders’ meeting.
- D. The remuneration to the President and Vice General Manager of the Company covers the salary and compensation to employees. The salary level is determined reflective of each employee's contribution to the Company’s operations and the common practice in the industry. The criteria for distribution of remuneration to employees are based on the Company’s Articles of Incorporation. The Remuneration Committee shall make a decision first and bring it forth to the Board of Directors to be finalized and it may be distributed upon approval through the shareholders’ meeting.
- E. 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 and supervisors, provided that profits must first be taken to offset against any cumulative losses. The annual profit mentioned in the preceding paragraph refers to the pre-tax income before the remuneration to employees, directors and supervisors 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.

II. Status of Corporate Governance

(I) Information on the Operational Status of the Board of Directors

1. Information on the Operational Status of the Board of Directors

In the most recent year (2024), the Board of Directors met 6 times (A), and the attendance of directors (including independent directors) and supervisors was as follows:

Title	Name (Note 1)	Actual attendance (seated) frequency B	Attendance through proxy	Actual attendance (seated) rate (%) (B/A) (Note 2)	Remarks
Chairman	Po-Hsun Wang	6	0	100%	
Director	Chia-Miao Chiu	6	0	100%	
Director	Representative of Feng Wei Investment Co., Ltd.: Po-Feng Wang	4	0	67%	
Director	Chun-Chieh Wang	6	0	100%	
Director	Alan Wang	6	0	100%	
Director	Hans Wang	6	0	100%	
Director	Suzhen Zhang	5	0	83%	
Director	Fei-Ju Chen	6	0	100%	
Director	Tsung-Cheng Wu	6	0	100%	
Independent director	Ying-Fang Huang	6	0	100%	
Independent director	Wen-Pin Tsai	6	0	100%	
Independent director	Chung Hui Huang	6	0	100%	
Independent director	Bo-Wen Kreng	5	0	83%	

Other matters that should be documented:

I. The date and session number of the meeting of the Board of Directors, proposal contents, opinions of all Independent Directors, and the Company's reactions towards Independent Director's opinions shall be specified in case of the following conditions in respect of the operation of the Board of Directors:

(I) Matters specified in Article 14-3 of the Securities and Exchange Act:

Date/Session of Board of Directors Meeting	Proposal	Opinions from all independent directors and how the Company addressed them
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2024/03/15 The 11th session of the 12th term	1. Approved the change of the Company's corporate governance officer. 2. Approval of expenditures for 2024 audit CPA attestation fees of EY Taiwan.	Approved by all independent directors
2024/03/29 The 12th session of the 12th term	Approved the repurchase of the Company's shares for transfer to employees.	Approved by all independent directors
2024/08/09 The 14th session of the 12th term	Approved the amendments to certain provisions of the "Operational Guidelines for Financial and Business Dealings Among Related Parties," "Procedures for Handling Material Information and Prevention of Insider Trading," and "Rules of Procedure for Board of Directors Meetings."	Approved by all independent directors
2024/11/08 The 15th session of the 12th term	1. Approval of the establishment of record dates for conversion of unsecured convertible corporate bonds to common stock shares for the third time domestically and for the issuance of new shares upon capital increase. 2. Approved the annual lending limit of funds to subsidiaries by the Company. 3. Approved the establishment of the Company's "Sustainable Information Management Regulations."	Approved by all independent directors
2024/12/20 The 16th session of the 12th term	Approved the establishment of the Fu Chun Shin (Brazil)	Approved by all independent directors

(II) Other than the matters mentioned above, the resolutions with records or written statements on which independent directors have dissenting opinions or qualified opinions: None.

II. For the enforcement of recusal upon conflicts of interest among directors, the name of

the director, details of the proposal, reason for the recusal, and participation in the voting process or not shall be described:

Date	Name of director	Proposal	Reasons for recusal	Voting outcome
2024/03/15 The 11th session of the 12th term	Po-Hsun Wang Chun-Chieh Wang Alan Wang	Approved the motion for the ratification of the Company's acquisition of the equity of FCS RG PLASTIC PTE. LTD.	Director Alan Wang holds 30% of the shares of the selling company. Chairman Po-Hsun Wang and Vice Chairman Chun-Chieh Wang are second-degree relatives of Director Alan Wang. As all three individuals have a personal interest in this case, they recused themselves from discussion and voting.	The proposal was approved without objection by the remaining directors present, as confirmed by the acting chair designated by the chair.
2024/08/09 The 14th session of the 12th term	Po-Hsun Wang Chun-Chieh Wang Alan Wang Chia-Miao Chiu Representative of Feng Wei Investment Co., Ltd.: Po-Feng Wang Hans Wang Suzhen Zhang	Approval of the first transfer of treasury shares repurchased in the sixth buyback program in 2024 to employees.	Six directors — Po-Hsun Wang, Chun-Chieh Wang, Alan Wang, Chia-Miao Chiu, Po-Feng Wang, and Hans Wang — also serve as employees of the Company and participated in the subscription of the treasury shares. Suzhen Zhang, the spouse of Po-Feng Wang, is also involved. As the above seven individuals have personal interests in this matter, they recused themselves and did not participate in the discussion or	The proposal was approved without objection by the remaining attending directors after Independent Director Chung Hui Huang was appointed by the Chairman as the acting chair to consult on the proposal.

			voting.	
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III.Reinforced assessments of functional objectives (such as setting up the Audit Committee, promoting information transparency, etc.) of the Board of Directors and implementation status of the objectives of the specific year and the most recent year: In addition to disclosing the attendance of directors and supervisors at board meetings and their participation in corporate governance training courses on the Market Observation Post System (MOPS) as required, the Company has also established an investor section on its website. This section includes information on the Audit Committee, the Remuneration Committee, and important resolutions of the Board of Directors, as well as relevant organizational regulations, thereby enhancing information transparency.

Note 1: When directors and supervisors are corporations, the name of the institutional shareholder, its representative, and the name shall be disclosed.

Note 2:(1) In the event that directors or supervisors resign before the end of a fiscal year, the date of resignation shall be indicated in the remarks field. The actual attendance rate (%) should be calculated based on the number of board meetings held during their tenure and the number of meetings they actually attended.

(2) In the event that directors or supervisors are re-elected before the end of a fiscal year, both the new and former directors and supervisors shall be listed and the remarks field shall indicate if the director is nor formerly a director, a newly elected director or a re-elected director and also the date. The ratio of attendance is calculated by the number of Board of Directors meetings held during the term of office and the actual number of meetings attended.

2. Board of Directors Performance Evaluation: The following evaluations were completed on March 11, 2025

Evaluation cycle (Note 1)	Evaluated period (Note 2)	Scope of evaluation (Note 3)	Evaluation method (Note 4)	Evaluation content (Note 5)
Once a year	2024.01.01~2024.12.31	Board of Directors, individual directors and the functional committees	1. Board of Directors Performance Evaluation	Participation in business operations - Excellent Decision-making quality of the Board of Directors - Excellent Composition and structure of Board of Directors - Excellent Election of its directors and continuing education for them - Excellent Internal control - Excellent

Evaluation cycle (Note 1)	Evaluated period (Note 2)	Scope of evaluation (Note 3)	Evaluation method (Note 4)	Evaluation content (Note 5)
			2. Individual Directors Performance Evaluation	Keeping track of corporate goals and missions - Outstanding Awareness of duties as a director - Outstanding Involvement in corporate operations - Outstanding Management of internal relations and communication - Outstanding Director's professionalism and continuing education - Outstanding Internal control - Outstanding
			3. Remuneration Committee Performance Evaluation	Involvement in corporate operations - Outstanding Awareness of the duties of the functional committee - Outstanding Decision-making quality of the functional committee - Outstanding Composition and election of members of the functional committee - Outstanding Internal control - Outstanding
			4. Audit Committee Performance Evaluation	Involvement in corporate operations - Outstanding Awareness of the duties of the functional committee - Outstanding Decision-making quality of the functional committee - Outstanding Composition and election of members of the functional committee - Outstanding Internal control - Outstanding

Note 1: The cycle by which the Board of Directors evaluation is performed, such as once a year, is to be provided.

Note 2: The period covered in the Board of Directors evaluation is to be provided.

Example: The performance of the Board of Directors between January 1, 2019 and December 31, 2019 was evaluated.

Note 3: The scope of evaluation includes the performance evaluations of the Board of

Directors, individual directors and the functional committees.

Note 4: The evaluation method includes internal assessment of the Board of Directors, self-assessment of Board members, and outsourced performance evaluations by external professional institutions, experts, or in other appropriate ways.

Note 5: The highlights of evaluation include at least the following according to the scope of evaluation.

The Board of Directors' performance evaluation shall at least cover the involvement in corporate operations, decision-making quality, the composition and structure of the Board of Directors, the election and continuing education of directors, internal control, etc.

Individual Board members' performance evaluation shall at least cover keeping track of the Company's goals and missions, awareness of the duties of directors, involvement in the Company's operation, internal relations management and communication, professional and continuing education for directors, internal control, etc..

Functional committee performance evaluation includes the involvement in the Company's operation, awareness of the duties of the functional committee, decision-making quality of the functional committee, composition of the functional committee and the election of its members, internal control, etc.

(II) Information on the Operational Status of the Audit Committee

The Committee met 4 times in total in the most recent year (A) and the attendance of independent directors in the meetings was as follows:

Title	Name	Actual attendance frequency (B)	Attendance through proxy	Actual attendance (seated) rate (%) (B/A) (Note 1, 2)	Remarks
Independent director	Chung Hui Huang	4	0	100%	
Independent director	Wen-Pin Tsai	4	0	100%	
Independent director	Ying-Fang Huang	4	0	100%	
Independent director	Bo-Wen Kren	4	0	100%	

Other matters that should be documented:

I.If the Audit Committee has any of the following circumstances, the date and session number of the meeting of the Audit Committee, proposal contents, independent directors names, dissenting opinions, reservations, or major recommendations, the resolution made by the Audit Committee and the Company's reactions towards the Audit Committee's opinions shall be specified:

(I) Matters listed in Article 14-5 of the Securities and Exchange Act.

Matters discussed by the Compensation and Remuneration Committee during the period covered in this Annual Report and the decisions made are as follows:

● 2024/03/15 The 8th session of the 1st Audit Committee:

- 1.Approval of the public expenditure on 2024 audit certification to EY Taiwan.
- 2.Approval of the proposal of "Evaluation of the Effectiveness of the Internal Control System" and "Statement of Internal Control System" in 2023.
- 3.Approved the motion for the ratification of the Company's acquisition of the equity of FCS RG PLASTIC PTE. LTD.
- 4.Approved the Company's 2023 parent company-only financial statements and consolidated financial statements.

● 2024/08/09 The 10th session of the 1st Audit Committee:

- 1.Approval of the first transfer of treasury shares repurchased in the sixth buyback program in 2024 to employees.

● 2024/11/08 The 11th session of the 1st Audit Committee:

- 2.Approval of the modification made to the limits of funds lent to the subsidiary by Taiwan FCS.
- 3.Approved the establishment of the Company's "Sustainable Information

Management Regulations.”

4.Approved the 2025 Audit Plan.

How the Company addressed opinions from the Audit Committee: They were submitted to the Board of Directors and approved by all attending directors.

(II) Besides those mentioned in the foregoing, other resolutions with approval by two-thirds and more of all directors despite the failure to be approved by the Audit Committee:

None.

II. For the recusal upon conflicts of interest among independent directors, the name of the independent director, details of the proposal, reason for the recusal, and participation in the voting process or not shall be described: None.

III. Communication among Independent Directors, internal Audit Supervisors and accountants (including important matters, methods, and results of the Company’s finance and operations):

2024/03/15 The 8th session of the 1st Audit Committee:

Communication between the Chief Auditor and the Audit Committee; presenter: Pei-Yi Wu reported to the Audit Committee the results of the "Assessment of the Effectiveness of the Internal Control System" for 2023.

2024/05/13 The 9th session of the 1st Audit Committee:

Communication between the Chief Auditor and the Audit Committee; presenter: CPA Mink Hu reported to the Audit Committee the results of the review of the consolidated financial statements for the first quarter of 2024.

IV. Professional qualifications of the Audit Committee: The Audit Committee of the Company consists of 4 independent directors, whose professional qualifications and experience are as follows:

Wen-Pin Tsai: Former Commissioner of the Examination Yuan, Deputy Mayor of Tainan City, and National Assembly Representative; currently practicing lawyer and adjunct associate professor at National Cheng Kung University.

Ying-Fang Huang: served as Independent Director of GONGIN PRECISION INDUSTRIAL CO., LTD, Director of Fashion Intelligence Co., Ltd. Co., Ltd., Supervisor of Hi-Scene World Enterprise CO.LTD., Director (MOEA) of CSBC Corporation, Taiwan, and Director of KUO TOONG INTERNATIONAL CO.LTD. (Tongchuang Enterprise), Chair of the Department of Industrial Engineering and Management, Kaohsiung University of Science and Technology, President of Fortune Institute of Technology; Independent Director and Convener of Audit Committee of SYSCO Group. Chung Hui Huang: Formerly Professor of the Department of Accounting Information of Southern Taiwan University of Science and Technology, Certified Public Accountant, and Part-time Lecturer of National Cheng Kung University; currently Independent Director of O-TA Precision Industry Co., Ltd., Independent Director of Nam Liong Global Corporation.

Bo-Wen Kreng: Served as Supervisor and Independent Director of TAYIH KENMOS AUTO PARTS CO., LTD., Supervisor of TA YIH INDUSTRIAL CO., LTD,

Independent Director of TYC BROTHER INDUSTRIAL CO, LTD., and Professor of Department of Industrial and Information Management, National Cheng Kung University; currently Director/President of JingFong Industry Co., Ltd.

V. Summary of the annual highlights of the Audit Committee: The Audit Committee held 4 meetings in 2024, and reviewed the following matters:

- Material loaning of funds by endorsement or guarantee
- Qualification, independence and performance evaluation of CPAs
- The appointment, dismissal or compensation of CPAs
- The self-evaluation questionnaire for Audit Committee performance
- Review of financial statements

VI. Resolutions of the Audit Committee in 2024:

- 2024/03/15 The 8th session of the 1st Audit Committee:
 - (1) Approved the review of the Company's 2023 parent company-only financial statements and consolidated financial statements.
 - (2) Approval of the proposal for the Company's subsidiary, BVI FCS to modify the bank financing limit, with a guarantee endorsement provided by Taiwan FCS.
 - (3) Approval of the proposal for the Company's subsidiary, Dongguan Fu Chun Shin Plastic Machinery Manufacture Co., Ltd., to apply for a loan facility from a bank, with the endorsement and guarantee provided by Taiwan FCS.
 - (4) Approved the proposal of the Company's subsidiary, FCSC India, to apply for a loan facility from a bank and have it endorsed by the head office in Taiwan.
 - (5) Approval of the accounts receivable, other receivables, advancement payments, and refundable deposits, among other entries, as of December 31, 2023 of the Company; there are no disguised capital financing.
 - (6) Approval of the Company's 2023 Earnings Distribution and Business Report.
 - (7) Approval of the proposal of "Evaluation of the Effectiveness of the Internal Control System" and "Statement of Internal Control System" in 2023.
 - (8) Approval of the public expenditure on 2024 audit certification to EY Taiwan.
 - (9) Approval of the independence and suitability evaluation of CPAs for 2023.
 - (10) Approval of the independence and suitability evaluation of CPAs for 2024.
 - (11) Approval of the preparation of the Company's "Guidelines for the Review of Advance Approvals for Non-Validation Services."
 - (12) Approved the motion for the ratification of the Company's acquisition of the equity of FCS RG PLASTIC PTE. LTD.

How the Company addressed opinions from the Audit Committee: They were submitted to the Board of Directors and approved by all attending directors.

- 2024/05/13 The 9th session of the 1st Audit Committee
 - (1) Approval of the motion for the Company's consolidated financial statements for the first quarter of 2024.
 - (2) Approval of the proposal for the Company's subsidiary, FCS RG PLASTIC PTE., LTD, to apply for a loan facility from a bank, with the endorsement and guarantee

provided by Taiwan FCS.

(3) Approval of the intended application for the financing limits with the bank by the Company's subsidiary BVI FCS and the endorsement/guarantee provided by Taiwan FCS.

(4) Approval of the accounts receivable, other receivables, advancement payments, and refundable deposits, among other entries, as of March 31, 2024 of the Company; confirming that there are no instances of disguised financing.

How the Company addressed opinions from the Audit Committee: They were submitted to the Board of Directors and approved by all attending directors.

● 2024/08/09 The 10th session of the 1st Audit Committee

(1) Approval of the Company's consolidated financial statements for the second quarter of 2024.

(2) Approval of the proposal for the Company's subsidiary, FCS RG PLASTIC PTE., LTD. in Singapore, to adjust its bank loan facility, with Taiwan FCS providing an endorsement and guarantee.

(3) Approval of the proposal for the Company's subsidiary BVI FCS to apply for a bank loan facility, with Taiwan FCS providing a joint guarantee.

(4) Approval of the balances as of June 30, 2024, for accounts receivable, other receivables, advance payments, and refundable deposits, confirming that there are no disguised financing arrangements.

(5) Approval of the first transfer of treasury shares repurchased in the sixth buyback program in 2024 to employees.

How the Company addressed opinions from the Audit Committee: They were submitted to the Board of Directors and approved by all attending directors.

● 2024/11/08 The 11th session of the 1st Audit Committee

(1) Approval of the motion for the Company's consolidated financial statements for the third quarter of 2024.

(2) Approved the annual lending limit of funds to subsidiaries by the Company.

(3) Approval of the accounts receivable, other receivables, advancement payments, and refundable deposits, among other entries, as of September 30, 2024 of the Company; there are no disguised capital financing.

(4) Approval of the 2025 Audit Plan.

(5) Approved the establishment of the Company's "Regulations Governing the Management of Sustainable Information

How the Company addressed opinions from the Audit Committee: They were submitted to the Board of Directors and approved by all attending directors.

Note 1: In the event that an independent director resigns before the end of a fiscal year, the date of resignation shall be indicated in the remarks field. The Actual attendance rate (%), on the other hand, is calculated by the number of meetings held by the Audit Committee during the term of office and the actual number of meetings attended.

Note 2: In the event that independent directors are re-elected before the end of a fiscal year, both the

new and former independent directors shall be listed and the remarks field should also indicate if whether the person is a newly elected or now former director and if they have been re-elected as well as the date. The ratio of attendance, is calculated by the actual number of meetings held by the Audit Committee during the entire term of office met and the actual number of meetings attended.

(III) The operation of corporate governance and the difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

Evaluation item	Operational status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies and reasons
	Yes	No	Brief Description	
I. Does the Company establish and disclose its corporate governance best-practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies?		V	The Company discloses material information as required by applicable laws and regulations and information periodically. The Board of Directors will also follow the responsibilities that shareholders give them by guiding the Company's operational strategies and effectively supervising the managerial function of the management, creating wealth for shareholders, normalizing the finances and the goals of the Company in sustainable operation. At present, sound requirements and guidelines are being prepared gradually in compliance with the "Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies".	Unspecified.
II. Shareholding Structure and Shareholder Equity (I) Does the Company establish internal operating procedures for handling shareholder suggestions, questions, disputes or lawsuits and implement the procedures?		V	Although no related operating procedures are specified, they are handled by the Company's spokesperson or acting spokesperson and legal counsel is asked for assistance if necessary.	Unspecified.
(II) Does the Company have a list of major shareholders that have actual control over the Company and a list of ultimate owners of those major shareholders?		V	By interacting with primary shareholders, the Company is able to keep track of a list of those with actual control over the Company and their ultimate controllers and declares it as required on a monthly basis.	No difference.

Evaluation item	Operational status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies and reasons
	Yes	No	Brief Description	
(III) Has the Company established and implemented risk management and firewall mechanisms with its associated enterprises?	V		The various financial operations between the Company and its affiliates are mutually-independent in principle. The “Regulations Governing Subsidiaries”, the “Regulations Governing Financial Interactions Between Group Corporate Companies and Specific Companies”, the “Internal Control System”, and the “Internal Audit System” in order to create a risk control and firewall mechanism with affiliates. In addition, the Company also holds monthly (or bimonthly) business management meetings with affiliated companies to establish risk control and firewall mechanisms with affiliated companies.	No difference.
(IV) Has the Company established internal rules against insider trading with undisclosed information?	V		The Company has formulated the "Operational Procedures for the Handling of Material Internal Information and Management for Prevention of Insider Trading" to regulate the compliance of the Company's insiders. Starting from 2024, the Company has been promoting to all internal personnel that trading the Company's stock is prohibited during the blackout periods, which are 15 days before the quarterly financial report announcement and 30 days before the annual financial report announcement.	No difference.

Evaluation item	Operational status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies and reasons
	Yes	No	Brief Description	
<p>III. Composition and Responsibilities of the Board of Directors</p> <p>(I) Has the Board of Directors developed diversification policies, substantial management goals and enforced them?</p>		V	Although the Company has not yet formulated a diversity policy, it has set relevant targets to strengthen the diversity of the board of directors during the next re-election of directors. For the current diversity of directors, please refer to the diversity of the board of directors in the Information of Directors (II).	Unspecified.
(II) Has the Company voluntarily set up other functional committees other than the Remuneration Committee and the Audit Committee according to law?		V	In addition to setting up the Remuneration Management Committee and the Audit Committee as required by law, no other functional committees have been set up.	No other functional committees have been set up to date.
(III) Has the Company defined the “Board of Directors Performance Evaluation Guidelines” and the evaluation method, conducted performance evaluation annually and regularly, and reported the results of the performance evaluation to the Board of Directors, and applied it to individual directors' remuneration and nomination renewal?		V	The “Regulations Governing the Performance Evaluation of the Board of Directors” and the associated evaluation methods were amended and approved by the Remuneration Committee and the Board of Directors on December 29, 2020. The Company conducts an annual self-evaluation of the performance of the Board of Directors and each functional committee. The evaluation results for 2024 have been disclosed and filed via the Market Observation Post System, and are scheduled to be reported to the Board of Directors on May 9, 2025. The results of the performance evaluation of the Board of Directors are also used as a reference for the remuneration of directors and the nomination of re-election.	No difference.

Evaluation item	Operational status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies and reasons
	Yes	No	Brief Description	
(IV) Has the Company assessed the independence status of the CPAs at regular intervals?	V		<p>The Audit Committee assesses the independence and suitability of CPAs it engages with annually. In addition to requiring CPAs to provide "Declaration of Independence" and "Audit Quality Indicators (AQIs)", the evaluation is conducted based on the standards outlined in Note 1 and the 13 AQI indicators. It was confirmed that CPAs have no other financial interests or business relationship with the Company, and that no family member of the CPAs violated the independence requirements. Based on the AQI indicator information, it was verified that the CPAs and their firms surpass the industry average in terms of audit experience and training hours. Additionally, over the past three years, digital auditing tools have been continuously implemented to enhance audit quality. The evaluation results of the most recent year were discussed and approved by the Audit Committee on March 11, 2025, and were submitted to the Board of Directors' resolution on the evaluation of the independence and suitability of the CPAs.</p>	No difference.

Evaluation item	Operational status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies and reasons
	Yes	No	Brief Description	
IV. For TWSE/TPEX-listed companies, is there competent corporate governance staff and is the number of such employees suitable and a corporate governance officer assigned to take charge of corporate governance-related affairs (including, without limitation, providing directors/supervisors with the required materials for them to perform their duties, assisting directors/supervisors in complying with laws and regulations, addressing matters concerning the Board of Directors meeting and shareholders' meetings, and preparing the Board of Directors and shareholders' meeting minutes)?	V		A Chief Corporate Governance Officer was appointed before June 30, 2023, with 2 subordinates assigned to assist in handling corporate governance-related matters.	No difference.
V. Has the Company established a communication channel and built a designated section on its website for stakeholders (including, without limitation, shareholders, employees, customers, and suppliers, etc.) and properly respond to corporate social responsibility issues that stakeholders are concerned about?	V		Regular labor-management meetings are held quarterly to establish communication channels with employees. Sufficient information is also provided to financial institutions and creditors. Additionally, a dedicated stakeholder section and contact window are set up on the Company's website, ensuring stakeholders have enough information to make informed decisions and protect their rights.	Requirements of the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.
VI. Has the Company appointed a professional share registration and investors service agent for handling matters pertaining to the Shareholders Meeting?	V		Appointment of the Transfer Agency Department of CTBC Bank Co., Ltd. to handle the shareholders' meeting-related affairs.	Requirements of the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.

Evaluation item	Operational status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies and reasons
	Yes	No	Brief Description	
VII. Disclosure of Information (I) Has the Company installed a website for the disclosure of information on financial position and operation, as well as corporate governance?	V		The website set up by the Company contains information on operations; there is also the dedicated section for investors where links to information disclosed on finance and corporate governance is available. Investors can also search for related information through the MOPS.	Requirements of the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.
(II) Has the Company adopted other means for disclosure (such as by setting up a website in English, appointing designated persons to take charge of collecting and disclosing corporate information, consolidating the spokesperson system, and posting information on how the Investor Conference is conducted on the corporate website)?	V		<ol style="list-style-type: none"> 1. The Company's website has been set up in 8 languages (Traditional Chinese, Simplified Chinese, English, Indonesian, Portuguese, Spanish, Vietnamese, and Korean) to provide access to information related to the Company. 2. The Company already assigned personnel to take charge of collecting and disclosing corporate information. 3. The spokesperson and acting spokesperson are working well. 4. The Company's website includes a dedicated section for investor conferences, where all related materials and information are made available. 	Requirements of the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.
(III) Does the Company announce and declare its annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter financial reports and the monthly operating situation as early as possible within the prescribed time limit?		V	The Company did not file financial statements early, but announced and declared its annual financial report (within 3 months), financial reports for the first, second, and third quarters (within 45 days), and monthly operational status (before the 10th day of each month) as is required by Article 36 of the Securities and Exchange Act.	No major deviations.
VIII. Is there any other essential information that would help understand the pursuit of corporate	V		1. Employee rights and employee care: Please refer to V. Labor-Management Relations under Five.	Requirements of the Corporate Governance Best

Evaluation item	Operational status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies and reasons
	Yes	No	Brief Description	
governance (including, without limitation, employee rights, employee care, investor relations, supplier relations, stakeholder rights, the continuing education of directors and supervisors, the pursuit of a risk management policy and standard of risk assessment, the pursuit of a customer policy, and professional liability insurance coverage for the directors and supervisors)?			<p>Operational Overview.</p> <p>2. Investor relations: The Company releases respective information and messages in the MOPS and on the corporate website and there are the spokesperson and acting spokesperson in place to maintain investor relations.</p> <p>3. Supplier relations: Please refer to the information provided in II. Market and Production/Distribution Overview under Five. Operational Overview.</p> <p>4. Rights of stakeholders: The Company follows applicable regulatory requirements.</p> <p>5. Continuing education of directors and supervisors: Directors and supervisors follow requirements by completing 6 hours of continuing education each year and filing such information with the competent authority periodically.</p> <p>6. Implementation of Risk Management Policies and Risk Measurement Standards: The Company's principal financial risk management objective is to manage the market risks, credit risks and liquidity risks related to its operating activities. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite. The Company has established appropriate policies, procedures and internal controls for the said financial risk management. Before entering into significant financial transactions, approval by the Board of</p>	Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.

