

GUDENG PRECISION INDUSTRIAL CO., LTD.

Gudeng Precision Industrial Co., Ltd.

2024 Annual Shareholder Meeting Meeting Handbook

Convening Method: Physical Shareholders' Meeting

Date: May 24, 2024

**Location: 9th Floor, No. 2, Section 4, Zhongyang
Road, Tucheng District, New Taipei City**

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Chapter 1. Meeting Procedures

GUDENG PRECISION INDUSTRIAL CO., LTD.

Agenda of the 2024 Annual General Meeting

I. Meeting Called to Order

II. Chairperson Remarks

III. Reports

IV. Ratifications

V. Discussions

VI. Election Matters

VII. Other Matters

VIII. Extemporaneous Motion

IX. Adjournment

Chapter 2. Meeting Agenda

GUDENG PRECISION INDUSTRIAL CO., LTD.

Agenda of the 2024 Annual General Meeting of Shareholders

Time: May 24, 2024 (Friday), 9 a.m.

Location: 9th Floor, No. 2, Section 4, Zhongyang Road, Tucheng District, New Taipei City (Education and Training Center)

- I. Meeting Called to Order
- II. Chairperson Remarks
- III. Reports:
 - (I) Business Report of 2023.
 - (II) Audit Committee Review Report of 2023.
 - (III) Compensation to Employees and Directors of 2023.
 - (IV) Earnings Distribution (Cash Dividends) of 2023.
 - (V) Report on the Reasons for and Issuance Status of the Company's Convertible Bonds.
- IV. Ratifications:
 - (I) Business Report and Financial Statements of 2023.
 - (II) Earnings Distribution of 2023.
- V. Discussions:
 - (I) Amendments to the Company's "Articles of Incorporation."
 - (II) Amendments to the Company's "Procedures for the Acquisition and Disposal of Assets."
- VI. Election Matters:

Election of the 8th Board of Directors
- VII. Other Matters:

Proposal to release the 8th elected directors from non-competition restrictions
- VIII. Extemporary Motions.
- IX. Adjournment

Reports

Item 1: (Proposed by the Board of Directors)

Cause of Action: 2023 Business Report of the Company

Description: 2023 Business Report of the Company (Please refer to Attachment 1 on page 14-26).

Item 2: (Proposed by the Board of Directors)

Cause of Action: Audit Committee's Review Report on 2023 Financial Statements.

Description: For the Audit Committee' Review Report, please refer to Attachment 2 on Page 27.

Item 3: (Proposed by the Board of Directors)

Cause of Action: The distribution of 2023 compensation to directors and employees.

Description:

- I. According to Article 23-1 of the Articles of Incorporation, if the Company has earnings, it shall set aside no less than 3% of the balance as remuneration to the employees and no greater than 3% of the balance as remuneration to directors. However, in case the Company still has accumulated deficits, the amount of accumulated deficits should be deducted from such earnings before the balance is calculated for distribution.
- II. The 23rd meeting of the 7th board of directors of the Company held on March 6, 2024 has resolved to allocate NT\$ 31,429,000 for employee remuneration and NT\$ 31,428,000 for directors and supervisors, all of which were paid in cash.

Item 4: (Proposed by the Board of Directors)

Cause of Action: 2023 earnings distribution (cash dividends).

Description:

The 2023 earnings distribution (cash dividends) is as follows:

Currency Unit: NT\$			
Period	Dividend payment date	Cash dividends per share	Total amount of cash dividends
First half of 2023	2024/01/12	4.00736239	377,883,181
Second half of 2023	2024/07/10	3.5	330,040,312
Total		7.50736239	707,923,493

Item 5: (Proposed by the Board of Directors)

Cause of Action: Report on the Reasons for and Issuance Status of the Company's Convertible Bonds. Please review. The company is issuing its fourth unsecured convertible corporate bonds domestically, with a face value of NT\$100,000 each, and a total value of NT\$1 billion. The purpose of this issuance is to repay bank loans. The issuance period is from October 18, 2023, to October 18, 2026. The latest conversion price is NT\$366.9. As of the cessation date for transfer (March 26, 2024), 272 shares of common stock have been converted, with an outstanding conversion amount of NT\$999,900,000.

Ratifications

Item 1: (Proposed by the Board of Directors)

Cause of Action: Business Report and Financial Statements of 2023.

Description:

- I. The Company's 2023 financial statements and consolidated financial statements have been approved by the Board of Directors and audited by CPAs Tseng, Chien-Ming, and Wang, Pan-Fa of Deloitte & Touche. Business Report and Financial Statements and Independent Auditors' Report have been reviewed by the Audit Committee.
- II. Please refer to Attachment 1 on page 14-26 and Attachment 3 on page 28-50 for the business report, accountant's audit report, and the aforementioned financial statements for 2023.
- III. The proposal is hereby submitted to the shareholders' meeting for ratification.

Resolution:

Item 2: (Proposed by the Board of Directors)

Cause of Action: The Company's 2023 profit distribution plan

Description:

- I. Please refer to Attachment 4 on page 51 for the proposed earnings distribution table for 2023 in accordance with Article 24 of the Articles of Incorporation.
- II. The proposal is hereby submitted to the shareholders' meeting for ratification.

Resolution:

Discussions

Item 1: (Proposed by the Board of Directors)

Cause of Action: Amendment to the Company's "Articles of Incorporation."

Description:

- I. In response to the Company's business practices, it is proposed to amend the "Articles of Incorporation."
- II. The comparison table of the provisions is attached hereto as Attachment 5 on page 52.
- III. The proposal is hereby submitted to the shareholders' meeting for resolution.

Resolution:

Item 2: (Proposed by the Board of Directors)

Cause of Action: Amendments to the Company's "Procedures for the Acquisition and Disposal of Assets"

Description:

- I. In response to the operational needs of the company and to comply with the guidelines for the acquisition or disposal of assets by publicly traded companies, we have revised our company's "Procedures for the Acquisition or Disposal of Assets."
- II. The comparison table of the provisions is attached hereto as Attachment 6 on page 53.

- III. The proposal is hereby submitted to the shareholders' meeting for resolution.

Resolution:

Election Matters

Item 1: (Proposed by the Board of Directors)

Cause of Action: Election of the 8th term of the Board of Directors.

Description:

- I. The term of office of current director of the Company will expire on July 29, 2024 and will be fully re-elected at this regular shareholders' meeting.
- II. According to the Company's Articles of Incorporation, this session will involve the election of 9 directors (including 4 independent directors) whose term of office will be three (3) years, starting from May 24, 2024 to May 23, 2027.
- III. According to the Company's Articles of Incorporation, the Company's directors adopt a candidate nomination system, and shareholders will be elected from the list of candidates.
- IV. Mr. Wen-hao Lo has served as an independent director of our company for more than three terms. Due to his extensive experience in industry risk, operational risk monitoring, performance management, and corporate governance, he has provided invaluable insights to the company. He effectively oversees the board of directors and provides relevant opinions. The company still relies on his expertise. Therefore, in this election, we propose to nominate him to continue serving as an independent director of our company.
- V. The list of director candidates was approved by the Company's board of directors on April 10, 2024. The relevant information is as follows:

Nominee Category	Name	Academic Background	Experiences	Current Job	Shareholding
Director	Ming-Chien Chiu	Graduate Institute of Information Management, National Chengchi University EMBA Master of Guanghua School of Management, Peking University Master of EMBA from Taipei University	Chairman and CEO of Gudeng Precision Industry Corporation	Chairman and CEO of Gudeng Precision Industry Corporation Chairman, We Solutions Technology Co., Ltd. Chairman of We Solutions Technology Co., Ltd. Chairman, Jia Shuo Construction Co., Ltd. Chairman, Hengyang Green Energy Co., Ltd. Chairman, Fu Rui Sheng Industrial Co., Ltd. Chairman, Bor Sheng Industry Co., Ltd. Chairman of Partner one Limited Chairman of JYR Aviation Components Co, Ltd. Director of Gudeng Venture Capital Corporation Director, Suting Precision Industry Co., Ltd. Director, AIS Analytical Instruments Inc. Director, Symtek Automation Asia Co., Ltd. Representative of Shanghai Gudeng Trading Co., Ltd. Representative of Gudeng INC Representative of Gudeng Investment Co., Ltd. Supervisor of TSS Holdings Ltd.	6,708,527
Director	LIN, TIEN-JUI	EMBA, China Europe International Business School Master of EMBA, National Chengchi University Master of Global Entrepreneurship, National Chengchi University Department of Mechanical Engineering, Huaxia Institute of Technology	Vice Chairman and General Manager of Gudeng Precision Industry Co., Ltd.	Vice Chairman and General Manager of Gudeng Precision Industry Co., Ltd. Chairman of Gudeng Venture Capital Corporation Chairman of Gudeng Investment Limited Chairman of Gudeng Aerospace Co, Ltd. Director of We Solutions Technology Co., Ltd. Director, Gudeng Equipment Co., Ltd. Director, Fu Rui Sheng Industrial Co., Ltd. Director, Bor Sheng Industrial Co., Ltd. Director, Suting Precision Industry Co., Ltd. Supervisor, AIS Analytical Instruments Inc. Director of JYR Aviation Components Co, Ltd. Representative of Sun Park Development Limited	6,278,853

Nominee Category	Name	Academic Background	Experiences	Current Job	Shareholding
Director	HUANG, CHUNG-PENG	Completed the science and technology class of National Chengchi University The Department of Mechanical Engineering, Oriental Institute of Technology	Deputy Manager of Development Department of Botsu Enterprise Co., Ltd. Chairman and General Manager of Suzhou Wujiang Innovation Head of Suzhou Kunju Trading Co., Ltd.	Director of Gudeng Precision Industry Co., Ltd. Supervisor of Gudeng Venture Capital Corporation Head of Shanghai Sun Park Development Limited Director of Rich Point Global Corp. Director and General Manager of We Solutions Technology Co., Ltd. Supervisor, Fu Rui Sheng Industrial Co., Ltd. Director, Bor Sheng Industrial Co., Ltd. Supervisor, Suting Precision Industry Co., Ltd. Supervisor of JYR Aviation Components Co, Ltd.	795,181
Director	WEI, CHIH-FANG	The Japanese Department of Soochow University	Representative of Bottlemate & BeautyPro INC. Representative of BEAUTY WORKS INC. Consultant of Good Neighbor Food Co., Ltd.	Director of Gudeng Precision Industry Co., Ltd. Dafeng Development and Construction Engineering Co., Ltd. Director, Hengyang Green Energy Co., Ltd.	0
Director	HU, HUI-SEN	EMBA, Department of Information Management, National Taiwan University	Director of the Friends of the Police Association of the Republic of China Executive Director of Taiwan Electrical and Electronic Manufacturers' Association Executive Director of Sino-Indonesia Cultural and Economic Association Executive Director of Tsinghua University Taiwan Alumni Headquarters Policy consultant of Taiwan Chamber of Commerce and Industry Vice Chairman of PVGSA Vice Chairman of The Renewable Energy Business Association of the Republic of China	Director and General Manager of Shinfox Energy Co., Ltd. Director and General Manager of FIT Holding Co., Ltd. Chairman of Foxwell Energy Corporation Ltd. Chairman of Foxwell Power Co., Ltd. Chairman of Xin Xin Natural Gas Corporation Chairman of Kunshan Jiuwei Information Tech Co. Ltd. Chairman of Jiuwei Power Co., Ltd. Chairman of Elegant Energy TECH Co., Ltd. Chairman of Yuan Shan Forest Natural Resources Co., Ltd. Chairman of Eastern Rainbow Green Energy Environmental Technology Co., Ltd. Chairman of Shih Fong Power Co., Ltd. Chairman of Singapore Shinfox Far East Company Pte Ltd Director of SFI Electronics Co., Ltd. Director of Unicon Vision Corp. Director of APEX Wind Power Equipment Manufacturing Co., Ltd. Independent Director of EBM Technologies Inc.	0

Nominee Category	Name	Academic Background	Experiences	Current Job	Shareholding
Independent Director	LO, WEN-HAO	Master of Business Administration, National Chengchi University	Director and General Manager of Magic Technology Co., Ltd. Legal person director representative of Magic Technology Co., Ltd. Chairman of Tongshuo Investment Co., Ltd. Director of Global Magic Technology Co., Ltd. Director of Magic Technology Co., Ltd. Director of Tonal Home Appliance Co., Ltd.	Independent Director of Gudeng Precision Industry Corporation Chairman of Tongshuo Investment Co., Ltd. Director of Global Magic Technology Co., Ltd. Director of Magic Technology Co., Ltd. Director of IST Group Technology Co., Ltd.	32,684
Independent Director	OU, SHU-FANG	Doctor of Biomedical Engineering, Jinan University, Guangzhou Master of Business Administration from China Europe International Business School Department of Traditional Chinese and Western Medicine, China Medical University	Industry Consultant at National Taiwan University Innovation and Entrepreneurship Center Taiwan Medical Association - National Health Insurance Grassroots Global Budget Payment System Executive Committee Reviewing Physician Ophthalmologist at Cardinal Tien Hospital Ophthalmologist at Taipei City Hospital Zhongxiao Branch Ophthalmologist at Cathay General Hospital	Chairman of Universal Vision Biotechnology Co., Ltd. Independent Director of Maywufa Co., Ltd. Vice Chairman of The National Association of Small & Medium Enterprises Honorary Chairman of the Chinese Directors Branch of the World Chinese Women Entrepreneurs Association Vice Chairman of Taipei Neihs Technology Park Development Association President of the National Award of Outstanding SMEs Friendship Club (North) President of Distinguished Ladies Association Director of the National Taiwan University Industry-Academia Development Association	10,000
Independent Director	SHEN, JUNG-CHIN	Master of Business Automation and Management from National Taipei University of Technology	Associate Dean of the Executive Yuan Minister of Economic Affairs Deputy Minister of Administration Deputy Secretary-General Director of the Industrial Development Bureau Convener of the National Financial Stability Fund Management Committee Convener of the Executive Yuan Price Stability Task Force Executive Director of the Central Bank of the Republic of China Member of The Financial Supervisory Commission Convening Committee Member of the Venture	Chairman of Taiwan Financial Holdings Co., Ltd.	0

Nominee Category	Name	Academic Background	Experiences	Current Job	Shareholding
			Capital Investment Review Committee of the Executive Yuan Director of the National Chung-Shan Institute of Science and Technology Acting Chairman of China Steel Corporation Chairman of the Textile Industry Research Institute Executive Director of the Industrial Technology Research Institute		
Independent Director	CHIN, CHIA-HUNG	Tamkang College of Arts and Sciences Department of Public Administration	Director of Taipei City Oil Trade Association Honorary Director of the Manufacturers United General Association of Industrial Park of ROC National Policy Advisor to the Office of the President Council of Taoyuan City Hall	Chairman of Yi-Chiu Group Chairman of Yi-Chiu Holdings Co., Ltd. Chairman of Yi-Chiu Chemical & Technical Co., Ltd. Chairman of Ezoil International Corporation Chairman of Tai Yi Fong Co., Ltd. Chairman of Yi Chun Green Technology Co., Ltd. Chairman of Fabu Greentech. Inc. Chairman of ECL International Co. Ltd. Chairman of Uwell Biopharma Inc. Director of Tai Ci Co. Ltd. Director of Kang Chuang Asset Development Co., Ltd. Director of Shieh Chi Chemical Industry Co., Ltd. Director of Coastal Performance International Co., Ltd. Director of Taiwan Fuel & Energy Supply Co., Ltd. Director of Yi Tzeng Co., Ltd. Director of Jenn Chou Stevedore Co., Ltd. Director of Century Wind Power Co., Ltd.	0

VI. The proposal is hereby submitted to the shareholders' meeting for election.

Election results:

Other Matters

Item 1: (Proposed by the Board of Directors)

Cause of Action: Removing restrictions on competing with the Company by the 8th Board of Directors.

Description:

- I. According to Article 209 of the Company Act, the board of directors, whether acting on its own or through others, for actions within the scope of the company's business, shall explain the important content of its actions to the shareholders' meeting and obtain its approval.
- II. At the shareholders' meeting of the Company in 2024, the election of the eighth board of directors, where elected directors may have invested in or engaged in other companies that are similar to or within the same business scope as the Company, or may have served as directors of such companies. In accordance with relevant regulations, the shareholders' meeting is requested to agree to lift the non-competition restrictions on the directors of the Company who have engaged in the aforementioned activities. The important content of the non-competition restrictions for the newly appointed directors (candidates) is as follows:

Name of Candidate	Holding concurrent positions in other companies	
	Name of Company	Position
Ming-Chien Chiu	AIS Analytical Instruments Inc.	Director
	Symtek Automation Asia Co., Ltd.	Director

- III. The proposal is hereby submitted to the shareholders' meeting for resolution.

Resolution:

Extemporaneous Motion

Adjournment

Chapter 3. Attachments

Attachment 1

GUDENG PRECISION INDUSTRIAL CO., LTD.

2023 Business Report

I. Results of Operations in 2023

We would like to express our sincere gratitude to all shareholders and thank all stakeholders for their continued unconditional support and concern for the company. We have entered a post-pandemic era and found out a way to coexist with Covid-19 in the pandemic prevention. When it comes to the development of science and technology, small changes can lead to vastly different outcomes. Taiwan's semiconductor industry plays an important role in the world. In addition to focusing on its own progress, it is obligated to cooperate with other countries on semiconductors, from materials, carriers, and equipment to precision testing, boosting the overall semiconductor industry. It is worth mentioning that Gudeng wafer carrier has achieved significant results in the past year. Not only has it rapidly expanded its market share in the Greater China market, but it has also obtained certification from its largest domestic customer and started mass production and shipment. This has even prompted other customers to follow suit, completely reversing Gudeng's previous disadvantage as a latecomer and firmly establishing itself as a leader. Upholding the spirit of co-creation, Gudeng will work closely with its customers and suppliers to develop quality and competitive mask and wafer carrier solutions featuring smart manufacturing, aiming to collectively create peak revenues for the group.

Looking at Gudeng's overall performance in 2023, it has been quite robust, mainly driven by two key factors: significant shipments of advanced process photomask carriers, particularly EUV PODs, in the

first quarter, although there was a slight slowdown in demand in the second quarter due to global inventory adjustments, the production progress of advanced processes has not slowed down, and the overall demand for EUV photomask carriers remains high. Gudeng's wafer carrier business made a significant leap into the leading position, with 12-inch FOUPs penetrating the global supply chain and rapidly increasing shipments month by month. Currently, more than half of the capacity has been secured by key customers in Greater China, with continuous requests for capacity increases. Gudeng is actively expanding its production lines to meet the global demand for wafer carriers. Furthermore, at the end of 2023, Gudeng's advanced process 12-inch FOUPs officially entered the domestic market, with orders for the entire FOUP series extending into 2024, bringing significant growth to the group's performance through the simultaneous growth of these two major carrier series. In addition, with high demand in the Greater China market, wafer carriers are in short supply and customers rush to make reservations. Gudeng is striving to supply goods. The Group's annual performance has been outstanding, achieving double-digit revenue growth.

After being awarded the National Talent Development Award, the highest honor in the field of "human resources" last year. Gudeng University has been actively fostering the five key forces of learning. It plans competency courses according to stage demands to implement training for professional talent skills. In addition, Gudeng University offers specialized courses such as the longstanding Bill's appointment training classes and management training courses personally taught by senior executives. These initiatives aim to cultivate values, workplace culture, management skills, and to pass down Gudeng's corporate spirit

and culture. This is just the beginning. With the support of national resources, we will continue to invest in the cultivation of talents to enhance our national human capital and competitiveness. After being awarded the Sustainability Report Gold Medal at the Taiwan Corporate Sustainability Awards, Gudeng has once again achieved the Platinum Award this year. In addition to the “sustainability report” with transparent information disclosure, Gudeng is also committed to promoting its own sustainability efforts and the CSR concept, so as to be aligned with key customers and serve as a model for other SMEs in the industry to pursue corporate growth.

