

# **Fu Chun Shin Machinery Manufacture Co., Ltd.**

## **Articles of Incorporation**

### **Chapter I General Provision**

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

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

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

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

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

### **Chapter II Shares**

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

Article 6: Deleted.

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

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

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

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

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

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

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

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

### Chapter III Shareholders’ Meeting

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

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

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

they shall mutually select a chair from among themselves.

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

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

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

#### Chapter IV Directors and Audit Committee

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

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

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

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

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

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

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

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

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

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

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

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

Article 26: Deleted.

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

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

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

## Chapter V. Managers and Officers

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

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

## Chapter VI. Account Closure

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

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

3. earning distribution proposal or loss compensation proposal.

Article 31: The Company shall distribute no less than 3% of the annual profit, if any, as the remuneration to employees. Of the aforementioned remuneration to employees, no less than 30% shall be allocated to grassroots employees.

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

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

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

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

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

Pursuant to Article 240, Paragraph 5 of the Company Act, the Company authorizes the Board of Directors, with the attendance of more than two-thirds of all directors and the approval of a majority of the directors present, to distribute in whole or in part the dividends and bonuses to be distributed, or the legal reserve and capital reserve as prescribed in Article 241,

Paragraph 1 of the Company Act, in the form of cash. Such distribution shall be reported to the shareholders' meeting.

As the Company is engaged in the precision machinery industry, the dividend policy, including amount, category and ratio of shareholder bonus, shall be prepared subject to the current and future investment environment which the Company is in, the Company's funding needs, domestic/foreign competition status and capital budget, and by taking into account the shareholders' interest, balanced dividends and the Company's long-term financial planning. The total distributable dividends shall be no more than 80% of the annual distributable earnings, including the cash dividends no less than 20% of the distributable dividends.

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

Article 32: Deleted.

## Chapter VII Supplementary Provisions

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

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

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

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

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

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

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

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

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

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

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

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

7th amendments hereto were made on February 21, 1998

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

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

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

11th amendments hereto were made on June 30, 2002.  
12th amendments hereto were made on June 27, 2003.  
13th amendments hereto were made on June 5, 2004.  
14th amendments hereto were made on June 29, 2005.  
15th amendments hereto were made on June 29, 2006.  
16th amendments hereto were made on June 21, 2007.  
17th amendments hereto were made on June 17, 2010.  
18th amendments hereto were made on June 21, 2012.  
19th amendments hereto were made on June 27, 2014.  
20th amendments hereto were made on June 27, 2015.  
21st amendments hereto were made on May 31, 2016.  
22nd amendments hereto were made on June 30, 2020.  
23rd amendments hereto were made on August 30, 2021.  
24th amendments hereto were made on May 31, 2022.  
25th amendments hereto were made on June 20, 2025.

Fu Chun Shin Machinery Manufacture Co., Ltd.

Chairman: Wang Po-Hsun