Evaluation item	Operational status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies and reasons
	Yes	No	Brief Description	
			<p>Directors in compliance with applicable requirements and the Internal Control System is required. The Company shall comply with its financial risk management policies during its financial management activities.</p> <p>7.Implementation of customer policies: The Company quickly answers to and periodically goes on service tours to quality customers and provides them with differential services to meet the needs on the market and to become a permanent business partner of customers.</p> <p>8.The Company purchases liability insurance for the directors every year. The most recent insurance period was from 2024/6/1~2025/5/31. It was reported to the board of directors on 2024/5/13, and was announced and reported in accordance with the regulations after the insurance purchase.</p>	
<p>IX. Please explain improvements that have been made based on the corporate governance evaluation results published by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and propose enhancements and measures for those that have not yet been improved: Enhancements and optimizations have been made to the disclosure of information on the corporate website and in the annual report. As for the structure of the Board of Directors, efforts will be made during the next election.</p>				

Note 1: Standards for evaluating the independence of CPAs

Evaluation item	Evaluation results	Status of Independence
1.Do the CPAs have direct or material indirect financial interest in the Company?	No	Yes
2.Do the CPAs have any financing or guarantee arrangements with the Company or its directors?	No	Yes
3.Do the CPAs have a close business relationship or potential employment relationship with the Company?	No	Yes
4.Do the CPAs and their audit team members serve as directors, managers, or positions that have material influence on the audit work of the Company currently or in the past two years?	No	Yes
5.Are there any non-audit services provided by the CPAs to the Company that may directly affect the audit work?	No	Yes
6.Do the CPAs act as brokers for the shares or other securities issued by the Company?	No	Yes
7.Do the CPAs act as defendants of the Company or represent the Company in conflicts with third parties?	No	Yes
8.Do the CPAs have any familial relationships with the Company's directors, managers, or personnel who have material influence over audit matters?	No	Yes

(IV) Composition, Responsibilities, and Operations of the Compensation and Remuneration Committee, If Available:

(1) Profile of Members of the Compensation and Remuneration Committee

April 22, 2025

Status (Note 1)	Criterion	Professional qualifications and experience (Note 2)	Independence (Note 3)	Number of positions as a Compensation and Remuneration Committee Member in other public offering companies
	Name			
Independent Director (Convener)	Wen-Pin Tsai	With more than 20 years of work experience required for commercial, legal, and corporate operations and an attorney having passed the national exam and holding a license, a member of the of the Company, and without any of the conditions under Article 30 of the Company Act.	<ol style="list-style-type: none"> 1. The person, the spouse, or a relative within the second degree of kinship does not serve as the director, supervisor, or employee of the Company or any of its affiliates. 2. The person, the spouse, or a relative within the second degree of kinship (or anyone else whose name is used) does not hold shares of the Company. 3. Not a director, supervisor, or employee of a company related in a specific way to the Company (refer to the requirements in Article 6 Paragraph 1 Sub-paragraphs 5-8 of the Regulations Governing the Appointment and Exercise of Powers by the Compensation and Remuneration Committee)? 4. The amount of rewards received for commercial, legal, financial, or accounting services provided to the Company or its affiliates over the past 2 years. 	0
Independent director	Ying-Fang Huang	With more than 20 years of work experience required for commercial and corporate operations, a retired professor from related departments required by the Company, and	<ol style="list-style-type: none"> 1. The person, the spouse, or a relative within the second degree of kinship does not serve as the director, supervisor, or employee of the Company or any of its affiliates. 	1

		without any of the conditions under Article 30 of the Company Act.	<p>2. The person, the spouse, or a relative within the second degree of kinship (or anyone else whose name is used) does not hold shares of the Company.</p> <p>3. Not a director, supervisor, or employee of a company related in a specific way to the Company (refer to the requirements in Article 6 Paragraph 1 Sub-paragraphs 5-8 of the Regulations Governing the Appointment and Exercise of Powers by the Compensation and Remuneration Committee)?</p> <p>4. The amount of rewards received for commercial, legal, financial, or accounting services provided to the Company or its affiliates over the past 2 years.</p>	
Independent director	Chung Hui Huang	With more than 20 years of work experience required for commercial, financial, accounting, and corporate operations and an CPA holding a license, and without any of the conditions under Article 30 of the Company Act.	<p>1. The person, the spouse, or a relative within the second degree of kinship does not serve as the director, supervisor, or employee of the Company or any of its affiliates.</p> <p>2. The person, the spouse, or a relative within the second degree of kinship (or anyone else whose name is used) does not hold shares of the Company.</p> <p>3. Not a director, supervisor, or employee of a company related in a specific way to the Company (refer to the requirements in Article 6 Paragraph 1 Sub-paragraphs 5-8 of the Regulations Governing the Appointment and Exercise of Powers by the Compensation and Remuneration Committee)?</p> <p>4. The amount of rewards received for commercial, legal, financial, or accounting services provided to the Company or its</p>	2

			affiliates over the past 2 years.	
Independent director	Bo-Wen Kreng	With more than 20 years of work experience required for commercial and corporate operations, a retired professor from related departments required by the Company, and without any of the conditions under Article 30 of the Company Act.	1. The person, the spouse, or a relative within the second degree of kinship does not serve as the director, supervisor, or employee of the Company or any of its affiliates. 2. The person, the spouse, or a relative within the second degree of kinship (or anyone else whose name is used) does not hold shares of the Company. 3. Not a director, supervisor, or employee of a company related in a specific way to the Company (refer to the requirements in Article 6 Paragraph 1 Sub-paragraphs 5-8 of the Regulations Governing the Appointment and Exercise of Powers by the Compensation and Remuneration Committee)? 4. The amount of rewards received for commercial, legal, financial, or accounting services provided to the Company or its affiliates over the past 2 years	0

Note 1: Please specify years of work experience, professionalism, and experience and status of independence of individual members of the Compensation and Remuneration Committee in the table. For independent directors, please refer to Table 1 for related information on directors and supervisors (I). Provide “independent director” or “other” for “Status” (add a note for the convener).

Note 2: **Professionalism and experience:** Specify the professional qualifications and experience of individual members of the Compensation and Remuneration Committee.

Note 3: **Status of Independence:** Specify the status of independence of the members of the Compensation and Remuneration Committee, including, without limitation, whether or not a specific member, their spouse, or a relative within the second degree of kinship is serving as the director, supervisor of, or working for the Company or any of its affiliates, the number and weight of shares the member, their spouse, or a relative within the second degree of kinship holds, whether or not such member, their spouse, or a relative within the second degree of kinship is serving as the director, supervisor of, or working for a company in a specific relationship with the Company (refer to the requirements in

Article 6 Paragraph 1 Sub-paragraphs 5-8 of the Regulations Governing the Appointment and Exercise of Powers by the Compensation and Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange), and the amount of benefits received for corporate commerce, legal affairs, financial affairs, and accounting services provided over the past 2 years to the Company or any of its affiliates.

Note 4: For the disclosure method, refer to the best practice reference example available on the website of the corporate governance center of Taiwan Stock Exchange.

(2) Information on the Operational Status of the Compensation and Remuneration Committee

I. The Company's Compensation and Remuneration Committee has 4 members in total.

II. The term of office of the current committee members: From May 31, 2022 to May 30, 2025. The re-election took place during the General Shareholders' Meeting on May 31, 2022 and the new members will serve a term to May 30, 2025. The Compensation and Remuneration Committee met 3 times (A) in 2024. Qualification and attendance of the meetings are as follows:

Title	Name	Actual attendance frequency (B)	Attendance through proxy	Actual attendance (seated) rate (%) (B/A) (Note)	Remarks
Convener	Wen-Pin Tsai	3	0	100%	Succeeded upon re-election on May 31, 2022
Member	Chung Hui Huang	3	0	100%	Succeeded upon re-election on May 31, 2022
Member	Ying-Fang Huang	3	0	100%	Succeeded upon re-election on May 31, 2022
Member	Bo-Wen Kreng	2	0	90%	Elected and newly inaugurated on May 31, 2022

Other matters that should be documented:

I. If the Board of Directors does not adopt or amend the recommendations made by the Compensation and Remuneration Committee, the date and session of the Board of Directors' meeting, details of the resolutions, voting results and the Company's response to the opinions of the Remuneration Committee shall be disclosed (if the remuneration approved by the Board of Directors is better than that recommended by the Compensation and Remuneration Committee, the differences and reasons shall be stated): No such situation.

II. Matters discussed by the Compensation and Remuneration Committee during the period covered in the Annual Report and the decisions made are as follows:

● The 7th session of the 5th Remuneration Committee on March 15, 2024:

Proposal: 1. Year-end bonus for managers (including all supervisors at Deputy Manager level and above) for 2023.

Proposal: 2. Details of Q4 2023 operating bonuses.

Proposal: 3. Review of total remuneration and bonuses for managers (including all supervisors at Deputy Manager level and above) for the full year 2023.

Proposal: 4. Review of the total amount of employee remuneration and directors' compensation for 2023.

Proposal: 5. Proposal to change the Company's Corporate Governance Officer, submitted for discussion.

Resolution: It was approved unanimously by all attending committee members.

How the Company addressed opinions from the Compensation and Remuneration Committee: They were brought forth to the Board of Directors and approved by all attending directors.

● 2024/08/09 The 8th session of the 5th Remuneration Committee:

Proposal: 1. Details of operating bonuses received in Q1 and Q2 of 2024.

Proposal: 2. Review of the amount of executive bonuses received for 2023.

Proposal: 3. Review of the sixth share repurchase program in 2024 and the first transfer of treasury shares to managers.

Resolution: It was approved unanimously by all attending committee members.

How the Company addressed opinions from the Compensation and Remuneration Committee: They were brought forth to the Board of Directors and approved by all attending directors.

● 2024/12/20 The 9th session of the 5th Remuneration Committee:

Proposal: 1. Details of Q3 2024 operating bonuses received.

2. Review of the estimated year-end bonus for 2024.

3. Review of salary adjustment for the Chairman concurrently serving as Group President.

4. Review and establishment of various remuneration items (Remuneration Management Operating Standards).

5. Review of the Company's managerial monthly salary structure (Salary Bracket Table).

6. Review and formulation of the 2025 Remuneration Committee Work Plan.

Resolution: It was approved unanimously by all attending committee members.

How the Company addressed opinions from the Compensation and Remuneration Committee: They were brought forth to the Board of Directors and approved by all attending directors.

III. For decisions made by the Compensation and Remuneration Committee, as long as there are members objecting or having their reservations that are recorded or stated in writing, the date of the Compensation and Remuneration Committee meeting, the session number, contents of the proposal, and how opinions from all members and from opposing members are handled should be described: This did not happen.

Note:

- (1) In the event that members of the Compensation and Remuneration Committee resign before the end of a fiscal year, the date of resignation shall be indicated in the remarks field. The actual attendance rate (%) is calculated by the number of Compensation and Remuneration Committee meetings held during service and the actual attendance frequency in the meetings.
- (2) In the event that members of the Compensation and Remuneration Committee are re-elected before the end of a year, both the new and old members of the Compensation and Remuneration Committee shall be listed and in the remarks field it shall state whether they are the former member, the new member, or a re-elected member of the committee. The attendance rate is calculated by the number of Compensation and Remuneration Committee meetings held during the term of office and the actual number of meetings attended.

(V) Implementation Status of Sustainable Development and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons:

Action item	Implementation status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description	
I.Does the Company establish a governance framework for sustainable development and a dedicated (or ad-hoc) sustainable development unit with authorization by the Board of Directors for senior management to handle related matters, which is supervised by the Board of Directors?	V		<p>(1) Long-term care and visits to the elderly living alone in the community and community blood donation activities are held more than 4 times a year.</p> <p>(2) Provide internships and visits to colleges and universities. Over the years, the Company has provided winter and summer internship opportunities to universities in Southern Taiwan, and more than 15 students are interned at the Company each year.</p> <p>(3) In response to the government's green energy policy, the Company invested NT\$200 million to build a 3,000 kWp solar power generation system on the factory rooftops. This system has an annual power generation capacity of 3.5 million kWh and can reduce carbon emissions equivalent to 5.9 Da'an Forest Parks in Taipei per year.</p> <p>(4) In 2023, in response to the Ministry of Economic Affairs' initiative for large enterprises to assist smaller ones in the manufacturing industry with "low-carbon and smart upgrading and transformation," the Company established the "Green Innovation - Low Carbon Plastic Injection Ecosystem Project" task force. This project sets short, medium, and long-term "carbon reduction paths for the injection molding industry and strategic entry points for FCS." Senior executives</p>	The Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-Listed Companies has been complied with.

Action item	Implementation status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description	
			<p>form the decision-making committee, with managerial-level supervisors from various business units as task force members. Senior executives regularly report the progress and results to the Board of Directors.</p> <p>(5) In 2023, the Company passed the Ministry of Economic Affairs' review for the "Low-Carbon and Smart Upgrading and Transformation Project" that calls for large enterprises to assist smaller ones in the manufacturing industry. In 2024, the Company was awarded a "Certificate of Appreciation" by the Ministry of Economic Affairs. This project aligns with the government's carbon reduction path for the manufacturing industry. Under the "large enterprises leading small enterprises" model, FCS (the central plant) collaborated with 10 supply chain partners to assist customers in low-carbon transformation, with an estimated annual carbon reduction of 2,460 tCO₂e.</p>	
II. Does the Company perform risk assessments when dealing with environmental, social, and corporate governance-related issues that concern the Company's operations according to the materiality principle and define related risk management policies or strategies?		V	The Company has not yet established a specific risk management policy. However, risk assessments related to operational environmental, social, and corporate governance (ESG) issues are considered when setting goals and budgets for the following year. These assessments are taken into account as references during the annual planning process.	Yet to be defined.

Action item	Implementation status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description	
<p>III. Environmental Issues</p> <p>(I) Has the Company developed an appropriate environmental management system reflective of the industrial characteristics?</p>	V		In terms of promoting environmental safety and health, besides meeting applicable regulatory requirements, the Company connects with the world by enforcing the environmental safety and health system and has been ISO45001 Occupational Safety and Health Management System-certified for three years in a row and the goals set in the ISO 14001 Environmental Management System are determined to be the mid-to-long-term goals.	The Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-Listed Companies has been complied with.
(II) Is the Company devoted to improving the energy utilization efficiency and using renewable materials with minimal impacts on the environment?	V		Promote corporate green operation management in 2023, from carbon inventory, establishment of smart energy management system, and improvement of high-carbon emission processes. Carbon emission analysis based on the Company's energy use data and energy declaration form shows that air compressors, chillers, pipe benders, and pushers in the production process of injection molding machine are the hotspots of carbon emission and are also the focus of energy conservation and carbon reduction. Accordingly, it is proposed to replace the old air compressor, chiller, pipe bender, and pusher with new ones between 2023 and 2024. The estimated total carbon reduction is 172 tCO ₂ e, with a carbon	The Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-Listed Companies has been complied with.

Action item	Implementation status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description	
			reduction rate of 11.5 %.	
(III) Does the Company evaluate potential risks and opportunities now and in the future brought about by climate change for the corporation and adopts responsive measures to climate-related issues?	V		<p>(1) Climate changes is an important issue of concern to investors and businesses. Therefore, the Company pays close attention to various energy-saving, carbon reduction, and greenhouse gas reduction issues and is devoted to developing energy-saving and clean plastic injection molding machines in product R&D.</p> <p>(2) From 2010 to 2017, in response to the government's green energy policy, the Company installed solar photovoltaic power generation systems. The annual power generation capacity is approximately 3.5 million kWh, with an annual carbon reduction equivalent to 5.9 Da'an Forest Parks in Taipei.</p> <p>(3) In 2023, in response to the global trend towards net-zero emissions, integrating into the international supply chain requires a dual-axis transformation towards low carbon and smart technologies. The Company, along with its 10 supply chain partners, jointly invested in low-carbon transformation by implementing four major intelligent energy-saving solutions: corporate carbon management, integration of industry peripherals, assisting customers in</p>	The Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-Listed Companies has been complied with.

Action item	Implementation status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description	
			upgrading old machines, and smart low-carbon technologies.	
(IV) Does the Company tally the total greenhouse gas emissions, water usage, and waste generated over the past two years and have energy conservation and carbon reduction, greenhouse gas reduction, water reduction, or other waste management policies in place?	V		<p>(1) Greenhouse gas emissions: Analysis of the Company's carbon emissions and formulation of countermeasures based on the energy use data and energy declaration forms in the last two years for 2023. The descriptions are as follows: The power-consuming equipment is elbow welding (38%), air compressor (21%), and chillers, which are processes with high carbon emission; diesel consumption is mainly that of diesel engines, accounting for 78%; among the production processes of injection molding machine, Air compressors, chillers, elbow welding, and elevators are hotspots for carbon emission. The combined annual carbon emission of 1,494 tCO₂e is the focus of energy conservation and carbon reduction. The above equipment will be replaced every year, and it is expected to reduce carbon by 172% in 2025 tCO₂e, with a carbon reduction rate of 11.5%.</p> <p>(2) Total water consumption: The average annual water consumption in the past two years is 23,000 metric tons. To effectively reduce water consumption, the following measures are implemented:</p>	The Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.

Action item	Implementation status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description	
			<p>Check waterways: Inventory and check waterways in the entire plant to check for leaks and avoid waste; install water meters, add water meters to each business division, and analyze the usage every month. Any abnormalities are traced and improved immediately; water-saving equipment is installed to ensure that the valve and two-stage toilet.</p> <p>Cooling water recycling: Cooling water used in the production process is circulated through the storage pool.</p> <p>(3) Total weight of waste: The average weight of total waste in the past two years is 35.5 metric tons. Described as follows: In 2023, general waste totaled 35 tons and hazardous waste totaled 1 tons, for a total of 36 tons; in 2024, general waste totaled 30 tons and hazardous waste totaled 5 tons, for a total of 35 tons. To effectively reduce the total amount of waste, the following plans are actively implemented: The Company has introduced a digital management system to reduce the use of paper and carbon powder. Waste sorting and recycling are being implemented to reduce waste and reuse resources. In 2024, the Company has reduced waste to less than 3.8 tons. Compared to 2023, the decline was</p>	

Action item	Implementation status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description	
			21%.	
IV. Social Issues	V		Comply with relevant laws and regulations, and operate in accordance with the internal control system and the management policies and procedures specified in ISO45001.	The Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.
(I) Has the Company developed related management policies and procedures in accordance with applicable laws and regulations and the International Bill of Human Rights?				
(II) Does the Company define and enforce reasonable employee welfare measures (including compensation, leave, and other benefits, among others) and the operational performance or accomplishments are adequately reflected in the employees' compensation?	V		The Company has the work rules and respective personnel management rules in place that cover basic wages, working hours, leave, pension benefits, labor and health insurance benefits, and occupational injury compensation for employees. All these provisions comply with the relevant regulations of the Labor Standards Act. The Employee Welfare Committee is also available and functions under the Welfare Committee whose members are elected among the employees to take care of respective benefits. The Company's remuneration policy is proportional to the correlation between one's contribution to the Company and performance and the operational performance.	The Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.
(III) Does the Company provide employees with a safe and healthy work environment as well as periodic safety and health education?	V		Passed the ISO45001 certification, and its validity period is from August 17, 2022 to August 17, 2025. Occupational safety performance: The Company has established a daily safety	The Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-Listed Companies

Action item	Implementation status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description	
			<p>inspection plan, requiring at least 40 inspection points each month. Every six months, an operational environment monitoring is conducted to ensure a safe and healthy working environment for employees. Additionally, a report on cause analysis and improvement measures is presented at the quarterly Occupational Safety and Health Committee meetings. No disabling injury incidents between employees and contractors in 2024; no fines for related violations in 2024; no fire accidents in 2024</p> <p>In addition, each year, occupational safety and health education and training are allocated for one hour by the industrial safety unit to ensure compliance with relevant laws and regulations. Further, special health check-ups and health examinations for employees over 65 are conducted annually, and general health check-ups for all employees are carried out every three years, with professional medical consultations also provided. Due to the effective implementation of these measures, the Company has been recognized by the Ministry of Health and Welfare as a "National Outstanding Friendly Workplace" for three consecutive terms (eight years).</p>	are fulfilled.

Action item	Implementation status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description	
			<p>Equipment safety management: Stationary cranes, stackers, and aerial work vehicles are all hazardous machinery used in the plant. Periodic inspections are conducted to ensure that all equipment can operate safely. All relevant operators are given guidance to obtain operating licenses.</p> <p>No fire accident occurred in 2024. The Company has established the "Emergency Response Management Procedure" to regulate the response process in case of a disaster. Each quarter, the Company organizes self-education training with the fire team of Guan-Mao Fire Team in accordance with fire regulations. The training is to strengthen the basic concept of the team members. In addition, fire inspection is conducted every year to ensure that the fire-fighting facilities and equipment in the plant can operate effectively.</p>	
(IV) Has the Company established an effective training program that helps employees develop skills over the course of their career?	V		(1) The Company has prioritized talent development over the long term and will plan respective internal and external training programs reflective of organizational, departmental, and personal demand. Related educational training criteria such as the "In-service Continuing Education Operating Standards," the "Manpower	The Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.

Action item	Implementation status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description	
			<p>Development and Retention Operating Standards,” the “Assembly Technique Certification Operating Standards,” the “R&D Technical Operating Standards,” and the “Large Machine Wall Assembly Technical Operating Standards,” etc. are defined to enhance and update the knowledge and skills of employees. In addition, through flexible courses on “teaming” and “self-awareness”, for the career empowerment of employees, development of core professional skills and balanced development of body, mind, and heart of employees are taken care at the same time.</p> <p>(2) The Company has been awarded the Bronze Award of the Ministry of Labor's "TTQS" award for 10 consecutive years due to its active cultivation of talents.</p>	
(V) Does the Company comply with laws and international standards concerning customer health and safety, customer privacy, marketing, and labeling of products and services and define related policies and complaint-filing procedures to protect the rights of consumers or customers?	V		The Company follows applicable laws and regulations and international guidelines in the marketing and labeling of products and services.	The Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.
(VI) Does the Company define supplier management policies and require that suppliers follow applicable regulations in issues such as	V		The Company works closely with suppliers and plans to establish guidelines in the "Supplier Selection and Evaluation Management Procedures"	The Corporate Social Responsibility Best Practice Principles for

Action item	Implementation status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description	
environmental protection, occupational safety and health, or human rights of workers and how are they implemented?			and "Contractor Safety and Health Management Procedures."	TWSE/TPEX-Listed Companies are fulfilled.
V. Does the Company prepare the Sustainability Report or other reports disclosing non-financial information of the Company by referring to international general principles or guidelines in the preparation of reports? Are there opinions from a third-party qualification unit to validate or guarantee the said reports?	V		<p>(1) Starting in 2023, the Company commissioned the Metal Industries Research & Development Centre to assist with organizational greenhouse gas inventory guidance. By December 2023, the planning documents for the inventory process, operational procedures, boundary definitions, and training (including sessions for FCS and 10 suppliers) were completed. The inventory and internal verification are scheduled for completion in the fourth quarter of 2024.</p> <p>(2) External verification of the greenhouse gas inventory was completed by BSI in the first quarter of 2025.</p> <p>(3) The Metal Industries Research & Development Centre was commissioned in 2024 to assist in the preparation of the sustainability report, which is expected to be completed by 2025.</p>	The Company is yet to prepare the Corporate Social Responsibility Report and other reports that disclose non-financial information of the Company and is yet to obtain validated or qualifying opinions from a third-party certifying body.
VI. If the Company has established its own sustainable development best practice principles according to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the differences between its implementation and the established principles: The Company's Corporate Responsibility Best Practice Principles and related rules are still under preparation.				
VII. Other Important Information to Help Promote Sustainable Developments: (I) The Company highly values industrial safety, environmental protection, and safety and health, among others, and periodically tests the working environment in order to provide employees with a safe workplace. In addition, educational training is provided to newcomers and various				

Action item	Implementation status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description	
professional educational trainings on industrial safety are provided periodically, such as how to use the fire extinguisher, first aid, how to operate dangerous machinery/equipment, how to operate chemicals, and disaster prevention and response, etc. in order to be safe rather than sorry and to be able to correctly, quickly, and effectively curb disasters and protect the safety of staff when material abnormal accidents occur.				
(II) The Company has formed its Employee Welfare Committee, enforced the pension system, organized various training programs for its employees, had its employees covered by group insurance, and periodically arranges health examinations, among others; it highly values a harmonious relationship with its employees.				
(III) For information on other social responsibility activities, refer to the contents of each of the items above.				

Note 1: If “Yes” is checked for implementation status, please specify the important policies, strategies, measures adopted and their implementation; If “No” is checked, on the other hand, please explain the difference and the reason for the difference and explain the plan to adopt related policies, strategies, and measures in the future in the field for “Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons”. However, regarding Promotion Items 1 and 2, TWSE/TPEX-listed companies shall disclose the governance and supervisory structure for sustainable development, including but not limited to the formulation of management policies, strategies, goals, and review mechanisms. Additionally, companies shall disclose their risk management policies or strategies related to environmental, social, and corporate governance (ESG) issues that are relevant to business operations, based on the principle of materiality, as well as the evaluation of those risks.

Note 2: If the Company has the Corporate Social Responsibility Report in place, in the operational status, indicate how the Corporate Social Responsibility Report may be accessed and provide the index page number.

Note 3: The materiality principle refers to the fact that applicable environmental, social, and corporate governance issues have material impacts on the Company's investors and other stakeholders.

Note 4: For the disclosure method, refer to the best practice reference example available on the website of the corporate governance center of Taiwan Stock Exchange.

(VI) Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<p>1. According to the regulations of the Taiwan Stock Exchange and the Taipei Exchange, the greenhouse gas inventory and assurance schedule will be reported to the Board of Directors on a quarterly basis from August 2022 for control.</p> <p>2. In 2023, in response to the Ministry of Economic Affairs' initiative for large enterprises to assist smaller ones in the manufacturing industry with "low-carbon and smart upgrading and transformation," the Company established the "Green Innovation - Low Carbon Plastic Injection Ecosystem Project" task force. This project sets short, medium, and long-term "carbon reduction paths for the injection molding industry and strategic entry points for FCS." Senior executives form the decision-making committee, with managerial-level supervisors from various business units as task force members. Senior executives regularly report the progress and results to the Board of Directors.</p>
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	<p>The industry will not experience a particularly substantial impact from climate-related risks and opportunities in the medium term. Conversely, it is anticipated that the long-term consequences of climate change will continue to escalate. In order to guarantee consistent growth, the Company must establish ecological manufacturing and design. Due to the existing design and production models, and the need for energy-saving plants, capital budgets must be allocated for R&D, production, and plant administration units to carry out internal transformation. The derived financial problems are both risks and opportunities for the Company.</p>
3. Describe the financial impact of extreme weather events and transformative actions.	<p>The financial impacts of extreme climate events and transformational actions are assessed as follows:</p> <p>1. Natural disaster risk: Including the impact of sudden natural disasters such as typhoons, floods, and droughts, which may cause interruption and damage to the Company's production and operations.</p> <p>2. Climate change regulatory risk: The relevant laws and policies formulated</p>

	<p>by the government in response to climate change may have an adverse impact on the Company's operation and cost structure.</p> <p>3. Opportunities for energy conservation and environmental protection: Through energy conservation measures, material recycling and reuse, and the use of renewable energy, the Company can reduce energy consumption, reduce waste generation, and reduce environmental impact, resulting in lower operating costs and improved environmental benefits.</p> <p>4. Opportunities to respond to climate change: By formulating plans to reduce greenhouse gas emissions and promoting the use of renewable energy, the Company can reduce carbon emissions and reduce the impact on climate change, while at the same time improving carbon management performance to comply with climate change-related regulations and policy requirements.</p>
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>The Company has integrated environmental risk and climate change into its enterprise risk management. The "Green Innovation - Low Carbon Plastic Injection Ecosystem Project" task force is responsible for the continuous monitoring of the impact on operations, including international regulations and extreme weather. The task force is mandated to evaluate the financial impact, adjust the management mechanism, and propose responsive strategies to improve operational resilience. All departments collaborate to assess the impact of climate risks on business processes, and raise employees' awareness of climate change through training to identify risks and opportunities. The senior management participates in the strategy meeting to formulate management decisions and response strategies for major risks.</p>
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	<p>As of the date of publication of the annual report, the Company has not yet evaluated its resilience in the face of climate change risks using scenario analysis. Therefore, this is not applicable.</p>

<p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>The Company is transitioning to an international supply chain in response to the global net zero trend, with an emphasis on low-carbon and clever technologies. In partnership with ten supply chain partners, they are implementing four intelligent energy-saving solutions: corporate carbon management, integrated industrial peripherals, assisting customers in the transformation of old machinery, and clever low-carbon technologies. The Company also investing in low-carbon transformation. The anticipated annual carbon reduction is 2,460 tons of CO₂e upon the project's completion in 2025. This initiative not only encourages the system's autonomous carbon reduction but also actively assists customers in reducing their carbon emissions, thereby attaining the international "Carbon Handprint" sustainability objective.</p>
<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p>	<p>As of the date of publication of the annual report, the Company has not used internal carbon pricing as a planning tool, therefore, it is not applicable.</p>
<p>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p>	<p>(1). The Company promotes corporate green operation management in 2023, from carbon inventory, establishment of smart energy management system, and improvement of high-carbon emission processes. Carbon emission analysis based on the Company's energy use data and energy declaration form shows that air compressors, chillers, pipe benders, and pushers in the production process of injection molding machine are the hotspots of carbon emission and are also the focus of energy conservation and carbon reduction. Accordingly, it is proposed to replace the old air compressor, chiller, pipe bender, and pusher with new ones between 2023 and 2024. The estimated annual internal carbon reduction is 172 tCO₂e, with a carbon reduction rate of 11.5 %.</p> <p>(2) Collaborate with 10 supply chain operators to assist customers in low-carbon transformation. It is estimated that carbon reduction will reach 2,288 tons CO₂e by 2025.</p> <p>(3). To sum up: the carbon reduction is expected to reach 172 tCO₂e in 2024 and 2,460 tCO₂e in 2025.</p>
<p>9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plans.</p>	<p>At present, the "Green Innovation - Low Carbon Plastic Injection Ecosystem Project" project is assisting in greenhouse gas inventory, talent training, strategic goals, control mechanism, internal verification and external</p>

	<p>verification. The expected schedule is as follows:</p> <p>A. Completion of greenhouse gas inventory of the parent company: December 2025</p> <p>B. Completion of greenhouse gas inventory of subsidiaries: October 2024</p> <p>C. External verification completed for the parent company: March 2025</p> <p>D. External verification completed for the subsidiaries: May 2025</p>
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*Please confirm whether the content of the attachment contains the following information:

1-1 Greenhouse gas inventory and assurance status of the Company in the last two years

1-1-1 Greenhouse gas inventory

Describe the greenhouse gas emissions in the last two years (tons of CO ₂ e), intensity (tons of CO ₂ e/NTD million), and data coverage.
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The greenhouse gas emission in 2023 is 2,391.756 tons of CO ₂ e/year

Note 1: Direct emissions (Scope 1, i.e. emissions directly from the Company's ownership or control), indirect energy emissions (Scope 2, i.e. emissions caused by input of electricity, heat or steam that lead to indirect greenhouse gas emissions), and other indirect emissions (Scope 3, i.e. emissions generated by the Company's activities, not energy indirect emissions, but from other companies' ownership or control).