Gudeng attaches great importance to independent technology, investing approximately 7% of its revenue annually into research and development expenses. It continues to accumulate research and development capacity and finally achieved a global leading position in the semiconductor advanced process photomask carrier series products. Through close cooperation with major semiconductor customers, we will continue to attack high-end process wafer carrier series products. Gudeng collaborates with multiple semiconductor suppliers across the upstream, midstream, and downstream sectors to build Taiwan’s semiconductor national team and strengthen the concept of resilience in the semiconductor supply chain. This initiative has already achieved many outstanding results. By integrating key global materials and innovative technology services, over the past year, Gudeng has successfully overcome uncertainties stemming from industry cycles, economic development, and geopolitical factors. This effort has allowed Taiwan’s semiconductor supply chain, under the leadership of major clients, to independently become a stable force. In the semiconductor materials sector, Gudeng collaborates with material suppliers on advanced

composite material production lines, continuously researching and developing material solutions that can provide long-term stability and optimal cleanliness for customers. By aligning with customer specifications and leveraging expertise, Gudeng enhances AMC micro-contamination control. In terms of semiconductor equipment, Gudeng works closely with its subsidiary, Gudeng Equipment Co., Ltd., and partner manufacturers to provide comprehensive semiconductor equipment solutions, including cleaning machines, storage cabinets, etc., complemented by Gudeng's carriers. Lastly, through long-term cooperation with multiple foundries, Gudeng gradually establishes a complete off-site backup mechanism to provide supply assurance to global customers. This enables Taiwan to overcome regional influences, ensures quality, and earns the trust of major clients.

Gudeng's proud subsidiary, Gudeng Equipment Co., Ltd., is also preparing to go public. Gudeng Equipment Co. mainly engages in the design, manufacturing, sales, and maintenance services of semiconductor equipment and related components. Its primary focus is on providing automated solutions for EUV photomask and high-end process photomask handling technology. Its products include photomask cleaning, exchange, inspection, microenvironment storage, and intelligent warehouse management. With a strong patent portfolio, Gudeng Equipment has obtained multiple patents for inventions and new designs related to photomask equipment. Leveraging its excellent technical capabilities, Gudeng Equipment's products have been certified by several international giants and have entered the supply chains of leading global semiconductor manufacturers. Through its seamless collaboration within the domestic semiconductor supply chain, Gudeng complements and supports its partners, offering customers an irreplaceable one-stop solution. With stable business growth and excellent group performance,

Gudeng continues to achieve impressive revenue results, fostering a win-win situation for all.

In 2023, the Group's consolidated revenue for the year was NT\$5.078 billion, which increased 13% compared to the previous year's consolidated revenue of NT\$4.494 billion; the gross profit margin was 48%, and the gross profit margin from the same period the previous year was 49%. The after-tax net profit attributable to the owners of the Company was NT\$905 million, which decreased 3.01% compared to the same period the previous year's net profit after tax of NT\$933 million, and the earnings per share were NT\$10.24. Gudeng achieved a growth rate of over 40% year-over-year in the first quarter of 2023, and maintained double-digit growth for the whole year. This demonstrates that Gudeng's focused operational strategy in the semiconductor core business over the past two years has yielded optimal feedback and validation. After focusing on its semiconductor core business, Gudeng's performance has continued to rise. Particularly, its aerospace business has been expanding its product range, receiving recognition from major clients during the highly efficient sampling process, leading to gradual revenue growth and securing long-term orders from major clients. The steady growth of photomask carriers has been a reliable cornerstone for Gudeng's upward trajectory. Advanced and mature process FOUPs, having been certified by major clients, are increasingly adopted by various fabs, expanding market share. Gudeng has now completed its product lineup for carriers, firmly establishing itself as a leader in the carrier market. The outlook for 2024 is also promising.

The star product of Gudeng's mask transmission series: EUV extreme ultraviolet mask transmission box has passed the ASML certification of the world's largest semiconductor equipment

manufacturer. Under the premise of continuous development of R&D technology and full production capacity to meet customers' high-end process development needs, Gudeng will maintain its position as a leading semiconductor vehicle manufacturer in the next decade. Gudeng's EUV extreme ultraviolet mask delivery box has met the needs of high-end semiconductor customers, and steadily improved the shipment level and production capacity, in order to be more closely connected with the global development of EUV technology high-end customer processes. In order to be more closely connected with the global development of EUV technology high-end customer process, the key process uses the same testing and cleaning equipment as the customer's factory process. Gudeng invested in purchasing advanced process vehicles with Brooks M1000 washing machine as standard equipment. This equipment is now in stable production and serves as the standard device for cleaning quality control before the shipment of Gudeng's advanced process products. It ensures that the quality and cleanliness requirements of Gudeng's EUV vehicles are consistent with customers by linking and simulating the real usage conditions of customers, customized EUV POD exclusive top-level production base to provide customers with the best quality assurance of global advanced manufacturing processes, and can help Gudeng to be more sophisticated in vehicle manufacturing capabilities and become a professional leader in all-round advanced vehicle solutions. In 2023, as Gudeng's EUV POD production reached the mature mass production stage, the shipment volume has consistently reached new highs year by year, driving the overall revenue of the core business to unprecedented levels. Gudeng continues to contribute to the global semiconductor industry, aligning with the evolution of advanced processes. In the near future, Gudeng's EUV POD collaboration with ASML will further enhance efficiency,

under the leadership of major clients in Taiwan, leading to the advancement of industry technology.

The geopolitical customer demand and the strong demand resulting from the semiconductor industry's recovery after inventory digestion have led to a continuous influx of orders for wafer carriers. In China, Taiwan, and overseas markets, Gudeng has become the standard product for most new fabs. Additionally, leveraging its capacity efficiency and product quality advantages, Gudeng is gradually gaining market share from competitors in the United States and Japan. Order visibility is not only high but has also reached a state of supply shortage. Faced with the Greater China market, Gudeng's footprint has rapidly expanded, with a track record spanning both domestic and international markets. In particular, we have established close partnerships with more than 20 leading semiconductor manufacturers in the market. For 8-inch and 12-inch wafer carriers, we have expanded our territory to Chinese semiconductor manufacturers in China and have completed product testing and verification. We have achieved order delivery in both existing and new plants. Gudeng has thus become a key wafer carrier supplier for semiconductor fabs in Mainland China. To better serve Chinese semiconductor customers and provide faster service, Gudeng not only has technical and sales teams in Shanghai, but also recognizes the high visibility of orders. Gudeng's Kunshan Factory will be another production hub in the future. In addition to assisting Gudeng's contract manufacturing projects, the focus will be on cultivating stable manufacturing capabilities and quality to meet local customer demands.

The subsidiary, Gudeng Equipment Co., Ltd., has been highly praised by major clients for its primary products, which include carrier storage cabinets and cleaning machines. From its initial emergence to

take off since its independent operation, the subsidiary has finally yielded significant results. Its semiconductor carrier storage system and mask cleaning and switching equipment have gradually entered the major semiconductor plants, and become the standard for mass production lines, with outstanding revenue performance. In addition, with the new generation of the semiconductor industry focusing on big data and smart manufacturing, Gudeng continues to introduce the concept of automation and intelligence into its carrier and equipment products, combining them into a complete solution to the smart factory and contributing to the development of intelligence. Gudeng Equipment Co. maintains impressive revenue performance, demonstrating that it is well-prepared and highly anticipated for the year 2024.

With decades of experience in independent R&D, we have created a successful model of mask transfer solutions and replicated it in the wafer carrier series. Both of these products have become essential for the new process. With the rapid development of advanced processes, Gudeng is confident to become a leader in this field. To balance Gudeng's industrial development and create future operational dual cores, Gudeng has ventured into the aerospace industry, achieving remarkable success thus far. Gudeng's rapid response and product sampling speed have earned recognition from major clients, further enabling the provision of a more diverse range of product requirements. This has led to continuous revenue growth, with Gudeng achieving tens of millions in revenue in 2023. Gudeng aims to challenge for hundred-million revenue in 2024, and has already secured long-term orders from various clients. Gudeng diligently focuses on every detail, extending the rigorous attitude of semiconductor precision processing to the precision processing techniques of aerospace components. Collaborating with various hidden

champions in the aerospace industry, Gudeng actively builds the aerospace supply chain. The benefits from Gudeng’s photomasks, wafer carriers, and aerospace confidential processing components collectively drive the group’s revenue and upgrade the industry’s technology.

In 2023, Gudeng exhibited outstanding performance in both business operations and profitability. The company’s performance in the first quarter was impressive, with a focus on operations in the second quarter. During the third and fourth quarters, Gudeng strived to increase shipments during the peak season. While Gudeng couldn’t remain detached from the industry’s trends, it pursued continuous growth on the foundation of stable operations. In addition to the irreplaceability of its own products gradually leading the world in technology, Gudeng also believes in the long-term trend of “dualization” in the global supply chain. Leveraging Taiwan’s small and medium-sized enterprises’ flexible production efficiency and the advantage of local real-time service, Gudeng is confident in its continued rapid growth.

The detailed breakdown of the Company’s 2023 operating performance is as follows:

(I) Results of Operation:

Unit: In Thousands of New Taiwan Dollars

Item	2023		2022		Increase (Decrease)	
	Amount	%	Amount	%	Difference Amount	Increase (Decrease) %
Revenue	5,078,345	100	4,494,031	100	584,314	13.00
Gross operating profit	2,438,648	48	2,190,315	49	248,333	11.34
Operating expenses	1,378,570	27	1,098,012	25	280,558	25.55
Net operating profit (loss)	1,060,078	21	1,092,303	24	(32,225)	(2.95)
Income before	1,193,618	24	1,226,460	27	(32,841)	(2.68)

Item	2023		2022		Increase (Decrease)	
	Amount	%	Amount	%	Difference Amount	Increase (Decrease) %
income tax						
Net income attributable to parent company	905,006	18	933,071	21	(28,065)	(3.01)
Earnings per share after-tax EPS (NT\$)	10.24		11.12		(0.88)	(7.90)

(II) Consolidated revenue in 2023 was NT\$5,078,345 thousand, and the budget was NT\$5,487,381 thousand, with the achievement rate of 92.55%; income before income tax was NT\$1,193,618 thousand, and the budget was NT\$1,214,745 thousand, with the achievement rate of 98.26%.

(III) Financial Revenue and Profitability Analysis

Descriptions		2023	2022
Financial structure	Liabilities to assets ratio (%)	45.40	56.23
	Long-term working capital to real estate, plants and equipment ratio	211.01	197.75
Debt service ability	Current by percentage (%)	251.08	210.52
	Quick ratio (%)	184.41	142.94
Profitability	Asset return ratio (%)	7.67	9.86
	Return on equity of profit and/or loss attributable to the owners of parent company	12.69	18.89
	Net Profit Margin (%)	20.15	22.86

II. Outline of 2024 Business Plan

Recent global industry turmoil and policy changes in various countries have affected growth momentum. As an integral part of the industry, Gudeng cannot remain unaffected. However, Gudeng's successive achievements demonstrate the global competitiveness of Taiwan's resilient supply chain. In addition to the mature mask boxes and

wafer boxes series that have supported its growth for over two decades, Gudeng's early deployment of advanced process-related products is also playing a stabilizing role. These products, used for advanced process carriers in the next decade, are not affected by short-term economic fluctuations. Furthermore, amidst the supply chain disruption caused by the US-China tech war, Gudeng's outstanding resilience and ability to respond quickly to the needs of major customers have significantly helped reduce the risk of supply chain instability and material shortages for customers. As a result, Gudeng's revenue has seen substantial growth, thanks to the results of its long-term investment in research and development to establish independent technology. The FOUP wafer carrier product line, which has been deeply researched and developed for many years, has become another stable source of revenue growth. This has led to double-digit revenue growth in 2023, with optimistic prospects for 2024.

Recognizing the extremely high order visibility, Gudeng has been relentlessly pursuing expansion and production plans. In 2024, the focus of Gudeng Group's operations is on implementing localized services and improving efficiency. In the European and American markets, Gudeng has professional service teams and warehouse systems in place to provide large customers with immediate service and meet their shipping needs without delay. In the Greater China region, the emphasis is on accelerating the mass production of the full range of products at Gudeng's Kunshan factory, aiming for self-sufficiency in the local area to meet the ever-increasing order volume. Gudeng's globalization is imperative, aiming to swiftly respond to local demands of global customers, striving to minimize geopolitical risks to the greatest extent possible. In 2024, Gudeng's capacity and scope in serving global customers will be further enhanced.

Having traversed through challenges, everyone has learned a profound lesson: if you take from society, you should give back to society. Corporate social responsibility is something Gudeng, as a local supplier, dare not forget. In recent years, the global semiconductor supply chain has been focusing on environmentally friendly initiatives, carbon neutrality, and other ESG issues. ESG advocates for corporate social responsibility, and many investors consider ESG evaluations as crucial indicators for assessing a company's sustainability and making investment decisions. The importance of ESG cannot be overstated. Gudeng has been continuously evaluated by major customers at home and abroad as a critical supplier, scrutinizing Gudeng's contributions to sustainable operations with the strictest standards. Therefore, it is not only at the request of customers, but also Gudeng holds itself to high standards for self-examination and implementation of continuous improvement plans. In terms of the environment, the Taiwan Semiconductor National Team is also at the forefront. Gudeng has organized the 'Sustainable Supply Chain Committee' and collaborated with the Corporate Synergy Development Center's carbon reduction working group to drive more than 10 supply chain companies to set common carbon reduction targets. The overall plan is expected to reduce carbon emissions by 2,846 metric tons CO₂e and save costs of NT\$17.99 million. Gudeng's overall energy-saving rate has also reached 15%. In 2023, Gudeng also received the Commonwealth Sustainable Citizen Award and the Commonwealth Talent Development Award. As a leader in advanced process photomasks and wafer carriers, Gudeng is committed to promoting the sustainable development of the supply chain, ensuring a safe working environment, dignified labor relations, compliance with ethical standards, and environmental protection. Gudeng's influence and impact on the semiconductor industry are undeniable. We believe that being prepared for challenges is the key to

sustainable operation. Gudeng will continue to seek steady growth while upholding the highest standards of service quality, fostering sustainable development, and thriving alongside the land, customers, and employees.

GUDENG PRECISION INDUSTRIAL CO., LTD.

Chairman: Ming-Chien Chiu

General Manager: Lin, Tien-Jui

Accounting Supervisor: Po-An Lai

Attachments 2.

Audit Committee's Review Report

The 2023 Business Report, Financial Statements, and earnings distribution proposal have been prepared by the Board of Directors. Among these, the Financial Statements have been audited by CPAs Tseng, Chien-Ming and Wang, Pan-Fa of Deloitte & Touche, with an audit report issued to prove that the Financial Statements present the Company's financial position fairly.

The Audit Committee has reviewed the Business Report, Financial Statements, and earnings distribution proposal above and found no discrepancy thereof. The review report is therefore presented for approval in accordance with Article 219 of the Company Act.

To

2024 Annual General Meeting of Shareholders of Gudeng Precision Industrial Co., Ltd.

GUDENG PRECISION INDUSTRIAL CO., LTD.
Convener of Audit Committee: Kuang-Hui Chiu

March 6, 2024

Attachments 3.

Independent Auditors' Report

To: Gudeng Precision Industrial Co., Ltd.

Audit Opinion

We have audited the accompanying parent company consolidated financial statements of the Gudeng Precision Industrial Co., Ltd. and its subsidiary (Gudeng consolidated company), which comprise the parent company only balance sheets as of December 31, 2023 and 2022 and the parent company consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company consolidated financial statements, including a summary of significant accounting policies.

In our opinion which based on our audit results and the other certified public accountants' audit reports (please refer to the paragraph of Other Matter), the accompanying parent company consolidated financial statements present fairly and the preparation of International Financial Reporting Standards, International Accounting Standards, interpretations and explanatory announcements approved and issued by the Financial Supervisory Commission, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company consolidated financial performance and its parent company consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. In accordance with the professional ethics code of accountants, the staff of the accounting firm under the independence standard have maintained their independence from Gudeng consolidated company and fulfilled other responsibilities under the standard. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's parent company consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent

company consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for Gudeng consolidated company consolidated financial statements for the year ended December 31, 2023 are stated as follows:

Sale revenue recognition

Revenue from Gudeng Precision Industrial Co., Ltd. is derived from mask and wafer handling solutions, in which the recognition of sales revenue from a particular client requires manual recognition and verification of the relevant documents. Additionally, Jia Shuo Technology Co., Ltd. generates its main revenue from selling equipment and machinery. The products are custom-made, and the transaction terms for selling equipment and machines are the delivery completion, customers acceptance and the contractual obligations are fulfilled. This requires determining whether the control of the goods sold has transferred, which may result in the existence of an inappropriate recognition of revenue, presuming as a significant risk by the Statements on Auditing Standards; therefore, authenticity of the recognition of sales revenue is considered as a key audit matter. Please refer to Note 4(16) and 28 of the consolidated financial statements for the accounting policy and information regarding the revenue recognition.

The main audit procedures performed on the above mentioned key matter are as follows:

1. We understood, assessed, and tested the reasonableness and effectiveness of the implementation of the internal controls over revenue recognition.
2. We obtained details of the sales revenue and sales of equipment and machinery from particular clients to process sampling, and verified related documents of revenue recognition in order to confirm conduct sample testing samples, check the shipment supporting documents and the collection of receivables to confirm the authenticity of the sales revenue.
3. Upon receiving the detailed report of sales returns after the balance sheet date, we will randomly audit the relevant documents and examine the reasonableness of the return.

Other Matters

Related associates in the consolidated financial statements of Gudeng consolidated company shall be checked by other accountants. Therefore, our opinions expressed in the parent company consolidated financial statements regarding the amounts stated in respect of such investments using the equity method are based on the audit reports of other accountants. The balance of the investment under the equity method of associates on December 31, 2023 and 2022 were \$165,987 thousand and \$103,678 thousand, accounting for 1.02% and 0.85% of the total amount of the assets, and associates' share of comprehensive income or loss accounted for using the

equity method for the year ended December 31, 2023 and 2022 were \$4,763 thousand and \$5,775 thousand, accounting for and 0.38% and 0.65% of the total amount of consolidated comprehensive income.

Gudeng Precision Industrial Co., Ltd. has prepared the individual financial reports for the year of 2023 and 2022, and the audit report issued by the accountant with unqualified opinion is on file for reference.