Note 2: The scope of direct emissions and indirect emissions of energy shall be handled in accordance with the schedule specified in Article 10, Paragraph 2 of this Code. Other indirect emissions information may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standards: Greenhouse gas inventory protocol (Greenhouse Gas Protocol) or ISO 14064-1 issued by the International Standards Organization (ISO).

Note 4: The intensity of greenhouse gas emission can be calculated based on the unit of product/services or sales volume, but at least the sales volume (in NTD million) should be stated.

1-1-2 Greenhouse Gas Assurance Information

Describe the assurance status in the last two years up to the date of publication of the annual report, including the scope of assurance, the assurance organization, the assurance standards and the assurance opinions.

Scope: The Company's geographical boundary includes: No. 269, Building A, Baodong Road, Pitou Village, Guanmiao District, Tainan City; No. 269-10, Building A; No. 269-1, Building A; and No. 269-6. This excludes the Taipei and Taichung branch offices.
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Assurance Institution: BSI (British Standards Institution Group Private Limited, Taiwan Branch)

Note 1: The Company shall comply with the order of Paragraph 2 of Article 10 of the Guidelines for the regular schedule. If the Company fails to obtain a complete greenhouse gas assurance opinion before the publication date of the annual report, it shall be specified that "the complete assurance information will be disclosed in the sustainable report." If the Company does not prepare a sustainable report, it shall be specified that "the complete assurance information will be disclosed on the MOPS," and the complete assurance information will be disclosed in the next year's annual report.

Note 2: The assurance institution shall comply with the regulations of Taiwan Stock Exchange Corporation and Taipei Exchange regarding the preparation of assurance reports.

Note 3: For the disclosed content, refer to the best practice reference example available on the website of the corporate governance center of Taiwan Stock Exchange.

1-2 Greenhouse gas reduction goals, strategies and concrete action plans

Describe the baseline year for greenhouse gas reduction, the number of years, the reduction target, the strategy, and the achievement of reduction target.
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The estimated carbon reduction in 2024 is 172 tons of CO ₂ e, and the estimated carbon reduction in 2025 is 2,460 tons of CO ₂ e.

Note 1: The order of the items shall be handled in accordance with the schedule specified in Paragraph 2, Article 10 of this Standard.

Note 2: The base year shall be the year when the consolidated financial statements are completed. For example, according to the order of Paragraph 2, Article 10 of the Guidelines, companies with a capital of more than NT\$10 billion shall complete the 2024 consolidated financial statements by 2025. Therefore, the base year is 2024. If the company has completed the 2024 consolidated financial statements in advance, the earlier year shall be the base year. In addition, the data of the base year can be calculated based on the average value of a single year or several years.

Note 3: For the disclosed content, refer to the best practice reference example available on the website of the corporate governance center of Taiwan Stock Exchange.

(VII) Fulfillment of Ethical Corporate Governance, the Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and Reasons Thereof:

Evaluation item	Operational status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Brief Description	
<p>I. Establishment of Ethical Corporate Management Policy and Proposal</p> <p>(I) Does the Board of Directors of the Company stipulate and approve ethical management policies and clearly state the policies and methods of ethical management in the regulations and external documents, and does the Board of Directors and high level executives actively implement the business policies to fulfill its commitment to them?</p>	V		The Company clearly defines its corporate culture as: integrity, harmony, innovation, rapidness, pragmatism, and simplicity. The “Ethical Corporate Management Best Practice Principles” are in place and are being proactively enforced; they are released on the corporate website, too.	The Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.
<p>(II) Has the Company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”?</p>		V	The Company is yet to define an evaluation mechanism for the risk of unethical behavior. There are, however, related regulations in the work rules and respective management guidelines and requirements to be followed on ethical corporate management which are communicated periodically, including related educational trainings to be held from time to time for the Company's employees and suppliers and it is expected to revise the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”.	The Company has not yet established an assessment mechanism for the risk of unethical conduct, or a clearly defined operating procedure, code of conduct, punishment for non-compliance, and a complaint system.

Evaluation item	Operational status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Brief Description	
(III) Has the Company specified the operating procedures, behavioral guide, punishment for violators, and the disciplinary and complaint-filing system in case of violation in the proposal to prevent against unethical behaviors, and enforced them, and periodically reflected upon and amended the foregoing solution?		V	It is expected to revise the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and define the operating procedure, behavioral guide, disciplines for violators, and complaint-filing systems and reflections and modifications will take place periodically.	The Company has not yet established an assessment mechanism for the risk of unethical conduct, or a clearly defined operating procedure, code of conduct, punishment for non-compliance, and a complaint system.
II. Consolidation of Ethical Corporate Management (I) Does the Company evaluate business parties’ ethical records and include ethics-related clauses in contracts entered into with the partners?	V		For new suppliers and customers, the Company conducts credit checks or on-site visits to understand their background and avoid transactions with those who have records of dishonest behavior. Additionally, the "Procurement and Supply Contract" explicitly includes clauses on integrity behavior.	Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.
(II) Has the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation and supervision of the ethical corporate management policies and prevention programs against unethical conduct?		V	The Company is yet to set up a devoted unit for the promotion of ethical corporate management; instead, respective units enforce ethical corporate management as needed for operational purpose and the audit department conducts various audits from time to time and reports to the Board of Directors the implementation status.	The Company is yet to have an exclusive unit to help promote ethical corporate management.
(III) Has the Company established policies to prevent	V		The Company has the Partnership Association, which	Ethical Corporate

Evaluation item	Operational status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Brief Description	
against conflicts of interest, provided appropriate channels for filing related complaints and implemented the policies accordingly?			meets and provides educational trainings periodically as well as proper means for stating opinions.	Management Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.
(IV) To implement relevant policies on ethical conducts, has the Company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPAs periodically?	V		In order to consolidate ethical corporate management, the Company has defined its accounting system, internal control system, and related guidelines. Auditors prepare the annual audit plan reflective of risk assessments and periodically enforce reviews of the accounting system and the internal control system and bring it forth to the Board of Directors.	Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.
(V) Does the company provide internal and external ethical conduct training programs on a regular basis?	V		The Company promotes the concept of ethical management at KPI meetings from time to time, and assigns supervisors to participate in external training.	Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.
III. Whistle-blowing System of the Company (I) Does the Company have substantial reporting and incentive systems in place, provide convenient reporting channels, and assign appropriate specialists investigate reported matters?	V		The channel for reporting and the unit for addressing complaints about violations of requirements about ethical corporate management at the Company is the Audit Department. Disciplines are imposed in compliance with work rules and applicable guidelines. Severe circumstances, if any, on the other	Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.

Evaluation item	Operational status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Brief Description	
			hand, are turned into the police and prosecution unit for investigation.	
(II) Has the Company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?		V	The Company is yet to define a standard operating procedure and related confidentiality mechanisms for handling reported matters.	The Company has not yet established any investigation standard operating procedures for accepting whistle-blowing and related confidentiality mechanisms.
(III) Does the Company assure employees who reported on malpractices that they will not be improperly treated for making such reports?	V		The Company keeps the status and contents reported of the whistleblower confidential and takes measures to protect whistleblowers against any unfair treatment because of whistleblowing.	Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.
IV. Reinforced Information Disclosure Has the Company disclosed information regarding its ethical corporate management principles and implementation status on its website and the MOPS?	V		The Company discloses information such as corporate vision and corporate culture, among others, and details about the Ethical Corporate Management Best Practice Principles on its website.	Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.
V. If the company has its own ethical corporate management principles established according to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe the differences between its implementation and the defined principles: No significant differences were found.				

Evaluation item	Operational status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Brief Description	
六、 Other important information that facilitates the understanding of the implementation of ethical corporate management (such as review and amendment of the Company’s Ethical Corporate Management Best Practice Principles): The Company's ethical management practices are disclosed through the Cooperative Association, FCS TODAY newsletter, and the Company's official website.				

(VIII) Other important information that is sufficient to boost knowledge of corporate governance may also be disclosed: Not applicable.

(IX) Implementation of Internal Control System:

1. Internal Control System Declaration

Public Companies Internal Control System Declaration

Both the design and implementation are valid.

(This Declaration is applicable when all regulatory requirements that are followed are fully declared as required by law.)

Fu Chun Shin Machinery Manufacture Co., Ltd.
Internal Control System Declaration

Date: March 11, 2025

For the Company's internal control system of 2024, it is hereby declared as follows according to self-assessment findings:

- I. The Company knows that establishing, enforcing, and maintaining an internal control system is the responsibility of the Company's Board of Directors and managers and has such a system in place already. It is meant to reasonably ensure fulfillment of the operational efficacy and efficiency (including profits, performance, and protection of asset security), reporting reliability, timeliness, transparency, and compliance with applicable regulations and laws and regulatory requirements, among other goals.
- II. The internal control system has its inherited restrictions that cannot be overcome with improved design. An effective internal control system can also only reasonably ensure the fulfillment of the three goals stated above and its effectiveness may change as the environment or situation changes. There is a self-surveillance mechanism, however, built inside the internal control system of the Company that helps the Company take a corrective action against deficiencies confirmed.
- III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the items in "Governing Regulations for Public Company's Establishment of Internal Control System" (hereinafter called "Governing Regulations") that are related to the effectiveness of internal control systems. The items adopted in the Governing Regulations for determining the internal control system are the five constitutional elements of the internal control system divided according to the management and control process: 1. control environment, 2. risk assessment, 3. control process, 4. information and communication, and 5. supervision. Each element further encompasses several items. For the above-mentioned items, refer to the requirements in the "Governing Regulations".
- IV. The Company has already adopted the aforesaid items to evaluate the effectiveness in the design and implementation of its internal control system.
- V. Based on the results of the determination in the preceding paragraph, the Company is of the opinion that, as of December 31, 2024 ^{Note 2} the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing goals.
- VI. This declaration constitutes a major part of the Company's Annual Report and the Company's Prospectus that are made available to the public. In case of falsification or concealment, among other illegal conditions, with the above-mentioned released contents, liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act will be sought.
- VII. This Declaration was approved at the meeting of the Company's Board of Directors on March 11, 2025 with no directors expressing dissent out of the 13 Directors in attendance.

Fu Chun Shin Machinery Manufacture Co., Ltd.

Chairman: Po-Hsun Wang, Signature

General Manager: Alan Wang, Signature

Note 1: For the design and implementation of the internal control system of a public offering company, in cases of major deficiencies throughout the year, clarifications shall be added after Item IV of the Internal Control System Declaration, with major deficiencies discovered during self-assessments listed and explained and the corrective action and improvement required prior to the Balance Sheet date.

Note 2: The date of declaration is the “end date of a fiscal year”.

2. If review of the internal audit system is outsourced to CPAs as an exception, the CPA Review Report shall be disclosed: None.

(X) Important resolutions of the shareholders' meeting and the board of directors in the most recent year and up to the date of publication of the annual report:

1. Resolutions of the 2024 annual shareholders' meeting:

In 2024 and as of the printing date of this annual report, a total of one General Shareholders' Meeting was convened. The 2024 annual General Shareholders' Meeting of the Company was held on June 18, 2024. The resolutions passed during the meeting are summarized as follows:

(1) Ratification of 2023 Business Report and Financial Statements.

(2) Ratification of 2023 earnings distribution proposal.

2. Decisions made during the 2024 General Shareholders' Meeting and their implementation:

(1) The Board of Directors proposed the ratification of 2023 Business Report and Financial Statements.

Implementation status: Related statements and reports have been filed for reference and announced and declared with the competent authority as required by applicable laws and regulations such as the Company Act.

(2) Proposed by the Board of Directors Proposal for the distribution of earnings in 2023.

Implementation status: Cash dividends of NT\$0.15 per share will be distributed. The Board of Directors is authorized to determine the total amount of cash dividends to be distributed in accordance with the current earnings distribution proposal, and to adjust the dividend payout ratio to shareholders based on the actual number of outstanding shares on the record date.

(3) Amendments to certain provisions of the "Rules and Procedures of Shareholders' Meeting".

Implementation status: After the approval of the shareholders' meeting, the revised version will be uploaded to the MOPS as required.

3. Resolutions of the Board of Directors meetings in 2024 and up to the date of publication of the annual report:

In 2024 and up to the publication date of this annual report, a total of 7 board meetings were held. Important resolutions of the meetings are summarized as follows:

The 11th session of the 12th Board of Directors: (March 15, 2024)

- (1) Approved the review of the Company's 2023 parent company-only financial statements and consolidated financial statements.
- (2) Approval of the required financing facilities to be applied for with financial institutions for the working capital of the Company.
- (3) Approval of the proposal for the Company's subsidiary, Dongguan Fu Chun Shin Plastic Machinery Manufacture Co., Ltd., to apply for a loan facility from a bank, with the endorsement and guarantee provided by Taiwan FCS.
- (4) Approved the proposal of the Company's subsidiary, FCSC India, to apply for a loan facility from a bank and have it endorsed by the head office in Taiwan.
- (5) Approved the ratification of the Company's acquisition and disposal of stocks for short-term investments
- (6) Approval of the accounts receivable, other receivables, advancement payments, and refundable deposits, among other entries, as of December 31, 2023 of the Company; there are no disguised capital financing.
- (7) Approval of the Company's 2023 Earnings Distribution and Business Report.
- (8) Approved the distribution method by which the Remuneration Committee to distribute the remuneration to employees and directors in 2023.
- (9) Approval of the proposal of "Evaluation of the Effectiveness of the Internal Control System" and "Statement of Internal Control System" in 2023.
- (10) Approval of the intended determination of the date, time, venue, and contents of the 2024 General Shareholders' Meeting called for by the Company and exercise of the voting right electronically.
- (11) Approved the change of the Company's corporate governance officer.
- (12) Approval of the public expenditure on 2024 audit certification to EY Taiwan.
- (13) Approval of the independence and suitability evaluation of CPAs for 2023.
- (14) Approval of the independence and suitability evaluation of CPAs for 2024.
- (15) Approved the motion to amend the Company's "Guidelines for the Review of Advance Approvals for Non-Validation Services".

- (16) Approved the motion for the ratification of the Company's acquisition of the equity of FCS RG PLASTIC PTE. LTD.

The 12th session of the 12th Board of Directors: (March 29, 2024)

- (1) Approved the repurchase of the Company's shares for transfer to employees.

The 13th session of the 12th Board of Directors: (May 13, 2024)

- (1) Approval of the motion for the Company's consolidated financial statements for the first quarter of 2024.
- (2) Approval of the required financing facilities to be applied for with financial institutions for the working capital of the Company.
- (3) Approval of the proposal for the Company's subsidiary, FCS RG PLASTIC PTE., LTD, to apply for a loan facility from a bank, with the endorsement and guarantee provided by Taiwan FCS.
- (4) Approval of the proposal for the Company's subsidiary, BVI FCS, to apply for a loan facility from a bank, with the endorsement and guarantee provided by Taiwan FCS.
- (5) Approval of the ratification of the Company's acquisition and disposal of stocks for short-term investments
- (6) Approval of the accounts receivable, other receivables, advancement payments, and refundable deposits, among other entries, as of March 31, 2024 of the Company; there are no disguised capital financing.

The 14th session of the 12th Board of Directors: (August 9, 2024)

- (1) Approval of the Company's consolidated financial statements for the second quarter of 2024.
- (2) Approval of the required financing facilities to be applied for with financial institutions for the working capital of the Company.
- (3) Approval of the proposal for the Company's subsidiary, FCS RG PLASTIC PTE., LTD, to apply for a loan facility from a bank, with the endorsement and guarantee provided by Taiwan FCS.
- (4) Approval of the intended application for the financing limits with the bank by the Company's subsidiary BVI FCS and the endorsement/guarantee provided by Taiwan FCS.
- (5) Approved the ratification of the Company's acquisition and disposal of stocks for short-term investments
- (6) Approval of the accounts receivable, other receivables, advancement payments, and refundable deposits, among other entries, as of June 30, 2024 of the Company; there are no disguised capital financing.

- (7) Approval of the proposed ex-dividend date base date set by the Company.
- (8) Approved the revision of the "Rules of Financial and Business Transactions Between Related Parties," the "Procedures for Handling Material Information and Preventing Insider Trading," and the "Rules of Procedure for Board of Directors Meetings."
- (9) Approved the proposal for the Company's subsidiary, BVI Fu Chun Shin, to reinvest the dividend received from Ningbo Fu Chun Shin into the new plant project in Hangzhou Bay New Area.
- (10) Approval of the first transfer of treasury shares repurchased in the sixth buyback program in 2024 to employees.

The 15th session of the 12th Board of Directors: (November 8, 2024)

- (1) Approval of the motion for the Company's consolidated financial statements for the third quarter of 2024.
- (2) Approval of the required financing facilities to be applied for with financial institutions for the working capital of the Company.
- (3) Approval of the establishment of record dates for conversion of unsecured convertible corporate bonds to common stock shares for the third time domestically and for the issuance of new shares upon capital increase.
- (4) Approved the ratification of the Company's acquisition and disposal of stocks for short-term investments
- (5) Approved the annual lending limit of funds to subsidiaries by the Company.
- (6) Approval of the accounts receivable, other receivables, advancement payments, and refundable deposits, among other entries, as of September 30, 2024 of the Company; confirming that there are no instances of disguised financing.
- (7) Approval of the 2025 Audit Plan.
- (8) Approved the establishment of the "Regulations Governing the Management of Sustainable Information
- (9) Approval of the proposal to not distribute cash dividends for the first half of 2024.
- (10) Approval of the 2025 Board of Directors meeting agenda.

The 16th session of the 12th Board of Directors: (December 20, 2024)

- (1) Approval of 2025 annual target-setting and strategies report.

- (2)Approval of the required financing facilities to be applied for with financial institutions for the working capital of the Company.
- (3)Approved the cancellation of the financing endorsement/guarantee provided by Taiwan FCS to Mega International Commercial Bank for BVI FCS.
- (4)Approved the ratification of the Company's acquisition and disposal of stocks for short-term investments
- (5)Approved the 2024 year-end bonus proposal submitted by the Compensation and Remuneration Committee.
- (6)Approved the establishment plan for Fu Chun Shin (Brazil) Branch.

The 17th session of the 12th Board of Directors: (March 11, 2025)

- (1)Approved the review of the Company's 2024 parent company-only financial statements and consolidated financial statements.
- (2)Approved the motion to amend the Company's 2019 syndicated loan contract.
- (3)Approved the proposal of the Company's subsidiary, FCSC India, to apply for a loan facility from a bank and have it endorsed by the head office in Taiwan.
- (4)Approval of the record dates for conversion of unsecured convertible corporate bonds to common stock shares for the third time domestically and for the issuance of new shares upon capital increase.
- (5)Approved the ratification of the Company's acquisition and disposal of stocks for short-term investments
- (6)Approval of the accounts receivable, other receivables, advancement payments, and refundable deposits, among other entries, as of December 31, 2024 of the Company; there are no disguised capital financing.
- (7)Approval of the Company's 2024 Earnings Distribution and Business Report.
- (8)Approved the distribution of cash dividends from capital reserve.
- (9)Approved the distribution method by which the Remuneration Committee to distribute the remuneration to employees and directors in 2024.
- (10)Approval of the proposal of "Evaluation of the Effectiveness of the Internal Control System" and "Statement of Internal Control System" in 2024.
- (11)Approved the re-election of directors (including independent directors).
- (12)Approved the removal of non-competition restriction on the Company's

newly elected directors.

(13) Approved the convening of the 2025 general shareholders' meeting and accepting shareholder proposals.

(14) Approved the list of candidates for the nomination of the Board of Directors (including independent directors)

(15) Approval of the public expenditure on 2025 audit certification to EY Taiwan.

(16) Approval of the independence and suitability evaluation of CPAs for 2024.

(17) Approval of the independence and suitability evaluation of CPAs for 2025.

(18) Approved the process and general policy of non-assurance service prior to the agreement of the non-assurance service list of Ernst & Young Global Limited and its affiliates.

(19) Approved the amendment to the "Articles of Incorporation" of the Company.

(XI) In the most recent year and during the current year up to the date of publication of the annual report, if the directors have expressed dissenting opinions with respect to important resolutions passed by the board of directors, and said dissenting opinions have been recorded or prepared as a written declaration, the main content thereof:

The 16th session of the 12th Board of Directors: (December 20, 2024)

Proposal Content: Approval of the establishment of the FCS Brazil Branch Office.

Summary of the speech:

Summary of the speech:

Chung-Hui Huang: The organizational setup in Brazil needs to be clearly defined—for example, how many personnel are needed, who they are, personnel costs, office expenses, promotional expenses, and expenses for handling potential overdue accounts receivable after sales. These must be carefully calculated; otherwise, the proposed capital of USD 300,000 may be insufficient.

Wen-Pin Tsai: I respect the professional opinions and agree with Independent Director Chung-Hui Huang's comments—costs and future expenditures must be carefully assessed.

Tsung-Cheng Wu: The projected income statement spans too long a period, and the forecasted figures still require confirmation.

CEO: The Company already has some foundation in the Brazilian market. The projected income statement is based on historical business data and experience in Brazil, and it is considered feasible. The supporting working papers for rent, personnel expenses, etc., will be provided to the directors after the meeting.

Chairman: The currency of the transaction unit must be evaluated; exchange rate fluctuations should be considered. The selection of the General Manager and CFO is also critical. Please supplement the materials with additional data on future capital requirements.

Resolution: The proposal was unanimously approved by all directors present at the meeting. The proposing unit is requested to provide more detailed projected financial information after the meeting.

Implementation: The supplementary materials for the Brazil investment project were sent to the directors by email on February 6.

III. Public Expenditure on Attesting CPAs:

Currency: NT\$ thousand

Name of Accounting Firm	Name of CPA	Duration of audit	Audit expenditure	Non-audit expenditure (I)	Total	Remarks
EY Taiwan	Fang-Wen Lee	2024	2,252	920	3,172	
	Mink Hu					

(I) Non-audit fees are mainly NT\$745 thousand for tax certification (including transfer pricing report), NT\$121 thousand for business registration services, and NT\$54 thousand for audit travel expenses.

(II) When the accounting firm is changed and the audit public expenditure in the year of replacement is reduced compared to that in the preceding year, the amount, ratio, and cause of the reduction in audit public expenditure: This did not happen.

(III) When the audit public expenditure is reduced by more than 10% from the preceding year, the value reduced, the ratio, and the cause shall be disclosed: None.

IV. Information on Replacement of CPAs: None.

V. Chairman, General Manager, Financial or Accounting Affairs Manager who has served in the firm that the CPAs belong or any of its Affiliates in the most recent year: None.

VI. Conditions of share transfer and changes in equity pledges from directors, supervisors, managers, and shareholders who hold more than 10% of shares, in past years and as of the date of publication of the Annual Report:

1. Changes in shareholdings of directors, managers and major shareholders

Unit: Share

Title	Name	2024		As of April 22, 2025	
		Increase/Decrease in the number of shares held	Increase/Decrease in the number of shares pledged	Increase/Decrease in the number of shares held	Increase/Decrease in the number of shares pledged
Chairman and Group President	Po-Hsun Wang	53,000 (364,000)	0	0	0
Vice Chairman and Chairman and President of Ningbo Branch	Chun-Chieh Wang	43,000	0	0	0
Director and Group Vice President	Chia-Miao Chiu	53,000 (150,000)	0	0	0
Director and CEO	Alan Wang	38,000	0	0	0
Director	Feng Wei Investment Co., Ltd. Representative: Po-Feng Wang	0	0	0	0
Director	Hans Wang	62,000 (26,000)	0	0	0
Director	Tsung-Cheng Wu	0	0	0	0
Director	Suzhen Zhang	0	0	0	0
Director	Fei-Ju Chen	0	0	0	0
Independent director	Wen-Pin Tsai	0	0	0	0
Independent director	Ying-Fang Huang	0	0	0	0
Independent director	Chung Hui Huang	0	0	0	0
Independent director	Bo-Wen Kreng	0	0	0	0
Deputy General Manager	Jane Wang	23,000	0	0	0
Chief Operating Officer	Sheng-Tsung Tsai	0 (189,000)	0	0	0
General Manager of Ningbo Hangzhou Bay New Zone	Sam Kao	10,000 (58,000)	0	0	0
Headquarters Associate and Chief Corporate Governance Officer	Nichole Chang (concurrently served as Chief Corporate Governance Officer in 2024/3)	22,000 (4,530)	0	0	0
Associate and Deputy General Manager at the Ningbo Branch	Sally Gao	18,000	0	0	0
Assistant Vice President	Shu-Chuan Cheng	15,000	0	0	0

Title	Name	2024		As of April 22, 2025	
		Increase/Decrease in the number of shares held	Increase/Decrease in the number of shares pledged	Increase/Decrease in the number of shares held	Increase/Decrease in the number of shares pledged
Assistant Vice President	Tsung-Yen Lin	0	0	0	0
Head of Finance Department Head of Accounting Department	Chung-Ching Liu	6,000 (56,000)	0	0	0

2. The counterparts of transferred or pledged shares are related parties:

(1) Where the counterparty in the equity transfer is a related party:

Name	Reason for share transfer	Transaction date	Counterparty	The relationship between the counterparty and the Company's directors, supervisors, managers and shareholders holding more than 10% of the shares	Number of shares	Transaction price
Chia-Miao Chiu	Gift	2024.03.25	Chiu, Chih-Wen	Father and daughter	150,000	14.95

(2) The counterpart of the equity pledge is a related party: Not applicable.