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

Management is responsible for the preparation and fair presentation of the parent company consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Preparation of International Financial Reporting Standards, International Accounting Standards, Explanations and Explanatory Announcements approved and issued by the Financial Supervisory Commission” and for such internal control as management determines is necessary to enable the preparation of parent company consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company consolidated financial statements, management is responsible for assessing Gudeng consolidated company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Gudeng consolidated company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including Audit Committee) are responsible for overseeing the Gudeng consolidated company’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement on consolidated financial statements when it exists. Material misstatement may result from fraud or error. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Gudeng consolidated company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Gudeng consolidated company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Gudeng consolidated company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information on the entities or business activities within Gudeng consolidated company to express an opinion on the parent company consolidated financial statements. We are responsible for the direction, supervision and performance of the consolidated company audit. We remain solely responsible for our opinion to consolidated company.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Gudeng consolidated company's parent company consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA-Jian-Ming Zeng

CPA-Pan-Fa Wang

Financial Supervisory Commission
Approval Document No.:
Financial-Supervisory-Securities-Auditing-
1100356048

Financial Supervisory Commission Approval
Document No.:
Financial-Supervisory-Securities-Auditing-11
00356048

March 6, 2024

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

For the Years Ended December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 4,004,779	25	\$ 2,270,488	19
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	167,095	1	142,562	1
1136	Financial assets at amortized cost - current (Notes 4 and 9)	550,294	3	329,760	3
1150	Notes receivable from unrelated parties (Note 10)	1,453	-	1,433	-
1160	Notes receivable from related parties' net (Notes 10 and 39)	222	-	615	-
1170	Trade receivables from unrelated parties (Notes 4, 10 and 28)	885,391	5	1,077,420	9
1180	Trade receivables from related parties' net (Notes 10 and 39)	147	-	275	-
1200	Other receivables (Note 10)	41,792	-	6,850	-
1210	Other receivables from related parties (Notes 10 and 39)	12,653	-	9	-
1220	Current tax assets (Note 30)	2,218	-	9	-
130X	Inventories (Notes 4 and 11)	1,908,982	12	1,645,942	13
1410	Prepayments (Notes 19 and 39)	165,030	1	166,918	1
1479	Other current assets (Note 20)	70,544	1	4,901	-
11XX	Total current assets	7,810,600	48	5,647,182	46
	Non-current assets				
1517	Purchase of financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	652,143	4	403,475	3
1535	Financial assets at amortized cost - non-current (Notes 4 and 9)	-	-	2,546	-
1550	Investments accounted for using the equity method (Notes 4 and 13)	165,987	1	103,678	1
1600	Property, plant and equipment (Notes 4, 14 and 39)	6,079,627	37	4,737,362	39
1755	Right-of-use assets (Notes 4 and 15)	170,021	1	92,468	1
1760	Investment properties, net (Notes 4 and 16)	654,375	4	780,755	6
1805	Goodwill (Notes 4 and 17)	176,750	1	65,383	1
1821	Other intangible assets (Notes 4 and 18)	162,035	1	103,569	1
1840	Deferred tax assets (Notes 4 and 30)	59,193	-	49,762	-
1915	Prepayments for equipment (Note 41)	240,820	2	216,846	2
1990	Other non-current assets - other (Notes 20 and 26)	871	-	1,453	-
1920	Refundable deposits (Note 39)	125,942	1	28,945	-
15XX	Total non-current assets	8,487,764	52	6,586,242	54
1XXX	Total assets	\$ 16,298,364	100	\$ 12,233,424	100
	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Note 21)	\$ 125,000	1	\$ 28,000	-
2120	Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	3,300	-	1,447	-
2150	Notes payable to unrelated parties (Note 23)	123	-	8,753	-
2160	Notes payable to related parties (Notes 23 and 39)	-	-	100	-
2170	Trade payables to unrelated parties (Note 23)	514,411	3	541,279	5
2180	Trade payables to related parties (Notes 23 and 39)	35,132	-	13,616	-
2219	Other payables (Note 24)	1,115,561	7	954,093	8
2220	Other payable - related parties (Notes 39)	10	-	-	-
2230	Current tax liabilities (Note 30)	73,511	-	202,458	2
2250	Provisions - current (Notes 4 and 25)	29,318	-	26,618	-
2280	Lease liabilities - current (Notes 4 and 15)	39,377	-	28,827	-
2131	Contract liabilities - current (Notes 4 and 28)	837,105	5	709,026	6
2320	Current portion of Long-term borrowings (Notes 4 and 21)	257,712	2	154,638	1
2399	Other current liabilities (Notes 24 and 39)	80,218	1	13,696	-
21XX	Total current liabilities	3,110,778	19	2,682,551	22
	Non-current liabilities				
2530	Corporate Bonds payable (Notes 4 and 22)	942,415	6	922,582	8
2540	Long-term borrowings (Note 21)	3,175,392	19	3,169,205	26
2570	Deferred tax liabilities (Notes 4 and 30)	815	-	4,140	-
2580	Lease liabilities - non-current (Notes 4 and 15)	112,882	1	65,674	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 26)	36,289	-	26,110	-
2645	Guarantee deposits (Note 39)	9,022	-	8,538	-
25XX	Total non-current liabilities	4,276,815	26	4,196,249	34
2XXX	Total liabilities	7,387,593	45	6,878,800	56
	Equity attributable to owners of the company (Note 27)				
	Share capital				
3110	Ordinary shares	941,844	6	840,973	7
3140	Share capital collected in advance	1,128	-	1,521	-
3100	Total share capital	942,972	6	842,494	7
3200	Capital surplus	5,989,152	37	3,248,341	26
	Retained earnings				
3310	Legal reserve	310,168	2	216,567	2
3320	Special reserve	-	-	157,093	1
3350	Unappropriated earnings	794,151	5	560,545	5
3300	Total retained earnings	1,104,319	7	934,205	8
3400	Other equity	82,801	-	(146,666)	(1)
31XX	Total equity attributable to owners of the Company	8,119,244	50	4,878,374	40
36XX	Non-controlling interests (Note 27)	791,527	5	476,250	4
3XXX	Total equity	8,910,771	55	5,354,624	44
	Total liabilities and equity	\$ 16,298,364	100	\$ 12,233,424	100

The attached notes are part of this consolidated financial statements.

Chairman: Ming-Chien Chiu

Manager: Lin, Tien-Jui

Accounting Supervisor: Po-An Lai

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

**Consolidated Statements of Comprehensive Income
From January 1 to December 31, 2023 and 2022**

Unit: In Thousands of New Taiwan Dollars, Except Earnings Per Share in Dollars

Code		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4, 28, and 39)	\$ 5,078,345	100	\$ 4,494,031	100
5000	Operating costs (Notes 4, 11, 29 and 39)	<u>2,639,697</u>	<u>52</u>	<u>2,303,716</u>	<u>51</u>
5900	Gross profit	<u>2,438,648</u>	<u>48</u>	<u>2,190,315</u>	<u>49</u>
	Operating expenses (Notes 26, 29 and 39)				
6100	Selling and marketing expenses	256,607	5	198,603	4
6200	General and administrative expenses	680,729	13	579,886	13
6300	Research and development expenses	436,395	9	297,794	7
6450	Expected credit impairment loss	<u>4,839</u>	<u>-</u>	<u>21,729</u>	<u>1</u>
6000	Total operating expenses	<u>1,378,570</u>	<u>27</u>	<u>1,098,012</u>	<u>25</u>
6900	Net operating income	<u>1,060,078</u>	<u>21</u>	<u>1,092,303</u>	<u>24</u>
	Non-operating revenue and expenses (Note 29)				
7100	Interest income	43,064	1	5,587	-
7190	Other income (Note 39)	131,668	2	79,568	2
7020	Other gains and losses (Note 39)	43,226	1	98,283	2
7050	Finance costs	(89,181)	(2)	(55,056)	(1)
7060	Share of profit or loss from associates accounted for using the equity method	<u>4,763</u>	<u>-</u>	<u>5,775</u>	<u>-</u>
7000	Total non-operating revenue and expenses	<u>133,540</u>	<u>2</u>	<u>134,157</u>	<u>3</u>
7900	Net income before tax	1,193,618	23	1,226,460	27
7950	Income tax expense (Notes 4 and 30)	(<u>170,245</u>)	(<u>3</u>)	(<u>199,131</u>)	(<u>4</u>)
8200	Net income for the year	<u>1,023,373</u>	<u>20</u>	<u>1,027,329</u>	<u>23</u>

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Code		2023		2022	
		Amount	%	Amount	%
	Other comprehensive income/(loss)				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans (Note 26)	(\$ 5,409)	-	\$ 1,074	-
8316	Unrealized valuation gain/(loss) on investments in equity instruments at fair value through other comprehensive income	263,940	5	(140,936)	(3)
8360	Items that may be reclassified subsequently to profit or loss				
8361	Unrealized appraisal gains and losses of financial assets measured at fair value through other comprehensive gains and losses	(11,833)	-	179	-
8300	Other comprehensive income/(loss) for the year (net of income tax)	246,698	5	(139,683)	(3)
8500	Total comprehensive income/(loss) for the year	<u>\$ 1,270,071</u>	<u>25</u>	<u>\$ 887,646</u>	<u>20</u>
	Net profit attributable to				
8610	owners of the Company	\$ 905,006	18	\$ 933,071	21
8620	Non-controlling interests	118,367	2	94,258	2
8600		<u>\$ 1,023,373</u>	<u>20</u>	<u>\$ 1,027,329</u>	<u>23</u>
	Total comprehensive income/(loss) attributable to				
8710	owners of the Company	\$ 1,151,925	23	\$ 793,258	18
8720	Non-controlling interests	118,146	2	94,388	2
8700		<u>\$ 1,270,071</u>	<u>25</u>	<u>\$ 887,646</u>	<u>20</u>
	Earnings per share (Note 31)				
9710	Basic	<u>\$ 10.24</u>		<u>\$ 11.12</u>	
9810	Diluted	<u>\$ 10.08</u>		<u>\$ 10.84</u>	

The attached notes are part of this consolidated financial statements.

Chairman: Ming-Chien Chiu

Manager: Lin, Tien-Jui

Accounting Supervisor: Po-An Lai

Gudeng Precision Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
From January 1 to December 31, 2023 and 2022
Unit: In Thousands of New Taiwan Dollars

		Equity attributable to owners of the company												
		Ordinary shares				Retained earnings			Other equity					
Code		Number of Shares	Share capital	Share capital collected in advance	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translating the financial statements of foreign operations	Exchange differences on translating the financial statements of foreign operations	Treasury stock	Total	Non-controlling interests	Total equity
A1	Balance on January 1, 2022	84,097	\$ 840,973	\$ -	\$ 3,094,606	\$ 143,427	\$ 24,637	\$ 338,648	(\$ 18,668)	\$ 12,759	(\$ 15,289)	\$ 4,421,093	\$ 104,581	\$ 4,525,674
B1	Appropriation of earnings													
B3	Appropriation of legal reserve	-	-	-	-	73,140	-	(73,140)	-	-	-	-	-	-
B5	Appropriation of special reserve	-	-	-	-	-	132,456	(132,456)	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(504,435)	-	-	-	(504,435)	-	(504,435)
M7	Changes in percentage of ownership interests in subsidiaries (Note 35)	-	-	-	-	-	-	(2,087)	-	-	-	(2,087)	-	(2,087)
C5	Changes in other capital surplus:													
C5	Equity component of convertible bonds issued by the Company	-	-	-	42,872	-	-	-	-	-	-	42,872	-	42,872
C7	Changes in associates and joint venture accounted for using the equity method	-	-	-	1,188	-	-	-	-	-	-	1,188	1,174	2,362
I1	Conversion of convertible corporate bonds	-	-	1,521	32,178	-	-	-	-	-	-	33,699	-	33,699
N1	Issuance of employees stock options by the Company	-	-	-	77,497	-	-	-	-	-	15,289	92,786	-	92,786
O1	Increase/decrease in non-controlling interests (Note 27)	-	-	-	-	-	-	-	-	-	-	-	(1,451)	(1,451)
M5	Acquisition of part of the equity of subsidiaries (Note 27)	-	-	-	-	-	-	-	-	-	-	-	277,558	277,558
D1	Net income for 2022	-	-	-	-	-	-	933,071	-	-	-	933,071	94,258	1,027,329
D3	Other comprehensive income/(loss) after tax for 2022	-	-	-	-	-	-	944	179	(140,936)	-	(139,813)	130	(139,683)
D5	Total comprehensive income/(loss) for 2022	-	-	-	-	-	-	934,015	179	(140,936)	-	793,258	94,388	887,646
Z1	Balance on December 31, 2022	84,097	840,973	1,521	3,248,341	216,567	157,093	560,545	(18,489)	(128,177)	-	4,878,374	476,250	5,354,624
B1	Appropriation of earnings													
B1	Legal reserve	-	-	-	-	93,601	-	(93,601)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	(157,093)	157,093	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(724,236)	-	-	-	(724,236)	-	(724,236)
M7	Changes in percentage of ownership interests in subsidiaries (Note 35)	-	-	-	-	-	-	(12,228)	-	-	-	(12,228)	-	(12,228)
M5	Changes in other capital surplus:													
M5	Acquisition or disposal of part of the equity of subsidiaries (Note 35)	-	-	-	86,856	-	-	-	-	-	-	86,856	203,317	290,173
C7	Changes in associates and joint venture accounted for using the equity method	-	-	-	(106)	-	-	(15,880)	-	-	-	(15,986)	-	(15,986)
C5	Equity items of convertible bonds issued by the Company	-	-	-	56,446	-	-	-	-	-	-	56,446	-	56,446
E1	Issuance of ordinary shares for cash	5,800	58,000	-	1,678,960	-	-	-	-	-	-	1,736,960	-	1,736,960
N1	Issuance of employees stock options by the Company	-	-	-	37,726	-	-	-	-	-	-	37,726	-	37,726
I1	Conversion of convertible corporate bonds	4,287	42,871	(393)	880,929	-	-	-	-	-	-	923,407	-	923,407
O1	Increase/decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(6,186)	(6,186)
D1	Net income for 2023	-	-	-	-	-	-	905,006	-	-	-	905,006	118,367	1,023,373
D3	Other comprehensive income/(loss) after tax for 2023	-	-	-	-	-	-	(5,188)	(11,833)	263,940	-	246,919	(221)	246,698
D5	Total comprehensive income/(loss) for 2023	-	-	-	-	-	-	899,818	(11,833)	263,940	-	1,151,925	118,146	1,270,071
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	22,640	-	(22,640)	-	-	-	-
Z1	Balance on December 31, 2023	94,184	\$ 941,844	\$ 1,128	\$ 5,989,152	\$ 310,168	\$ -	\$ 794,151	(\$ 30,322)	\$ 113,123	\$ -	\$ 8,119,244	\$ 791,527	\$ 8,910,771

The attached notes are part of this consolidated financial statements.

Chairman: Ming-Chien Chiu

Manager: Lin, Tien-Jui

Accounting Supervisor: Po-An Lai

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

From January 1 to December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

Code		2023	2022
	Cash flows from operating activities		
A10000	Net income before tax for the year	\$ 1,193,618	\$ 1,226,460
A20010	Adjustments for		
A20100	Depreciation expenses	317,285	234,924
A20200	Amortization expenses	20,391	23,070
A20300	Expected credit impairment loss	4,839	21,729
A20400	Net loss (profit) on financial assets at fair value through profit or loss	(45,793)	10,425
A20900	Finance costs	89,181	55,056
A21200	Interest income	(43,064)	(5,587)
A21300	Dividend income	(52,097)	(31,857)
A21900	Compensation costs of share-based payment	37,726	79,535
A22300	Share of profit or loss from associates accounted for using the equity method	(4,763)	(5,775)
A22800	Gains on bargain purchase	-	(36)
A23200	Gain on disposal of subsidiaries	-	(54,936)
A22500	Gain (loss) on disposal of property, plant and equipment	1,607	(1,580)
A22900	Loss (gain) on lease amendment	(553)	192
A23700	Write-downs of inventories for price loss (gain on reversal) and obsolescence	(4,219)	30,009
A29900	Income from the conversion of corporate bonds into fractional shares	(30)	(1)
A30000	Net Changes in operating assets and liabilities		
A31130	Notes receivable	373	6,752
A31150	Trade receivables	236,184	(430,526)
A31180	Other receivables	3,921	(4,362)
A31200	Inventories	(232,917)	(600,645)
A31230	Prepayments	17,483	(75,833)
A31240	Other current assets	(65,643)	(1,801)
A32130	Notes payable	(8,730)	(39,816)
A32150	Trade payables	(59,688)	122,903
A32180	Other payables	(65,649)	113,262
A32200	Provisions	2,700	(2,204)
A32210	Contract liabilities	128,079	261,708

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Code		2023	2022
A32230	Other current liabilities	\$ 66,522	\$ 6,147
A32240	Net defined benefit liabilities	<u>4,770</u>	<u>226</u>
A33000	Cash generated from/(used in) operations	1,541,533	937,439
A33100	Interest received	40,527	5,587
A33200	Dividends received	36,095	31,741
A33300	Interest paid	(88,991)	(46,102)
A33500	Income tax paid	(<u>315,092</u>)	(<u>75,771</u>)
AAAA	Net cash inflow from operating activities	<u>1,214,072</u>	<u>852,894</u>
	Cash flows from investing activities		
B00010	Purchase of financial assets at fair value through other comprehensive income	(21,237)	(68,714)
B00020	Disposal of financial assets at fair value through other comprehensive income	36,704	-
B00040	Purchase of financial assets at amortized cost	(220,534)	(307,848)
B00050	Proceeds from sale of financial assets at amortized cost	2,546	-
B00100	Purchase of financial assets at fair value through profit or loss	(27,025)	(161,340)
B00200	Sale of financial assets at fair value through profit or loss	57,767	57,858
B01800	Acquisition of long-term equity investments accounted for using the equity method	(71,466)	-
B02200	Net cash outflow on acquisition of subsidiaries (Note 33)	(214,403)	(23,664)
B02300	Net cash inflow on disposal of subsidiaries (Note 34)	-	208,129
B02700	Payments for property, plant and equipment	(1,292,709)	(966,354)
B02800	Proceeds from disposal of property, plant and equipment	75,957	10,115
B03700	Increase in refundable deposits	(96,997)	-
B03800	Decrease in refundable deposits	-	998
B04200	Decrease in other receivables	-	103,152
B04500	Payments for intangible assets	(59,508)	(18,303)
B04600	Disposal of intangible assets	980	-
B06700	Decrease in other non-current assets	-	(1,026)
B06800	Decrease in other non-current assets	582	-
B07100	Increase in prepayments for equipment	(134,424)	(56,737)
B07600	Receive associates' dividend	<u>3,500</u>	<u>3,500</u>
BBBB	Net cash outflow from investment activities	(<u>1,960,267</u>)	(<u>1,220,234</u>)

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Code		2023	2022
	Cash flows from financing activities		
C00100	Proceeds from short-term borrowings	\$ 1,400,120	\$ 799,284
C00200	Repayments of short-term borrowings	(1,303,120)	(918,710)
C01200	Issuing corporate bonds	997,285	994,720
C04600	Issuance of ordinary shares for cash	1,736,960	-
C01600	Proceeds from long-term borrowings	2,168,353	1,728,240
C01700	Repayments of long-term borrowings	(2,059,092)	(1,571,430)
C03000	Increase in guarantee deposits	484	-
C03100	Refund of guarantee deposits	-	(416)
C04020	Return on lease liabilities principal	(36,165)	(23,650)
C04500	Cash dividends distribution	(683,351)	(234,715)
C05100	Treasury stocks purchased by employees	-	15,289
C05400	Acquisition of equity of subsidiaries	(6,322)	-
C05500	Disposal of equity of subsidiaries	113,538	-
C05800	Cash dividends paid to non-controlling interests	(22,515)	-
C09900	Changes in non-controlling interests	<u>182,896</u>	<u>141,782</u>
CCCC	Net cash inflow from financing activities	<u>2,489,071</u>	<u>930,394</u>
DDDD	Impact of changes in interest rates on cash and cash equivalents	(<u>8,585</u>)	<u>105</u>
EEEE	Net increase in cash and cash equivalents	1,734,291	563,159
E00100	Cash and cash equivalents at the beginning of the year	<u>2,270,488</u>	<u>1,707,329</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 4,004,779</u>	<u>\$ 2,270,488</u>

The attached notes are part of this consolidated financial statements.

Chairman: Ming-Chien Chiu

Manager: Lin, Tien-Jui

Accounting Supervisor: Po-An Lai

Independent Auditors' Report

To: Gudeng Precision Industrial Co., Ltd.

Audit Opinion

We have audited the accompanying parent company only financial statements of the Gudeng Precision Industrial Co., Ltd., which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion which based on our audit results and the other certified public accountants' audit reports (please refer to the paragraph of Other Matter), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the entrusted Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the parent company only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results and other certified public accountants' audit reports, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's parent company only financial statements for the year ended 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for Gudeng Precision Industrial Co., Ltd.'s parent company only financial statements for the year ended 2023 are stated as follows:

Authenticity of the Recognition of Sales Revenue from Particular Clients

Revenue from Gudeng Precision Industrial Co., Ltd. is derived from mask and wafer handling solutions, in which the recognition of sales revenue from a particular client requires manual recognition and verification of the relevant documents, which may result in the existence of an inappropriate recognition of revenue, presuming as a significant risk by the Statements on Auditing Standards; therefore, authenticity of the recognition of sales revenue is considered as a key audit matter. Please refer to Note 4(14) and 26 of the parent company only financial statements for the accounting policy and information regarding the revenue recognition.

The main audit procedures performed on the above mentioned key matter are as follows:

1. We understood, assessed, and tested the reasonableness and effectiveness of the implementation of the internal controls over revenue recognition.
2. We obtained details of the sales revenue from particular clients to process sampling, and verified related documents of revenue recognition in order to confirm conduct sample testing samples, check the shipment supporting documents and the collection of receivables to confirm the authenticity of the sales revenue.
3. Upon receiving the detailed report of sales returns after the balance sheet date, we will randomly audit the relevant documents and examine the reasonableness of the return.

Other Matters

As stated in the Note 12 of the parent company only financial statements, listed in the parent company financial statements, certain investments and reinvestments accounted for using the equity method were not reviewed by us but by other certified public accountants. Therefore, our opinions expressed in the parent company only financial statements regarding the amounts stated in respect of certain investments and reinvestments using the equity method are based on the audit reports of other accountants. The balance of the investment under the equity method on December 31, 2023 and 2022 were \$165,987 thousand and \$103,678 thousand, accounting for 1.21% and 1.00% of the total amount of the assets, and share of comprehensive income or loss accounted for using the equity method for the year ended 2023 and 2022 were \$4,763 thousand and \$5,775 thousand, accounting for and 0.41% and 0.73% of the total amount of comprehensive income.

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

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

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

Those charged with governance (including Audit Committee) are responsible for overseeing the Precision Industrial Co., Ltd.’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement on parent company only financial statements when it exists. Material misstatement may result from fraud or error. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Gudeng Precision Industrial Co., Ltd.'s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Gudeng Precision Industrial Co., Ltd.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Gudeng Precision Industrial Co., Ltd. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the related notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information on the entities or business activities within Gudeng Precision Industrial Co., Ltd. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our opinion to Gudeng Precision Industrial Co., Ltd.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Gudeng Precision Industrial Co., Ltd.'s parent company only financial statements for the year ended 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes

public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA-Jian-Ming Zeng

CPA-Pan-Fa Wang

Financial Supervisory Commission
Approval Document No.:
Financial-Supervisory-Securities-Auditing-
1100356048

Financial Supervisory Commission Approval
Document No.:
Financial-Supervisory-Securities-Auditing-11
00356048

March 6, 2024

Gudeng Precision Industrial Co., Ltd.

Parent Company Only Balance Sheets

For the Years Ended December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 1,842,482	13	\$ 842,313	8
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,000	-	10,975	-
1136	Financial assets at amortized cost - current (Notes 4 and 9)	362,054	3	189,260	2
1150	Notes receivable from unrelated parties (Notes 4 and 10)	203	-	-	-
1170	Trade receivables from unrelated parties (Notes 4 and 10)	623,240	5	691,976	7
1180	Trade receivables from related parties (Notes 4, 10, and 35)	98,688	1	161,305	1
1200	Other receivables (Note 10)	36,915	-	6,050	-
1210	Other receivables from related parties (Notes 10 and 35)	40,854	-	694	-
130X	Inventories (Notes 4 and 11)	1,114,696	8	835,719	8
1410	Prepayments (Notes 17 and 35)	121,446	1	103,280	1
1470	Other current assets (Note 18)	2,785	-	4,818	-
11XX	Total current assets	<u>4,244,363</u>	<u>31</u>	<u>2,846,390</u>	<u>27</u>
	Non-current assets				
1517	Purchase of financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	415,334	3	251,124	3
1535	Financial assets at amortized cost - non-current (Notes 4 and 9)	-	-	2,546	-
1550	Investments accounted for using the equity method (Notes 4 and 12)	2,563,088	19	1,643,227	16
1600	Property, plant and equipment (Notes 4 and 13)	5,352,736	39	4,433,896	43
1755	Right-of-use assets (Notes 4 and 14)	13,852	-	20,689	-
1760	Investment properties, net (Notes 4 and 15)	721,387	5	842,760	8
1821	Other intangible assets (Notes 4 and 16)	129,176	1	96,647	1
1840	Deferred tax assets (Notes 4 and 28)	28,966	-	28,910	-
1915	Prepayments for equipment (Note 37)	195,887	2	177,982	2
1920	Refundable deposits	18,361	-	22,867	-
15XX	Total non-current assets	<u>9,438,787</u>	<u>69</u>	<u>7,520,648</u>	<u>73</u>
1XXX	Total assets	<u>\$ 13,683,150</u>	<u>100</u>	<u>\$ 10,367,038</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Notes 4 and 19)	\$ 100,000	1	\$ -	-
2120	Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	3,300	-	1,447	-
2170	Trade payables to unrelated parties (Note 21)	327,347	2	214,675	2
2180	Trade payables to related parties (Notes 21 and 35)	45,520	-	30,994	-
2219	Other payables (Note 22)	835,135	6	792,076	8
2220	Other payable - related parties (Notes 35)	15,006	-	40,532	1
2230	Current tax liabilities (Notes 4 and 28)	23,035	-	135,690	1
2250	Provisions - current (Notes 4 and 23)	68	-	-	-
2280	Lease liabilities - current (Notes 4 and 14)	6,523	-	8,396	-
2131	Contract liabilities — current (Note 26)	87,072	1	85,534	1
2320	Current portion of Long-term borrowings (Notes 4 and 19)	223,135	2	124,578	1
2399	Other current liabilities (Note 22)	2,609	-	3,293	-
21XX	Total current liabilities	<u>1,668,750</u>	<u>12</u>	<u>1,437,215</u>	<u>14</u>
	Non-current liabilities				
2530	Corporate Bonds payable (Notes 4 and 20)	942,415	7	922,582	9
2540	Long-term borrowings (Notes 4 and 19)	2,904,151	21	3,079,859	30
2570	Deferred tax liabilities (Notes 4 and 28)	512	-	769	-
2580	Lease Liabilities - non-current (Notes 4 and 14)	7,832	-	12,920	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 24)	31,175	1	26,110	-
2645	Guarantee deposits (Note 35)	9,071	-	9,209	-
25XX	Total non-current liabilities	<u>3,895,156</u>	<u>29</u>	<u>4,051,449</u>	<u>39</u>
2XXX	Total liabilities	<u>5,563,906</u>	<u>41</u>	<u>5,488,664</u>	<u>53</u>
	Equity (Note 25)				
	Share capital				
3110	Ordinary shares	941,844	7	840,973	8
3140	Share capital collected in advance	1,128	-	1,521	-
3100	Total share capital	<u>942,972</u>	<u>7</u>	<u>842,494</u>	<u>8</u>
3200	Capital surplus	<u>5,989,152</u>	<u>44</u>	<u>3,248,341</u>	<u>31</u>
	Retained earnings				
3310	Legal reserve	310,168	2	216,567	2
3320	Special reserve	-	-	157,093	2
3350	Unappropriated earnings	794,151	6	560,545	5
3300	Total retained earnings	<u>1,104,319</u>	<u>8</u>	<u>934,205</u>	<u>9</u>
3400	Other equity	82,801	-	(146,666)	(1)
3XXX	Total equity	<u>8,119,244</u>	<u>59</u>	<u>4,878,374</u>	<u>47</u>
	Total liabilities and equity	<u>\$ 13,683,150</u>	<u>100</u>	<u>\$ 10,367,038</u>	<u>100</u>

The attached notes are part of this parent company only financial statements.

Chairman: Ming-Chien Chiu

Manager: Lin, Tien-Jui

Accounting Supervisor: Po-An Lai

Gudeng Precision Industrial Co., Ltd.**Parent Company Only Statements of Comprehensive Income
From January 1 to December 31, 2023 and 2022**

Unit: In Thousands of New Taiwan Dollars, Except Earnings Per Share in Dollars

Code		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4, 26, and 35)	\$ 3,495,633	100	\$ 3,159,978	100
5000	Operating costs (Notes 4, 11, 27 and 35)	<u>1,865,206</u>	<u>53</u>	<u>1,569,086</u>	<u>50</u>
5900	Gross profit	<u>1,630,427</u>	<u>47</u>	<u>1,590,892</u>	<u>50</u>
	Operating expenses (Notes 27 and 35)				
6100	Selling and marketing expenses	291,569	9	223,938	7
6200	General and administrative expenses	429,874	12	416,334	13
6300	Research and development expenses	274,799	8	222,723	7
6450	Expected credit impairment loss (reversal gain)	(<u>781</u>)	<u>-</u>	<u>3,011</u>	<u>-</u>
6000	Total operating expenses	<u>995,461</u>	<u>29</u>	<u>866,006</u>	<u>27</u>
6900	Net operating income	<u>634,966</u>	<u>18</u>	<u>724,886</u>	<u>23</u>
	Non-operating revenue and expenses				
7100	Interest income (Notes 27 and 35)	25,394	1	2,775	-
7010	Other income (Notes 27 and 35)	106,612	3	75,054	2
7020	Other gains and losses (Notes 27 and 35)	9,012	-	51,091	2
7050	Finance costs (Note 27)	(84,121)	(2)	(52,592)	(2)
7070	Share of profit or loss from subsidiaries, associates, and joint ventures accounted for using the equity method	<u>292,884</u>	<u>8</u>	<u>267,013</u>	<u>9</u>
7000	Total non-operating revenue and expenses	<u>349,781</u>	<u>10</u>	<u>343,341</u>	<u>11</u>

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Code		2023		2022	
		Amount	%	Amount	%
7900	Net income before tax	\$ 984,747	28	\$ 1,068,227	34
7950	Income tax expense (Notes 4 and 28)	(79,741)	(2)	(135,156)	(5)
8200	Net income for the year	905,006	26	933,071	29
	Other comprehensive income/(loss)				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans (Note 24)	(4,874)	-	825	-
8330	Share of other comprehensive income and loss from subsidiaries accounted for using the equity method	(314)	-	119	-
8316	Unrealized valuation gain/(loss) on investments in equity instruments at fair value through other comprehensive income	263,940	7	(140,936)	(4)
8360	Items that may be reclassified subsequently to profit or loss				
8361	Unrealized appraisal gains and losses of financial assets measured at fair value through other comprehensive gains and losses	(11,833)	-	179	-
8300	Total other comprehensive income/(loss) for the year (net of income tax)	246,919	7	(139,813)	(4)
8500	Total comprehensive income/(loss) for the year	\$ 1,151,925	33	\$ 793,258	25
	Earnings per share (Note 29)				
9710	Basic	\$ 10.24		\$ 11.12	
9810	Diluted	\$ 10.08		\$ 10.84	

The attached notes are part of this parent company only financial statements.

Chairman: Ming-Chien Chiu

Manager: Lin, Tien-Jui

Accounting Supervisor: Po-An Lai

Gudeng Precision Industrial Co., Ltd.

Parent Company Only Statements of Changes in Equity
From January 1 to December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

Code		Share capital				Retained earnings			Other equity items		Treasury stock	Total equity
		Number of Shares (in Thousand Shares)	Ordinary shares	Share capital collected in advance	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Unrealized appraisal gains and losses of financial assets measured at fair value through other comprehensive gains and losses	Exchange differences on translating the financial statements of foreign operations		
A1	Balance on January 1, 2022	84,097	\$ 840,973	\$ -	\$ 3,094,606	\$ 143,427	\$ 24,637	\$ 338,648	(\$ 18,668)	\$ 12,759	(\$ 15,289)	\$ 4,421,093
	Appropriation of earnings											
B1	Appropriation of legal reserve	-	-	-	-	73,140	-	(73,140)	-	-	-	-
B3	Appropriation of special reserve	-	-	-	-	-	132,456	(132,456)	-	-	-	-
B5	Cash dividends distributed	-	-	-	-	-	-	(504,435)	-	-	-	(504,435)
M7	Changes in percentage of ownership interests in subsidiaries (Note 31)	-	-	-	-	-	-	(2,087)	-	-	-	(2,087)
	Changes in other capital surplus:											
C7	Changes in associates and joint venture accounted for using the equity method	-	-	-	1,188	-	-	-	-	-	-	1,188
C5	Equity items of issued convertible bonds	-	-	-	42,872	-	-	-	-	-	-	42,872
I1	Conversion of convertible corporate bonds	-	-	1,521	32,178	-	-	-	-	-	-	33,699
N1	Issuance of employees stock options by the Company	-	-	-	77,497	-	-	-	-	-	15,289	92,786
D1	Net income for 2022	-	-	-	-	-	-	933,071	-	-	-	933,071
D3	Other comprehensive income/(loss) after tax for 2022	-	-	-	-	-	-	944	179	(140,936)	-	(139,813)
D5	Total comprehensive income/(loss) for 2022	-	-	-	-	-	-	934,015	179	(140,936)	-	793,258
Z1	Balance on December 31, 2022	84,097	840,973	1,521	3,248,341	216,567	157,093	560,545	(18,489)	(128,177)	-	4,878,374
	Appropriation of earnings											
B1	Appropriation of legal reserve	-	-	-	-	93,601	-	(93,601)	-	-	-	-
B3	Appropriation of special reserve	-	-	-	-	-	(157,093)	157,093	-	-	-	-
B5	Cash dividends distributed	-	-	-	-	-	-	(724,236)	-	-	-	(724,236)
M7	Changes in percentage of ownership interests in subsidiaries (Note 31)	-	-	-	-	-	-	(12,228)	-	-	-	(12,228)
	Changes in other capital surplus:											
M5	Acquisition of part of the equity of subsidiaries (Note 31)	-	-	-	86,856	-	-	-	-	-	-	86,856
C7	Changes in associates and joint venture accounted for using the equity method	-	-	-	(106)	-	-	(15,880)	-	-	-	(15,986)
C5	Equity items of issued convertible bonds	-	-	-	56,446	-	-	-	-	-	-	56,446
E1	Issuance of ordinary shares for cash	5,800	58,000	-	1,678,960	-	-	-	-	-	-	1,736,960
N1	Issuance of employees stock options by the Company	-	-	-	37,726	-	-	-	-	-	-	37,726
I1	Conversion of convertible corporate bonds	4,287	42,871	(393)	880,929	-	-	-	-	-	-	923,407
D1	Net income for 2023	-	-	-	-	-	-	905,006	-	-	-	905,006
D3	Other comprehensive income/(loss) after tax for 2023	-	-	-	-	-	-	(5,188)	(11,833)	263,940	-	246,919
D5	Total comprehensive income/(loss) for 2023	-	-	-	-	-	-	899,818	(11,833)	263,940	-	1,151,925
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	22,640	-	(22,640)	-	-
Z1	Balance on December 31, 2023	94,184	\$ 941,844	\$ 1,128	\$ 5,989,152	\$ 310,168	\$ -	\$ 794,151	(\$ 30,322)	\$ 113,123	\$ -	\$ 8,119,244

The attached notes are part of this parent company only financial statements.

Chairman: Ming-Chien Chiu

Manager: Lin, Tien-Jui

Accounting Supervisor: Po-An Lai

Gudeng Precision Industrial Co., Ltd.**Parent Company Only Statements of Cash Flows****From January 1 to December 31, 2023 and 2022**

Unit: In Thousands of New Taiwan Dollars

Code		2023	2022
	Cash flows from operating activities		
A10000	Net income before tax for the year	\$ 984,747	\$ 1,068,227
A20010	Adjustments for		
A20100	Depreciation expenses	248,435	194,776
A20200	Amortization expenses	17,659	19,139
A20300	Expected credit impairment loss (reversal gain)	(781)	3,011
A20400	Net gain on financial assets and liabilities at fair value through profit or loss	(9,261)	(4,383)
A20900	Finance costs	84,121	52,592
A21200	Interest income	(25,394)	(2,775)
A21300	Dividend income	(35,847)	(25,209)
A21900	Compensation costs of share-based payment	37,726	77,497
A22400	Share of profit and loss from subsidiaries accounted for using the equity method	(292,884)	(267,013)
A22500	Gain on disposal of property, plant and equipment	(3,447)	(769)
A22900	Gain on lease amendment	(76)	-
A23700	Inventory (recovery gain) loss for market price decline	(11,327)	25,563
A29900	Income from odd lot transferred from corporate bonds	(30)	(1)
A30000	Net Changes in operating assets and liabilities		
A31130	Notes receivable	(203)	252
A31150	Trade receivables	132,134	(313,450)
A31180	Other receivables	2,803	953
A31200	Inventories	(267,650)	(382,576)
A31230	Prepayments	(18,166)	(44,389)
A31240	Other current assets	2,033	(3,482)
A32210	Contract liabilities	1,538	82,958
A32150	Trade payables	127,198	10,706
A32180	Other payables	(75,714)	171,432
A32200	Provisions	68	(36)
A32230	Other current liabilities	(684)	1,066
A32240	Net defined benefit liabilities	191	(23)
A33000	Cash generated from/(used in) operations	897,189	664,066
A33100	Interest received	23,196	2,775
A33300	Interest paid	(75,051)	(43,166)
A33500	Income tax paid	(192,709)	(41,955)
AAAA	Net cash inflow from operating activities	<u>652,625</u>	<u>581,720</u>

(Continued on the next page)

(Continued from previous page)

Code		2023	2022
	Cash flows from investing activities		
B00010	Purchase of financial assets at fair value through other comprehensive income	(\$ 15,037)	\$ -
B00040	Purchase of financial assets at amortized cost	(172,794)	(189,264)
B00050	Proceeds from sale of financial assets at amortized cost	2,546	11,500
B00100	Purchase of financial assets at fair value through profit or loss	-	(9,011)
B00200	Disposal of financial assets at fair value through profit or loss	15,194	-
B01800	Acquisition of equity of subsidiaries	(601,858)	(489,364)
B01900	Disposal of long-term equity investments accounted for using the equity method	113,538	-
B02700	Payments for property, plant and equipment	(901,635)	(783,911)
B02800	Proceeds from disposal of property, plant and equipment	5,056	9,189
B03700	Increase in refundable deposits	-	(330)
B03800	Decrease in refundable deposits	4,506	-
B04300	Loan to related party	(27,061)	-
B04500	Payments for intangible assets	(50,188)	(16,121)
B07100	Increase in prepayments for equipment	(135,127)	(197,448)
B07600	Dividends received	<u>46,605</u>	<u>25,209</u>
BBBB	Net cash outflow from investment activities	(<u>1,716,255</u>)	(<u>1,639,551</u>)
	Cash flows from financing activities		
C00100	Proceeds from short-term borrowings	1,400,120	700,300
C00200	Repayments of short-term borrowings	(1,300,120)	(850,300)
C01200	Issuing corporate bonds	997,285	994,720
C01600	Proceeds from long-term borrowings	1,945,080	1,728,240
C01700	Repayments of long-term borrowings	(2,022,231)	(1,556,187)
C03100	Refund of guarantee deposits	(138)	(3)
C04020	Return on lease liabilities principal	(9,806)	(11,470)
C04500	Cash dividends distribution	(683,351)	(234,715)
C04600	Issuance of ordinary shares for cash	1,736,960	-
C05100	Treasury stocks purchased by employees	<u>-</u>	<u>15,289</u>
CCCC	Net cash inflow from financing activities	<u>2,063,799</u>	<u>785,874</u>
EEEE	Net increase (decrease) in cash and cash equivalents	1,000,169	(271,957)
E00100	Cash and cash equivalents at the beginning of the year	<u>842,313</u>	<u>1,114,270</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 1,842,482</u>	<u>\$ 842,313</u>

The attached notes are part of this parent company only financial statements.

Chairman: Ming-Chien Chiu

Manager: Lin, Tien-Jui

Accounting Supervisor: Po-An Lai

Attachments 4.

**GUDENG PRECISION INDUSTRIAL CO., LTD.
2023 Earnings Distribution Table**

		Currency Unit: NT\$
Item		Amount
Beginning balance of retained earnings		179,201,471
Net profit of the period		905,006,287
Deduct: Re-measurement of defined benefit plans recognized in retained earnings		(4,874,338)
Deduct: Adjustment of retained earnings due to the adoption of the equity method for investments		(5,781,741)
The net profit after tax of this period plus items other than the net profit after tax of this period are included in the undistributed earnings of the current year		1,073,551,679
Deduct: List legal reserve (10%)		(90,500,629)
Add: Revert to the special surplus reserve according to the Act		146,665,841
Earnings available for distribution of the period		1,129,716,891
Distribution items	Shareholder dividend	
	Cash dividend - first half of 2023	(377,883,181)
	Cash dividend - second half of 2023	(330,040,312)
End of Period Appropriation		421,793,398

Chairman: Ming-Chien Chiu Manager: Lin, Tien-Jui Accounting Supervisor: Po-An Lai

Attachments 5.**GDENG PRECISION INDUSTRIAL CO., LTD.****Comparison between Original and Amendments to Articles of Incorporation**

Amendments	Current Provisions	Description
Article 5-1: <u>When our company issues new shares, issues employee stock options, or issues restricted employee rights shares, the employees who subscribe to the shares may include employees of controlled or subsidiary companies who meet certain conditions.</u>	<u>Addition</u>	In order to facilitate the recruitment of talents by the company, the recipients of employee stock option certificates include not only employees of the company itself, but also employees of subsidiary or affiliated companies who meet certain conditions.
Article 27: The Articles of Incorporation was formulated on March 16, 1998.	Article 27: The Articles of Incorporation was formulated on March 16, 1998.	Update the revision date of the shareholders meeting of the Company's Articles of Incorporation.
The 22nd amendment on May 24, 2023. <u>The 23rd amendment on May 24, 2024.</u>	The 22nd amendment on May 24, 2023.	

Attachments 6.