VII. Shareholders ranked at top ten in terms of shareholding ratio, who are related to or the spouse of each other or are relatives within the second degree of kinship:

April 22, 2025

Unit: Share

Name (Note 1)	by the shareholder Shares held		Shares held by the spouse or any underage child		Shareholding under the title of a third party		The title or name and relationship among Top 10 shareholders who are related to or the spouse of each other, or relatives within the second degree of kinship (Note 3)		Remarks
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Name	Relation	
Po-Hsun Wang	11,718,766	7.01%	7,021,570	4.20%	—	—	Fu Chun Shin Machinery Manufacture Co., Ltd.	Chairman	
							Wang-Lee, Xiu-Xia Chun-Chieh Wang Alan Wang Suzhen Zhang	Husband and Wife Father-Son Father-Son Sister-in-law	
Wang-Lee, Xiu-Xia	7,021,570	4.20%	11,718,766	7.01%	—	—	Po-Hsun Wang Chun-Chieh Wang Alan Wang Suzhen Zhang	Husband and Wife Mother and Son Mother and Son Younger brother-in-law and his wife	
Chun-Chieh Wang	6,721,055	4.02%	1,804,017	1.08%	—	—	Fu Chun Shin Machinery Manufacture Co., Ltd.	Vice Chairman	
							Po-Hsun Wang Wang-Lee, Xiu-Xia Alan Wang	Father-Son Mother and Son Brothers	
Alan Wang	6,365,105	3.81%	1,445,983	0.86%	—	—	Fu Chun Shin Machinery Manufacture Co., Ltd.	CEO	

							Po-Hsun Wang Wang-Lee, Xiu-Xia Chun-Chieh Wang	Father-Son Mother and Son Brothers	
Suzhen Zhang	3,318,084	1.98%	20,000	0.01%	—	—	Feng Wei Investment Co., Ltd.	Person in charge	
							Po-Hsun Wang Wang-Lee, Xiu-Xia Ching-Yi Wang Ching-Wen Wang	Husband's brother Elder brother-in-law and his wife Mother and Daughter Mother and Daughter	
Feng Wei Investment Co., Ltd.	3,306,503	1.98%	—	—	—	—	—	—	
Corporate representative: Suzhen Zhang	Same as above.	Same as above.	Same as above.	Same as above.	—	—	Same as above.	Same as above.	
Ching-Yi Wang	2,196,558	1.31%	416,620	0.25%	—	—	Xinwei Investment Co., Ltd.	Person in charge	
							Suzhen Zhang Ching-Wen Wang	Mother and Daughter Sister	
SBL/PB investment account held in trust by Citibank	2,121,090	1.27%	—	—	—	—	—	—	
Xinwei Investment Co., Ltd.	2,071,523	1.24%	—	—	—	—	—	—	
Corporate representative: Ching-Yi Wang	Same as above.	Same as above.	Same as above.	Same as above.	—	—	Same as above.	Same as above.	
Ching-Wen Wang	2,008,722	1.20%	—	—	—	—	Suzhen Zhang Ching-Yi Wang	Mother and Daughter Sister	

Note 1: All Top 10 shareholders shall be listed. When a director is a corporation, the name of the corporate shareholder and its representative shall be listed, separately.

Note 2: The shareholding ratio calculated includes the shares held in one's own name, by the spouse or underage child, or in someone else's name.

Note 3: Shareholders listed in the foregoing include corporations and natural persons. Their relations with one another shall be disclosed as required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

VIIIIX. The number of shares held by the Company, the Company's directors, supervisors and managers as well as the businesses directly or indirectly controlled by the Company in the same one investment business, and the consolidated comprehensive shareholding ratio.

December 31, 2024

Unit: Thousand shares;%

Re-invested business (Note 1)	Investment made by the Company		Investment by the directors, supervisor, manager, and directly or indirectly controlled business		Comprehensive investment	
	Number of shares	Shareholdin g percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage
BVI FU CHUN SHIN CO., LTD.	17,985	100.00%	—	—	17,985	100.00%
SHING FUH TAI TECHNOLOGY CORP.	—	85.71%	—	14.29%	—	100.00%
JUNG SHEN TECHNOLOGY CO., LTD. (Note 9)	1,125	30.00%				
JUST NANOTECH CO., LTD.	450	45.00%	—	—	450	45.00%
Dongguan Fu Chun Shin Plastic Machinery Manufacture Co., Ltd. (Note 2)	—	100.00%	—	—	—	100.00%
Fu Chun Shin (Ningbo) Machinery Manufacture Co., Ltd. (Note 2)	—	90.50%	—	—	—	90.50%
Jin Pei Wang (Tianjin) Packaging Materials Co., Ltd. (Note 3)	—	52.84%	—	27.91%	—	80.75%
PT.FUCHUNSHIN TECHNOLOGY INDONESIA	—	92.00%	—	—	—	92.00%
PT. SHIN PREFORM PLASTIC	—	99.00%	—	1.00%	—	100.00%
FCS MACHINERY (THAILAND) CO.,LTD.	—	100.00%	—	—	—	100.00%
FCS RG PLASTIC PTE.LTD. (Note 7)	—	76.03%	—	0.72%	—	76.75%
PT.FCS RGP PLASTIC (Note 4)	—	100%	—	—	—	100%
FU CHUN SHIN (VIETNAM) COMPANY LIMITED	—	100.00%	—	—	—	100.00%
FCS MACHINERY(INDIA) PRIVATE LIMITED	—	99.99%	—	0.01%	—	100.00%
FCS MANUFACTURING (INDIA) PRIVATE LIMITED (Note 5)	—	99.99%	—	0.01%	—	100.00%
FCS PLASTIC MACHINERY (THAILAND) CO.,LTD. (Note 6)	—	100%	—	—	—	100.00%

Fu Chun Shin (Ningbo) Precision Technology Co., Ltd. (Note 2)	—	90.50%	—	—	—	90.50%
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Note 1: Re-invested business is the investment of the Company adopting the equity method.

Note 2: To invest in Mainland China companies through a company invested in and established in a third area (BVI FCS).

Note 3: Jin Pei Wang (Tianjin) is currently being liquidated.

Note 4: The subsidiary re-invested in 100% through the subsidiary FCS RG PLASTIC PTE LTD. by the Company.

Note 5: FCS PLASTIC MACHINERY(THAILAND) CO.,LTD. was established in June 2020; the holding ratio obtained was 100%.

Note 6: Subsidiary FU CHUN SHIN CO., LTD. (BVI) acquired 0.01% of the equity of CS MANUFACTURING (INDIA) PRIVATE LIMITED in May 2022, and the Group holds the entire equity in aggregate.

Note 7: On February 20, 2024, the Company subscribed to 854 thousand shares of FCS RG PLASTIC PTE. LTD. from other shareholders for SG\$133, thousand (NT\$3,099 thousand), and the subscription was ratified at the Board of Directors' meeting on March 15, 2024. The shareholding ratio changed to 76.03%, and the Group holds a total of 76.75% of the shares.

Note 8: The board of directors of the subsidiary, SHING FUH TAI TECHNOLOGY CORP., resolved to approve the investment in JUNG SHEN TECHNOLOGY CO., LTD. on November 10, 2022, and the establishment was completed in October 2022, with an investment amount of NT\$11,250 thousand. As a result, it held 30.00% of said company's shares.

Three. Fund-raising Status

I. Capital and Shares

(I) Source of share capital

The Company's total capital size is set to be NT\$5,000,000,000, consisting of 500,000,000 shares. As of now, the paid-in capital has been NT\$1,656,400,640 and the total number of shares is 165,640,064. The sources of the paid-in capital are as follows:

April 30, 2025

MM/YYYY	Issue price (NTD)	Approved share capital		Paid-in share capital		Remarks		
		Number of shares (thousand)	Amount (NTD Thousand)	Number of shares (thousand)	Amount (NTD Thousand)	Source of share capital	Using Assets other than cash to write off the stock value	Others
1991.07	10	12,000	120,000	12,000	120,000	Created in cash	None	None
1991.08	10	15,000	150,000	15,000	150,000	Capital increase in cash worth NT\$30,000 thousand	None	None
1994.09	10	16,500	165,000	16,500	165,000	Capital increase in cash worth NT\$15,000 thousand	None	None
1994.12	10	18,000	180,000	18,000	180,000	Capital increase in cash worth NT\$15,000 thousand	None	None
1997.07	10	25,100	251,000	25,100	251,000	Capital increase in cash worth NT\$45,000 thousand, capital reserve-transferred capital increase worth NT\$26,000 thousand (Note 1)	None	None
1998.04	30	30,000	300,000	30,000	300,000	Capital increase in cash worth NT\$49,000 thousand (Note 2)	None	None
1998.08	10	44,500	445,000	36,000	360,000	Earnings-transferred capital increase worth NT\$30,000 thousand, capital reserve-transferred capital increase worth NT\$30,000 thousand (Note 3)	None	None
1999.09	10	44,500	445,000	40,320	403,200	Earnings-transferred capital increase worth NT\$43,200 thousand (Note 4)	None	None
2000.01	22	44,500	445,000	44,500	445,000	Capital increase in cash worth NT\$41,800 thousand (Note 5)	None	None
2000.08	10	66,000	660,000	50,000	500,000	Earnings-transferred capital increase worth NT\$27,500 thousand, capital reserve-transferred capital increase worth 27,500 thousand (Note 6)	None	None
2003.07	10	66,000	660,000	53,000	530,000	Earnings-transferred capital increase worth NT\$30,000 thousand (Note 7)	None	None
2004.06	10	100,000	1,000,000	57,240	572,400	Earnings-transferred capital increase worth NT\$42,400 thousand (Note 8)	None	None
2004.10	10	100,000	1,000,000	60,042	600,416	Convertible corporate bonds-transferred capital increase worth NT\$28,016 thousand (Note 9)	None	None
2005.01	10	100,000	1,000,000	60,053	600,530	Convertible corporate bonds-transferred capital increase worth NT\$114 thousand (Note 10)	None	None
2005.12	6.50	100,000	1,000,000	68,053	680,530	Private placement of common stock shares for capital increase in cash worth NT\$80,000 thousand (Note 11)	None	None
2006.07	10	100,000	1,000,000	70,203	702,035	Convertible corporate bonds-transferred capital increase worth NT\$21,505 thousand (Note 12)	None	None
2006.10	10	100,000	1,000,000	71,218	712,183	Earnings-transferred capital increase worth NT\$3,383 thousand, capital reserve-transferred capital increase worth	None	None

MM/YYYY	Issue price (NTD)	Approved share capital		Paid-in share capital		Remarks		
		Number of shares (thousand)	Amount (NTD Thousand)	Number of shares (thousand)	Amount (NTD Thousand)	Source of share capital	Using Assets other than cash to write off the stock value	Others
						6,765 thousand (Note 13)		
2008.09	10	100,000	1,000,000	74,067	740,671	Earnings-transferred capital increase worth NT\$28,487 thousand (Note 14)	None	None
2009.09	10	100,000	1,000,000	77,750	777,504	Capital reserve-transferred capital increase worth NT\$36,833 thousand (Note 15)	None	None
2010.08	10	100,000	1,000,000	83,165	831,650	Capital reserve-transferred capital increase worth NT\$54,145 thousand (Note 16)	None	None
2011.09	16.5	150,000	1,500,000	99,665	996,650	Capital increase in cash worth NT\$165,000 thousand (Note 17)	None	None
2011.11	10	150,000	1,500,000	106,641	1,066,415	Capital reserve-transferred capital increase worth NT\$69,765 thousand (Note 18)	None	None
2012.08	10	150,000	1,500,000	111,974	1,119,736	Capital reserve-transferred capital increase worth NT\$53,321 thousand (Note 19)	None	None
2013.04	10	150,000	1,500,000	111,524	1,115,236	Write-off of treasury stock for capital reduction worth NT\$4,500 thousand (Note 20)	None	None
2013.08	10	150,000	1,500,000	114,869	1,148,693	Capital reserve-transferred capital increase worth NT\$33,457 thousand (Note 21)	None	None
2014.08	10	150,000	1,500,000	117,167	1,171,667	Capital reserve-transferred capital increase worth NT\$22,974 thousand (Note 22)	None	None
2015.10	10	150,000	1,500,000	119,510	1,195,100	Capital reserve-transferred capital increase worth NT\$23,433 thousand (Note 23)	None	None
2016.09	10	150,000	1,500,000	123,011	1,230,113	Earnings-transferred capital increase worth NT\$35,013 thousand (Note 24)	None	None
2017.06	10	150,000	1,500,000	123,385	1,233,855	Convertible corporate bonds-transferred capital increase worth NT\$3,742 thousand (Note 25)	None	None
2017.08	10	150,000	1,500,000	128,194	1,281,940	Earnings-transferred capital increase worth NT\$48,085 thousand (Note 26)	None	None
2017.12	10	150,000	1,500,000	129,437	1,294,370	Convertible corporate bonds-transferred capital increase worth NT\$12,430 thousand (Note 27)	None	None
2018.03	10	150,000	1,500,000	137,322	1,373,220	Convertible corporate bonds-transferred capital increase worth NT\$78,849 thousand (Note 28)	None	None
2018.06	10	150,000	1,500,000	142,322	1,423,219	Convertible corporate bonds-transferred capital increase worth NT\$49,999 thousand (Note 29)	None	None
2018.08	10	150,000	1,500,000	145,130	1,451,304	Earnings-transferred capital increase worth NT\$28,085 thousand (Note 30)	None	None
2018.08	10	150,000	1,500,000	145,956	1,459,560	Convertible corporate bonds-transferred capital increase worth NT\$8,256 thousand (Note 31)	None	None
2018.12	10	150,000	1,500,000	146,509	1,465,088	Convertible corporate bonds-transferred capital increase worth NT\$5,528 thousand (Note 32)	None	None
2019.03	10	150,000	1,500,000	146,696	1,466,964	Convertible corporate bonds-transferred capital increase worth NT\$1,876 thousand (Note 33)	None	None
2019.05	10	150,000	1,500,000	146,825	1,468,247	Convertible corporate bonds-transferred capital increase worth NT\$1,283 thousand (Note 34)	None	None
2019.08	10	180,000	1,800,000	147,042	1,470,419	Convertible corporate bonds-transferred	None	None

MM/YYYY	Issue price (NTD)	Approved share capital		Paid-in share capital		Remarks		
		Number of shares (thousand)	Amount (NTD Thousand)	Number of shares (thousand)	Amount (NTD Thousand)	Source of share capital	Using Assets other than cash to write off the stock value	Others
						capital increase worth NT\$2,172 thousand (Note 35)		
2019.12	10	180,000	1,800,000	147,567	1,475,665	Convertible corporate bonds-transferred capital increase worth NT\$5,247 thousand (Note 36)	None	None
2020.04	10	180,000	1,800,000	147,649	1,476,488	Convertible corporate bonds-transferred capital increase worth NT\$823 thousand (Note 37)	None	None
2020.06	10	180,000	1,800,000	148,709	1,487,085	Convertible corporate bonds-transferred capital increase worth NT\$10,597 thousand (Note 38)	None	None
2021.11	10	180,000	1,800,000	149,439	1,494,388	Earnings-transferred capital increase worth NT\$7,303 thousand (Note 39)	None	None
2022.06	10	500,000	5,000,000	149,439	1,494,388	Applied for an increase in the rated overall capital size (Note 40)	None	None
2022.09	10	500,000	5,000,000	152,408	1,524,078	Earnings-transferred capital increase NT\$29,690 thousand (Note 41)	None	None
2023.04	10	500,000	5,000,000	152,414	1,524,135	Convertible corporate bonds-transferred capital increase worth NT\$57 thousand (Note 42)	None	None
2023.10	10	500,000	5,000,000	156,986	1,569,859	Earnings-transferred capital increase NT\$45,724 thousand (Note 43)	None	None
2024.11	10	500,000	5,000,000	165,478	1,654,778	Convertible corporate bonds-transferred capital increase worth NT\$84,919 thousand (Note 44)	None	None
114.03	10	500,000	5,000,000	165,640	1,656,401	Convertible corporate bonds-transferred capital increase worth NT\$1,623 thousand (Note 45)	None	None

Note 1: Letter (1997) Tai-Cai-Zheng-(I) No. 52349 dated July 21, 1997

Note 3: Letter (1998) Tai-Cai-Zheng-(I) No. 67441 dated August 10, 1998

Note 5: Letter (2000) Tai-Cai-Zheng-(I) No. 113962 dated January 13, 2000

Note 7: Letter Tai-Cai-Zheng-(I) No. 0920133818 dated July 28, 2003.

Note 9: Letter Jing-Shou-Shang No. 09301196980 dated October 15, 2004

Note 11: Letter Jing-Shou-Shang No. 09401256260 dated December 13, 2005

Note 13: Letter Jing-Shou-Shang No. 09501229060 dated October 14, 2006

Note 15: Letter Jing-Shou-Shang No. 09801202730 dated September 4, 2009

Note 17: Letter Jing-Shou-Shang No. 1000129580 dated September 9, 2011

Note 19: Letter Jing-Shou-Shang No. 10101172850 dated August 22, 2012

Note 21: Letter Jing-Shou-Shang No. 10201171180 dated August 26, 2013

Note 23: Letter Jing-Shou-Shang No. 10401204320 dated October 6, 2015

Note 25: Letter Jing-Shou-Shang No. 10601069870 dated June 5, 2017

Note 27: Letter Jing-Shou-Shang No. 10601163330

Note 2: Letter (1998) Tai-Cai-Zheng-(I) No. 33128 dated April 20, 1998

Note 4: Letter (1999) Tai-Cai-Zheng-(I) No. 85014 dated September 28, 1999

Note 6: Letter (2000) Tai-Cai-Zheng-(I) No. 67511 dated August 4, 2000

Note 8: Letter Tai-Cai-Zheng-(I) No. 0930127630 dated June 18, 2004

Note 10: Letter Jing-Shou-Shang No. 09401009530 dated January 19, 2005

Note 12: Letter Jing-Shou-Shang No. 09501158200 dated July 26, 2006

Note 14: Letter Jing-Shou-Shang No. 09701236440 dated September 12, 2008

Note 16: Letter Jing-Shou-Shang No. 09901196880 dated August 30, 2010

Note 18: Letter Jing-Shou-Shang No. 10001254210 dated November 4, 2011

Note 20: Letter Jing-Shou-Shang No. 10201061510 dated April 3, 2013

Note 22: Letter Jing-Shou-Shang No. 10301194840 dated August 5, 2014

Note 24: Letter Jing-Shou-Shang No. 10501232550 dated September 30, 2016

Note 26: Letter Jing-Shou-Shang No. 10601110840 dated August 8, 2017

Note 28: Letter Jing-Shou-Shang No. 10701035190

dated December 6, 2017

Note 29: Letter Jing-Shou-Shang No. 10701062190 dated June 7, 2018

Note 31: Letter Jing-Shou-Shang No. 10701104120 dated August 28, 2018

Note 33: Letter Jing-Shou-Shang No. 10801034410 dated April 9, 2019

Note 35: Letter Jing-Shou-Shang No. 10801119670 dated August 28, 2019

Note 37: Letter Jing-Shou-Shang No. 10901062130 dated April 23, 2020

Note 39: Letter Jing-Shou-Shang No. 11001198430 dated November 2, 2021

Note 41: Letter Jing-Shou-Shang No. 11101174730 dated September 14, 2022

Note 43: Letter Jing-Shou-Shang No. 11230183680 dated October 2, 2023

Note 45: Letter Jing-Shou-Shang No. 11430041060 dated March 31, 2025

dated April 3, 2018

Note 30: Letter Jing-Shou-Shang No. 10701102740 dated August 17, 2018

Note 32: Letter Jing-Shou-Shang No. 10701147680 dated December 5, 2018

Note 34: Letter Jing-Shou-Shang No. 10801062070 dated May 28, 2019

Note 36: Letter Jing-Shou-Shang No. 10801174510 dated December 2, 2019

Note 38: Letter Jing-Shou-Shang No. 10901092440 dated June 4, 2020

Note 40: Letter Jing-Shou-Shang No. 11101096730 dated June 9, 2022

Note 42: Letter Jing-Shou-Shang No. 11230059910 dated April 19, 2023

Note 44: Letter Jing-Shou-Shang No. 113302086000 dated November 28, 2024

April 30, 2025

Unit: Share

April 30, 2025

Unit: Share

Type of share	Approved share capital					Remarks
	Shares already issued			Shares yet to be issued	Total	
	TPEx-listed	Yet to be TPEx-listed	Total			
Common stock	167,220,592	-	167,220,592	332,779,408	500,000,000	Note

- (II) List of major shareholders: If there are fewer than ten shareholders that hold at least 5% of the equity, the name, the number of shares held, and the holding ratio of Top 10 shareholders in terms of the equity ratio shall be disclosed.

List of Major Shareholders

April 22, 2025

Shares		
Name of major shareholder	Shares held (shares)	Holding ratio (%)
Po-Hsun Wang	11,718,766	7.01%
Wang-Lee, Xiu-Xia	7,021,570	4.20%
Chun-Chieh Wang	6,721,055	4.02%
Alan Wang	6,365,105	3.81%
Suzhen Zhang	3,318,084	1.98%
Feng Wei Investment Co., Ltd.	3,306,503	1.98%
Ching-Yi Wang	2,196,558	1.31%
SBL/PB investment account held in trust by Citibank	2,121,090	1.27%
Xinwei Investment Co., Ltd.	2,071,523	1.24%
Ching-Wen Wang	2,008,722	1.20%

(III) Dividend Policy and Implementation Status

1. The Company's dividend policy:

- (1) For the sake of growing corporate operations and to protect the rights of shareholders as investors, in the distribution of the Company's dividends, as is required by the Company Act, the Board of Directors is to take into consideration the profitability and future operational demand at the end of each year while preparing the Earnings Distribution Proposal and submitted it during the shareholders' meeting for a final decision prior to implementation. Distribution of the Company's dividends is done in three ways that may be combined, namely, earnings-transferred capital increase, capital reserve-transferred capital increase, and cash dividends. Depending on the future developments of the Company, for profits that may be increased as part of the required investment plan, on the other hand, it is done through earnings-transferred capital increase or capital reserve-transferred capital increase while distribution of cash dividends is adopted when capital expansion will impact the dividend level.
- (2) Distribution criteria and timing: If the Company has surplus earnings in the annual final settlement, it shall first legally pay all taxes and dues and cover the any accumulated losses, and then set aside 10% as legal surplus reserve, unless the amount of such legal surplus reserve has reached 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 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 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.

2. Implementation status:

(1) Dividend distribution over the years:

Unit: NTD/share

Year \ Item	Cash dividends	Free share assignment	
		Stock dividend with earnings	Stock dividend with capital reserve
1999	—	NT\$0.62	NT\$0.62
2000	NT\$0.50	—	—

Year \ Item	Cash dividends	Free share assignment	
		Stock dividend with earnings	Stock dividend with capital reserve
2001	NT\$0.30	—	—
2002	NT\$0.40	NT\$0.60	—
2003	NT\$0.40	NT\$0.80	—
2004	NT\$0.60	—	—
2005	NT\$0.05	NT\$0.05	NT\$0.10
2006	—	—	—
2007	NT\$0.1003239	NT\$0.40129601	—
2008	—	—	NT\$0.50
2009	—	—	NT\$0.70
2010	NT\$0.95872069	—	NT\$0.83888067
2011	NT\$0.5019392	—	NT\$0.5019392
2012	NT\$0.11	—	NT\$0.30
2013	NT\$0.20	—	NT\$0.20
2014	NT\$0.40	—	NT\$0.20
2015	NT\$0.10	NT\$0.30	—
2016	NT\$0.30	NT\$0.40	—
2017	NT\$0.30	NT\$0.40	—
2018	NT\$0.60	NT\$0.20	—
2019	NT\$0.50	—	—
2020	NT\$0.10	—	—
2021	NT\$0.05	NT\$0.05	—
2022	NT\$0.30	NT\$0.20	—
2023	NT\$0.30	NT\$0.30	—
2024	NT\$0.15	—	—
2025 (Note)	NT\$0.30	—	—

Note: The dividends distributed for 2024 are based on the decisions made during the Board of Directors meetings on March 11, 2025 and the intended distribution is as follows:

Among the undistributed retained earnings from 2024, NT\$24,582,910 is set aside to be the cash dividends at NT\$0.15 per share. From the capital surplus at the end of 2024, the Company plans to allocate NT\$24,582,910 for the distribution of cash dividends, with a dividend of NT\$0.15 per share. Upon approval by the 2025 Annual General Shareholders' Meeting, the Board of Directors is authorized to set the record date for the dividend distribution.

(2) Distribution of 2024 earnings intended to be proposed during the current

General Shareholders' Meeting:

2024 Earnings Distribution Table Unit: NTD

Summary	Amount	Remarks
I. Undistributed earnings at the beginning of the period	\$374,073,480	
II. Add: others	(14,103,513)	Note 1
III. Net income for this period	78,764,871	
IV. Provision of legal reserve (10%)	(6,466,136)	
V. Distributable earnings for this period	432,268,702	
VI. Distributable items:		
Shareholder bonus – cash dividend (NT\$0.15 per share)	(24,582,910)	Note 2
VII. Undistributed earnings at the end of the period	407,685,792	
Note:		
I. Including actuarial gains and losses on the defined benefit plan of NT\$984,465, changes in ownership interests in subsidiaries of NT\$-14,795,923, and transfer of treasury stock of NT\$-292,055.		
II. Earnings distribution will first be allocated from undistributed earnings prior to 2024 and 20223.		
III. As of February 28, 2025, the number of outstanding shares eligible for distribution is 163,886,064 shares (total issued shares of 165,640,064 minus 1,754,000 treasury shares).		
IV. The amount of cash dividend was truncated to the nearest dollar. Fractional amounts were summed up and stated into the Company's other revenue.		

- (IV) The influence of the stock dividend proposed at the shareholders' meeting on the Company's operating performance and earnings per share:

Unit: NTD Thousand, except EPS that is in NTD

Item		Year	2025 (estimated)
Paid-in capital, beginning			1,656,400
Stock or cash dividend for this year	Cash dividend per share (NT\$) (Note 1)		NT\$0.30
	Number of shares allotted per share for capitalization of earnings (Note 1)		—
	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		
Pro forma earnings per share and price-earnings ratio	Annual average return on investment (annual average earning yield)		Not applicable (Note 2)
	If the capitalization of earnings is replaced with payout of cash dividends	Imputed earnings per share (NT\$)	
		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 2024 stock dividend distribution is based on the earnings distribution proposal approved by the Board of Directors on March 11, 2025.

Note 2: The Company didn't release a 2025 financial forecast, but followed the letter (2002) Tai-Cai-Zheng (I) Zi-No. 002534 from the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan.

- (V) Remuneration to employees and directors:

1. Percentage or range of remuneration to employees and that to directors as stated in the Articles of Incorporation:

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 any cumulative losses. The annual profit mentioned in the preceding paragraph refers to the pre-tax profit before the

remuneration to employees and 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.

2. Accounting measures adopted in case of any difference between the basis for estimating the amount of remuneration to employees and that to directors, basis for calculating the number of shares included in the distribution of remuneration for employees, and the actual value distributed and their estimates of the current term:

The basis for estimating and allocating the amounts of the remuneration to employees and that to directors for 2024 took into consideration the fact that there were no accumulated deficits that needed to be offset for 2024. Therefore, the pre-tax profit of 2024 before the remuneration to employees and that to directors and the percentage defined in the Articles of Incorporation is adopted as the basis for the estimation and allocation. The operating cost or operating expenditure for the current year is recognized. Should there be differences between the actual amount distributed and the amount that had been estimated and approved through the shareholders' meeting, such differences are recognized as gains or losses in the current fiscal year.