GUDENG PRECISION INDUSTRIAL CO., LTD. Comparison between Original and Amendments to “Measures for the Acquisition or Disposal of Assets”

Amendments	Current Provisions	Description
<p>Article 8: Procedures to acquiring or disposing of securities investment</p> <p>I. Price Determination and Reference Basis In the acquisition or disposal of negotiable securities, the latest CPA audited or reviewed financial statement of the object company shall be obtained before the factual occurrence date as the reference for the evaluation of transaction price.</p> <p>(I) The acquisition or disposal of securities that have been traded in the centralized trading market or the business premises of a securities firm shall be determined in accordance with the market price at the time of the transaction.</p> <p>(II) To acquire or dispose of securities that are not traded in a centralized trading market or a securities firm’s business premises, it shall consider its net value per share, profitability, future development potential, market interest rates, bond coupon rates, debtor credits and negotiate with reference to the current transaction price.</p> <p>II. The committee invited experts to issue opinions When acquiring or disposing of marketable securities in one of the following situations, and the transaction amount reaches 20% of the Company’s paid-in capital of NT\$300 million or more, the Company shall consult the CPA to express opinions on the reasonableness of the transaction price before the date of occurrence of the fact. This requirement does not apply, however, to securities with publicly quoted prices in an active market or in compliance with regulations set by the Financial Supervisory Commission.</p> <p>(I) Acquisition or disposal of marketable securities not listed on a stock exchange or traded on the over-the-counter market.</p> <p>(II) Acquisition or disposal of private placement securities.</p> <p>Where assets are acquired or disposed of through the court auction procedure, the certification documents issued by the court may substitute for the accountant’s opinion.</p> <p>The calculation of the transaction amount in the preceding paragraph shall be carried out in</p>	<p>Article 8: Procedures to acquiring or disposing of securities investment</p> <p>I. Price Determination and Reference Basis In the acquisition or disposal of negotiable securities, the latest CPA audited or reviewed financial statement of the object company shall be obtained before the factual occurrence date as the reference for the evaluation of transaction price.</p> <p>(I) The acquisition or disposal of securities that have been traded in the centralized trading market or the business premises of a securities firm shall be determined in accordance with the market price at the time of the transaction.</p> <p>(II) To acquire or dispose of securities that are not traded in a centralized trading market or a securities firm’s business premises, it shall consider its net value per share, profitability, future development potential, market interest rates, bond coupon rates, debtor credits and negotiate with reference to the current transaction price.</p> <p>II. The committee invited experts to issue opinions When acquiring or disposing of marketable securities in one of the following situations, and the transaction amount reaches 20% of the Company’s paid-in capital of NT\$300 million or more, the Company shall consult the CPA to express opinions on the reasonableness of the transaction price before the date of occurrence of the fact. This requirement does not apply, however, to securities with publicly quoted prices in an active market or in compliance with regulations set by the Financial Supervisory Commission.</p> <p>(I) Acquisition or disposal of marketable securities not listed on a stock exchange or traded on the over-the-counter market.</p> <p>(II) Acquisition or disposal of private placement securities.</p> <p>Where assets are acquired or disposed of through the court auction procedure, the certification documents issued by the court may substitute for the accountant’s opinion.</p> <p>The calculation of the transaction amount in the preceding paragraph shall be carried out in</p>	<p>To meet the operational needs of the company, it is proposed to add controls on the acquisition or disposal of securities by subsidiaries. If the subsidiary is not a domestic publicly traded company, the acquisition or disposal of securities with a transaction amount exceeding 20% of the paid-in capital or NT\$300 million must be approved by the board of directors of the Company.</p>

Amendments	Current Provisions	Description
<p>accordance with Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA’s opinion has been obtained need not be counted toward the transaction amount.</p> <p>III. The Degree of Authority Delegated and Levels to Which Authority is Delegated</p> <p>(I) When acquiring or disposing of securities that have been traded in a centralized trading market or a securities firm’s business premises, and the transaction amount is less than 10% of the paid in capital or less than NT\$ 100 million, it shall be signed and submitted within the approval of the Company’s general manager; if the transaction amount exceeds 10% (inclusive) to 20% of the paid-in capital, or from NT\$ 100 million (inclusive) to NT\$ 300 million or less, it shall be approved by the chairman and reported to the board of directors afterward.</p> <p>(II) The acquisition or disposal of securities not traded in centralized trading markets or securities firms’ business premises must be approved by the board of directors. However, the board of directors may authorize the chairman to make decisions within 20% of the paid-in capital or up to NT\$300 million, and report to the board of directors afterwards.</p> <p>(III) <u>If a subsidiary of the Company that is not a domestic publicly traded company acquires or disposes of valuable securities, and the transaction amount reaches 20% of the paid-in capital or NT\$300 million or more, it must be approved by the Company’s board of directors.</u></p> <p>The following paragraphs are omitted.</p>	<p>accordance with Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA’s opinion has been obtained need not be counted toward the transaction amount.</p> <p>III. The Degree of Authority Delegated and Levels to Which Authority is Delegated</p> <p>(I) When acquiring or disposing of securities that have been traded in a centralized trading market or a securities firm’s business premises, and the transaction amount is less than 10% of the paid in capital or less than NT\$ 100 million, it shall be signed and submitted within the approval of the Company’s general manager; if the transaction amount exceeds 10% (inclusive) to 20% of the paid-in capital, or from NT\$ 100 million (inclusive) to NT\$ 300 million or less, it shall be approved by the chairman and reported to the board of directors afterward.</p> <p>(II) The acquisition or disposal of securities not traded in centralized trading markets or securities firms’ business premises must be approved by the board of directors. However, the board of directors may authorize the chairman to make decisions within 20% of the paid-in capital or up to NT\$300 million, and report to the board of directors afterwards.</p> <p>The following paragraphs are omitted.</p>	
<p>Article 9: Evaluation and procedures for Acquisition or Disposal of Real Property, Equipment or Right-of-use Assets and Other Fixed Assets:</p> <p>I. Price Determination and Reference Basis In acquiring or disposing of real estate, equipment, right-of-use assets, and other fixed assets, the original user or responsible unit shall report such acquisition or disposal; the asset management unit shall refer to the current value of the announcement, the assessed value, the actual transaction price of neighboring real estate, and the recent transaction price of similar assets, and select one of them by price comparison, price negotiation or bidding.</p> <p>II. Appraisal Report from Expert Shall be Attained</p>	<p>Evaluation and procedures for Acquisition or Disposal of Real Property, Equipment or Right-of-use Assets and Other Fixed Assets:</p> <p>I. Price Determination and Reference Basis In acquiring or disposing of real estate, equipment, right-of-use assets, and other fixed assets, the original user or responsible unit shall report such acquisition or disposal; the asset management unit shall refer to the current value of the announcement, the assessed value, the actual transaction price of neighboring real estate, and the recent transaction price of similar assets, and select one of them by price comparison, price negotiation or bidding.</p> <p>II. Appraisal Report from Expert Shall be Attained In acquiring or disposing of real estate,</p>	<p>To accommodate the operational needs of the company, it is proposed to add control measures for subsidiaries in the acquisition or disposal of real estate, equipment, or rights to use assets, as well as other fixed assets. If a subsidiary is not a domestic publicly traded company, and the transaction amount for the</p>

Amendments	Current Provisions	Description
<p>In acquiring or disposing of real estate, equipment, right-of-use assets, and other fixed assets by the Company, unless otherwise with a government agency, commissioning others to build on its own land, leased land by appointing a constructor, or acquiring or disposing of equipment for business use, where the transaction amount reaches 20% of the Company's paid-in capital or NT\$ 300 million, the Company shall obtain an appraisal report issued by a professional appraisal and further comply with the following provisions prior to the date of occurrence of event:</p> <p>(I) When, due to special circumstances, a restricted price, specific price, or special price needs to be used as a reference for the transaction price, the transaction should first be approved by the board of directors. Subsequent changes to the transaction conditions should also follow the same procedure.</p> <p>(II) Where the transaction amount is more than NT\$ 1 billion, appraisals from two or more professional appraisers shall be obtained.</p> <p>(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. <p>(IV) The date of the valuation report issued by a professional appraiser shall not exceed three months from the date of contract formation. However, if the same period of public announcement value is applicable and does not exceed six months, an opinion letter may be issued by the original professional appraiser.</p> <p>Where assets are acquired or disposed of through the court auction procedure, the certification documents issued by the court may substitute for the accountant's opinion.</p>	<p>equipment, right-of-use assets, and other fixed assets by the Company, unless otherwise with a government agency, commissioning others to build on its own land, leased land by appointing a constructor, or acquiring or disposing of equipment for business use, where the transaction amount reaches 20% of the Company's paid-in capital or NT\$ 300 million, the Company shall obtain an appraisal report issued by a professional appraisal and further comply with the following provisions prior to the date of occurrence of event:</p> <p>(I) When, due to special circumstances, a restricted price, specific price, or special price needs to be used as a reference for the transaction price, the transaction should first be approved by the board of directors. Subsequent changes to the transaction conditions should also follow the same procedure.</p> <p>(II) Where the transaction amount is more than NT\$ 1 billion, appraisals from two or more professional appraisers shall be obtained.</p> <p>(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. <p>(IV) The date of the valuation report issued by a professional appraiser shall not exceed three months from the date of contract formation. However, if the same period of public announcement value is applicable and does not exceed six months, an opinion letter may be issued by the original professional appraiser.</p> <p>Where assets are acquired or disposed of through the court auction procedure, the certification documents issued by the court may substitute for the accountant's opinion. The calculation of the transaction amount in the preceding paragraph shall be carried out in</p>	<p>acquisition or disposal of securities reaches 20% of the paid-in capital or exceeds NT\$300 million, approval by the Company's board of directors is required.</p>

Amendments	Current Provisions	Description
<p>The calculation of the transaction amount in the preceding paragraph shall be carried out in accordance with Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA’s opinion has been obtained need not be counted toward the transaction amount.</p> <p>III. The Degree of Authority Delegated and Levels to Which Authority is Delegated</p> <p>Acquiring or disposing of real estate, equipment or its right-of-use assets, and other fixed assets, with a transaction amount of less than 10% of the paid-in capital or less than NT\$100 million, shall be signed and submitted to the general manager for approval; if the transaction amount exceeds 10% (inclusive) to 20% of the paid-in capital, or from NT\$ 100 million (inclusive) to NT\$ 300 million or less, it shall be approved by the chairman of the board and reported to the board of directors afterward.</p> <p><u>If a subsidiary of the Company is not a domestic publicly traded company, the acquisition or disposal of real estate, equipment, or rights to use assets, as well as other fixed assets, with a transaction amount reaching 20% of the paid-in capital or exceeding NT\$300 million, must be approved by the Company’s board of directors.</u></p> <p>The following paragraphs are omitted.</p>	<p>accordance with Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA’s opinion has been obtained need not be counted toward the transaction amount.</p> <p>III. The Degree of Authority Delegated and Levels to Which Authority is Delegated</p> <p>Acquiring or disposing of real estate, equipment or its right-of-use assets, and other fixed assets, with a transaction amount of less than 10% of the paid-in capital or less than NT\$100 million, shall be signed and submitted to the general manager for approval; if the transaction amount exceeds 10% (inclusive) to 20% of the paid-in capital, or from NT\$ 100 million (inclusive) to NT\$ 300 million or less, it shall be approved by the chairman of the board and reported to the board of directors afterward.</p> <p>The following paragraphs are omitted.</p>	
<p>Article 11:</p> <p>Evaluation and operating procedures for acquiring or disposing of membership, intangible assets, or right-of-use assets</p> <p>I. Price Determination and Reference Basis</p> <p>The acquisition or disposal of membership cards, intangible assets, or the rights to use such assets should take into account the potential benefits of the asset in the future, its fair market value, and when necessary, seek expert opinions and negotiate with the counterparty.</p> <p>II. The committee invited experts to issue opinions</p> <p>When acquiring or disposing of memberships, intangible assets, or its right-of-use assets if the transaction amount is 20% of the Company’s paid-in capital or NT\$ 300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price.</p> <p>The calculation of the transaction amount in the preceding paragraph shall be carried out in accordance with Article 15, and “within the</p>	<p>Article 11:</p> <p>Evaluation and operating procedures for acquiring or disposing of membership, intangible assets, or right-of-use assets</p> <p>I. Price Determination and Reference Basis</p> <p>The acquisition or disposal of membership cards, intangible assets, or the rights to use such assets should take into account the potential benefits of the asset in the future, its fair market value, and when necessary, seek expert opinions and negotiate with the counterparty.</p> <p>II. The committee invited experts to issue opinions</p> <p>When acquiring or disposing of memberships, intangible assets, or its right-of-use assets if the transaction amount is 20% of the Company’s paid-in capital or NT\$ 300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price.</p> <p>The calculation of the transaction amount in the preceding paragraph shall be carried out in accordance with Article 15, and “within the</p>	<p>To accommodate the operational needs of the company, it is proposed to add control measures for subsidiaries in the acquisition or disposal of memberships, intangible assets, or its right-of-use assets, as well as other fixed assets. If a subsidiary is not a domestic publicly traded company, and the transaction amount for the acquisition or disposal of securities reaches 20% of the paid-in capital or exceeds NT\$300 million, approval by the Company’s board of directors is required.</p>

Amendments	Current Provisions	Description
<p>preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA’s opinion has been obtained need not be counted toward the transaction amount.</p> <p>III. The Degree of Authority Delegated and Levels to Which Authority is Delegated</p> <p>When acquiring or disposing of memberships, intangible assets, or its right-of-use assets, if the transaction amount is less than 10% of the paid-in capital or less than NT\$ 100 million, it shall be signed and submitted to the general manager for approval; if the transaction amount exceeds 10% (inclusive) to 20% of the paid-in capital, or more than NT\$ 100 million (inclusive) to less than NT\$ 300 million, it shall be signed and submitted to the chairman of the board for approval, and be reported to the board of directors afterward.</p> <p><u>If a subsidiary of the Company is not a domestic publicly traded company, the acquisition or disposal of memberships, intangible assets, or its right-of-use assets, as well as other fixed assets, with a transaction amount reaching 20% of the paid-in capital or exceeding NT\$300 million, must be approved by the Company’s board of directors.</u></p> <p>The following paragraphs are omitted.</p>	<p>preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA’s opinion has been obtained need not be counted toward the transaction amount.</p> <p>III. The Degree of Authority Delegated and Levels to Which Authority is Delegated</p> <p>When acquiring or disposing of memberships, intangible assets, or its right-of-use assets, if the transaction amount is less than 10% of the paid-in capital or less than NT\$ 100 million, it shall be signed and submitted to the general manager for approval; if the transaction amount exceeds 10% (inclusive) to 20% of the paid-in capital, or more than NT\$ 100 million (inclusive) to less than NT\$ 300 million, it shall be signed and submitted to the chairman of the board for approval, and be reported to the board of directors afterward.</p> <p>The following paragraphs are omitted.</p>	

Chapter 4. Appendices

Appendix 1. Rules of Procedure for the Shareholders' Meetings

GDENG PRECISION INDUSTRIAL CO., LTD.

Rules of Procedure for the Shareholders' Meetings

- Article 1 Unless otherwise prescribed by laws or regulation, the Company's shareholders' meetings shall be performed in accordance with these rules,
- Article 2 When holding the shareholders' meeting, the Company shall provide an attendance register for the attending shareholders or an agent entrusted by the shareholders (hereinafter referred to as shareholders) to sign in, or require the attending shareholders to submit their sign-in cards in lieu of signing the register. The calculation of the number of shares present shall be based on the attendance register or sign-in cards submitted by the shareholders and those shares whose votes are exercised by mail or electronically via the internet.
- The Company shall deliver the handbook, annual report, attendance card, speaker's slip, votes, and other meeting materials to each shareholder attending the shareholders' meeting; if there are directors to be elected, ballots shall also be provided.
- Shareholders should present their attendance certificates, attendance sign cards, or other attendance certificates to attend the shareholders' meeting; they are the solicitors of the solicitation of power of attorney and should carry identification documents for verification.
- Article 3 The participation and voting by shareholders shall be duly calculated based on the number of shares they hold. The shareholder has one vote per share, except for those with restricted or no voting rights.
- When a shareholder is an interested party in relation to an item on the agenda, and there is the likelihood that such a relationship would prejudice the interests of the Company, such a shareholder shall not vote on that item, and shall not exercise voting rights as a proxy for any other shareholder.
- Under the preceding paragraph, the number of shares which voting rights cannot be exercised shall not be counted as part of the voting rights represented by attending shareholders.
- Article 4 Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.
- Changes to the means of convening a shareholders' meeting shall be subject to a resolution of the Board of Directors, and shall be made no later than the delivery of the shareholders' meeting notice.
- The convening of an annual shareholders' meeting shall be notified to each shareholder within 30 days prior to the date of the notice. For shareholders holding less than one thousand registered shares, the notice may be sent to the MOPS within 30 days ago. The convening of an extraordinary shareholders' meeting shall be sent to all shareholders within 15 days of the date. For shareholders holding less than one thousand registered shares, the notice may be sent to the MOPS within 15 days of the date.
- The notice or public announcement shall specify the reasons for convening

meetings.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

As for the reasons for the convening of the shareholders 'meeting, re-election of all directors and the date of appointment have been indicated. After the re-election at the shareholders' meeting is completed, the date of appointment shall not be changed through an extempore motion or other means at the same meeting.

Shareholders who hold more than 1% of the total number of issued shares may submit a proposal to the Company's regular shareholders' meeting. The proposal is limited to one item. Any proposal with more than one proposal shall not be included in the proposal. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. Shareholders may put forward proposals urging the Company to promote public interests or fulfill its social responsibilities. The procedure shall be in accordance with the relevant provisions of Article 172-1 of the Company Act, and any proposal exceeding one item shall not be included in the motion.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, in written or electronic method, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 5

For each event of a shareholder meeting, a shareholder may issue a proxy in the form printed by the Company to expressly stipulate the scope of authorized powers to authorize representative(s) to attend a shareholder meeting on his or her behalf.

A shareholder shall issue a power of attorney and limit it to one person. It shall be delivered to the company five days before the meeting of shareholders. In case two or more written proxies are received from one shareholder, the first one received shall prevail; However, a statement to revoke an earlier proxy is not subject to the aforementioned rule.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting by means of visual communication network, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 6 If a shareholders' meeting is convened by the board of directors of the Company (the "Board" or "Board of Directors"), the Chairman of the Board shall preside at such meeting. If the Chairman of the Board is on leave or unable to exercise his powers and duties for any reason, the Vice Chairman of the Board shall preside at such meeting. The Chairman of the Board shall designate a managing director to preside as the chairman if a Vice Chairman is not appointed, or if the Vice Chairman of the Board is on leave or unable to exercise his powers and duties for any reason. If no managing director of the Company is appointed, the Chairman of the Board shall designate a director to preside as the chairperson. If the Chairman of the Board fails to designate a chairperson for the meeting, the managing director or the directors shall nominate one from among themselves to preside at the meeting.

Article 7 The Company may appoint the retained Attorney(s)-at-Law, Certified Public Accountant(s) or relevant personnel to participate in a shareholder meeting as an observer. Staff at the shareholders' meetings shall wear ID badges or arm badges.

Article 8 The Company shall record the entire process of from accepting reporting, meeting procedure so as voting process. In the event of a lawsuit regarding the Directors election under Article 189 of the Company Law, those ballots shall be archived until the conclusion of the lawsuit.

When a shareholders' meeting is held by means of visual communication network, the Company shall record and retain the shareholders' registration, sign-in, attendance registration, questions, voting, and vote counting results and make an uninterrupted audio and video recording of the shareholders' meeting.

The materials and audio and video recordings mentioned in the preceding paragraph shall be properly retained by the Company throughout its life, and the audio and video recordings shall be provided for institutions that are entrusted to handle video conferencing affairs for retention.

Article 9 The chairman shall call the meeting to order at the time scheduled for the meeting, as well as announce information, such as the number of shares without voting right and shares present. In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the chairperson may announce a postponement of the meeting, however, there may not be more than two postponements in total and the total time accumulated in the postponement(s) shall not exceed one hour. In the event that the meeting is still attended by shareholders representing less than one-third of the total issued shares after two postponements, the chairperson may announce that the meeting should be canceled. If a shareholders' meeting is held by means of visual communication network, the Company shall announce the cancellation of the

shareholders' meeting on the visual networking platform.

In the event that the meeting is attended by shareholders not up to the specified quorum but representing more than one-third of the total issued shares after two postponements, a tentative resolution may be passed in accordance with Article 175 of the Company Act, and notify all shareholders of the tentative resolution to convene a shareholder meeting within one month. If a shareholders' meeting is held by means of visual communication network, shareholders who intend to attend the meeting by means of visual communication network shall re-register with the Company.

In the event that the total number of shares represented by attending shareholders reaches a majority of the total issued shares before that same shareholder meeting is adjourned, the chairperson may bring the tentative resolution(s) so adopted into the shareholder meeting anew to be duly resolved in accordance with Article 174 of the Company Law.

In the event that the total number of shares represented by attending shareholders reaches a majority of the total issued shares before that same shareholder meeting is adjourned, the chairperson may bring the tentative resolution(s) so adopted into the shareholder meeting anew to be duly resolved in accordance with Article 174 of the Company Act.

Article 10

If the shareholders' meeting is convened by the board of directors, the agenda shall be set by the board of directors. All relevant proposals (including interim motions and amendments to the original proposal) shall be voted on a case-by-case basis. The meeting shall be conducted in accordance with the scheduled agenda and shall not be changed without a resolution of the shareholders' meeting.

The preceding paragraph shall apply mutatis mutandis to meetings convened by any person, other than the Board of Directors, with the authority to convene such meeting.

In respect of the scheduled agenda referred to in the preceding two paragraphs, the chairman may not, absent a resolution, unilaterally announce the adjournment of the meeting before all of the items on the scheduled agenda have been resolved (including ad hoc motions).

If the chairman violates the rules of procedure and announces the adjournment of the meeting, other members of the board of directors shall immediately assist the shareholders present in the legally prescribed procedures, and with the approval of a majority of the voting rights of the present shareholders, elect a person to serve as chairman and continue the meeting.

After the meeting is adjourned, the shareholders shall not elect another chairperson to resume such meeting at the same location or seek an alternative venue.

Article 11

Prior to speaking at the meeting, an attending shareholder shall submit a slip of paper summarizing his/her/its comments and/or questions and specifying his/her/its shareholder account number (or the attendance ID number) and the account name of the shareholder, in order for the chairman to determine the speaking order.

An attending shareholder who submits a slip of paper but does not speak at the meeting is deemed to have not spoken. In the event of any inconsistency between the contents of shareholder's speech and those recorded on the slip, the contents

of shareholder's speech shall prevail.

When an attending shareholder is speaking at the meeting, no other shareholder shall interrupt the speaking shareholder unless otherwise permitted by the chairperson and such speaking shareholder; the chairperson shall stop any such violations.

Article 12 On the same issue, each shareholder shall not take the floor more than twice and a shareholder shall not speak more than 5 minutes for each round unless agreed upon by the chairperson.

The chairman may stop the speech of any shareholder that is in violation of the preceding paragraph or exceeds the scope of the proposal.

Article 13 In the event that a juristic (corporate) person is entrusted to participate in a shareholder meeting, that juristic (corporate) person may appoint only one representative to participate in the meeting.

In the event that a juristic (corporate) person shareholder appoints two or more representatives to participate in a shareholder meeting, only one representative may speak for the same issue.

All present shareholders are obliged to comply with the Rules Governing the Proceedings of Shareholder Meetings, comply with decisions resolved and maintain sound order of the arena of the meeting.

Article 14 After a shareholder speaks on the floor; the chairperson may answer either by himself or herself or through a designee.

If a shareholders' meeting is held by means of visual communication network, shareholders attending the meeting by means of visual communication network may ask questions in text form on the visual networking platform after the chairperson declares the commencement of the meeting and before the chairperson declares the adjournment of the meeting. The number of questions asked for each proposal shall not exceed two, with each question limited to 200 words. Not applicable to the first and fifth regulations.

If the question mentioned in the preceding paragraph does not violate the regulations or does not exceed the scope of the proposal, it is advisable to make the question public on the visual networking platform.

Article 15 The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; where the chairperson believes an issue has been discussed in the meeting up to the level for voting, the chairperson may announce discontinuance of the discussion process and bring that issue to a vote, and arrange a sufficient voting time.

Article 16 The person(s) supervising the casting of the ballots and the person(s) counting the ballots are designated by the chairperson, provided that the person(s) supervising the casting of the ballots shall be a shareholder. The chairperson shall publicly announce the results of the resolution in the meeting and the results shall be recorded in the minutes.

Article 16-1 The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted. When there is an election of directors, it shall be performed in accordance with the relevant selection procedures established by the Company, and the election results shall be announced on the spot, including the list of elected directors and the number of elected rights and the list of directors who are not elected and the number of election rights obtained. The records shall be kept for the duration of the existence of the Company.

Article 17 During the process of the meeting, the chairperson may announce a recess at an appropriate time. Upon occurrence of force majeure, if any, the chairperson may rule that the meeting be temporarily suspended and announce the time to resume the meeting as the actual situation may justify. Or the shareholder meeting may resolve a decision to postpone or resume the meeting without notice within five days.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

Article 18 Unless otherwise provided for the Company Act and the Company's Articles of Incorporation, decisions at the shareholder meeting shall be resolved by a majority vote of the shareholders attending the meeting. An issue is deemed to have been duly resolved after the chairperson enquires from all participants but no objection is heard. The validity of the decision so resolved is equally valid as a decision duly resolved through the balloting process. If no objections are made by the shareholders present after the inquiry by the chairperson, such proposal is deemed to be adopted with the same effect as if it had been adopted through a voting process. Those who disagree shall be voted in accordance with the aforementioned provisions of this Article. When the Company convenes a shareholders' meeting, shareholders may exercise their voting power in writing or by way of electronic transmission; the method of exercising their voting power shall be described in the shareholders' meeting notice. A shareholder who exercises his/her voting power at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person. However, the shareholder shall be regarded to have abstained for extempore motions or for revision of the original proposals. Thus, it is advised that the Company shall avoid proposing extempore motions or revising the original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic transmission under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, when a declaration is made to cancel an earlier declaration of intent is not subject to the limits.

After the shareholders exercise their voting rights in writing or electronic means, if they want to attend the shareholders' meeting in person or by means of visual communication network, they shall cancel the intent of exercising voting rights in the preceding paragraph in the same manner as exercising the voting rights two days before the shareholders' meeting; if it is canceled after the time limit, voting rights exercised in writing or via electronic means shall prevail. If the voting

rights are exercised in writing or via electronic means and a proxy is entrusted to attend the shareholders' meeting by a power of attorney, the voting rights exercised by the attending entrusted proxy shall prevail.

Article 19 In the event that an amendment or a substitute comes out of the same issue, the chairperson shall fix the order of balloting in consolidation with the original issue. When one among them is duly resolved, other issue(s) is (are) deemed to have been vetoed and no voting process is required.

Article 20 The chairman may direct patrol personnel (or security personnel) to assist in maintaining the order of the meeting. Such patrol personnel (or security personnel) shall wear arm badges marked "Patrol Personnel" while assisting in maintaining the order of the meeting.

In the event that a shareholder violates the Rules Governing the Proceedings of Shareholder Meetings, defies the chairperson's rectification or obstructs progress of the meeting or objects to the action to stop him or her.

Article 21 If a shareholders' meeting is held by means of visual communication network, the votes shall be counted at one time after the chairperson announces the close of voting, and the voting and election results shall be announced thereafter.

When the Company holds a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by means of visual communication network in accordance with Article 6 and intend to attend the shareholders' meeting in person shall cancel in the same manner as registering two days before the shareholders' meeting; those who fail to cancel the registration within the time limit may only attend the shareholders' meeting by means of visual communication network.

Shareholders who exercise their voting rights in writing or electronically without revoking their intentions and attend the shareholders' meeting by means of visual communication network shall not exercise their voting rights on the original proposals, propose amendments to the original proposals, or exercise the voting rights on the amendments to the original proposals, except for extraordinary motions.

Article 22 On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies, and the number of shares held by the attending shareholders in writing or electronically, and shall make an express disclosure of the same at the place of the shareholders' meeting. If a shareholders' meeting is held by means of visual communication network, the Company shall upload the aforesaid materials to the visual networking platform at least 30 minutes before the start of the shareholders' meeting and maintain their availability until the end of the meeting.

When the Company announces the commencement of a shareholders' meeting held by means of visual communication network, it shall disclose the total number of shares held by attending shareholders on the visual networking platform. The same shall apply if the total number of shares and voting rights of the shareholders attending the meeting is counted during the meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

- Article 23 If a shareholders' meeting is held by means of visual communication network, the Company shall immediately disclose the voting results of the proposals and the election results on the visual networking platform in accordance with the regulations and maintain their availability for at least 15 years after the chairperson announces the adjournment of the meeting.
- Article 24 When the Company holds a shareholders' meeting by means of visual communication network, the chairperson and the minute taker shall be at the same place in Taiwan, and the chairperson shall announce the address of the place at the time of the meeting.
- Article 25 If a shareholders' meeting is held by means of visual communication network, the Company may provide a simple connection test for shareholders before the meeting and also render related services immediately before and during the meeting to help shareholders solve telecommunication problems.
- If a shareholders' meeting is held by means of visual communication network, the chairperson shall, when announcing the commencement of the meeting, separately announce that, due to an obstacle to the visual networking platform or attendance by means of visual communication network caused by natural disasters, incidents, or other force majeure events, which lasts for more than 30 minutes, before the chairperson announces the adjournment of the meeting, the shareholders' meeting shall be postponed or reconvened, except for the circumstances where there is no need for postponement or reconvention of the shareholders' meeting as stipulated in Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. Article 182 of the Company Act does not apply.
- When a shareholders' meeting is postponed or reconvened in accordance with the preceding paragraph, it is not necessary to once again discuss and resolve on the proposals whose voting and counting of votes have been completed with the voting results or the list of elected directors announced.
- When the Company postpones or reconvenes the shareholders' meeting in accordance with Paragraph 2, it shall make preparations based on the date of the inaugural shareholders' meeting and in accordance with Paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. Shareholders who are listed on the register of shareholders as of the date for suspension of share transfer for the inaugural shareholders' meeting are entitled to attend the shareholders' meeting.
- The Company shall base the period prescribed in the latter part of Article 12 and Paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Paragraph 2, Article 44-5, Article 44-15, and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies on the date of the shareholders' meeting postponed or reconvened in accordance with Paragraph 2.
- When the Company holds a video-assisted shareholders' meeting and fails to proceed by means of visual communication network in circumstances prescribed in Paragraph 2, the shareholders' meeting may still continue if the number of shares held by the attending shareholders, after deducting the number of shares held by the shareholders attending the meeting by means of visual communication network, reaches the statutory quota for the shareholders' meeting. There is no need to postpone or reconvene the shareholders' meeting in

accordance with Paragraph 2.

When the Company convenes a shareholders' meeting by means of visual communication network, it shall provide appropriate alternatives for shareholders who have difficulty in attending the shareholders' meeting by means of visual communication network.

Article 26 These Rules and any amendments hereof shall be put into enforcement after being resolved at the shareholder meeting.

Article 27 Matters not specified in the Rules shall be governed by the Company Act, the Company's Articles of Incorporation and any other relevant laws and regulations.

Appendix 2. Articles of Incorporation (before Amendments)

Chapter 1. General Provisions

- Article 1 The Company is organized in accordance with the Company Act, and named GUDENG PRECISION INDUSTRIAL CO., LTD. (hereinafter referred to as the “Company”).
- Article 2 The business to be operated by the Company is as follows:
1. CQ01010 Mold and Die Manufacturing
 2. F106030 Wholesale of Die
 3. F206030 Retail Sale of Die
 4. C805050 Industrial Plastic Products Manufacturing
 5. CC01080 Electronic Parts and Components Manufacturing
 6. CC01110 Computers and Computing Peripheral Equipment Manufacturing
 7. CC01120 Data Storage Media Manufacturing and Duplicating
 8. F119010 Wholesale of Electronic Materials
 9. F219010 Retail Sale of Electronic Materials
 10. H701010 Housing and Building Development and Rental
 11. H701020 Industrial Factory Buildings Lease Construction and Development
 12. CD01060 Aircraft and Parts Manufacturing
 13. CB01010 Machinery Equipment Manufacturing
 14. ZZ99999 All business not prohibited or restricted by law, except for those subject to special approval.
- Article 3 The total amount of the Company’s investment in other companies shall not be subject to the restriction of not more than forty percent of the Company’s paid-up capital as provided in Article 13 of the Company Act.
- For business needs, the Company may act as a guarantor for other parties upon the Board of Directors’ resolution if necessary for its operations.
- Article 4 The Company sets up a head office in New Taipei City and may establish branches or subsidiaries in Taiwan or overseas when necessary upon resolution by the Board of Directors.

Chapter 2. Capital Stock

- Article 5 The Company’s capital is set at NT\$150 billion, divided into 150 million shares with the value of NT\$10 per share, which authorized the board of directors to issue separately. An amount of NT\$ 50 million out of the aforesaid capital is reserved to be served as subscription warrants for employees.
- Article 6 The share certificates hereof shall be name-bearing certificates, duly signed or affixed with seals, and duly authenticated by the competent authority or the issuance registry institution accredited by the bank which is competent to certify shares under the laws before issuance thereof. The Company may be exempted from printing the certificates of shares issued in accordance with relevant laws and regulations but shall register the issued shares with a centralized securities depository enterprise.
- Article 7 The Company may issue shares without certificates, but such shares shall be registered with a central securities depository.

- Article 8 When the Company repurchases treasury shares, it may transfer shares to employees at less than the average actual share repurchase price; however, it is required to obtain the consent of at least two-thirds of the voting rights represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares.
- Article 9 The transfer of the Company's shares and the change of the record in the shareholder register shall be performed in accordance with Article 165 of the Company Act. All transfer of Company stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address, or similar share transaction conducted by the shareholders of the Company shall follow the "Regulations Governing the Administration of Shareholder Services of Public Companies" unless specified otherwise by law and securities regulations.

Chapter 3. Shareholders' Meetings

- Article 9-1 The shareholders' meetings shall be presided by the Chairman of the Board. In the Chairman's absence or unavailability, the Vice Chairman shall chair the meeting on his behalf. In the event that the Vice Chairman is absent or unavailable as well, the Chairman shall, in advance, appoint a director to act in his place. In the event that the Chairman does not appoint an agent, one director shall be elected from among themselves to act in his place. If the meeting is convened by a person with the authority to convene other than the Board of Directors, such person shall act as the chairperson at that meeting; if there are more than one person with the authority to convene, the chairperson for the meeting shall be appointed from among them.
- Article 10 The shareholder meeting hereof is divided into the annual shareholder meeting and special shareholder meeting. Annual meetings shall be convened by the Board of Directors annually within 6 months after the end of each fiscal year; the temporary meeting will be convened in accordance with the law when necessary. The convening of the shareholders meeting shall be performed in accordance with Article 172 of the Company Act.
- Article 10-1 The Company may hold a shareholders' meeting by means of visual communication network or other methods promulgated by the Ministry of Economic Affairs.
- Article 11 The shareholders' meeting shall be implemented according to the rules governing the Rules and Procedure for Shareholders' Meeting of the Corporation. Article 12A shareholder who is unable to attend the shareholders' meeting may authorize another person to attend as proxy, which sets forth the scope of the authorization. For measures for shareholders' entrusted attendance, the proxy process is governed by Article 177 of the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" prescribed by the competent authority.
- Article 12 A shareholder shall have one voting power in respect of each share; however, this limit is not applicable to those who do not have the right to vote under Article 179 of the Company Act.
- Article 13 Except as otherwise provided by the Company Act and applicable law, the shareholders' resolutions shall be adopted upon the approval of a majority of the voting shares present at the meeting, which is attended by holders of a majority of the

total issued and outstanding shares of the Company. The resolutions of the shareholders meeting shall be handled in accordance with Article 183 of the Company Act.

- Article 14 When the Company cancels the public issuance, it shall be performed in accordance with Article 156 of the Company Act.

Chapter 4. Director

- Article 15 The Company shall have 7 to 9 directors, and the election of directors shall be adopted of a candidate nomination system. The directors shall be elected from the nominees listed in the roster of director candidates at the shareholders' meeting and hold office for three years; re-elected directors may serve consecutive terms. When a director's term expires and another director cannot be elected in time, he/she shall extend his/her term until a newly elected director takes office. The directors shall comply with the rules of the securities regulatory authorities concerning minimum share ownership. There shall be at least 3 independent directors among the number of directors to be elected referred to in the preceding paragraph, and the independent directors shall represent at least one-fifth of the Board.

The election method of the Company's directors adopts the single-name cumulative voting method. The implementation shall be subject to the Company Act, Securities and Exchange Act and other related laws and regulations.

- Article 16 The Company may purchase liability insurances for Directors to lower the risk of lawsuits filed by shareholders or other stakeholders as a result of Directors performing their duties in accordance with laws and regulations.

- Article 17 Board of Directors shall comprise directors, among whom one Chairman and one Vice Chairman shall be elected by the consent from more than one-half of the directors present at a meeting attended by two-thirds of the directors. The Chairman represents internally the chairman of the Shareholders' Meeting and chairman of the Board of Directors, and externally the Company.

- Article 18 If the Chairman of the Board is on leave or unable to exercise his powers and duties for any reason, the Vice Chairman of the Board shall preside at such meeting. The Chairman of the Board shall designate a managing director to preside as the chairman if a Vice Chairman is not appointed, or if the Vice Chairman of the Board is on leave or unable to exercise his powers and duties for any reason. If no managing director of the Company is appointed, the Chairman of the Board shall designate a director to preside as the chairperson. If the Chairman of the Board fails to designate a chairperson for the meeting, the managing director or the directors shall nominate one from among themselves to preside at the meeting. The rest shall be performed in accordance with Article 208 of the Company Act.

- Article 19 Unless otherwise provided by the Company Act, the meeting of the Board of Directors shall be convened by the Chairman of the Board. Except as otherwise provided by the Company Act, resolutions of the Board of Directors shall be adopted by at least a majority of the directors present at a meeting attended by at least a majority of the directors holding office.

Directors shall personally attend Board meetings, but for cause when a director

cannot appear, he may appoint by instrument of limited powers of attorney, a person to appear in his place for the purposes of that meeting only, but only one person may serve as a delegate for any Director.

If participation by means of video conferencing is made available at a meeting, directors who participate in the meeting by such means shall be deemed to have attended such meeting in person.

Article 19-1 The board of directors should state the reason when convening and be served to all Directors seven days prior to the date scheduled for the meeting. In case of an emergency, a Board of Directors meeting may be convened at any time. The notices to the Board of Directors meeting mentioned in the preceding paragraph may be served in writing or by means of facsimile or e-mail.

Article 20 When performing duties for the Company, the directors shall receive remuneration from the Company regardless of its gain or loss; the Board is authorized to determine the remuneration according to their individual participation in the Company's operations and the value of their contribution, while taking into account the general standard in the industry. If the Company has a surplus, it shall distribute the remuneration according to Article 23 of the Articles of Association.

Chapter 5. Managers

Article 21 The Company shall have several managers. Their appointment, dismissal, and remuneration shall be subject to Article 29 of the Company Act.

Chapter 6. Accounting

Article 22 The Company shall, at the end of each fiscal year, make the following reports by the Board of Directors and submit them to the shareholders meeting for recognition:

- (I) Business report;
- (II) Financial statements; and
- (III) Proposals of profit allotment or loss coverage.

Article 23 If the Company has earnings, it shall set aside no less than 3% of the balance as remuneration to the employees and no greater than 3% of the balance as remuneration to directors. However, in case the Company still has accumulated deficits, the amount of accumulated deficits should be deducted from such earnings before the balance is calculated for distribution.

The remuneration to the employees may be allotted in cash or stock, eligible personnel includes employees at subsidiaries that meet the requirement. Matters related to the issuance of employee and directors' remuneration are performed in accordance with relevant laws and regulations and are determined by the board of directors.

Article 24 The Company's surplus distribution or loss allowance may be made after the end of each semi-financial year. If there is a surplus in the final accounts of each half of the fiscal year, the tax shall be paid first, the accumulated losses shall be made up, the employee compensation shall be estimated to be retained, and 10% shall be appropriated as legal capital reserve, unless the legal reserve has reached the paid-up capital. In addition, special surplus reserve shall be allocated or reversed in accordance with laws and regulations or regulations of the competent authority. If there is any surplus, the balance shall be added to the accumulated undistributed

surplus. When issued by cash, it shall be resolved by the board of directors

Shall there be any surplus after the final settlement, the Company shall pay taxes first; after compensating the accumulated losses, 10% shall be appropriated as legal capital reserve, unless the legal reserve has reached the paid-up capital. The balance shall be withdrawn or transferred to the special surplus reserve according to laws and regulations; if there is any surplus, the balance shall be added to the accumulated undistributed surplus. The Board of Directors shall prepare a distribution motion, to be submitted to the shareholders' meeting for resolution before issuance of new shares.