3. Remuneration distribution approved by the Board of Directors:

- (1) Amount of remuneration to employees and that to directors assigned in cash or shares: In cases of differences from the estimated amounts for the year when the fees are recognized, the differences, causes, and how they are addressed shall be disclosed:

For the distribution of the remuneration to employees and that to directors for 2024 of the Company, it has been reviewed and approved during the 10th meeting of the 5th Remuneration Committee and was approved by the Board of Directors on March 11, 2025. The distribution proposal approved by the Board of Directors is as follows: The Company's profit for 2024 consists of NT\$113,533,320 (accumulated deficits, if any, in terms of the profit before tax before the remuneration to employees and that to directors are subtracted, need to be deducted first). The remuneration to employees at 6.14% or NT\$6,965,627 and that to directors at 2.05% or NT\$2,321,876 are set aside and to be completely distributed in cash.

The amount of remuneration to employees and directors approved by the Board of Directors is consistent with the estimated amount in the annual financial statements.

- (2) Ratio of employee bonus in shares to Net Profit After Tax in current individual financial statements and total employee bonus: Not applicable. No shares are assigned to be the remuneration to employees by the Company.

4. The actual distribution of remuneration to employees, directors, and

supervisors in the previous year (including the number of shares, amount, and price of the shares distributed), and any discrepancy between the actual distribution and the recognized remuneration to employees, directors, and supervisors, the reason for the discrepancy, and treatment of such discrepancy : Description of the actual distribution in 2023, as shown in the table below:

Unit: NTD

2023	Distribution approved by the Board of Directors	Distribution approved through the General Shareholders' Meeting	Actual distribution	Difference	Cause of difference and how it is processed
1. Cash remuneration to employees	2,720,249	2,720,249	2,720,249	0	—
2. Remuneration to Directors	940,087	940,087	940,087	0	—
Total	3,660,336	3,660,336	3,660,336	0	—

(VI) Buyback of the Company's shares:

1. Buyback of the Company's shares (completed)

April 30, 2025

No.	1st session	2nd session	3rd session	4th session	5th session	6th
Purpose of the buyback	Number of shares transferred to employees	Number of shares transferred to employees	To protect Company's credit and shareholder's equity	Number of shares transferred to employees	Number of shares transferred to employees	Number of shares transferred to employees
Buyback period	20050714 ~ 20050913	20080724 ~ 20080921	20120615 ~ 20120814	20150812 ~ 20151010	20181114 ~ 20190111	20240401 ~ 20240528
Buyback price range	NT\$8-12	NT\$8-15	NT\$12-23	NT\$10-16.85	NT\$10-17.30	NT\$13-21
Type and quantity of shares already bought back	400 common stock shares	400 common stock shares	450 common stock shares	3,198 common stock shares	3,440 common stock shares	2,949 common stock shares
Value of shares already bought back	NT\$4,276 thousand	NT\$3,562 thousand	NT\$6,982 thousand	NT\$37,394 thousand	NT\$42,781 thousand	49969
Ratio of the number of shares already bought back to the number of shares expected to be bought back (%)	100%	100%	22.50%	91.37%	98.29%	98.30%
Quantity of shares already written off and assigned	400 thousand shares	400 thousand shares	450 thousand shares	3,198 thousand shares	3,440 thousand shares	1,195 thousand shares
Cumulative	0 thousand	0 thousand	0 thousand	0 thousand	0 thousand	1,754 thousand

quantity of shares of the Company held	shares	shares	shares	shares	shares	shares
Ratio of the total number of shares in the Company to the total number of outstanding shares (%)	0%	0%	0%	0%	0%	1.05%

- Note: 1. First buyback of the Company's shares: All were assigned to employees on April 24, 2008.
2. Second buyback of the Company's shares: All were assigned to employees on August 30, 2010.
3. Third buyback of the Company's shares: All were assigned to employees on April 3, 2013.
4. Fourth buyback of the Company's shares: All were assigned to employees on August 14, 2018.
5. Fifth buyback of the Company's shares: All were assigned to employees on August 31, 2022.
6. Sixth buyback of the Company's shares: On August 9, 2024, the Board of Directors approved the first transfer of 1,195 thousand treasury shares to employees. The remaining untransferred balance is 1,754 thousand shares.

II. Corporate Bonds:

Corporate Bonds

Types of corporate bonds	First domestic secured common corporate bonds in 2020
Date of issue	2020/05/28
Par value	NT\$1,000,000
Location of Issuance and Transaction	Taipei Exchange
Issue price	Issued according to the par value
Total	NT\$360,000,000
Interest rate	Fixed annual rate of 0.63%
Deadline	5-Year Expiration date: 2025/05/28
Guarantee Institution	14 banks, including Mega International Commercial Bank
Trustee	Taiwan Shin Kong Commercial Bank
Underwriting institution	First Securities Inc.
Attesting attorney	Attorney Shu-Chen Chen of Hsieh, Chi & Hsieh Law Offices
CPA	EY Taiwan Jesse Huang, Fang-Wen Lee
Repayment method	Payback of the principal upon maturity at once
No principal repayment	NT\$360,000,000
Terms on redemption or early repayment	None
Restrictive terms	None
Name of the credit rating institution,	None

Types of corporate bonds		First domestic secured common corporate bonds in 2020
date of rating, and corporate bond rating outcome		
Other additional rights	Amounts of common stock shares, global depository receipts, or other securities already converted (swapped or subscribed to) as of the date when the Annual Report was printed	Not applicable
	Issue and conversion (swap or subscription) guidelines	None
Possible dilution of shareholding by the regulations and conditions of issuance, conversion, exchange or subscription and impact on existing shareholders' equity		None
Name of the depository for the swap target		None

Types of corporate bonds	Third unsecured convertible corporate bonds in the nation
Date of issue	08/24/2022
Par value	NT\$100,000
Location of Issuance and Transaction	Taipei Exchange
Issue price	Issued according to the par value
Total	NT\$500,000,000
Interest rate	0%
Deadline	3-Year Expiration date: 2025/08/24
Guarantee Institution	Not applicable
Trustee	Taipei Fubon Commercial Bank
Underwriting institution	President Securities Corporation
Attesting attorney	Attorney Lee Chi-Lu at Handom Attorneys at Law.
CPA	EY Taiwan Dick Hung, Fang-Wen Lee
Repayment method	Within 10 business days upon expiration of convertible corporate bonds, repayment is to take place at once in cash at par value.
No principal repayment	NT\$328,600,000 (As of April 30, 2025)
Terms on redemption or early	Refer to the guidelines for the issuance

Types of corporate bonds		Third unsecured convertible corporate bonds in the nation
repayment		and conversion of the unsecured convertible corporate bonds for the third time in the nation
Restrictive terms		None
Name of the credit rating institution, date of rating, and corporate bond rating outcome		None
Other additional rights	Amounts of common stock shares, global depository receipts, or other securities already converted (swapped or subscribed to) as of the date when the Annual Report was printed	NT\$171,400 thousand (As of April 30, 2025)
	Issue and conversion (swap or subscription) guidelines	Refer to the guidelines for the issuance and conversion of the unsecured convertible corporate bonds for the third time in the nation
Possible dilution of shareholding by the regulations and conditions of issuance, conversion, exchange or subscription and impact on existing shareholders' equity		The calculations are based on the issuance and conversion price of NT\$16.64 of unsecured convertible corporate bonds in the nation for the third time. The ratio of additional shares after total conversion to the current paid-in capital size is 11.92%.
Name of the depository for the swap target		None

Profile of convertible corporate bonds

Types of corporate bonds (Note 1)		Third domestic unsecured convertible corporate bonds			
Year - Item		2022	2023	113 years	As of April 30, 2025
Market price of convertible corporate bonds (Note 2)	Maximum	NT\$110	NT\$111	136.25	110.00
	Minimum	NT\$99.2	NT\$98.45	101.05	98.05
	Average	NT\$105.51	NT\$104.50	116.88	104.99
Conversion price		NT\$17.59	NT\$16.76	NT\$16.64	NT\$16.64
Date of issue and conversion price at time of issue		08/24/2022 NT\$18.25	08/24/2022 NT\$18.25	08/24/2022 NT\$18.25	08/24/2022 NT\$18.25

Fulfillment of conversion obligations (Note 3)	Issuance of new shares, with NT\$100 thousand already converted	No conversion	Issuance of new shares, with NT\$145,100 thousand already converted	Issuance of new shares, with NT\$171,400 thousand already converted
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Note 1: The number of fields may be adjusted reflective of the actual number of occurrences.

Note 2: In the event that overseas corporate bonds are transacted in multiple locations, they are to be listed by the trading location separately.

Note 3: The shares already issued or new shares issued that are delivered.

Note 4: Annual data of the current year up to the date the Annual Report was printed shall be provided.

III. Preferred Stock: Not applicable.

IV. Global Depositary Receipt: Not applicable.

V. Employee Share Subscription Warrants: Not applicable.

VI. Restricted Stock Awards: Not applicable.

VII. M&A or Acceptance of Transferred Shares of Another Company for Issuance of New Shares: Not applicable.

VIII. Implementation of Capital Utilization Plan: Not applicable.

Four. Operational Overview

I. Scope of Operation

(I) Scope of Operation:

1. Main scope of operation:

The main business of the Company includes the planning of the smart injection production line, precision injection machine for automotive components, special for semiconductor equipment, injection machine, R&D and design of high rise sustainable materials forming, production and manufacturing, sales services.

2. Main scope of operation and the respective operational weights

Unit: NT\$ Thousand

Main product \ Year	2024	
	Net operating income	Operational weight
Plastics injection molding machine	4,237,635	93.56%
Cables	156,413	3.45%
Others	135,363	2.99%
Total	4,529,411	100.00%

3. Current products (services) of the Company:

(1) Plastic Injection Molding Machines – Single Injection:

- A.FA Series – New Generation High-Efficiency Energy-Saving Injection Molding Machine
- B.LM Series – Two-Platen Precision Injection Molding Machine
- C.LN Series – Two-Platen Precision Injection Molding Machine
- D.HT Series – Servo Energy-Saving Eco-Friendly Injection Molding Machine
- E.CT-e Series – All-Electric Injection Molding Machine
- F.HT-P Series – PET Preform Injection Molding Machine
- G.SA-h PET Series – Injection Molding Machine for PET Blood Collection Tubes
- H.SA-h Series – Thin-Wall Packaging Injection Molding Machine
- I.SA-p Series – Pail/Container Injection Molding Machine
- J.SA Series – External Toggle Injection Molding Machine
- K.HT-PVC Series – PVC Injection Molding Machine
- L.BMC Series – Injection Molding Machine for Bulk Molding Compound (BMC)
- M.HN-U Series – Thermoset Injection Molding Machine (for Bakelite)
- N.Gas-Assisted Injection Molding System

(2) Plastic Injection Molding Machines – Multi-Injection:

- A.HB-R Series – Large Horizontal Rotary Table Two-Color Injection Molding Machine
- B.GW-R Series – Two-Platen Multi-Component Injection Molding Machine

- C.FB-R Series – Large Rotary Two-Color Injection Molding Machine
- D.CT-R Series – All-Electric Two-Color Injection Molding Machine
- E.FB-T Series – Rotary Shaft Type Two-Color Injection Molding Machine
- F.FB-C Series – Core/Color Mixing Injection Molding Machine

(3) System Integration:

- A.In-Mold Labeling (IML) Production System
- B.Turnkey Beverage Packaging Solutions
- C.Gas-Assisted Injection Molding System
- D.MuCell Microcellular Foam Injection Molding
- E.Precision Injection Molds
- F.Turnkey Plant Planning Services

(4) Smart manufacturing:

- A.iMF 4.0 Intelligent ManuFactory System

(5) Machine repairs and service.

(6) Processing and trading of magnet wires.

(7) Processing and Trading of Light Guide Plates and Vehicle Lamps.

(8) Plastic pallets.

4. New products (services) planned to be developed by the Company

(1)Cost Optimization Project for FA Series.

(2)Development Project for Large SA Series Toggle Machines

(3)Fifth-Generation FB-R Two-Color Injection Machine Development Project

(4)Third-Generation SW Two-Platen Injection Machine Development Project

(5)Smart Function Development Project for Hydraulic Machines

(6)Cost Optimization and Prototype Testing Project for Ultra-Large Two-Color Machines

(7)Design Optimization Project for SA Series

(II)Industrial Overview

1. Current Status and Development of the Industry

Plastic and rubber machinery, generally speaking, is a collective term of plastic machinery and rubber machinery. Plastic machinery, in particular, can consist of the final product processing machinery and raw material manufacturing machinery. Product processing machinery includes the injection molding machine, the extrusion molding machine, the plastic leather machine, the blow molding machine, the foam molding, and secondary processing equipment, etc. Raw material manufacturing machinery includes the waste recycling equipment, the plastic powdering machine, the raw material test equipment, the plastic manufacturing equipment, and the raw material composite manufacturing equipment, etc. As is mentioned above, there are quite many types of plastic machinery. When measured by the amount of sales, however, plastic/rubber injection molding machines top the list, followed by extrusion molding machines, and blow molding machines. Plastic injection molding machines are regarded as one of the most effective methods for mass production, particularly suitable for industries that require standardized and

high-volume manufacturing. These machines are widely used across various sectors, including automotive parts, ICT/semiconductor electronics, medical devices, food containers, hardware, and household goods. Among these, the automotive, ICT/semiconductor, food packaging, and household product industries represent the largest share of applications.

The plastic/rubber machinery sector is the fundamental part of the supply chain in the manufacturing industry. Therefore, it is highly sensitive to economic fluctuations. It can also be an observatory indicator for the economy. The injection molding machine sector is directly and highly pegged to the demand in the downstream given its overall growth rate. There are a variety of customers in the downstream and automotive and universal consumer products account for a majority, however, to make it highly susceptible to the macroeconomic situation, such as economic changes, the political turmoil, and the fluctuating capital market around the world or in major economies, among others; that is, this sector sees relatively drastic volatilities.

The trends on the market for the injection molding machine sector are segmentation and “Industry 4.0” smart manufacture solutions, which are in favor of differential developments of machinery manufacturers and enhanced product values. Rapid growths are seen for electric vehicles. Light weight and maximized application of the plastic technology are future developments of the transportation device sector and it will drive up the demand for injection molding machines and related peripheral equipment. Digital transformation and Industry 4.0 have made smart manufacturing total solutions trends on the market. In the post-pandemic era, remote management transcending borders appears to be more important. Therefore, injection machine manufacturers need to be capable of integrating software and hardware.

The injection molding industry in China has continued to grow steadily in 2024. The output of injection molding machines has been the first in the world for more than a decade, and accounted for about 70% of the global output. The Company has a leading position in the global market. It is expected that the market scale of injection molding machines in China will reach US\$39.539 billion by 2030, and the annual growth rate from 2024 to 2030 will be 5.4%. In addition, with the advancement of technology and products, China's injection molding companies will further expand the high-end market, reducing the reliance on imported equipment. The rapid development of new energy vehicles and electronic products will drive the demand for high-precision and high-efficiency injection molding machines. The tightening of environmental protection regulations and the continued development of sustainable development will prompt enterprises to adopt energy-saving and environmentally friendly production equipment and processes. The acceleration of the smart manufacturing and automation technology application in the injection molding industry with the promotion of Industry 4.0 will improve production efficiency and product quality. Overall, China's injection molding industry is developing towards high-end, intelligent, and green, and is expected to play a more important role in the global market in the future.

The demand for injection molding machines in the automotive, packaging and medical care industries in the US continues to grow, which drives the overall market expansion. As the auto manufacturers are increasingly

concerned about the fuel efficiency and sustainability, the demand for light weight plastic components in the auto industry is increasing, with a growth rate of more than 40%. The medical industry's demand for high-precision plastic parts has also increased by 50%, including the application of injectors, diagnosis equipment and biodegradable materials. In addition, the world-renowned car manufacturers are planning to "manufacture in the U.S." The industry in China is limited by tariff issues, creating opportunities for Taiwanese injection machines to export to the U.S.

The European Union has set the carbon reduction target by 2030, which is expected to be a significant boost to the electric vehicle industry. The ban on fossil fuel vehicles in 2035 is expected to be a significant boost to the electric vehicle industry. The lighter the electric vehicles are, the better they are. This also promotes the transformation of materials, such as plastic, which can reduce the weight of components by 40%. In addition, the production stage can also reduce carbon emissions. It is certainly necessary to increase the demand for plastic injection machines in the auto industry.

India is one of the fastest growing nations in the world, with a population of 1.4 billion. It is also the world's largest production center for motorcycles, the second largest smart phone market, and the fifth largest passenger car market. The rapid development of the automotive, electrical, and communication industries has made India one of the fastest markets for the growth of plastic in the world. In addition, the government of India has been actively promoting the "Manufacturing in India" plan, improving the business environment and attracting overseas direct investment, to further promote the growth of the injection molding market.

The overall economic development in Taiwan in recent years, the rapid increase in investment and the booming development of the Southeast Asian market, coupled with the precision industrial drive from domestic electronic components, optical products and components, medical care and communication business, etc., the plastic industry has shown a stable upward development trend.

On the other hand, benefiting from fields of information and communication, semi-conductors, electric vehicles, smart manufacturing, the demand for smart machinery continues to increase. Coupled with the support of policies by government of various countries, it is expected that the global market of smart machinery will continue to expand. FCS will continue to strengthen the R&D capability of its Headquarters in Taiwan, quality assurance system, and flexible deployment of capacity, raise the competition barrier for peer companies through customization and service differentiation, and increase the market share in customized injection molding machines "smart integration" and "lightweight" features to maintain capacity utilization of each manufacturing base at a good level and take future operation to the next level.

Despite continued global economic challenges such as inflation, interest rate hikes, supply chain disruptions, and tariff wars, market demand remains fragmented and capital expenditure strategies across industries have been adjusted. Nevertheless, FCS has maintained revenue growth, particularly from customer industries such as ICT (semiconductors and information and communication technology), the sports industry, consumer goods, and

automotive components. The following factors are the main reasons for the further analysis of the growth momentum of the Company's operations:

- (1) Strategic market segmentation: FCS has proactively pursued deeper market segmentation, moving toward a high value-added, service-oriented manufacturing model. By focusing on advancing, refining, and specializing its products, FCS has achieved the highest market share in the transportation equipment sector for multi-component (multi-color) machines and large two-platen injection molding machines.
- (2) Global operational expansion: FCS continues to lead the industry by establishing multiple overseas self-operated sites, enhancing operational efficiency and deepening collaboration with global strategic partners.
- (3) Commitment to ESG and low-carbon transformation: Through initiatives such as smart energy-saving solutions, low-carbon equipment, and recycled material technologies, FCS is helping customers achieve low-carbon production while further strengthening its competitiveness in the field of sustainable development.

According to the latest report by international research firm Research Nester, the global plastic injection molding machine market exceeded USD 12.85 billion in 2024. The market is expected to grow at a compound annual growth rate (CAGR) of 4.6% from 2025, reaching USD 23.06 billion by 2037. The key drivers of this growth include increasing applications in the medical industry, the expansion of the automotive sector driven by lightweighting demands, and the rising importance of sustainability.

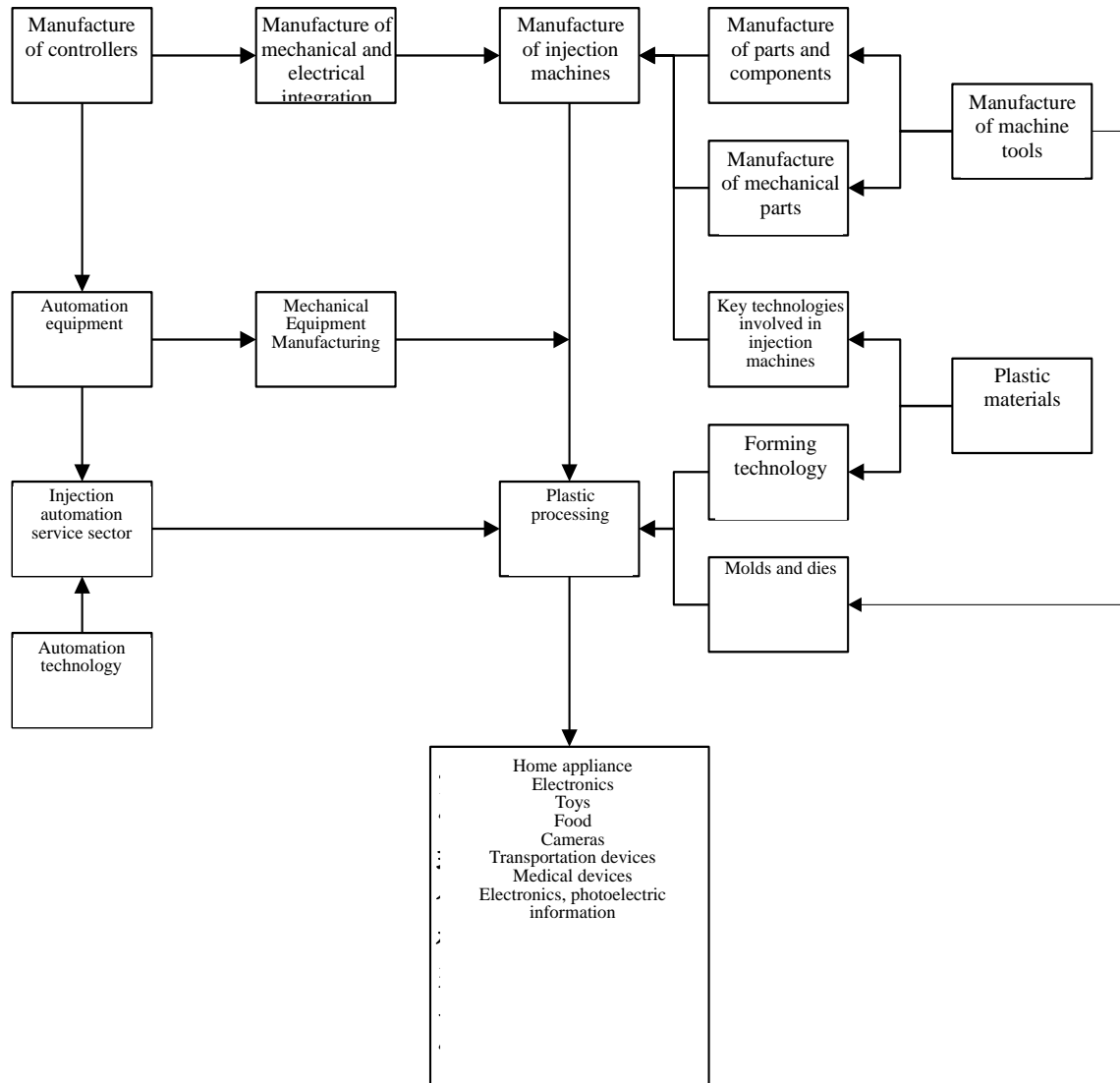
The ongoing shifts in the global trade landscape have prompted industries to move away from globalization, with “localization” and “regionalization” increasingly replacing traditional global production models. This transition is characterized by a shift from “long supply chains” to “short supply chains,” aiming to diversify and mitigate market risks. As supply chains are restructured, FCS is poised to benefit from expanded opportunities for business development.

Looking ahead, the injection molding industry is expected to evolve along three key axes: high efficiency and energy saving, intelligent connectivity, and sustainable manufacturing. To stay competitive, enterprises must accelerate their digital transformation and deepen technological capabilities in high value-added sectors such as electric vehicles and medical devices, while also expanding into emerging markets to reduce geopolitical risk. Moreover, cross-disciplinary collaboration with materials science will be crucial for driving innovation and achieving technological breakthroughs.

2. Correlation among Upstream, Mid-stream, and Downstream of the Industry

The correlation between the plastic injection machinery sector and its upstream and downstream is as follows:

Illustration of the correlation of plastic injection molding machine products



Source: Compiled by the ITIS project of the Mechanical and Mechatronics Systems Research Lab, ITRI

3. Respective developmental trends and competition of products

A. Various developmental trends of products

Over the past few years, injection molding machines have seen obvious developments in terms of their features and applications. The primary R&D new trends are clarified as follows:

- a. Popularity of electric motor models: Energy saving, low noise, high speed and stability make them suitable for clean rooms and precision molding, which have become the core technology competition of major international manufacturers.
- b. High-speed injection technology: High-speed (over 3000mm/sec) widely used in ultra-thin products such as mobile phone components, optical film. The injection speed of Taiwanese manufacturers has reached 2200mm/sec, and is continuing to move towards the technical integration of Japan and Germany.
- c. Micro precision injection: To meet the market demand for MEMS (micro electro mechanical system), sensors, micro parts, and medical products. Precision control and high reproducibility are the core competitiveness.
- d. Duplicating and multi-material molding: The technology of multiple colors, covering, and embedded parts is mature, which effectively improves the functions and aesthetic of products, and supports the multi-function automatic switching.
- e. Light weight forming: Introduce Mucell micro-blast forming (weight reduction/increase/strengthening/noise reduction/insulation), carbon fiber forming (enhancing the plastic), PC glazing (similar glass forming), and apply to electric vehicles and green packaging, to achieve the weight reduction of components by 20 - 40%, and with the advantages of noise reduction and insulation.
- f. Integration of automation in the whole factory: Customers tend to "turnkey integration solutions", including mold, drawing machine, cutting, stacking and other peripheral systems.
- g. Smart manufacturing and remote monitoring: Combining iMF4.0, sensors and cloud platforms, to achieve process control and quality analysis across factories, and to adjust parameters in a timely manner, and to identify and forecast AI yield.
- h. Injection extrusion and micro-hole foam: The technology of reducing stress and bending of optical and automotive parts, improving the molding efficiency, shortening the cycle, reducing weight, and strengthening the stability of the structure.
- i. AI quality monitoring: AI is combined with AI to realize the automatic identification of defective goods and data traceability, and the quality

control is gradually replaced by the predictive quality control.

- j. ESG and circular economy: The mainstream trend is the recycling and reusing of plastic to form the new products, in response to the carbon neutrality and green material policy. The European Union and the car makers have high requirements for light weight and low-carbon processes. The demand for composite plastic and renewable materials is increasing.
- k. Carbon Footprint Visualization and Product Life Cycle Management (LCM): In response to ESG regulations (such as the European Union CBAM) and customer requirements, enterprises must adopt the carbon emissions data of the molding process and the real-time recording and tracking system. The injection machine can return the energy and carbon emissions consumed by each injection to support the carbon footprint report and carbon label certification.
- l. Customized production and a small number of diversified corresponding models: To meet the needs of a small number of diversified applications, the injection molding machine model is developed towards modularization, fast molding and parameter automatic switching direction, which is widely used in the home appliance, medical and automotive interior market.

B. Product Competition

Plastic machinery around the world can be briefly divided into three major groups now by the quality and price range: Namely: high-priced models from Germany, Austria, and Japan are characterized by high precision, high reliability, production efficiency, and special functional design; products from China and other emerging countries are classified as a low-priced model; while those manufactured in Taiwan are categorized as mid-priced. Taiwan's plastic machinery industry continues to implement product transformation strategies, developing new models with various functions and industrial applications to comprehensively meet the needs of customers across different industries. These efforts have been well-received and recognized by the market. After many years of hard work, Taiwanese manufacturers have established a strong reputation for stable quality and competitive pricing. These factors are among the main reasons why Taiwan-made plastic machinery remains competitive and consistently achieves outstanding results in the global market.

It is worth noting the quick developments and emergence of plastic machinery over the past few years in Mainland China and in emerging countries. Despite the fact that the quality of the products is non-comparable to that of products made in Taiwan, their prices and

appearances are quite competitive. Manufacturers in Taiwan need to carefully monitor their developments over the long term. Ningbo Haitian Precision Machinery Co., Ltd. in Mainland China, for example, has become one of the largest injection machine manufacturers in Asia, exemplifying the rapid growth of many Chinese plastic machinery competitors. Even the developments in the Indian market warrant attention. In 2019, the Company established its fourth production plant in India, which not only meets the substantial domestic demand but also facilitates the expansion into the South Asian and East African markets. Without proactive countermeasures and operational strategies, manufacturers in Taiwan will suffer significant impacts over the long term. In addition, European and Japanese manufacturers are following one another to set up their R&D centers or production sites in Mainland China to hopefully bring down the cost and be closer to the end market, which is expected to further ignite the competitive situation in the plastic machinery sector.