Pursuant to paragraph 5 of article 240 of the Company Act, the company may authorize the distributable dividends and bonuses or in whole or in part legal reserve and capital reserve as provided in paragraph 1 of article 241 of the Company Act may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition, thereto a report of such distribution shall be submitted to the shareholders' meeting.

- Article 25 The company's dividend policy shall be determined pursuant to factors, based on the current and future development plans, the investment environment, capital needs, and domestic and international competitive situation, and the interests of shareholders, etc., The company shall appropriate no less than 10% of the retained earnings available for distribution. The dividends may be paid in cash or stock,

Chapter 7. Supplementary Provisions

- Article 26 Matters not specified in this Articles of Incorporation shall be governed by the Company Act.

- Article 27 The Articles of Incorporation was formulated on March 16, 1998.

First amendment on June 11, 2001

Second amendment on August 1, 2002

Third amendment on March 11, 2004

Fourth amendment on May 2, 2005

Fifth amendment on June 3, 2005

Sixth amendment on August 25, 2006

Seventh amendment on June 30, 2007

Eighth amendment on August 13, 2007

Ninth amendment on January 17, 2009

Tenth amendment on May 8, 2009

Eleventh amendment on July 4, 2009

Twelfth amendment on May 6, 2010

Thirteenth amendment on May 25, 2012

Fourteenth amendment on May 28, 2015

Fifteenth amendment on May 27, 2016

Sixteenth amendment on June 2, 2017

Seventeenth amendment on May 29, 2018

Eighteenth amendment on May 29, 2019

Nineteenth amendment on May 27, 2020
The 20th amendment on July 30, 2021
The 21st amendment on May 27, 2022
The 22nd amendment on May 24, 2023

GUDENG PRECISION
INDUSTRIAL CO., LTD.

Chairman: Ming-Chien Chiu

Appendix 3. Measures for the Acquisition or Disposal of Assets (before Amendments)

GUDENG PRECISION INDUSTRIAL CO., LTD. Measures for the Acquisition or Disposal of Assets

- Article 1 Purpose
This processing procedure is specially formulated to protect assets and implement information disclosure.
- Article 2 Legal Basis
The Measures are adopted in accordance with the provisions of Article 36 1 of the Securities and Exchange Act and the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies” issued by the Financial Supervisory Commission, R.O.C. (“FSC”).
- Article 3 Scope of assets
The scope of assets specified in the Measures include the followings:
- I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities, etc.
 - II. Real estate (including land, building and structures, real estate held for investment purposes, land usage right, inventories of construction enterprises) and equipment.
 - III. Memberships.
 - IV. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
 - V. Right-of-use assets
 - VI. Claims of financial institutions (including receivables, foreign exchange rebate, loans, and overdue receivables).
 - VII. Derivatives.
 - VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or share transfer in accordance with law.
 - IX. Other major assets.
- Article 4 Definition of related terms
The terms used in the Measures are defined as follows:
- I. The term “Derivative Products” means forward contracts, options, futures, leverage contracts, or swaps, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests, and the hybrid contracts consisted by the above products. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
 - II. The term “Assets Acquired or Disposed by Mergers, Spin-off, Acquisition or Shares Transference Pursuant to Laws” means assets acquired or disposed of by mergers, spin-off, acquisition or share transfer, pursuant to Business Mergers and Acquisitions Act, Financial Holding Companies Act, Financial Institutions Merger Act or other acts; or share transfer from other companies by issuing new shares of its own as the consideration therefor (hereinafter “transfer of shares”) pursuant to the sixth paragraph of Article 156-3 of the Company Act.
 - III. The term “related party” and “subsidiaries” as used in these Procedures mean those parties defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

- IV. The term “professional appraisal” as used in these procedures, means a certified appraiser or a company in the business of appraising real property or equipment.
- V. Date of occurrence: The date of contract signing, date of payment, dates of boards of directors’ resolutions, date of transfer, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier. However, with investments that require the approval of the competent authority, the earliest of the above dates or the date of receipt of approval by the competent authority shall apply.
- VI. The term “investments in China” means investments made in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area by the Investment Commission of the Ministry of Economic Affairs, R.O.C.
- VII. The unit mainly engaging investment: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises and fund management companies which are lawfully incorporated and are regulated by local competent financial authorities.
- VIII. Securities exchange: “Domestic securities exchange” refers to the Taiwan Stock Exchange Corporation; “foreign securities exchange” refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
- IX. Over-the-counter venue (“OTC venue,” “OTC”): “Domestic OTC venue” refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; “foreign OTC venue” refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 5 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters whom provide the Company with appraisal reports, certified public accountant’s opinions, attorney’s opinions, or underwriter’s opinions shall not be a related party of any party to the transaction.

- I. Shall not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- II. Shall not be a related party or de facto related party of any party to the transaction.
- III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulation of the trade associations to which they belong and the following:

- I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- II. They shall properly plan and implement appropriate operational procedures to

form a conclusion and issue a report or an opinion accordingly when executing the case; and the procedures, data collected and conclusions to be carried out shall be detailed in the working paper of the case.

- III. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.

Article 6 When the Company acquires or disposes of assets, which has been approved by the board of directors in accordance with this disposal method or other acts, shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution. If approval of more than half of all Audit Committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

The aforementioned terms “all Audit Committee members” and “all directors” shall be counted as the actual number of persons currently holding those positions.

Article 7 Restrictions on the total amount of real property and right-of-use assets thereof for non-business use, or securities

- I. The Company’s acquisition of real estate and its right-of-use assets and securities that are not for business use are as follows:
 - (I) Total amount of real property and its right-of-use assets for non-business use shall not exceed 50% of the net worth in the most recent financial statements of the Company.
 - (II) The total amount of short term securities investment shall not exceed 50% of the net value of the Company’s most recent financial statements, and the amount of individual short term securities investment shall not exceed 20% of the net value of the Company’s most recent financial statements. The calculation of the short-term securities investment amount does not include negotiable time deposit certificates, commercial promissory notes, bank acceptance drafts, government bonds, and other securities purchased due to the needs of capital schedule.
- II. The subsidiaries of the Company acquire real estate and its right-of-use asset securities that are not for business use are as follows:
 - (I) The total purchase amount of the real estate and its right-of-use assets for non-business use shall not exceed 50% of such subsidiary’s net value stated in the latest financial statements.
 - (II) The total investment amount of the securities shall not exceed 50% of such subsidiary’s net value stated in the latest financial statements.
 - (III) The total investment amount of the individual securities shall not exceed 20% of such subsidiary’s net value stated in the latest financial statements.
- III. The quota for the Company and its subsidiaries to invest in the stocks of listed OTC companies shall be performed in accordance with the Company’s “Long-term Equity Investment Management Operations Regulation.”

Article 8 Procedures to acquiring or disposing of securities investment

- I. Price Determination and Reference Basis
- In the acquisition or disposal of negotiable securities, the latest CPA audited or reviewed financial statement of the object company shall be obtained before the factual occurrence date as the reference for the evaluation of transaction price.
- (I) The acquisition or disposal of securities that have been traded in the centralized trading market or the business premises of a securities firm shall be determined in accordance with the market price at the time of the transaction.
- (II) To acquire or dispose of securities that are not traded in a centralized trading market or a securities firm's business premises, it shall consider its net value per share, profitability, future development potential, market interest rates, bond coupon rates, debtor credits and negotiate with reference to the current transaction price.
- II. The committee invited experts to issue opinions
- When acquiring or disposing of marketable securities in one of the following situations, and the transaction amount reaches 20% of the Company's paid-in capital of NT\$300 million or more, the Company shall consult the CPA to express opinions on the reasonableness of the transaction price before the date of occurrence of the fact. This requirement does not apply, however, to securities with publicly quoted prices in an active market or in compliance with regulations set by the Financial Supervisory Commission.
- (I) Acquisition or disposal of marketable securities not listed on a stock exchange or traded on the over-the-counter market.
- (II) Acquisition or disposal of private placement securities.
- Where assets are acquired or disposed of through the court auction procedure, the certification documents issued by the court may substitute for the accountant's opinion.
- The calculation of the transaction amount in the preceding paragraph shall be carried out in accordance with Article 15, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.
- III. The Degree of Authority Delegated and Levels to Which Authority is Delegated
- (I) When acquiring or disposing of securities that have been traded in a centralized trading market or a securities firm's business premises, and the transaction amount is less than 10% of the paid in capital or less than NT\$ 100 million, it shall be signed and submitted within the approval of the Company's general manager; if the transaction amount exceeds 10% (inclusive) to 20% of the paid-in capital, or from NT\$ 100 million (inclusive) to NT\$ 300 million or less, it shall be approved by the chairman and reported to the board of directors afterward.
- (II) The acquisition or disposal of securities not traded in centralized trading markets or securities firms' business premises must be approved by the board of directors. However, the board of directors may authorize the chairman to make decisions within 20% of the paid-in capital or up to NT\$300 million, and report to the board of directors afterwards.
- IV. The execution unit
- The Company's acquisition and disposal of long-term and short-term securities investments shall be executed by the financial unit.

V. Transaction procedures

The transaction process of the Company's acquisition or disposal of securities shall be conducted in accordance with the relevant operating rules governing the investment cycling stated in the Company's internal control system.

Article 9 Evaluation and procedures for Acquisition or Disposal of Real Property, Equipment or Right-of-use Assets and Other Fixed Assets:

I. Price Determination and Reference Basis

Acquire or dispose of real estate, equipment or its right-of-use assets, and other fixed assets shall be determined by the original user or the relevant authority and responsibility unit

Signing instructions, the asset management unit refers to the current value of the announcement, the assessed value, the actual transaction price of neighboring real estate, the recent transaction price of similar assets, etc., and select one of them by price comparison, price negotiation or bidding.

II. Appraisal Report from Expert Shall be Attained

In acquiring or disposing of real estate, equipment, right-of-use assets, and other fixed assets by the Company, unless otherwise transacting with a government agency, commissioning others to build on its own land, leased land by appointing a constructor, or acquiring or disposing of equipment for business use, where the transaction amount reaches 20% of the Company's paid-in capital or NT\$ 300 million, the Company shall obtain an appraisal report issued by a professional appraisal and further comply with the following provisions prior to the date of occurrence of event:

- (I) When, due to special circumstances, a restricted price, specific price, or special price needs to be used as a reference for the transaction price, the transaction should first be approved by the board of directors. Subsequent changes to the transaction conditions should also follow the same procedure.
- (II) Where the transaction amount is more than NT\$ 1 billion, appraisals from two or more professional appraisers shall be obtained.
- (III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- (IV) The dates the appraisal reports are issued and the date the contract is signed may not be more than three months apart. However, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Where assets are acquired or disposed of through the court auction procedure, the certification documents issued by the court may substitute for the accountant's opinion.

The calculation of the transaction amount in the preceding paragraph shall be carried out in accordance with Article 15, and "within the preceding year" as

used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

- III. The Degree of Authority Delegated and Levels to Which Authority is Delegated
Acquiring or disposing of real estate, equipment or its right-of-use assets, and other fixed assets, with a transaction amount of less than 10% of the paid-in capital or less than NT\$100 million, shall be signed and submitted to the general manager for approval; if the transaction amount exceeds 10% (inclusive) to 20% of the paid-in capital, or from NT\$ 100 million (inclusive) to NT\$ 300 million or less, it shall be approved by the chairman of the board and reported to the board of directors afterward.
- IV. The execution unit
The Company's execution units responsible for the acquisition and disposal of real property, equipment, right-of-use assets, and other fixed assets are the usage units and related authorized units.
- V. Transaction procedures
The transaction process of the acquisition or disposal of real estate by the Company shall comply with the fixed asset cycle requirements of the Company's internal control system.

Article 10 Evaluation and processing procedures for acquisition or disposal of asset to a Related Party

When engaged in the acquisition or disposal of assets from or to a related party, the Company shall, in accordance with the regulations stipulated in the preceding article and below, complete the relevant resolution procedures and appraisal of the reasonableness of the transaction terms. If the transaction amount reaches 10% of the company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in accordance with the provisions of the preceding section. The transaction amount referred to in the preceding paragraph shall be calculated in accordance with the provisions of Article 15. Besides, when determining whether the transaction object is a related party, in addition to paying attention to its legal form, the substantive relationship should also be considered.

- I. When the Company intends to acquire or dispose of real estate from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except for trading government bonds, RP and RS bonds, and the purchase or redemption of domestic money market funds issued by securities investment trust enterprises, the following materials should first be approved by more than half of all Audit Committee members and then submitted to the Board of Directors for resolution before the Company signs the transaction contract and makes payment:
 - (I) The purposes, necessity, and anticipated benefits of the acquisition or disposition of the assets;
 - (II) The reasons for selecting the related persons as the transaction counterparty;
 - (III) Relevant information for evaluating the reasonableness of the terms of the anticipated transaction pursuant to the provisions of Items 2 and 3 of this Article.
 - (IV) Information such as the date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party;

- (V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the uses of fund
- (VI) Appraisal reports from professional appraisers or CPA's opinions in compliance with the preceding article.
- (VII) Restrictive covenants and other important stipulations associated with the transaction.

With respect to the types of transactions listed below, when to be conducted between the Company and its parent company, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:

- (I) Acquire or dispose of equipment or its right-of-use assets for business use.
- (II) Acquire or dispose of real estate right-of-use assets held for business use.

According to section 1 of paragraph 1 of the regulation, when a proposal is submitted for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

When the Company or any subsidiary that is not domestic public company engages in the transaction mentioned in Paragraph 2 and the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall neither enter the transaction contract nor pay until the materials mentioned in Paragraph 2 have been adopted in the shareholders' meeting. However, transactions between the Company and its subsidiaries or between its subsidiaries are exempt from the resolution of the shareholders' meeting.

The calculation of the transaction amount in Paragraph 2 and the preceding paragraph shall be carried out in accordance with Article 15, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction, which has been submitted to the shareholders' meeting, the Audit Committee, and the Board of Directors for approval in accordance with the provisions of these Measures to be exempted from re-entry.

II. The assessment of the reasonableness of transaction costs

- (I) In acquiring real property from a related party, the Company shall evaluate the reasonableness of the transaction costs by the following means:
 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.

- (II) Where land and structures are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the (I).
 - (III) In acquiring real estate from a related party, the Company shall evaluate the real estate or its right-of-use assets cost in accordance with (I) and (II), and shall also engage a CPA to check the appraisal and render a specific opinion.
 - (IV) The acquisition of real estate or its right to use assets from related parties shall be handled in accordance with section 1 of paragraph 1 of this article if one of the following situations occurs, and the provisions of (I) to (III) shall not apply.
 - 1. A related party acquires real estate or its right-of-use assets due to inheritance or gift.
 - 2. It has been more than five years since the related party contracted to obtain the real estate or its right-of-use assets.
 - 3. The real estate is acquired through signing of a joint development contract with the related party, or contracting with a related party in the construction of real estate such as contracted construction with its own land or contracted construction on leased land.
 - 4. The real estate right-of-use assets for business use are acquired by the Company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.
- III. Where the results of appraisals conducted in accordance with (I) and (II) are both lower than the transaction price, the acquisition shall be processed in accordance with section 1, paragraph 4 of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
- (I) Where the related party acquired undeveloped land or leased land for development, proof of compliance may be submitted with one of the following conditions:
 - 1. Where undeveloped land is appraised in accordance with paragraph 2 in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The term "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - 2. The completed transactions of other floors of the same property or adjacent area by unrelated parties within the preceding year, where the terms of the transactions are similar and the reasonable price discrepancies of different floors or land area with market practice have been taken into consideration.
 - (II) The acquisition of real estate from related parties or the leasing of real estate usage rights from related parties shall be evidenced by transactions with terms and conditions comparable to those of other non-related party transactions in the vicinity within the past year, with similar size and characteristics.
- The item "completed transactions for adjacent area" in principle refers to parcels

on the same or an adjacent block and within a distance of no more than 500 meters or parcels close to the latest official land price promulgated by the government. The term “the area of the property thereof is similar” in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction. The term “within the preceding year” refers to the year retrospectively preceding the date of occurrence of the acquisition of the real estate.

IV. When acquires real estate from a related party, in the event that the results of the appraisal conducted in accordance with paragraph 2 and paragraph 3 of this Article are lower than the transaction price in all cases, the Company shall take the following steps:

- (I) A special reserve shall be set aside according to Paragraph 1, Article 41 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised value, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve required by law shall be set aside pro rata to the shareholding in accordance with Article 41-1 of the Securities and Exchange Act.
- (II) Audit Committee shall comply with Article 218 of the Company Act.
- (III) Actions taken pursuant to (I) and (II) shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

Where the Company has set aside a special reserve under the preceding paragraph, the Company shall not utilize the special reserve until it has recognized a loss or decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Financial Supervisory Commission has given its consent.

V. Where the Company acquires real estate or its right-of-use assets from a related party, it shall also comply with paragraph 4 of this Article if there is other evidence indicating that the acquisition was not an arms-length transaction.

Article 11 Evaluation and operating procedures for acquiring or disposing of membership, intangible assets, or right-of-use assets

I. Price Determination and Reference Basis

When acquiring or disposing of memberships, intangible assets, or its right-of-use assets, the Company shall consider the future possible benefits and the market fair value of such asset, refer to professional’s opinions if necessary, and then make an agreement with the counterparty.

II. The committee invited experts to issue opinions

When acquiring or disposing of memberships, intangible assets, or its right-of-use assets if the transaction amount is 20% of the Company’s paid-in capital or NT\$ 300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price.

The calculation of the transaction amount in the preceding paragraph shall be carried out in accordance with Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA’s opinion has been obtained need not be counted toward the transaction amount.

- III. The Degree of Authority Delegated and Levels to Which Authority is Delegated
When acquiring or disposing of memberships, intangible assets, or its right-of-use assets, if the transaction amount is less than 10% of the paid-in capital or less than NT\$ 100 million, it shall be signed and submitted to the general manager for approval; if the transaction amount exceeds 10% (inclusive) to 20% of the paid-in capital, or more than NT\$ 100 million (inclusive) to less than NT\$ 300 million, it shall be signed and submitted to the chairman of the board for approval, and be reported to the board of directors afterward.
- IV. The execution unit
The Company's acquisition and disposal of memberships and intangible assets or its right-of-use asset shall be executed by the financial unit, management unit, and relevant responsible units.
- V. Transaction procedures
The Company's acquisition or disposal of memberships, intangible assets, and its right-of-use assets shall be processed in accordance with the requirements of related procurement and payment cycles in the Company's internal control system.

Article 12 Processes to handle acquisition or disposal of claims of financial institutions

In principle, the Company does not engage in the acquisition or disposal of creditor's rights of financial institutions. If it intends to engage in the acquisition or disposal of creditor's rights of financial institutions in the future, it will report to the board of directors for approval before formulating relevant evaluation and operating procedures.

Article 13 Processes to handle acquisition or disposal of derivative products

I. Transaction Principles and Policies

(I) Types of transaction

The nature of the Company's derivatives transactions is divided into two categories: "Non-trading" (hedging transactions that are not for trading purposes) and "trading" (non-hedging transactions that are not for trading purposes).

The Company may be engaged in the types of derivatives. So far, it should focus on avoiding the exchange rate and interest rate risks generated by the Company's business operations. The board of directors may authorize the chairman to make a decision within US\$ 1 million, and then report to the board of directors for ratification afterward. A transaction of more than US\$ 1 million should be approved by the board of directors.

(II) Operation or hedging strategy

The Company engages in derivatives transactions with the purpose of hedging risks. Trading commodities are chosen primarily to hedge risks arising from the Company's business operations.

The Company's trading partners engaged in derivative commodity transactions should choose financial institutions with better conditions to engage in hedging transactions in accordance with the company's operational needs to avoid credit risk.

(III) Segregation of duties

Where the Company is engaged in derivative commodity transactions, the duties of each unit are divided as follows:

1. Procurement department: Responsible for the formulation of operational strategies related to commodity futures trading, and conduct various transactions in accordance with the authorized authority.
2. Financial department: Responsible for the formulation of operational strategies for derivatives other than commodity futures, and conduct various transactions in accordance with the authorized authority.
3. Accounting department: Responsible for the accounting treatment of derivative commodity transactions, the preparation of accounting statements, and the summary of periodic data. Accounting unit: Responsible for the accounting treatment of derivative commodity transactions, the preparation of accounting statements, and the summary of periodic data.
4. Audit department: Responsible for understanding the appropriateness of internal control like power and responsibility division and operation procedures, and auditing the compliance with the treatment procedures by transaction departments.