The Company is committed to serving customers and staying attuned to market trends. In addition to enhancing the R&D capabilities and quality assurance systems at its Taiwan headquarters, the Company has also proactively established production facilities in China. It has invested in setting up factories in Dongguan (South China) and in Jiangbei, Ningbo, and Qianwan New Area (East China). Both the Dongguan Plant, the Ningbo Plant, and Qianwan New Area have been rendering impressive performances so far. The injection molding machines produced at these facilities are competitively priced against local Chinese brands, and their quality and performance have been highly acclaimed by both domestic and international customers. The adequate division of labor and integration strategies adopted by the three plants across the Taiwan Strait will signify the maximum competitive advantages of the Group while providing its enormous global customer base with instantaneous, sound, and satisfying service.

The greater remain great; it is a trend that is becoming more and more obvious in the plastic machinery market of China. By innovating jointly with users, the Company is gradually evolving from being a follower to being a leader in the industry. In the past, for example, all lenses were produced through the single-color injection machine that requires time to molding usually about 600 seconds. Now, with the dual-color or triple-color injection technology, the production cycle can be reduced by up to half. It is the unchanged insistence of the Company to take root on the multi-component dual-color market by providing customers with tailored equipment that helps add value to their products and their competitive advantages and the equipment suppliers benefit ultimately; it forms a

mutual complementary and mutually conducive benign loop.

In the future, “fully electric, large machines turning two-platen-oriented, and powered injection” will become the standard in the injection machine sector of Mainland China. Generally speaking, the “one power and multiple elites” situation has taken shape on the injection molding machine markets across the Taiwan Strait, that is, the powerful Haitian and the other competitors that are elites in the industry. FCS excels in the multi-component and dual-color injection molding sector, offering the best complementary solutions. We focus on refining and perfecting our products to address the pressing pain points and gaps faced by our customers in this area. This dedication has shaped the FCS brand's unique selling points and earned the longstanding trust of our clients.

In the field for injection machines of Asia, products of FCS have been in the medium-to-high range over the years and the focus is placed on the integration of market demand and R&D. FCS started to manufacture dual-color machines in 1984. Over 41 years of accumulation and sedimentation, in large dual-color machines, in particular, abundant database resources are available to Since 2010, in addition to selling machinery equipment, FCS has introduced knowledge-based products to its offerings. This approach has evolved into "Providing total solutions to meet customers' needs," incorporating the new concept of the "Turnkey Solution," an intelligent management system. We provide customers with value-added services that integrate all necessary elements of injection molding technology, including plastic materials, molding equipment, tooling technology, and even the back-end process. This comprehensive approach realizes a one-stop business model. In addition, this kind of business model not only contributes to the improvement of customer satisfaction, but also brings more stable income and long-term development potential to the Company, and creates long-term competitiveness and operating value for the Company.

(III) Overview of Technology and R&D:

1. R&D expenses in the most recent year

Unit: NT\$ Thousand	
Year	2024
R&D expenditure	119,650
Net revenue	4,529,411
R&D expenditure in net revenue %	2.64%

Note: As of the publication date of the annual report, the Company's consolidated financial statements for the first quarter of 2025 have not been reviewed by CPAs.

2. Technologies or products successfully developed:

A. R&D patents secured over the past year:

Item No.	Year	Patent No.	Patent Title
1	2022	ZL201920181154.3 (Mainland China)	Three-color interlayer interval injection molding machine
2	2022	ZL202020192112.2 (Mainland China)	Two-phase injection molding machine
3	2022	ZL202220478373X (Mainland China)	A side injection molding machine with nozzle protection
4	2022	ZL202221542408.8 (Mainland China)	Hydraulic controlled lifting platform of the injection molding machine

Note: No new patent was obtained in 2023.

B. Products developed successfully over the past year:

Item No.	Year	Content
1	2023.01	FCS was awarded the "Excellent Mechanical Organization Award" by the Chinese Mechanical Engineering Society
2	2023.03	FCS Ningbo was rated one of the "Top 50 Enterprises in the Industry" in Jiangbei District, Ningbo.
3	2023.04	FCS was awarded "2022 Excellent Influential Brand Of Injection Molding Machine" for two consecutive years
4	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
5	2023.06	FCS GW-1600RP Two-Platen Multi-Component Injection Molding Machine won the 2023 Plastic Industry Ringier Technology Innovation Award
6	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
7	2023.08	World's First Super Large Five-Color Two-Platen Multi-Component Injection Molding Machine from FCS Makes Delivery
8	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.
9	2023.09	FCS Ningbo was awarded the "2023 Ningbo City Top 100 Competitive Enterprises"
10	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

11	2023.12	FCS Releases The SA-h PET Multimodal Medical Product Precision Molding System
12	2023.12	FCS Dongguan was awarded the title of "Friendly Enterprise"
13	2024.03	FCS GW-2200R two-platen X-type four-shot multi-component injection machine won the 2024 Plastic Industry Ringier Technology Innovation Award
14	2024.03	FCS participated in the 1st TAINANPLAS 2024
15	2024.05	Fu Chun Shin (Ningbo) Machinery Manufacture Co., Ltd. received four awards of "Top 10 Strong Enterprise in 2023", "Top 10 Enterprise for Tax Payments in 2023", "2023 Development Contribution Advanced Unit", and "2023 Golden Bull Award".
16	2024.09	The Company received the honor of "Golden Quality Award" and "Aesthetics Award" of the First Term of TAIPEIPLAS AWARD
17	2024.11	Fu Chun Shin Group was honored as the “2024 Injection Machine Brand with Outstanding Influence”
18	2024.12	Fu Chun Shin Group honorably received four awards of Ningbo City Plastic Industry National Outstanding New Mini Giants Key Cultivation Enterprise, Ningbo City Plastic Industry National Single Champion Key Cultivation Enterprise, Ningbo Plastic Industry and Manufacturing Industry Top 50 Enterprises, and Ningbo City Government Plastic Industry Outstanding Enterprise.

(IV) Long/Short-Term Business Development Plan

1. Short-term business development plan

A. Marketing strategy: Deploy prioritized channels to bring up the market share; develop quality customers for differential service; normalize the marketing system and maintain customer relations.

- a. Create the customer relations management system to keep optimal collaborative relations with customers and to create win-win opportunities through mutual trust and interdependency.
- b. Continue to explore the market in Mainland China and deploy a dense marketing network locally in order to reinforce the strength in strategies to cope with local counterparts and the local service.
- c. Prepare differential sales strategies for prioritized markets, reinforce the collaboration with distributors and dealers, and deepen their service capabilities so that they can see through opportunities on their markets and quickly penetrate specific markets.
- d. Plan products suitable for the said market and with a price-setting strategy reflective of different market attributes in order to satisfy differential needs.
- e. Effectively take advantage of the media for promotional purposes and proactively take part in representative exhibitions to accordingly enhance the Group image and its publicity.

- f. Create direct-sale sites overseas to provide local after-sales service and to sell locally for enhanced reacting speed and for better publicity and sales opportunities.
 - g. Add service APPs to satisfy customer needs and reserve overseas sale and service momentum by setting regional service centers one by one and gradually completing the global service network.
 - h. Optimize operational APPs to get back to customers in real time and to bring up the sales momentum so that the strength in promoting marketing activities may be reinforced to boost the purchasing power.
- B. Production policy: Strictly control the cost and profit and schedule deliveries steadily; being rigid about the quality assurance mechanism; and integrate the manufacturing process.
- a. Restore the production flow by adding exclusive production jigs and tools to accordingly enhancing mass production efficiency and spontaneously take care of employee safety. Meanwhile, improve the quality approach to ensure stable quality and improve customer satisfaction.
 - b. Introduce Industry 4.0, de-construct the production procedure and technique, constantly improve process criteria, and consolidate the quality assurance system to accordingly enhance the throughput, improve the quality level, reduce the cost, and boost competitive advantages.
 - c. Continue to promote the B2B plan, strengthen supplier management, spontaneously assist suppliers, enforce rating and audits, and develop quality partnering suppliers in order to keep track of lead time for imported materials, to ensure quality of imported materials, and to make the best of the price negotiation capability to strictly control the cost of purchase at a reasonable level. The Company officially activated the “iSCM - Fu Chun Shin AI Innovative Application Program” through the “Industrial Upgrade Innovation Platform Assistance Plan” of the Industrial Development Bureau, MOEA to integrate the AI technology in the construction of a new e-system of the Company. Fulfill the efficacy of rapid response and flexible production through information streaming, penetration, resolving production and manufacture issues, improved yield, throughput, and efficiency, and the smart data analysis and application model created and introduce the value-added AI application in order to develop the smart supply chain and the smart manufacture model. Meanwhile, optimize the framework for streaming production information in the upstream and downstream of the supply chain through a reasonable procedure for comprehensive promotion of smart and lean

production and for creating an efficient visualized production environment.

- d. Define the standard working hours and realize and create a standard operating procedure to allow industrial linkage and relays. The said regulations are strictly followed at each work station and there are applicable regulations and systems for production control.
- e. Integrate production processes, system structures, procedural control of the three plants across the Taiwan Strait so that they are consistent and standardized with precise lead time and lean manpower.
- f. In order to resolve the issue of the lack of instantaneity in artificial paper-based worksheets and incomplete product traceability, it is planned to introduce the MES in the field of assembly for improved transparency of field production information.
- g. Implement the Group's quality conference system to improve the quality of machines and achieve zero customer complaints.
- h. Implement the Company's "weight loss policy" (elimination of four bad issues: bad personnel, bad materials, bad debts and bad jobs); adopt a streamlined organization and the necessary personnel, and control inventories reasonably.

C. Product Development Direction: Continue to develop second-generation machines and large two-platen dual-color machines; optimize the dual-color machines and the large two-platen machines; develop aggregate products on "further segmented markets"; R&D iMF smart injection molding machines.

- a. On the basis of the existing product performance strengths, be forward-looking about market dynamics and forecast the demand; continue to develop and improve new products meeting the market and customers' needs in order to complete the product lines and to satisfy more diversified customer needs.
- b. Through the diversified collaboration and exchange model with industrial, governmental, academic, and research institutions, make the best of governmental and non-governmental resources in the joint R&D of innovative products or professional equipment for the industry.
- c. Spontaneously understand the needs of customers by reinforcing the cross-departmental synergistic order-taking mechanism to provide "tailored" differential services.
- d. Proactively collect information about industrial technologies and continue to develop high-end models, innovative features, and other high value-added products or services such as total solutions to accordingly segment the market and enhance profitability.
- e. Fu Chin Shin in Ningbo was reputed as the "State-grade High-tech

Technology Enterprise” for the first time in 2009 and has been reputed so for multiple times to date. It became the first party to draft the industrial standards for “multi-component plastic injection molding machines” in China in 2018 and declared that FCS would continue with R&D and transformation of technical accomplishments into its core, autonomous intellectual property rights and grow towards being a knowledge-intensive and technology-intensive economic entity.

D. Operational scale and finance: Adjust the distribution portfolio and boost contribution to profits; reinforce the turnover indicators and optimize return on assets; activate the wheel to reforms and put the right talent in the right place; create the learning and development center and reserve extensively talent in the sustainability bank; return to talent attainment and create happiness and satisfaction.

- a. Bring down the inventory level, reinforce the collection of accounts receivable, improve the financial structure, and minimize expenditure on interest.
- b. Stabilize operational performance, increase the line of credit provided by banks, and make the best of capital turnover efficacy.
- c. Prepare the forward-looking development strategies by adequately organizing fund-raising and other related activities to hopefully raise the required working capital through the open market and lay the groundwork for long-term stable growths.
- d. Build the industrial knowledge bank and take advantage of the knowledge management system to accumulate smart capital.
- e. Gradually complete related operating procedures and eliminate the inefficiency checkpoint for enhanced procedural efficiency, operating quality, and reduced unnecessary expenditure.

2. Long-term business development plan

A. Marketing Strategy: Market segmentation and complete distribution network, advanced differential brand service

- a. The long-term strategy is to secure the presence in Taiwan, deploy in China, and reach out to the world; the focus in the global market. Taiwan is the marketing and operational center of the Group that integrates the global sales channels and policies.
- b. Strengthen the deployment of dealerships and sites on potential markets and emerging markets to answer to the comprehensive or regional market developments and to continue with more diversified internationalization.
- c. Build a complete marketing network that closely combines production,

distribution, technical support, and after-sales service all in one and continue to take part in respective primary exhibitions for enhanced publicity of self-owned brands.

- d. Strictly select diversified management policies centering the core business, that is, R&D and manufacture of injection machines, in the pursuit of the Group's long-term developments.
 - f. Create direct-sale sites or branch offices overseas to provide local after-sales service and to sell locally, to react quickly, to deepen market cultivation, and to facilitate management and dealerships in adjacent markets for better publicity and sales opportunities.
- B. Production policy: introduce the smart lean production system, continue to optimize the supply chain system, and adhere to the idea of “big dam” for enhanced inventory control, consolidating the ISO system, and continuing to optimize the QCDS.
- a. Relocate models with mature technologies that are suitable for mass production at the plants in Mainland China applying the division-of-labor strategy for the three plants across the Taiwan Strait and the idea of a big dam module. This not only allows for a local supply and short lead time but also bring down the production cost for diversified competitive strengths.
 - b. Plan adequate external purchase ratios and modularized production models to optimize the flexibility in adjusting purchase orders taken by sales representatives reflective of the production scale.
 - c. Introduce the bulletin board real-time delivery mechanism to consolidate operational standardization at a high level and to create a dynamic mixed-line production system for significantly enhanced production efficiency and quality.
 - d. Consolidate the supply chain management system (SCM) and assist suppliers in improving their operations and management, enhancing their production technologies and turning related information about the supply chain digital so that it may be included as part of the synergistic operation of the Group, which will not only enhance the operational performance but also enable quick response.
 - e. Upgrade the supply chain information system: Besides reinforcing the cross-disciplinary information framework and integrating procedures of the three plants across the Taiwan Strait, communication software such as Line and Wechat will also be combined. The supply chain interactive technology will allow a seamless exchange of information and to minimize any delays in the supply chain as a result of message delays.
 - f. Introduce the production execution system in the field (MES): Production

staff reports work through the mobile collection system to turn field production and quality information transparent and instantaneous and to boost the plant management efficiency, lower the production and inventory cost, and minimize downtime due to a shortage of materials in the field, among other things.

- g. Introduce AI technology for production and operation: Strengthen the capability of electronic system big data analysis throughout the FCS system, apply the AI computing technology to optimize FCS sale, production, and service material reserve AI forecast momentum, minimize a shortage of materials in the field of production and in after-sales service, improve the accuracy in lead time, and optimize corporate decision-making and management efficiencies.

C. Product developments: Take root with innovative operational practice and consolidate fundamental research.

- a. The R&D Center in Taiwan takes charge of integrating the R&D momentum at each branch site and continues to develop products meeting the trends on the market. Improved additional value and quality are the win-win situation to be prioritized for customers.
- b. Proactively work with peripheral manufacturers in the development of high value-added and highly technical integrated products for “systematic distribution”, such as PET packages, food containers, medical devices, and IMD intra-mold ornament systems, among other total plant outputs.
- c. Recruit professional teams for respective niche sectors and develop exclusive machines for the specific sector, such as large horizontal turntable dual-color machines, TFT-LCD light guide plate machines, food container machines, medical device machines, micro-molding and micro-pore foam molding machines, and powder injection molding machines
- d. Take advantage of the technical integration capabilities and enhance the ability undertake a variety of products and the process capability in order to quickly respond to customers’ dependency on and demand for integrated systematic distribution.
- e. Work with partners overseas that own advanced technologies, develop high-end models, improve the technical level and quality, and enter the market for high-end customers.
- f. The Company released its iMF 4.0 smart manufacturing plant system for the first time at the 2018 Taipeiplas. The system is developed on the basis of production cycle time management, with ideas of mold management, machine management, and material management, and the OPC-UA standard for real-time display of the overall equipment effectiveness (OEE)

information. The information is tallied together with abnormal equipment and production messages so that production managers can keep track of the production status in real time, realizing Industry 4.0 mobile computing, analysis, and optimization, for enhanced efficiency and reduced squandering and to fulfill the managerial purpose quickly responding to production abnormalities. Through this system, one can be connected simultaneously to monitor the status of production line equipment around the world; it is an idea of remote production management. The demo plant is already set up at the main office in Tainan to provide customers in the injection molding sector with actual Industry 4.0 solutions.

The dawning of the 5G era expedites the smart corporation process. The PIM lab of the FCS Group, focusing on the controller for the smart injection molding machine, collects necessary information from peripheral equipment and process sensors and uploads the process data in real time to the cloud through the OPC-UA standard. The manufacturing resources database is created. The cloud iMF 4.0 (intelligent ManuFactory 4.0) converts the resources database into OEE (overall equipment effectiveness) production trends, worksheet scheduling, production abnormality automatic statistics, among other statements, realizing Industry 4.0 mobile computing, analysis, and optimization for enhanced production efficiency and reduced production squandering.

- D. Operational scale and finance: Ensure the best interest for shareholders, configure logistic resources highly effectively, innovate on cultural and organizational reforms, learn and grow, keep track of key elements, share profit, happy workplace.
 - a. Evaluate appropriate locations and adequately set up marketing sites or add production sites overseas to maximize the international professional division-of-labor mechanism and to be close to the market and to accordingly continue to maximize the operational scale.
 - b. Reflective of the corporate operational demand, besides continuing to enhance its own operational performance, integrate and allocate self-owned working capital and bank financing flexibly to support demand and raise short/long-term funds on the capital market and the money market.
 - c. Enforce the lean human resources project and develop international managerial talent and succeeding management teams to answer to the internationalization strategy.
 - d. Control and promote the operational performance of the core business and investments taking advantage of the existing R&D momentum and abundant staffing resources and adequately invest or set up plants

overseas or even form strategic alliances with counterparts or cross-disciplinary strategic alliances.

II. Market and Production and Sales

(I) Market analysis

1. Where main products (services) are sold or provided

The main products of the Company are plastics injection molding machines and their related products, as well as magnet wires. These products are sold globally, including in Asia, America, Europe, and Africa. The sales amounts of the Company by region for the years 2022 through 2024 are as follows:

Unit: NT\$ Thousand						
Item \ Year	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
Taiwan	690,522	14.99	689,509	17.86	755,604	16.68
Mainland China	3,262,322	70.84	2,450,485	63.47	2,388,205	52.73
Other countries	652,360	14.17	721,011	18.67	1,385,602	30.59
Total	4,605,204	100.00	3,861,005	100.00	4,529,411	100.00

2. Market share and future supply and demand and growth on the market

(1) Market share

As is shown in the monthly statistics of industrial production of the Ministry of Economic Affairs, the sales value of plastics injection molding machines in Taiwan was NT\$11.763 billion in 2024. As a specialized manufacturer of plastic injection molding machines, it is estimated that the Company holds a market share of approximately 12.30%.

(2) Future supply and demand and growth on the market

According to the latest report by international research firm Research Nester, the global plastic injection molding machine market exceeded USD 12.85 billion in 2024. The market is expected to grow at a compound annual growth rate (CAGR) of 4.6% from 2025, reaching USD 23.06 billion by 2037. The key drivers of this growth include increasing applications in the medical industry, the expansion of the automotive sector driven by lightweighting demands, and the rising importance of sustainability.

Enterprises in Mainland China occupy the medium-to-low-end markets of injection molding machines while those in Taiwan the medium-to-high-end markets. Enterprises in Europe and Japan are on the

high-end market. Over the mid-to-long-term, thanks to the per-capita climbing spending power for plastics around the world and in China, the injection molding machine sector still sees lots of room for growths. When analyzed by the production application, greater market shares are secured in terms of the plastic, automotive and home appliance sectors.

Due to the Company's long-standing focus on its globalization strategy, production facilities have been established in Dongguan and Ningbo in China, as well as in India. With the addition of the new plant in the Hangzhou Bay New Zone, these facilities have replicated Taiwan's successful production lines, ensuring ample production capacity. Coupled with a comprehensive regional distributor network and extensive after-sales service points, the Company is well poised to seize the growth opportunities in the plastic processing industry driven by the increasing domestic consumption market in China and rising global demand. This cross-regional supply network is proving effective in both domestic and international markets. The FCS Group has been nominated for the "Top 15 Enterprises in the China Plastic Injection Molding Sector" multiple times and the only brand from Taiwan that has been on the list. FCS Ningbo was approved upon review by the Bureau of Science and Technology of Ningbo, among other authorities in 2019 and was reputed as the "National-Level High-tech Technology Enterprise" again. This accolade has been awarded multiple times since it was first received in 2009. It became the first party to draft the industrial standards for "multi-component plastic injection molding machines" in China in 2018, which is truly a feat given the fierce competition in the market of Mainland China and also marks the highest recognition of the Company's products among the vast base of customers.

Following the development of plastics technology, multi-component injection molding technology has gradually been widely adopted. Under the upsurge of environmental protection, energy saving and new energy market, FCS is famous for its dedicated two-color molding machine in the industry.

Large demand in the new energy vehicle market: The scale of China's new energy vehicle market continues to expand, causing FCS's main customers, including Tesla, BYD, Stanley, Yingli, TYC Brother, SAIC, and GAC to increase capital expenditures for plant expansions. With the increase in production, shipments of FCS's multi-component injection molding machine has boomed. Over the years, FCS has earned strong recognition and trust from customers across a wide range of industries, including automotive parts, sports equipment, consumer goods, and ICT/semiconductors and 3C electronics. Notably, the automotive parts sector has accounted for an increasingly significant share of FCS's revenue.

In recent years, FCS has continuously made advancements and breakthroughs in multi-component injection molding technology. Besides serving as the drafting unit for industry group standards for multi-component plastic injection molding machines, the HB-1900R large horizontal rotary table two-component injection molding machine developed by FCS has been recognized as the first product in the key area of high-end equipment manufacturing in Zhejiang Province. In 2024, FCS was honored with the Ringier Technology Innovation Award for the plastics industry, thanks to the newly launched GW-2200R two-platen X-type four-shot multi-component injection machine.

With the innovative breakthroughs in the appearance of new energy vehicle products and the advancements in two-color application technology for electronic and medical products, the trend towards larger and more precise multi-component injection molding machines is becoming evident. FCS's introduction of fully electric two-color injection molding machines and ultra-large fully electric multi-component injection machines has timely met the market's demands. Due to its reliability, high yield rate and high customization, it has become the preferred choice of customers for multi-component injection molding.

Sale of fuel cars will be prohibited in the European Union in 2035, which is expected to significantly catalyze the electric vehicle sector. On the other hand, lighter electric vehicles are more favored. According to the Nomura Research Institute, steel accounts for at least 70% of automotive raw materials and regular materials and the ratio will drop to about 62% by 2025. With steel being replaced by plastics, it will not only bring down the weights of parts and components by 40% but also reduce the energy consumed during shaping/molding. All of the data above show that the injection molding machine sector will have lots of time and room for further developments and growths.

FCS took an optimistic view of the plastic injection industry covering food, clothing, housing, transportation, and entertainment. Therefore, it continues to move towards operations of international enterprise. Although uncertainties, including global inflation, interest rate hike, weak consumer demand, and epidemics, currently still influence the investment in capital expenditure and the speed of installation of customers in various industries, and further challenge FCS's flexibility of production and staffing, control over shipment schedules, and the stability of operation and finance. Benefiting from the wave of ESG goals such as net zero carbon emissions, environmental protection, and green energy, there will be better development for the Company. FCS will continue implementing a

philosophy to create high value-added products, integrate the business strategies of globalization and diversification, actively cultivate its main business of injection molding machine, explore more cooperative opportunities with customers in different industries, and keep an optimistic and positive attitude toward future development.

Sales volumes/values of plastics injection molding machines over the past 3 years

Year	Number of units produced	Number of units sold	Growth rate	Sales value (NTD million)	Growth rate
2022	4,886	5,234	-20.12%	11,554	-4.87%
2023	4,747	5,120	-2.18%	11,903	3.02%
2024	5,395	5,611	9.59%	11,763	-1.18%

Source: MOEA monthly industrial production statistics

3. Competitive niche

A. Optimal brand image

Products of the Company enjoy quite good publicity and images both domestically and internationally and have won the “Taiwan Excellence Award” and the merit award, aesthetics award, and excellence awards as a “Plastic/Rubber Machinery R&D Innovative Product” at Taipeiplas, ranked Top 5 in brand awareness among users in the Greater China Area according to the Germany VOGEL survey, and obtained the European CE mark, which will help with their distribution on high-end international markets in Europe, the US, and Japan. In Mainland China, by the same token, the Company has been one of the candidates for “Top 15 Enterprises in the China Plastic Injection Molding Sector” multiple times and reputed as the “State-grade High-tech Technology Enterprise” multiple times; the products are highly recognized by customers. FCS Ningbo was also rated as “Four-star Green Factory in Ningbo” and has now been certified for ISO-14001 Environmental Management System, ISO-45001 Occupational Health Management System, and ISO-50001 Energy Management System.

B. Complete corporate synergy integration, with proactive introduction of modularized contracting and e-supply chain systems

Suppliers of related parts and components of the Company have been located in surrounding adjacent counties and cities, with detailed division of labor and professional production, which can be processed according to the different needs of customers and delivered in a short time. With the VMI (supplier inventory management) system, the production demand can be more effectively controlled. Meanwhile, the Company proactively introduces modularized contracting and e-supply chain systems to render

products that are optimal in both quality and pricing, taking care of the lead time, too; it makes the industrial cluster more internationally competitive. The Company activated the “iSCM - Fu Chun Shin AI Innovative Application Program” through the “Industrial Upgrade Innovation Platform Assistance Plan” of the Industrial Development Bureau, MOEA to stream production information in the upstream and downstream of the supply chain through a reasonable procedure for comprehensive promotion of smart and lean production and for creating a high-efficient and visualized production environment.

C. Domestic and international marketing sites

Not only with sales locations in Taipei, Taichung, and Tainan, the Company also has distributors or dealers overseas, in Asian countries, Europe, America, and Africa, all throughout the world, which will not only help with the sales of products but also provide customers with sound after-sales services to increase the willingness of customers to make purchases and to extend loyalty. Since 2011, the Company has been expanding into the North American market in partnership with its exclusive agent, MARUKA Machinery of Japan. Revenue from North America has grown steadily year over year, making it one of the Company's top 10 markets. In 2015, FCS Indonesia was established and has since shown positive results. In 2017, FCS Thailand was added, followed by the setup of an assembly plant in India in 2019 to serve local customers more efficiently. In 2021, FCS Vietnam established its own sales office. Most recently, in early 2025, a direct sales location was launched in Brazil. Localized service has become increasingly important, especially as countries impose restrictions on exports. Despite these limitations, local economies remain resilient, allowing the Company to capitalize on post-pandemic opportunities and create new momentum for growth.

D. Highly customized development capabilities to satisfy all-around service needs of customers

The Company has developed multiple models and series over the years and further reinforced its collaboration with research institutes (such as the ITRI and universities of science and technology) recently for the R&D of innovative technologies and to develop new products. Its R&D capabilities are more mature now. This will help boost the quality and additional value of products and add to the competitive advantages on the high-end market. For example, the Company has introduced the latest Ultra-large Two-Platen Machine technology from Europe, with clamping forces ranging from 1,700 tons to 4,000 tons, positioning its technological capabilities at the forefront of the industry. In recent years, this technological foundation has been further expanded and applied to the development of large horizontal rotary table two-color molding machines, demonstrating high levels of R&D and

manufacturing capabilities once again. The horizontal Sandwich / Interval Injection Molding Machines are currently produced by only three manufacturers worldwide, with FCS being the only professional manufacturer in Asia capable of mass production. These machines can handle up to six-color plastic injection on a single piece of equipment, offering highly customized, intelligent, and energy-saving plastic injection molding solutions for customers across diverse industries, thus meeting the vast domestic market demand. In terms of three-platen large machines, the composite vertical compression injection machines designed by the Company under its patent have a mold locking force of 1,680 to 3,500 tons and are sold to many countries to be applied to the auto industry and the construction industry and have been received well. The 3,500-ton injection machines produced by the Company, for example, are also adopted by Nan Ya Plastics Corporation. In terms of precision injection molding, in order to counter-balance with the models from Japan, the Company also takes the lead in introducing small and optimal, small and beautiful, small and energy-saving hybrid high-speed closed-circuit injection machines, which, when combined with the latest electric controls from Austria, allows remote production monitoring and system communication to realize “smart single machine and total plant cyber-based”. All of them have attracted extensive attention in the precision electronics and high-speed injection molding sectors, making them a great competitive choice in the era of Industry 4.0.

FCS possesses extensive experience in integration, and is able to create customized equipment for various industries and provide an integrated one-stop purchasing service. As the Industry 4.0 brings in the sensation of smart manufacturing, FCS has launched self-developed iMF 4.0 Intelligent ManuFactory System (Intelligent ManuFactory). The team has spent 5 years continuously refining the software and hardware techniques needed. In addition to improving the technology of hardware equipment, we also recruited a group of talents highly skilled in software development to create the iMF 4.0 Intelligent ManuFactory System service, which can be installed in injection molding machines of various brands and self-adjusted via peripheral devices and smart networking. Also, it is different from common remote monitoring systems and traditional manufacturing execution system (MES). In addition to monitoring and recording the motion parameters of injection molding machine (machine parameters), it also involves manufacturing process parameters of molding (material parameters) to improve the effectiveness of monitoring on molding parameters. With massive statistics, variation analysis, and artificial intelligence (AI) to perform the classification and analysis of data, it is able to provide timely utilization monitoring and feedback to help customers avoid unexpected downtime, enhance product yield, and enable smart remote monitoring and

management. It is able to enhance the added value of data reuse, simplify manufacturing management, and lower the cost of manpower management as well. Currently, the iMF 4.0 Intelligent ManuFactory System has been successfully introduced into the smart factories of different customers in a variety of industries, including auto parts, sports, 3C/ICT/semi-conductor and daily commodities, and it has obtained resonance of high reliance and recognition. The repurchase rate of equipment expanded from the iMF 4.0 Intelligent ManuFactory System reached 80%. The fruitful result is obvious.

- E. The three plants across the Taiwan Strait support one another. The models and series of machines they manufacture are complementary, which will help with marketing leverage around the world.

There are not many producers available in the industry to provide complete lines of products. The plastic injection molding machines manufactured by the Company range from small machine with a mold locking force of 30 tons to large machines with a mold locking force of 4,000 tons. At a conventional injection speed or an ultra-high injection speed or from the ordinary sectors to precision optimal elements, there are corresponding series of models available. In addition, there are specialized machines for respective sectors and those for special plastics whose auxiliary features and configurations can be increased or decreased reflective of customer demand and which are hence highly flexible in sales; they help satisfy the needs of different customers in different fields of application.

- F. High level of e-commerce

The Company is the only one business in the domestic plastic injection molding sector that promotes inter-system digitalization, which also means that the domestic plastic injection molding sector has reached a new milestone in Internet integration, which will hopefully make the Company a role model for plastic machinery enterprises to become digitalized and set industrial criteria to drive the overall e-developments throughout the sector.

- G. Outstanding production capability

The Company's production sites in Mainland China are operationally mature and hence under the division-of-labor model among the four plants across the Taiwan Strait, it helps satisfy the demand for rapid supplies. Standard models whose mass production is needed or tailored models that feature a small quantity and diversification, deliveries can happen quickly and smoothly under the division of labor throughout the Group. It is also because of the introduced modularized design that allows quick responses to the diversified needs of customers to make the best of "mass customization". The global supply chain has shifted from being a long chain to being a short one. With the fourth production site established in India in 2019, it has helped not only satisfy the huge domestic demand but also expand the

markets in South Asia and East Africa. Multi-point and multi-national production sites can avoid import tariff barriers and exercise synergistic operational effects; they are in favor of global marketing leverage.

H. Fulfill corporate social responsibilities and the role as global citizen -- the machine, the mankind, and the environment

Under the macro-environment of economic transformation and upgrade and restructuring, businesses are faced with harsher and harsher new requirements about environmental protection. The Company has been valuing environmental protection. FCS gave itself a mission, that is, to use energy-saving and carbon-reducing production equipment and also materials that can be easily recycled. It has introduced the one micro-pore foam injection molding technique. As long as it is going in the right direction, the Company is fearless and will work at all costs to find a solution for its customers. In our minds, the true environmental protection should be encouraging recycling and developing cycle economy. In Taiwan, FCS has a 47,000-square-meter rooftop solar power generation facility. In Ningbo, FCS operates the most advanced low-pollution painting factory in the area. From the beginning, FCS has held itself to the highest standards of self-discipline. In addition, thanks to the application of light-weight and multi-component dual-color technologies in the automobile industry driven by the awareness of environmental protection, the demand for the horizontal turntable mutual-injection molding machines developed by the Company is surging. It is a win-win situation.

The corporate mission of FCS is “shape a better world”. While providing plastic production solutions, it is also devoted to assist its customers in reducing the use of plastics and energy and reducing the squandering of resources. As such, many technologies have been developed, including the fully electric energy-saving machines, PC glazing, micro-foaming technology, long fiber technology, among others, and along with the iMF 4.0 developed independently by FCS, the Company is helping customers enhance the yield and production efficiency, and reducing energy and plastics consumption to accomplish environmental protection.

Within the emerging wave of ESG, FCS has achieved good practical results in the innovative application of plastic materials, the development of new technical equipment such as recyclable products, and the energy-saving manufacturing process. Together with the top shoe-making machinery provider TienKang, the Company announced the advanced “GENTREX midsole physical foaming technology,” which produces shoe midsoles based on the Microcellular Foaming Injection Molding Machine, achieving the lightweight, high elasticity, and low deformation required for the production of high-quality sneakers. Compared with traditional chemical foaming technology, physical foaming technology can reduce carbon

emissions by about 60%. And the shoe midsole made by thermoplastic elastomeric micro-foaming can also be recycled, which contributes to the Green Cycle. As customer demand continues to increase, it will benefit the stable growth of the Company's future operation.

4. Advantageous and Disadvantageous Factors for Future Developments and Countermeasures

A. Advantageous factors

- a. The Group has been in existence for 51 years and is a TPEx-listed company with abundant resources and enjoys high levels of brand awareness in both Taiwan and Mainland China, which is in favor of customer development and product marketing.
- b. Its product line is both broad and deep, with strong customization capabilities. The Group is fully committed to developing iMF 4.0 smart manufacturing solutions and integrating high value-added peripheral products and systems to meet customers' dual transformation needs—digitalization and sustainability—thereby enhancing product competitiveness.
- c. In addition to its well-established operations in Taiwan, Dongguan, and Ningbo, the Group is expanding with a new plant in the Hangzhou Bay New Area. Once operational in 2024, this facility will double production capacity and support future growth and development.
- d. With a 31-year track record in Mainland China, the Group is ranked among the top 10 plastic machinery manufacturers and is one of the top five preferred brands among Chinese customers. It holds strong market reputation, especially in the automotive lighting sector, and maintains a large customer base for multi-component machines.
- e. The Group is actively expanding its global production and sales network. In addition to having comprehensive marketing and service points in Taiwan, China, and Southeast Asia, the establishment of the India plant further enhances the Group's ability to develop markets in South Asia, the Middle East, and Africa.
- f. Group-wide joint procurement of materials for injection molding machines enhances bargaining power and significantly reduces costs. Production is strategically divided among plants, allowing each site to focus on specific machine models, reducing inventory and improving operational efficiency.
- g. Reinforce target performance management, define the KPIs for the organization and respective departments, and adhere to “mission impossible” to enhance the performance.
- h. The “Organizational Learning and Development Center” is formed to be the internal training unit and the center for training external plastics processing staff; it not only satisfies customer needs and improves customer relations but also fulfills corporate social responsibilities.
- i. The Group has a robust IT infrastructure and is actively implementing the iSCM smart manufacturing system and PDM integration. It is also

developing mobile applications that integrate with its ERP database, enhancing product competitiveness and improving QCDS (Quality, Cost, Delivery, Service) performance.

- j. The Group has established a comprehensive online marketing platform to support the growth of its e-commerce business.

B. Disadvantageous factors and their countermeasures

- a. The overseas subsidiaries have not yet fully made profits, and the effectiveness of overseas locations will continue to be improved:
 - a.1. The practical experience of cross-border operation is still easy to grasp, and the systems of capital management, internal control and business performance management need to be continuously refined.
 - a.2. India's tax laws and regulations are becoming more complex and difficult to manage due to the cultural differences, which makes it difficult for India's strong and high-tech businesses to manage and increases management costs.
 - a.3. Inadequate senior management and overseas sales talent, which affect the overseas deployment and the improvement of branch office performance.

Countermeasures:

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.

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.

Strengthen the operational performance of Vietnam, Indonesia, Thailand, and India plants, implement management systems, recruit more businesses, and increase revenue and profit.

The headquarters reserves the management talents of overseas subsidiaries, and strengthens the performance of reinvestment and overseas investments.

Plan the Group's medium and long-term capital channels and strengthen the financial structure.

b. Poor foreign trade performance

- b.1. The overseas marketing channel deployment is not sufficient, except for China, the United States, and Southeast Asia, the market in Europe, South America, and the Middle East is not well channel-dense, and the export growth is limited.
- b.2. The professional knowledge of sales personnel and the overall operating efficiency of customers need to be improved continuously.
- b.3. Inadequate overseas service energy

Countermeasures:

Build relationship with export markets

Actively participate in overseas exhibitions, and develop new business

opportunities.

Expand new distribution channels in Europe, Middle East and Africa to improve sales performance.

Case study is used as teaching material to strengthen business education and training.

The original engineers have been praised for their regular service and stable reputation.

c. Inadequate niche products

c.1. Over-dosed injection, auto lever, large PVC pipes, pallet machines, and PETs, etc. The competitiveness is insufficient.

c.2. Inadequate product differentiation and lack of complete solutions.

c.3. The lack of high-level electrical control talent affects the progress of the development of self-made electrical injection machines.

Countermeasures:

Optimized automotive leverage, large PVC pipes, pallet machines, and PETs.

Development of large-scale injection structures

Develop differentiated products and provide complete solutions

Seek industrial strategic alliances and establish a strategic platform mechanism to ensure competitiveness.

Continue to recruit high-level electrical control manpower.

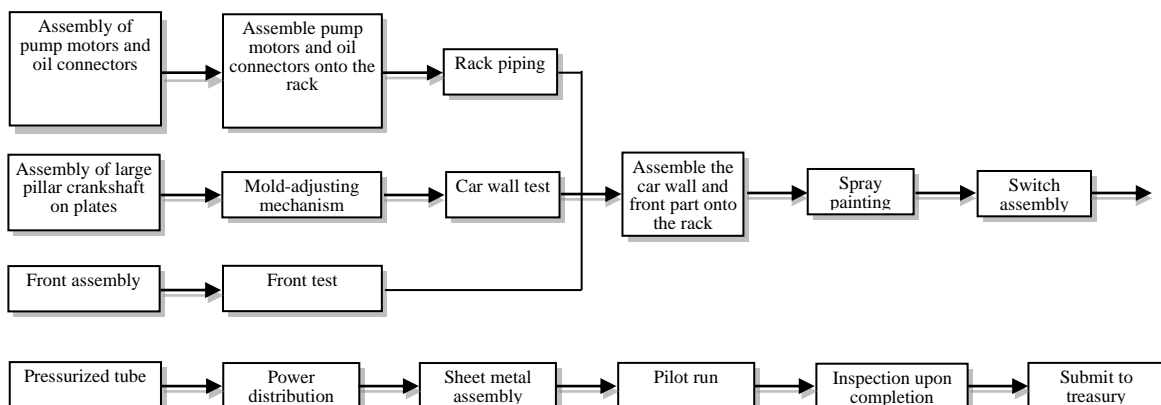
(II) Important purposes and production processes of main products

1. Important purposes of main products

Product	Specific weight	Main function or purpose
Plastics injection molding machine	93.56%	Plastic products injection molding
Cables	3.45%	Stereo system coils, large and small motors, compressors, etc.
Others	2.99%	Solar energy power generation, other items

2. Production/Preparation processes

(1) How a plastics injection molding machine, a primary product of the Company, is manufactured is shown in the figure below:



How a magnet wire, a primary product of the Company, is manufactured is shown in the figure below:



(III) Supply of main raw materials

The Company maintains a friendly relationship with its suppliers based on a partnership attitude, so that the best price, quality and delivery service can be obtained. The main raw material supply areas are as follows:

Main raw material	Supply regions	Supply status
Rack group	Taiwan manufacturers, China	Good
Hydraulic parts, hydraulic manifold	Taiwan manufacturers, China	Good
Electric motors, Servo motors	Taiwan manufacturers, China	Good
Movable mold plate assembly, mold adjustment plate assembly	Taiwan manufacturers, China	Good
Fixed mold plate, toggle assembly, mold-clamping column	Taiwan manufacturers, China	Good
Electric control and material pipe assembly	Taiwan manufacturers, China	Good
Bar copper wire	Taiwan manufacturers, China	Good
Acrylic	Mainland China	Good

(IV) Names of Top 10 customers sold to and the amount and ratio of sales over the past two years

1. Profile of primary suppliers over the past two years Unit: NTD thousand;%

Item	2023				2024			
	Name	Amount	Ratio to net purchases throughout the year (%)	Relationship with the issuer	Name	Amount	Ratio to net purchases throughout the year (%)	Relationship with the issuer
1	A	144,549	5.43	Manufacturer	A	163,329	5.15	Manufacturer
2	C	129,243	4.86	Manufacturer	C	146,667	4.62	Manufacturer
3	K	102,965	3.87	Manufacturer	K	134,055	4.23	Manufacturer
4	B	94,131	3.54	Manufacturer	D	109,263	3.44	Manufacturer
5	D	88,197	3.32	Manufacturer	B	94,206	2.97	Manufacturer
6	E	68,061	2.56	Manufacturer	E	80,089	2.53	Manufacturer
7	G	66,355	2.49	Manufacturer	G	76,735	2.42	Manufacturer
8	I	64,132	2.41	Manufacturer	N	60,177	1.90	Manufacturer
9	L	43,335	1.63	Manufacturer	O	58,432	1.84	Manufacturer
10	M	47,705	1.57	Manufacturer	P	50,515	1.59	Manufacturer
	Others	1,817,703	68.32	Manufacturer	Others	2,198,246	69.31	Manufacturer
	Net purchases	2,660,376	100.00		Net purchases	3,171,714	100.00	

Note 1: List the names of suppliers accounting for at least 10% of the total purchases over the past two years and the value and ratio of their purchases. When the names of suppliers or counterparts may not be disclosed as agreed in contracts are individuals and non-related parties, however, they may be replaced with a code.

2: No single supplier has accounted for more than 10% of total purchases in the last 2 years.

2. Profile of primary customers over the past two years Unit: NTD thousand; %

Item	2023				2024			
	Name	Amount	Ratio to net purchases throughout the year (%)	Relationship with the issuer	Name	Amount	Ratio to net purchases throughout the year (%)	Relationship with the issuer
1	k	71,361	1.85	Customer	k	139,585	3.08	Customer
2	g	51,840	1.34	Customer	i	85,223	1.88	Customer
3	i	51,182	1.33	Customer	q	71,680	1.58	Customer
4	d	46,636	1.21	Customer	j	62,069	1.37	Customer
5	l	45,644	1.18	Customer	g	60,728	1.34	Customer
6	m	45,000	1.17	Customer	n	58,221	1.29	Customer
7	n	44,167	1.14	Customer	r	49,160	1.09	Customer
8	o	44,154	1.14	Customer	y	44,836	0.99	Customer
9	p	44,073	1.14	Customer	z	44,574	0.98	Customer
10	s	42,939	1.11	Customer	aa	43,879	0.97	Customer
	Others	3,374,009	87.39	Customer	Others	3,869,456	85.43	Customer
	Net sales	3,861,005	100		Net sales	4,529,411	100	

Note 1: List the names of customers accounting for at least 10% of the total sales over the past two years and the value and ratio of their sales. When the names of customers or counterparts may not be disclosed as agreed in contracts are individuals and non-related parties, however, they may be replaced with a code.

2: There is no single customer accounting for more than 10% of the net sales in the last two years.

III. Employees

Information on employees over the last two years up to the date when the Annual Report was printed

February 28, 2025

Year		2023	2024	As of February 28, 2025
Number of employees	Manager	87	89	89
	Direct employees	406	397	460
	Ordinary staff	435	483	456
	Total	928	969	1005
Mean age		31.48	38.11	38.56
Mean years in service		7.81	6.07	6.19
Ratio of education distribution	Post-graduate school	5	6	6
	Graduate school	53	51	52
	College/university	545	571	587
	Senior high school	197	198	202
	Below senior high school	128	143	158

IV. Environmental Protection Expenditure

1. Explain how the application, payment, or setup status of those that should apply for a permit for setting up polluting facilities or discharging pollutants or pay pollution control and prevention fees or and set director, independent up exclusive units or staff to take charge of environmental protection as required abide law:

The Company currently has air pollution control equipment in place and pays an air pollution charge periodically and because electric wire and cable manufacturing is included, one Class B specialist for air pollution is configured.

2. Investments in major equipment to help prevent against environmental pollution and the purposes as well as possible benefits:

The primary environmental pollution prevention and control equipment of the Company now is the air pollution equipment. Due to the fact that the Company includes the manufacture of electric wires and cables and paint spray, in order to prevent against air pollution, two sets of air pollution prevention and control equipment are in place. For electric wires and cables, there are catalyst burning towers and for paint spray there is the activated carbon absorbing equipment. Costs of air pollution prevention and control equipment consumables in 2024 are as follows:

Name of Equipment	Costs of replacing
Catalyst burning tower	NT\$90,000
Activated carbon absorbing	NT\$455,440
Total	NT\$545,440

The efficacy is that air pollution can be reduced and corporate social responsibilities can be fulfilled by protecting the health of residents in the surroundings.

3. How the Company improved environmental pollution over the past two years and up to the date when the Annual Report was printed and the handling process in case of any dispute over pollution:

The activated carbon absorbing equipment of the Company has been tested by the testing authority and the results meet the criteria of environmental protection laws and regulations and such information is declared periodically as required by law.

4. Losses suffered because of environmental pollution in the past year up to the date the Annual Report was printed (including compensation and violations of environmental protection laws and regulations with environmental protection audit findings; the date of punishment, punishment number, article of the law or regulation violated, description of the violation and the punishment shall be specified) and the value of fines incurred and an estimate of those likely to be incurred in the future and countermeasures. If reasonable estimates are impossible, facts about the impossible reasonable estimates shall be specified:

The Company did not suffer losses caused by environmental pollution in 2024.

5. Current pollution status and the impacts of its improvement on the Company's earnings, competitive advantages, and capital expenditure and the expected major capital expenditure on environmental protection for the coming two years:

The Company did not incur any significant environmental protection capital expenditure in 2024.

V. Labor-Management Relations

1. List the Company's employee welfare measures, continuing education, training, retirement systems and their implementation status, as well as labor-management agreements, and various employee rights protection

measures in accordance with the law:

(1) Employee benefits

The Company offers basic protection as required by law and has the Employee Welfare Committee in place to take charge of planning and enforcing respective employee benefits. Current benefits are summarized as follows:

- ① The Company sets aside funds for National Health Insurance, Labor Insurance, pension reserve, and past due wages.
- ② The Company particularly provides festival bonuses and performance bonuses, subsidies for weddings, child birth, and funerals, subsidies for domestic and international travel.
- ③ The Employee Welfare Committee plans festival gifts, subsidies for weddings/funerals/celebrations and emergency rescue, subsidies for club events, employee birthday celebrations, and various travels.
- ④ Employee share subscription guidelines are defined to realize the ideal of employees to own business within the Company.
- ⑤ Employee bonus guidelines are defined to realize the ideal of sharing corporate earnings.

(2) Continuing education and Training

- ① In order to inspire employees in terms of knowledge and skills and to make the best of respective functional features, related educational training criteria such as the “In-service Continuing Education Operating Standards”, the “Manpower Development and Retention Operating Standards”, the “Assembly Technique Certification Operating Standards”, the “R&D Technical Operating Standards”, and the “Large Machine Wall Assembly Technical Operating Standards”, etc. are defined.
- ② Courses planned for 2024, as usual, followed the development policies of respective departments. All training resources are gathered to be highly supportive of and to fulfill departmental strategic goals and to continue to closely link training courses with target strategic developments. Besides optimal implementation efficacy, in 2024, continuous efforts were made to take advantage of governmental resources and to apply for the recharging and take-off program. The total income obtained as such as the training budget came to NT\$177,059.
- ③ The Organizational Learning and Development Center held in 2024 a total of 4 core courses that were completed by a cumulative headcount of 60 people in addition to a total of 4 orientation courses for newcomers that were completed by a cumulative headcount of 22 people. Moreover, collaboratively with the

Plastics Center, external recruitment for 2024 “Plastics Industry Professional Certification” took place and a total of 5 preliminary courses on the profession of injection molding were held, with a headcount of 1 attendee. All of these show that the Center is capable of organizing training for both internal and external staff and will make steady profits in the future and continuous required resources will be devoted given the steady operations so that the scope of service can reach out to the Group and external stakeholders.

- ④ For the effectiveness of strategic training results, it is important to confirm the status in the transfer of training results and the actual benefits that will continue to be adopted in the future to help examine the validity of a training course and further enrich the contents of a course.

(3) Retirement system and its implementation status

- ① The Company has the employee retirement guidelines in place, which, as is required by the “Labor Standards Act”, the retirement reserve at a certain ratio of the total salaries paid each year is set aside and deposited in the exclusive Pension Supervisory Committee account to allow allocation when needed and it was approved by the competent authority. Such retirement reserve is completely independent of the Company and hence is not included in the financial statements.
- ② The Labor Pension Act is enforced on July 1, 2005 and follows the defined contribution plan. After it was enforced, employees may choose to apply the applicable requirements about pension fund under the “Labor Standards Act” or apply the pension fund system applicable to the said act, with the years having worked prior to application of the Act retained. For employees who have applied the Act, the Company sets aside on a monthly basis 6% from the monthly salary of each employee as the “employee pension fund contribution” it is responsible for.

(4) Labor-management agreement

- ① The labor-management relations of the Company have always been harmonious and have been addressed in most cases through coordination. There are also the periodic labor-management meetings meant to help both the labor representatives and the management reach a consensus that is conducive to the promotion of respective tasks successfully.
- ② Employee Welfare Committee meeting - Both the labor representatives and the management can discuss respective welfare

measures with one another in order to reinforce mutual relations. Besides the fact it helps promote welfare policies, it is also a source for reference for administrators and managers.

(5) Maintenance of protective measures for the rights of employees

The Company has prepared its employee handbook as required by law and there are personnel management regulations in place where the attendance, leaves of absence, paid leaves, and weekends and holidays are specified. Both employees and the management follow these regulations, contributing to harmonious mutual relations.

2. Losses suffered because of labor-management disputes in the past year up to the date the Annual Report was printed (including violations of the Labor Standards Act with labor inspection findings; the date of punishment, punishment number, article of the law or regulation violated, description of the violation, and the punishment shall be specified) including the current losses and likely estimated future losses and countermeasures. If reasonable estimates are impossible, state the facts why they cannot be reasonably estimated:

The Company did not suffer losses arising from labor-management disputes in 2024.

VI. Information and Communication Security Management

1. Specify the information and communication security risk management framework, the information and communication security policy, the substantial management plans, and resources to be devoted to information and communication security management, etc.

(1) Information and communication security risk management framework

The unit responsible for information security in the Company is the IT Center, for which there is one IT Officer and several professional IT engineers. They are responsible for defining the information security policy of the Company, planning information security measures, and enforcing related information security processes.

(2) Information and Communication Security Policy

- ① Maintain continuous operations of respective information systems
- ② Prevent against invasion and destruction by hackers and viruses
- ③ Prevent against intentional illegitimate and illegal use
- ④ Prevent against disclosure of confidential and sensitive data
- ⑤ Prevent against manned negligence and accidents

⑥ Maintain physical environmental safety.

(3) Specific Management Plans and Resources Devoted to Information and Communication Security Management

① Computer equipment security management

- Respective servers, among other equipment, of the Company are set up in exclusive machine rooms and the machine rooms can only be accessed by someone with a pass and access records shall be retained for future reference.
- Independent air-conditioning is available for machine rooms to keep computer equipment operative at a suitable temperature setting; the rooms are configured with CO2 fire extinguishers, too, which can be applied to general fires or electric appliances.
- Hosts in machine rooms come with the UPS and the stabilizer to avoid transient power disconnection to result in system freezes by accident or to ensure that the operation of a computer application system is not disrupted in case of an accidental power outage.

② Network security management

- The external network port is configured with the corporate firewall to block illegal invasion by hackers and the DMZ is set up to keep off access from outside the Company by means of an isolated network segment.
- The internal firewall is set up for the premises. There are multiple isolated network segments to confine the scope of impacts of disasters if they do occur.
- For the site-to-site connections among Taiwan, Dongguan, Ningbo, India, and Indonesia, MPLS (MultiProtocolLabel Switching) is adopted for encrypted connections; it helps build a virtual, isolated, and safe routing exchange setting and avoid illegal access during the data transmission process.
- Colleagues access the ERP system by accessing the Company remotely. The VPN account needs to be applied for to ensure secured access through the VPN and all records are kept for audit purpose.
- Net surfing management and filtration equipment is configured. By monitoring and management through abnormal flows associated with DDoS attacks, the DPI, and the IPS, access to the Internet can be controlled and visits to harmful or disallowed websites (according to

the Company's policy) are blocked. TLS/SSL encryption is adopted for the flow check. The third-party identity management is integrated. QoS broad-band management is imposed to reinforce network security and improper occupation of broadband resources is prevented against.

③ Viral protection and management

- Terminal protection software is installed in all servers and the terminal computer equipment used by colleagues. The virus signature is updated automatically to ensure that the latest virus is kept off while at the same time detecting and preventing against installation of system executable files that carry potential threats.
- Email servers come with mail anti-virus and spam filtering mechanisms to prevent viruses or spams from entering end-user's PCs.

④ System access Control.

- Colleagues are to apply for system access according to internal requirements of the Company in order to use respective apps. Once their applications are approved by the responsible officer, the IT center will create a system account and respective system administrators give the applicants access according to that applied for.
- Account passwords to be set require suitable strengths and number of characters and must contain both numeric, alphabetic characters, and special symbols and need to be changed periodically.
- While applying for severance, colleagues must complete related procedures with the IT Center so that respective system accounts can be deleted.

⑤ Ensure sustainable operation of systems.

- System backup: Create the NAS backup system to allow daily backups. The 321 backup rule is followed; that is, 3 copies are prepared of the same data and are stored in 2 separate equipment and 1 copy is stored concurrently in a remote location offline. The multiple copies and remote storage practice help minimize chances of the data being lost completely and ensure system and data security.
- Disaster recovery drills: Drills occur once a year for each system. Once a base date for the recovery is set, data are stored back in the

system host from the backup medium to ensure the accuracy and effectiveness of the backup medium.

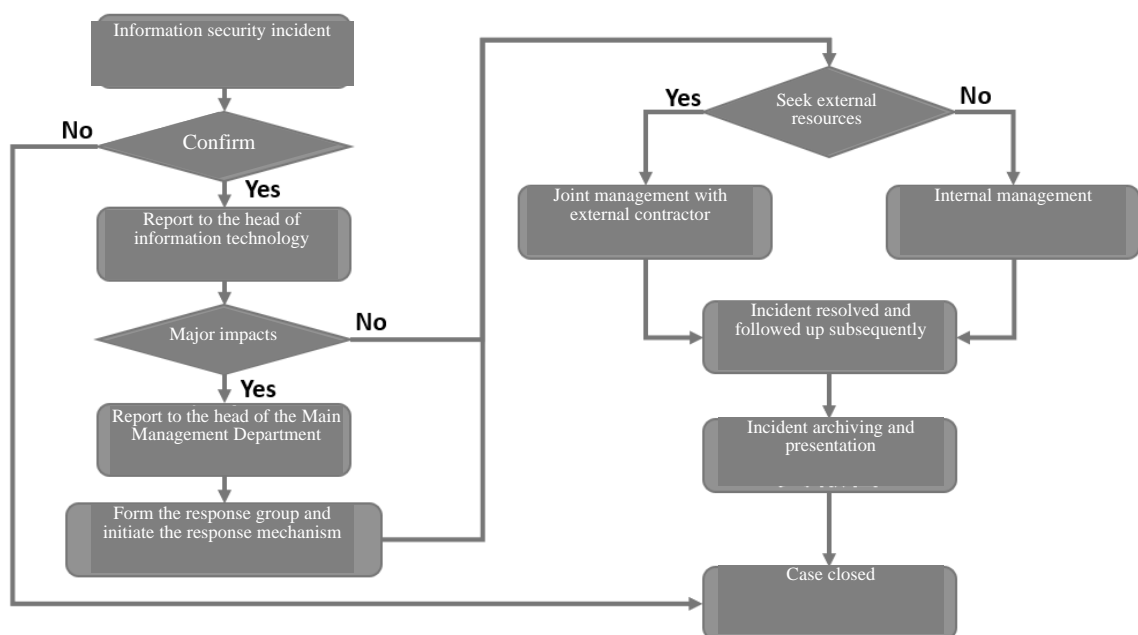
- Two data lines are rented from the telecommunications company. Through the broadband management equipment, both lines are connected to each other in parallel to allow mutual support and to ensure non-disruption of network communications.

⑥ Information security communication and educational training

- **Reminder:** Colleagues are asked to periodically replace their system password to ensure the security of their account.
- **Social engineering rehearsal:** Two company-wide social engineering rehearsals take place periodically each year to avoid information security risk due to improper email behavior.
- **New knowledge about information security:** On a monthly basis internal colleagues receive an email detailing information security throughout the Group and reminding them of the current practice against information hazards.
- **Workshops:** Newcomers and in-service colleagues are entitled to educational trainings on safety awareness in order to enhance their awareness of information security.

⑦ Information Security Reporting

- The reporting and processing of information security incidents



follow regulations mentioned below. See Figure 1.

Figure 1. Information security reporting and handling procedure

2. Losses as a result of major information and communication security events, their possible impacts, and countermeasures over the past year up to the date when the Annual Report was printed; if reasonable estimation is impossible, why it is impossible shall be specified: None.

VII. Important Contracts

As of the date when the Annual Report was printed, effective supply and distribution contracts, technical collaboration contracts, engineering contracts, long-term borrowings contracts, and other important contracts that are sufficient to impact shareholder equities and those expired over the past year:

Nature of contract	Parties	Start/End dates of contract	Main contents	Significant restriction clause
Land and surface building leases	Retail Support International	2017.01.01~2031.12.31	The six lots in Pizitou, Guanmiao Township owned by the Company, totaling around 3502.95 pings and their surface premises of a combined floor area of around 2,100 pings were put up for lease.	No particular restrictive terms.
Land and surface building leases (new)	INFAS TECH/TRI-STAR LIMITED TAIWAN BRANCH (B.V.I.)	2021.05.01~2026.04.30	The 13 lots in Pitouzi, Guanmiao Township owned by the Company, totaling around 8,699 m ² and their surface premises were put up for lease.	No particular restrictive terms.
Land and surface building leases	EATON PHOENIXTEC MMPL CO., LTD.	2022.11.01~2027.10.31	(Lease 1) Buildings 1 through 4 and the whole employee dormitory at No. 269, Baodong Road, Pitou Neighborhood, Guanmiao District owned by the Company, totaling 1,430 pings, and the square in front of the said buildings that has an area of 169 pings in total. (Lease 2) Buildings and land on the premises in Pitou Neighborhood, Guanmiao District owned by the Company, totaling around 1,873 pings and offices with a combined area of around 341 pings.	No particular restrictive terms.
Land and surface building leases	SHING FUH TAI TECHNOLOGY CORP.	2021.01.01~2025.12.31	Vacant space in the rear section of Building 8, Pizitou, Guanmiao District, Tainan City owned by the Company, with a combined floor area of around 136 pings, was put up for lease.	No particular restrictive terms.
Land and surface building leases	TRISON ENTERPRISE CO.	2021.05.01~2026.04.30	The buildings (No. 12-1 and 12-2) on the two lots of land in Bitouzi, Guanmiao District owned by the Company, totaling around 2,166 pings,	No particular restrictive terms.

Nature of contract	Parties	Start/End dates of contract	Main contents	Significant restriction clause
			with a combined floor area of around 2,166 pings were put up for lease.	
Land and surface building leases	Daiwa Motor Parts Corporation	2023.12.01~2028.12.31	Vacant space in the front section of Building 15, No. 269, Baodong Road, Pitou Village, Guanmiao District, Tainan City owned by the Company, with a combined floor area of around 94.2 pings, was put up for lease.	No particular restrictive terms.
Land and surface building leases	Jinlongyi Co., Ltd.	2023.10.01~2033.09.30	Vacant space in the rear section of Building 12-1, No. 269, Baodong Road, Pitou Village, Guanmiao District, Tainan City owned by the Company, with a combined floor area of around 251 pings, was put up for lease.	No particular restrictive terms.
Syndicated loan contract (new)	9 financial institutions, including Mega International Commercial Bank	2023.10.23~2028.12.23	Total syndicated loan facility of NT\$2 billion.	In honor of the special undertakings and matters agreed upon in the contract
Parallel solar photovoltaic power-generating system contract	Genesis Energy Technologies Inc.	2010.08.30~ Expiration date of the electricity purchase contract between FCS and Taipower	NT\$115.5 million for the 1000KW parallel solar photovoltaic power generation system project.	In honor of the special undertakings and matters agreed upon in the contract
Solar photoelectricity-generating system energy purchase/sale contract	Taiwan Operating Site of Taiwan Power Company	2010.12.30~ Expiration date is the end of the 20-year operational period of the power-generating equipment	Energy generated by FCS renewable energy power-generating systems is sold to TaiPower	In honor of the special undertakings and matters agreed upon in the contract
Solar photoelectricity-generating	Taiwan Operating Site of Taiwan Power Company	2016.12.30~ Expiration date is	Energy generated by FCS renewable energy power-generating systems is sold to TaiPower	In honor of the special undertakings and matters

Nature of contract	Parties	Start/End dates of contract	Main contents	Significant restriction clause
system energy purchase/sale contract		the end of the 20-year operational period of the power-generating equipment		agreed upon in the contract
Solar photoelectricity-generating system energy purchase/sale contract	Taiwan Operating Site of Taiwan Power Company	2017.11.20~ Expiration date is the end of the 20-year operational period of the power-generating equipment	Energy generated by FCS renewable energy power-generating systems is sold to TaiPower	In honor of the special undertakings and matters agreed upon in the contract
Solar photoelectricity-generating system energy purchase/sale contract	Taiwan Operating Site of Taiwan Power Company	2018.07.12~ Expiration date is the end of the 20-year operational period of the power-generating equipment	Energy generated by FCS renewable energy power-generating systems is sold to TaiPower	In honor of the special undertakings and matters agreed upon in the contract

Five. Discussion and Analysis of Financial Standing and Financial Performance and Risks

I. Financial Standing:

Financial Standing Comparative Analysis Table

Unit: NTD Thousand

Item \ Year	2024.12.31	2023.12.31	Difference	
			Amount	%
Current assets	4,658,096	4,244,612	413,484	9.74%
Non-current assets	3,052,008	3,039,944	12,064	0.40%
Total assets	7,710,104	7,284,556	425,548	5.84%
Current liabilities	3,160,044	2,116,605	1,043,439	49.30%
Non-current liabilities	1,930,224	2,786,529	(856,305)	(30.73%)
Total liabilities	5,090,268	4,903,134	187,134	3.82%
Share capital	1,654,778	1,569,860	84,918	5.41%
Capital surplus	93,513	42,520	50,993	119.93%
Retained earnings	795,537	754,424	41,113	5.45%
Total shareholders' equities	2,619,836	2,381,422	238,414	10.01%

Note: Main reasons for the major changes (with a change ratio of 20% and above and an absolute amount involved in the change reaching NT\$10 million) in the assets, liabilities, and shareholder equity over the past two years and the impacts and countermeasures in the future:

1. The increase in current liabilities was mainly due to the reclassification of NT\$360 million in common corporate bonds issued in May 2020 and NT\$350 million in convertible corporate bonds issued in August 2022, which are set to mature in May and August 2025, respectively, and therefore were reclassified as current portion of long-term liabilities.
2. The decrease in non-current liabilities was primarily the result of the above reclassification of NT\$360 million in common corporate bonds and NT\$350 million in convertible corporate bonds from non-current to current liabilities.
3. The increase in capital surplus was mainly attributable to the share premium arising from the conversion of convertible corporate bonds.

II. Operational Achievements:

(I) Management Outcome Comparative Analysis:

Management Outcome Comparative Analysis Table

Unit: NT\$ Thousand

Item	2024	2023	Increased (decreased) amount	Change ratio
	Amount	Amount		
Operating revenue	4,529,411	3,861,005	668,406	17.31%
Operating cost	(3,369,271)	(2,848,137)	(521,134)	18.30%
Gross profit	1,160,140	1,012,868	147,272	14.54%
Operating expenses	(1,039,567)	(974,649)	(64,918)	6.66%
Net operating profit	120,573	38,219	82,354	215.48%
Non-operating income and expense	11,611	19,604	(7,993)	(40.77%)
Net income before tax	132,184	57,823	74,361	128.60%
Income tax (expenses)	(60,079)	(34,500)	(25,579)	74.14%
Current period net profit	72,105	23,323	48,782	209.16%
Other comprehensive income for the period (net amount after tax)	83,364	(42,935)	126,299	(294.16%)
Total comprehensive income in the current period	155,469	(19,612)	175,081	(892.72%)

Clarification:

1. The increase in operating gross profit and operating income was primarily due to the increase in revenue. Among them, the gross profit from injection molding machines increased by NT\$122,483 thousand year-on-year.
2. The increase in income tax expense was mainly due to the rise in profit for the current year.
3. The increase in other combined gains or losses for the current term was the result of the difference in converted amounts from financial statements of overseas operating entities.
4. The increase in total comprehensive income for the period was mainly attributable to both the increase in net profit and the increase in other comprehensive income.

(II) Analysis of Changes in Gross Profit: The gross profit margin in 2024 was 25.61%, compared with 26.23% in 2023, showing a decrease of 0.62 percentage points. This was mainly due to the increase in revenue from injection molding machines, while the gross profit margin slightly declined.

III. Cash flows:

(I) Analysis of Changes in Cash Flows Over the Past Year

1. Statement of net cash flows with a change ratio of at least 50% and involving an amount changed reaching at least 5% of the paid-in capital size is as follows:

Unit: NT\$ Thousand

Year \ Item	Cash flows from operating activities	Cash flows from investing activities	Cash flows from fund-raising activities	Impacts of exchange rate changes on cash and cash equivalents	Net cash flow
2024	195,242	17,583	(13,509)	(12,483)	186,833
2023	263,004	(527,413)	61,581	(4,124)	(206,952)
Amount changed	(67,762)	544,996	(75,090)	(8,359)	393,785
Change %	(25.76%)	(103.33%)	(121.94%)	202.69%	(190.28%)
Versus the paid-in capital	(4.09%)	32.93%	(4.54%)	(0.51%)	23.80%

Clarification:

1. Cash flows from operating activities decreased year-on-year, mainly due to an increase in accounts receivable and inventories.
2. Cash flows from investing activities increased year-on-year, primarily due to an increase in the redemption of financial products.
3. Cash flows from financing activities decreased year-on-year, mainly due to loan repayments and the repurchase of treasury shares.

2. Analysis of liquidity over the past two years:

Year \ Item	December 31, 2024	December 31, 2023	Increase/Decrease ratio
Cash flow ratio	6.18%	12.43%	(50.28%)
Cash flow adequacy ratio	22.64%	22.21%	1.94%
Cash re-investment ratio	3.45%	4.00%	(13.75%)

Information on the analysis of changes in the increase/decrease ratio:

The net cash inflow from operating activities in 2024 decreased compared to the end of 2023, resulting in a decline in the cash flow ratio and cash reinvestment ratio. However, the cash flow adequacy ratio increased due to the higher net cash inflow from operating activities in the most recent year.

(II) Analysis of cash liquidity in the coming year

Unit: NT\$ Thousand

Cash balance at the beginning of period ①	Expected net cash flow from operating activities for the year ②	Projected cash outflow for the year ③	Estimated cash surplus (shortage) amount ① + ② - ③	Remedy for expected cash shortage	
				Investment plan	Wealth management plan
676,230	750,000	590,000	836,230	-	-
<p>Clarification:</p> <p>Based on the operating performance in 2024 and the forecast of future growth trends, and in line with the Company's funding policy, the net cash inflow from operating activities in 2025 is estimated to be approximately NT\$750,000 thousand. To meet investment needs and repay bank borrowings, cash outflows are estimated at around NT\$590,000. The projected cash balance is NT\$836,230 thousand. In the event of a cash shortfall, the Company will address it through bank borrowings or capital increases.</p>					

IV. Impacts of Major Capital Expenditure on Finance over the Past Year:

(I) Utilization of major capital expenditure and source of funding:

Unit: NT\$ Thousand

Item	Actual or expected sources of funds	Actual or expected date of completion	Total funds	How funds are actually or planned to be utilized				
				2024	2025	2026	2027	2028
None	-	-	-	-	-	-	-	-

(II) Expected possible benefits: None.

V. The reinvestment policy over the past year and main reasons for profits or losses and the improvement plan and the investment plan for the coming year

(I) 2024 reinvestment policy and main reasons for profits or losses and the improvement plan and investment plan:

In 2024, NT\$53,688 thousand was recognized as investment income, primarily from the investment gains of subsidiaries FCS Ningbo and FCS Dongguan. However, the loss-making subsidiaries, FCS RG PLASTIC PTE., LTD. (Singapore) and PT. FCS RGP Plastic (Batam), have ceased operations. At present, their land, factory buildings, and equipment are being leased out. It is expected, with the Group integrating its resources and adjusting the scope of operation as well as strict control over internal expenditure and cost, revenue and profitability should gradually return.

(II) Investment plan for the coming year:

Depending on the expansion in operational scale and the demand for working capital of respective subsidiaries, in case of insufficiency, it shall be supported by funds taken out of the Parent Company or by funds raised on the open market.

VI. Evaluation and Analysis of Risk Matters:

(I) Impacts of Changes in Interest Rate, Exchange Rate, and Inflation on the Company's Profits or Losses and Countermeasures in the Future:

1. Impacts of Changes in Interest Rate, Exchange Rate, and Inflation on the Company's Profits or Losses

Unit: NT\$ Thousand

Year Item		2023			2024		
		Amount	Ratio to net operating income %	As a percentage of pre-tax net profit %	Amount	Ratio to net operating income %	As a percentage of pre-tax net profit %
Interest rate	Interest revenue	30,735	0.80	53.15	28,504	0.63	21.56
	Interest expenses	57,660	1.49	99.72	73,754	1.63	55.80
Exchange rate	Gains (Losses) from currency exchange	(5,562)	(0.14)	(9.62)	12,561	0.28	9.50

Note: The consolidated operating income of 2023 and 2024 was NT\$3,861,005 thousand and NT\$4,529,411 thousand, respectively; and the consolidated net profit before tax of 2023 and 2024 was NT\$57,823 thousand and NT\$132,184 thousand.

(1) Interest rate:

The Company's interest income for 2023 and 2024 was NT\$30,735 thousand and NT\$28,504 thousand, respectively. The increase was mainly due to interest income from wealth management products operated by the subsidiary FCS Ningbo. Interest expenses for the same periods were NT\$57,660 thousand and NT\$73,754 thousand, respectively, and the increase was attributable to higher loan amounts and rising interest rates. The ratio of interest expenses to operating revenue and pre-tax profit varies

in line with changes in operating revenue and pre-tax profit.

The Company's working capital, besides the cash inflows of operating activities or sponsorship from shareholders, mainly came from borrowings from banks at an interest rate comparable to the general market range. The interest expenditure mainly came from the short-term/long-term borrowings from banks. The Company will continue to maintain optimal relations with banks and watch changes in interest rates in the market to keep the interest expenditure under control and to adequately adjust utilization of funds reflective of changes in the interest rate in order to minimize the impacts of changes in the interest rate on the gains or losses of the Company.

(2) Exchange rate:

The Company incurred an exchange loss of NT\$5,562 thousand and an exchange gain of NT\$12,561 thousand in 2023 and 2024, respectively. Most sales income and part of purchase expenditure of the Company are valued in foreign currencies. There were higher positions of assets in foreign currencies. Therefore, borrowings in foreign currencies were adequately increased to bring foreign currency assets and foreign currency liabilities to nearly a balance and to accomplish partial natural hedging effects. The Company also pays attention to changes in the exchange rate at all times and adequately responds to them by means of pre-sale at a forward rate or SWAP to help hedge against the exchange rate risk. Besides maintaining optimal relations with the financial institutions, on the other hand, the Company follows trends in market exchange rates and adopts the following two measures in order to reduce the impacts of fluctuating exchange rates on the Company:

A. Periodically forecast demand for and income in foreign currencies and trade or borrow foreign currencies in real time to strike a balance.

B. For products quoted in foreign currencies, take into consideration expected changes in the exchange rate in order to protect reasonable profits for the Company.

The table above shows that the impacts of changes in the exchange rate on the net operating income and net profit before tax of the Company are not significant and the impacts on the gains and losses of the Company remain limited.

(3) Inflation:

The monetary policies adopted by economic powers around the world are fairly under control; there are no material concerns about inflation for the time being. As of the date when the Annual Report was printed, the Company had not suffered material impacts on its gains or losses as a result of inflation. Close and optimal interactive relations will continue with

suppliers and customers in the future and changes in prices on the market will be watched closely so that purchase or sale prices can be adequately adjusted reflective of the fluctuations on the market to minimize impacts of changes in inflation.

(II) Policy on engaging in high-risk and high-leverage investments, lending of funds to others, endorsement and guarantee, and transactions of derivatives, main profit or loss factors, and countermeasures in the future:

1. In 2024, the Company recognized NT\$82 thousand as the financial assets (liabilities) appraisal losses as a result of pre-sale at a forward rate of accounts receivable. The Company will watch changes in the exchange rate at all times and adequately takes actions such as pre-sale at a forward rate in order to avoid the exchange rate risk. The forward exchange contracts are intended to lessen the risk of changes in the foreign exchange rate for net assets or liabilities. Corresponding cash inflow or outflow will be generated upon maturity of these contracts. Besides this, the Company's working fund can afford to cover it. Therefore, no significant cash flow risk might arise. There are, however, still no needs to engage in high-risk, leverage investments, and trading of other derivatives.
2. The Company's loaning of funds to others in 2024 is detailed in the table below. All the loans to others are the subsidiaries within the Group, and there are no other loans to external parties. The Company's loaning of funds to others is mainly due to the continuous expansion of the turnover or scale of operation of the invested subsidiaries, which increases the demand for funds and thus the need for business turnover. The Company followed the "Procedures for Lending Funds to Others" of the Company. The maximum amount of the Company's financing was NT\$977,127 thousand, and the balance of the loaning of funds approved by the Board of Directors was NT\$525,000 thousand. The actual amount used by the subsidiary was NT\$297,264 thousand.

Unit: NT\$ Thousand

Borrower	Balance at end of term (limits that may be approved by the Board of Directors)	Actual balance at end of term	Limit of loan to each borrower	Maximum of funds lent
BVI FU CHUN SHIN CO., LTD.	185,000	110,141	488,564	977,127
FCS RG PLASTIC PET.LTD.	190,000	129,487		
FCS MACHINERY(INDIA) PRIVATE.LTD.	50,000	34,512		
Dongguan Fu Chun Shin Machinery Co. Ltd.	10,000	-		
Fu Chun Shin (Ningbo) Machinery Manufacture Co., Ltd.	10,000	-		
Fu Chun Shin (Ningbo) Precision Technology Co., Ltd.	10,000	-		
FCS MACHINERY(THAILAND)CO., LTD.	40,000	11,734		
PT.SHIN PREFORM PLASTIC	-	-		
PT.FUCHUNSHIN TECHNOLOGY INDONESIA	10,000	1,639		

FCS PLASTIC MACHINERY(THAILAND) CO., LTD.	10,000	6,743		
SHING FUH TAI TECHNOLOGY CORP.	10,000	3,008		

Note: For the statement of funds lent to others by each of the subsidiaries, refer to what is stated in Table 1 under XIII. Other Disclosures as part of the Notes to the Consolidated Financial Statements.

3. The endorsements/guarantees provided by the Company to its subsidiaries in 2024 were primarily needed as the working capital of the subsidiaries and the requirements under the Company's "Endorsement and Guarantee Regulations" were followed. The maximum amount involved in endorsements/guarantees provided by the Company came to NT\$1,221,409 thousand and the balance of the limits available for endorsements and guarantees as approved by the Board of Directors was NT\$691,665 thousand. The actual amount drawn down by the subsidiaries came to NT\$192,463 thousand.

Unit: NT\$ Thousand

Counterpart of endorsement and guarantee	Limits of endorsement and guarantee for a single enterprise	Current maximum endorsement/guarantee balance (guarantee limit)	Endorsement /guarantee balance (guarantee limit) at the end of the period	Balance of endorsement s/guarantees at the end of the period (actual utilized)	Amount of Endorsement / Guarantee Collateralized by Properties	Maximum limits of endorsement and guarantee
BVI FU CHUN SHIN CO., LTD.	732,846	262,680	196,710	26,228	-	1,221,409
FCS MANUFACTURING (INDIA) PRIVATE LIMITED.	732,846	81,370	80,902	-	-	
Dongguan Fu Chun Shin Machinery Co. Ltd.	732,846	282,880	223,900	77,169	-	
FCS RG PLASTIC PET.LTD.	732,846	197,010	190,153	89,066	42,900	

Note: The limits for endorsements/guarantees to be provided by the subsidiary FCS Ningbo were those answering to the amount involved in current business. There were no other endorsements and guarantees provided by subsidiaries. For the statement of endorsements/guarantees provided to current customers by FCS Ningbo, refer to what is included in Table 2 under XIII. Other Disclosures as part of the Notes to the Consolidated Financial Statements.

(III) Future research and development plans and R&D expenses expected to be devoted:

In order to provide customers with best-quality products, the Company has been adhering to its beliefs regarding R&D of products, that is: "specific", "precise", "rapid", "durable", "stable", "clean", and "energy-efficient". Based on this philosophy, we will continue to develop and manufacture high-quality new products. It is estimated that the R&D expenditure in 2025 will be NT\$45,800 thousand. The main R&D products and plans are as follows:

Product of R&D or title of plan	Status	Expected R&D expenditure expected to be invested back in (NTD Thousand)	Expected time to completion of mass production	Primary influential factor for the success in R&D in the future
SA series outer curve development project	20%	9,000	Q4 2025	Technology, research and development, project capabilities
Development of 3rd	25%	8,800	Q4 2025	Technology, research

Generation 2 PCB				and development, project capabilities
Smart function development project for oil pressure gauge	30%	4,300	Q3 2025	Technology, research and development, project capabilities
FB-R 5 Generation Machine Development Project	30%	7,500	Q4 2025	Technology, research and development, project capabilities
Radio projection development project	50%	5,300	Q4 2025	Technology, research and development, project capabilities
AI Talent Cultivation Program	30%	6,600	Q4 2025	Technology, research and development, project capabilities
SA design optimization project	20%	4,300	Q2 2025	Technology, research and development, project capabilities

(IV) Impacts of important domestic and international policies and regulatory changes on the Company's financial performance and the countermeasures:

The Company watches closely changes in important policies and laws domestically and internationally and evaluates their impacts on the Company's financial operations. There were no material undesirable impacts on important domestic and international policies and legal changes over the past year on the financial operation of the Company.

(V) Impacts of changes in technology (including information and communication security risks) and industry on the Company's finance and business and countermeasures:

The Company pays attention to changes in technology (including information and communication security risks) and changes in the industry related to the industry in which the Company operates, and assigns dedicated personnel or task forces to evaluate and study the impact on the Company's future development, finance and business, and There is no significant impact on the Company's financial operations due to important technological changes (including information communication security risks) and industry changes.

(VI) Impacts of changes in the corporate image on the management of corporate risks and the countermeasures:

The Company has been devoted to maintaining its corporate image and abiding by applicable regulatory requirements. In case of any condition that will impact the corporate image or is against the law, a project team will be formed to prepare the countermeasures. As of the date when the Annual Report was printed, no circumstances impacting the corporate image had occurred yet.

(VII) Expected benefits and possible risks of M&As:

Over the past year up to the date when the Annual Report was printed, the Company did not engage in mergers and acquisitions. Should there be M&A plans in the future, they will be carefully evaluated, taking into consideration whether or not they will bring about substantial synergistic effects for the Company in order to precisely protect the interests of the Company and those of the shareholders.

(VIII) Expected benefits and risks of expansion of manufacturing facilities:

The Company built additional workshops and put them up for lease in order to bring

about rent income. Given the long-term nature of such leases and the fixed rent, no material risks are involved.

(IX) Risks associated with focused purchases or sales:

1. Purchases: For the purchases of raw materials, the Company maintains at least two suppliers in order to decentralize the risk and there is no risk of focused purchases (greater than 10%).
2. Sales: All the sales of the Company are done through dealers or directly. There is no single customer with a sales amount accounting for 10% of the net total sales of the Company and above over the past year. The Company reviews at all times upon shipment if the credit limit is exceeded, monitors payments collected, and pays attention to other interactions with suppliers and notes and letter of credit in order to bring down the risk.

(X) Impacts and risks of transfer or ratio of stock options in large quantities by directors, supervisors or heavyweight shareholders holding more than 10% of all shares on the Company:

No transfer or exchange of equities in large quantities by directors, supervisors, or heavyweight shareholders holding more than 10% of all shares in the Company had occurred.

(XI) Impacts and risks of the change in the management on the Company:

The Company had not experienced change in its management.

(XII) Litigation or non-litigation events, any material litigation, non-litigation or administrative litigation for which judgment has been made or is pending for judgment related to the company and its directors, supervisors, general managers, actual responsible persons, and shareholders holding more than 10% of the Company's shares and, if the result thereof may have significant influence on shareholders' rights and interests or the price of securities, the fact, object amount, litigation commencement date, main parties involved and the settlement condition as of the publication date of the annual report shall be specified: None.

(XIII) Other important risks: None.

VII. Other Important Matters: None.

Six. Special Notes

I. Information of Affiliates

(I) 2024 Consolidated Business Report of Affiliates:

1. Index Path (New MOPS): Please refer to Market Observation Post System (MOPS) > Single Company > Electronic Documents Download > Affiliated Enterprises – Three Statements Section.
2. Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10.

(II) Consolidated Financial Statement of Affiliates:

1. Index Path (New MOPS): Please refer to Market Observation Post System (MOPS) > Single Company > Electronic Documents Download > Financial Reports.
2. Website: https://mops.twse.com.tw/mops/#/web/t57sb01_q1

(III) Affiliation Businesses Report: Not applicable.

II. Management of private placement securities in the most recent year and up to the date the Annual Report was printed: None.

III. Other Matters Requiring Supplementary Information: None.

Seven. Matters with Important Impacts on Shareholders' Equity or Prices of Securities

I. Matters with important impacts on shareholders' equity or prices of securities as indicated in Article 36 Paragraph 2 Subparagraph 2 of the Securities and Exchange Act in the past year up to date the Annual Report was printed: None.

Fu Chun Shin Machinery Manufacture Co., Ltd.

Chairman: Po-Hsun Wang