Where the Company is engaged in derivative commodity transactions, it shall conduct transactions in accordance with the following authorization authority:

Level	Net position
Board of Directors	Above US\$ 1 million
Report to the board of directors after the chairman's approval.	US\$ 1 million or less

(IV) Performance evaluation

1. “Non-trading” derivative products: Based on product type, at the close of trading on the day the contract expires, the Finance Dept. shall take the realized profit and loss net position to be used as a basis for the performance evaluation, and compare that to the previously set targets, profit and loss performance, and periodic reviews, to be submitted to the Company's chairman for review.
2. “Trading” derivative products: The financial department uses the actual profit and loss position as the basis for performance evaluation, and the unrealized position uses the daily closing price to settle the net profit and loss of the open position and the total amount as a reference for performance evaluation.

(V) Total value of contract

The total contract value of the Company's “non-trading” derivative product transactions shall not exceed US\$ 2 million, and the total contract value of “transactional” derivative product transactions shall be limited to 20% of the Company's net worth.

(VI) Upper limit of loss

1. The purpose of transactions related to “non-trading” derivative products is to avoid risks. The upper limit of the total contract loss of the company engaged in hedging transactions is 15% of the total contract amount, and the individual contract loss is limited to 15% of the individual contract amount. If the upper limit of loss exceeds the above range, it must be reported to the general manager and chairman of the board and reported to the board of directors to discuss necessary countermeasures.

2. For the trading contract of “tradable” derivative products, after the position is established, a stop loss point should be set to prevent excessive losses. The total contract loss is capped at 20% of the total contract amount, and the individual contract loss is capped at 20% of the individual contract amount. If the loss amount exceeds 20% of the transaction amount of the contract amount, it shall be reported to the general manager and chairman of the board, and the necessary countermeasures shall be reported to the board of directors.
3. For the operation of the Company’s “tradable” derivative products, the maximum annual loss limit is US\$ 300,000.

II. Risk management measure

(I) Risk management scope

1. Credit risk management - The transaction objects should be domestic and foreign financial institutions with good credit, and can provide professional information. The chief financial officer shall be responsible for controlling the transaction quota of the financial institution with which it is not excessively concentrated, and adjust the transaction quota of the financial institution at any time in accordance with the changes in market conditions.
2. Market price risk management-choose a market where quotation information can be fully disclosed.
3. Consideration of liquidity - In order to ensure liquidity, the Company should select the financial institutions that have sufficient equipment, information, and trading capacity and is able to trade in any market.
4. Cash flow risk management - To ensure that the Company maintains a stable level of operational funds, the Company shall only engage in derivative trading with its own funds, and the trading amount shall take into consideration the demand for funds based on the cash flow forecasts for the next 3 months.
5. Operational risk management - The authorized limits, operating procedures, and other regulations must be strictly complied with to avoid operational risks.
6. Legal risk management - Any document signed with banks shall be reviewed by legal affairs personnel prior to official signing in order to avoid legal risks.

(II) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.

(III) Risk measurement, monitoring, and control personnel shall be assigned to a different department that the personnel in the preceding subparagraph and shall report to the Board of Directors or senior management who are not responsible for decision-making in the transaction or positions.

(IV) The positions held by derivative products shall be evaluated regularly, in accordance with the provisions of Subparagraph 4, Item (I), Paragraph 1 of this Article.

III. Internal Audit System

The internal auditors of the Company shall periodically look into the appropriateness of the internal control over derivatives products and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to these Procedures, and prepare an audit report. Where a material violation is found, the Audit Committee shall be informed in writing.

- IV. Regular evaluation methods and the handling of irregular circumstances.
 - (I) Derivatives trading positions should be evaluated at least once a week, however, positions for hedge trades required by the business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.
 - (II) The board of directors should authorize senior executives to regularly supervise and evaluate whether the current risk management measures are appropriate, whether the operations of derivative commodity transactions are actually handled in accordance with regulations, and whether the performance of the derivative commodity transactions conforms to the established business strategy and the risks assumed. Whether it is within the acceptable range of the company. If any abnormality is found, necessary countermeasures shall be taken and report to the board of directors immediately.
- V. Supervision and Management by the Board of Directors
 - (I) Where the Company is engaged in derivatives trading, the Board of Directors shall faithfully supervise and manage such trading in accordance with the following principles:
 - 1. Designated senior executives should always pay attention to the supervision and control of derivative commodity transaction risks.
 - 2. Regularly assess whether the performance of engaging in derivative commodity transactions comply with the established business strategy and whether the risks assumed are within the scope of the company's tolerance.
 - (II) The senior managers authorized by the Board shall observe the following principles when managing derivative trading:
 - 1. Regularly assess whether the currently used risk management measures are appropriate, and are faithfully conducted in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" of the FSC and this processing method.
 - 2. Supervise transactions and profit and loss situations, and take necessary response measures when discovering abnormalities, and report to the board of directors immediately; where independent directors have been set up, the board of directors shall have independent directors present and express their opinions.
 - (III) The Company shall report to the latest meeting of the Board of Directors after it authorizes the relevant personnel to handle derivatives transaction in accordance with the Procedures.
- VI. The Company shall establish a log book for its derivative transactions for audit purposes, which shall contain details about the type and amount of the derivative transactions and the date resolved by the Board of Directors. The log book shall also include the "other items to be evaluated" prescribed in Paragraph 1, Subparagraph 4, Item (I), Subparagraph 5, Item (I) 2, and Item (II) 1 of this Article.

Article 14 Appraisal and Procedures for Mergers, Spin-offs, Acquisitions, or Transfer of Shares

- I. Price-setting Method and References

In handling mergers and splits, acquisitions, and assignment of shares, the Company shall take the past and future financial and business conditions of the participating companies, anticipated future benefits, market-based fair value of the transaction price into consideration, and the Company shall engage a CPA, attorney, or securities underwriter's professional opinion. The Company shall negotiate the transaction price with the participating company in mergers and

splits, acquisitions, and assignment of shares.

However, public issued or merging the subsidiaries which direct and indirect holds 100% issued shares or amount of capital, or the merging between the subsidiaries which direct and indirect holds 100% issued shares or amount of capital, do not need to render an opinion on the reasonableness by professions. II. The committee invited experts to issue opinions

Where the Company conducts a merger, spin-off, acquisition, or transfer of shares, the department in charge shall, prior to convening the Board of Directors to resolve the matter, engage a Certified Public Accountant, attorney, or securities underwriter to render an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other assets to shareholders, and submit it to the Board of Directors for discussion and resolution.

II. Level of Decision-Making

The Company shall handle all decisions pertaining to mergers and splits, splits, acquisitions, and assignment of shares in accordance with the Company Act and relevant regulations.

III. Submission of relevant information cum information disclosure when a resolution cannot be obtained from the Shareholders Meeting

(I) The Company participates in a merger, spin-off, or acquisition shall prepare a public report to shareholders detailing important contractual content and relevant matters prior to the shareholders meeting and include it along with the expert opinion referred to section 2, paragraph 1 of this Article when sending shareholders meeting invitation for reference in deciding whether to approve the merger, spin-off, or acquisition. Provided, where a provision of another act exempts the Company from convening a shareholders meeting to approve the merger, spin-off, or acquisition, this restriction shall not apply.

(II) Where the shareholders meeting of any one of the companies, participating in a merger, spin-off, or acquisition, fails to convene or pass a resolution due to inadequate quorum, insufficient votes, or other legal restriction, or the proposal is vetoed by the shareholders meeting, the companies participating in the merger, spin-off or acquisition shall immediately make public statement on the reasons, the follow-up measures, and the preliminary date of the next shareholders meeting.

IV. Date of Convening the Board of Directors meeting and Shareholders Meeting

(I) Unless otherwise prescribed by law or FSC is notified in advance of extraordinary circumstances and grants consent, the Company participating in the merger, spin-off or acquisition shall convene the Board of Directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, spin-off or acquisition.

(II) When the Company performs the transfer of shares, unless otherwise stipulated by other laws or if there are special factors that have been approved by the FSC in advance, the board of directors shall be held on the same day as the Company participating in the transfer.

(III) When participating in a merger, spin-off, acquisition, or transfer of another company's shares, the Company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference

1. Basic information of the personnel: Including the titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning of any merger, spin-off, acquisition, or transfer of another company's shares or the

implementation of the plan prior to disclosure of such information.

2. Dates of material events: Including the dates of signing any letter of intent or memorandum of understanding, retaining a financial advisor or legal counsel, execution of a contract, and the convening of a Board of Directors meeting.
3. Material documents and minutes: Including documents for merger, spin-off, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.

Where the Company performs mergers, divisions, acquisitions or share transfers, shall, within 2 days commencing immediately from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the Financial Supervisory Commission for recordation.

Where the Company participating in a merger, spin-off, acquisition, or transfer of shares is neither listed on an exchange nor traded on an OTC market, the Company shall sign an agreement with such company whereby the latter is required to abide by the requirements as set forth under paragraphs 3 and 4 of this Article.

V. Confidentiality Agreement and Prevention of Insider Trading

Each and every person participating in or possessing knowledge of the plan for merger, spin-off, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to the public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, spin-off, acquisition, or transfer of shares.

VI. Policy Regarding Changes to Stock Exchange or Acquisition Price

The Company that participates in a merger, spin-off, acquisition, or transfer of shares shall not arbitrarily alter the share exchange ratio or acquisition price unless under any of the circumstances enumerated below, and shall stipulate the circumstances permitting alteration in the contract for the merger, spin-off, acquisition, or transfer of shares:

- (I) Capital increase (re-capitalization) in cash, issuance of convertible corporate bonds, or issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, and other equity based securities.
- (II) An action such as a disposal of major assets would affect the Company's financial operations.
- (III) Occurrence of an event such as a major disaster or major change in technology that would affect shareholder equity or share price.
- (IV) An adjustment where any of the companies participating in the merger, spin-off, acquisition, or transfer of shares from another company, buys back treasury stock.
- (V) An increase or decrease in the number of entities or companies participating in the merger, spin-off, acquisition, or transfer of shares.
- (VI) Other terms/conditions that the contract stipulates may be altered and the altered terms/conditions have been publicly disclosed.

VII. Content to be disclosed in the contract:

When the Company participates in a merger, division, acquisition or share transfer, the contract shall specify the rights and obligations of the company participating in the merger, division, acquisition or share transfer, and shall specify the following matters:

- (I) Handling of breach of contract.
- (II) Principles for handling equity-based securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is spin-off.
- (III) The amount of treasury stock that the participating companies are permitted under law to buy back after the record (base) date of calculation of the share exchange ratio, and the principles for handling thereof.
- (IV) The manner to deal with a change in the number of participating entities or companies.
- (V) Preliminary progress schedule for plan execution, and anticipated completion date of the execution.
- (VI) The scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

VIII. After public disclosure of the information, if any company participating in the merger, spin-off, acquisition, or share transfer intends to further carry out a merger, spin-off, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, spin-off, acquisition, or share transfer; except where the number of participating companies is decreased and a participating company's shareholders meeting has resolved a decision authorizing the Board of Directors to alter the limits of authority. Such a participating company may be exempted from calling another shareholders meeting to resolve the matter anew.

IX. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with that non-public company whereby the latter is obliged to comply with the provisions of section 5, 6, and 9, paragraph 1 of this Article.

Article 15 Public announcement and reporting procedures

I. For acquisition or disposal of assets, provided that one of the following conditions exists, the Company shall publicly announce and file the relevant data and information to the FSC's designated Market Observation Post System, or MOPS in the appropriate format as prescribed by regulations within two days commencing immediately from the date of occurrence of the event:

- (I) Acquisition or disposal of real estate from or to a related party, or acquisition or disposal of assets other than real estate from or to a related party where the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$ 300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements or subscription or redemption of domestic money market funds issued by securities investment trust enterprises.
- (II) Merger, spin-off, acquisition, or transfer of shares.
- (III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in these Procedures adopted by the Company.
- (IV) For assets acquired or disposed of is equipment for business use or its

right-of-use assets, and the transaction object is not a related party, and the transaction amount meets one of the following requirements:

1. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 2. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
- (V) Where a public offering company operating construction business acquires or disposes of real estate or its right to use assets for construction use, and its counterparty is not a related party, and the transaction amount does not exceed NT\$ 500 million; among them, the paid-in capital amounts to NT\$ 10 billion or more, and the real estate that has been built and completed by oneself will be disposed of, and the counterparty is not a related party, and the transaction amount is NT\$ 1 billion or more.
- (VI) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction is more than NT\$500 million.
- (VII) Where an assets transaction other than any of those referred to in the preceding 6 subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of the Company's paid-in capital or NT\$300 million. Provided, this shall not apply to the following circumstances:
1. Purchasing and selling domestic bonds or foreign bonds with credit ratings not lower than the sovereign credit rating of our country.
 2. Where done by professional investors, i.e., securities trading on securities exchanges or OTC markets, or subscription of foreign bonds, ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscribe to or sell index-linked securities, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
 3. Trading of bonds under repurchase/resale agreements or subscription or redemption of domestic money market funds issued by securities investment trust enterprises.

The transaction amounts in the preceding paragraphs shall be calculated in accordance with the methods provided below:

- (1) The amount of any individual transaction.
- (2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
- (3) The cumulative transaction amount of acquisition and disposal (cumulative acquisition and disposal, respectively) of real property or its right-of-use assets in the same development project within the preceding year.
- (4) The cumulative transaction amount of acquisition and disposal (cumulative acquisition and disposal, respectively) of the same security within the preceding year.

“Within the preceding year” as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

- II. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries of companies that are not domestic public companies and file the information in the prescribed format into the Financial Supervisory Commission’s designated MOPS by the 10th day of each month.
- III. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced within 2 days and reported in their entirety.
- IV. Unless otherwise provided for by other laws, the Company engaging in the acquisition or disposal of assets shall retain the relevant contracts, meeting minutes, registry, appraisal report, and the opinion books by CPA, attorneys, and security underwriters at the Company for at least 5 years.
- V. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the MOPS designed by the FSC within 2 days commencing immediately from the date of occurrence of the event:
 - (I) Change, termination, or rescission of a contract signed in regard to the original transaction.
 - (II) The merger, spin-off, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - (III) Change to the originally publicly announced and reported information.
- VI. Information required to be publicly announced and reported in accordance with this Article on acquisitions or disposals of assets by the Company’s subsidiary that is not itself a public company shall be reported by the Company. With regard to the threshold for announcement or reporting by subsidiaries, the calculation basis for the threshold shall be the paid-in capital or total assets of the Company.
- VII. For the calculation of 10 percent of total assets under these Measures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

In the case of the Company whose shares have no par value or a par value other than NT\$10, for the calculation of transaction amounts of 20 percent of paid-in capital under these Procedures, 10 percent of equity attributable to owners of the parent shall be substituted. The Company shall announce and report on behalf of any subsidiary that is not a domestic public company any matters that such subsidiary is required to announce and report pursuant to the provisions on acquisitions and disposals of assets.

Article 16 Procedures for the acquisition or disposal of assets by subsidiaries

- I. The Company shall supervise its subsidiaries to establish their procedures for the acquisition or disposal of assets in accordance with the provisions of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.” After the procedures have been approved by each board of directors, they shall be submitted to a shareholders’ meeting for approval; the same applies when the procedures are amended.
- II. If a subsidiary’s acquisition or disposal of assets shall be approved by the Board of Directors pursuant to its “Measures for the Acquisition or Disposal of Assets”

established or other legal regulations, it shall be reported to the Company before the date of occurrence. The financial unit of the Company shall evaluate the feasibility, necessity and reasonableness of the acquisition or disposal of such assets, and thereafter follow up the implementation status and conduct analysis and review.

- III. The Company's audit personnel shall periodically review and report each subsidiary for compliance with the "Measures the Acquisition or Disposal of Assets." After submission and approval, the findings and recommendations of the audit report shall be sent to each corresponding Subsidiary for improvement. Follow-up reports shall be made regularly to confirm timely responsive measures have been taken for improvement.

Article 17 Penalty

Where the Company's relevant personnel conducting the acquisition or disposal of assets violates the FSC's "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" or the Company's "Measures for the Acquisition or Disposal of Assets", such personnel shall be reported for assessment on a regular basis according to the Company's personnel management measures and employee rewards and punishments management measures and shall be punished depending on the gravity of circumstances.

Article 18 Supplementaries

In the case that this Procedure is incomplete, all procedures shall be in accordance with related Articles of Securities and Exchange Act.

Article 19 Implementation

The Procedure shall first be passed by the board of directors and the Audit Committee before it is submitted to the shareholders' meeting for approval and implementation. The same shall apply to any amendment.

Appendix 4. Procedures for Election of Directors

GUDENG PRECISION INDUSTRIAL CO., LTD.

Procedures for Election of Directors

- Article 1 To ensure a just, fair, and open election of directors, the Procedure is formulated pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2 Unless otherwise provided for in relevant laws and regulations or the company's Articles of Incorporation, the Directors of the company shall be duly elected in accordance with the Procedures specified herein.
- Article 3 The Company's Director election shall take into account the Board of Directors (the Board) composition. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. The entire board of director shall possess the following abilities:
- I. Business judgment ability.
 - II. Accounting and financial analysis ability.
 - III. Operational management.
 - IV. Crisis management ability.
 - V. Knowledge of the industry.
 - VI. International market perspective.
 - VII. Leadership.
 - VIII. VDecision-making ability.
- Article 4 The qualifications of independent directors of the company shall be in compliance with the provisions of Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".
The selection of the independent directors of the Company shall comply with the provisions of Article 5, Article 6, Article 7, Article 8 and Article 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best Practice Principles for TWSE & TPEx Listed Companies.
- Article 5 Elections of Company's Directors shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.
In the event that an Independent Director is terminated from his position that less than 5 people with or without cause, the Board of Directors shall fill the vacant board seat during the next shareholders' meeting. If the vacancy of directors reaches one-third of the number of position specified in the Articles of Incorporation, the Company shall convene an extraordinary Shareholders' Meeting to hold a by-election within 60 days from the date of occurrence of the event.
When the number of Independent Directors falls below that required under the proviso of Paragraph 1 of Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the Independent Directors are dismissed, a special shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

- Article 6 The Company's directors shall be duly elected by means of cumulative voting. Each common share with voting right is entitled to the number of ballots which are equivalent to the numbers of directors to be elected.
- Article 7 The board of directors shall prepare ballots for directors in a number corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 8 The number of directors will be as specified in the Company's Articles of Incorporation; the number of voting rights for non-independent directors and independent directors are counted separately. Candidates who receive ballots represent the prevailing number of voting rights shall be deemed elected in the descending order. Where two or more candidates receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner; the chair will draw lots on behalf of those not present.
- Article 9 Before the election process starts, the chairperson shall appoint a certain number of ballot inspectors and counters to perform the respective duties, and the scrutineers shall be a shareholder. The ballot box is prepared by the board of directors, and the scrutineers open the ballot box in public before voting.
- Article 10 A ballot is deemed void if any of the following circumstances occurs:
- I. A ballot was not prepared by the members with the convening right.
 - II. Any blank ballot.
 - III. Any ballot with illegible writing rendering it unrecognizable, or any ballot with corrections.
 - IV. The candidate whose name is entered on the ballot does not match the one in the shareholder register.
 - V. Other words or marks are entered in addition to the number of voting rights allocated.
- Article 11 Ballots shall be counted at the spot upon completion of casting the ballots, and the elected directors including number of votes shall be announced by the Chairman.
- The ballots shall be sealed and signed off by the ballot inspectors and be kept for at least a year. In the event of a lawsuit regarding the Directors election under Article 189 of the Company Law, those ballots shall be archived until the conclusion of the lawsuit.
- Article 12 The Board of Directors shall issue a "notice of election" to the directors who are elected in the election process.
- Article 13 The Measures and any amendments thereafter shall become effective upon resolution at the shareholders' meeting.

Appendix 5. Shareholding by All Directors

1. The Company's paid-in capital is NT\$ 942,975,040 and the total number of issued shares is 94,297,504 shares.
2. Pursuant to Article 26 of the "Securities and Exchange Act" and the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," the minimum number of shares that all Directors should hold is 7,543,800 shares. (Independent directors are not counted toward the minimum number of shares held by all the directors.)
3. As of the book closure date of the shareholders meeting, the number of shares held by individuals and all directors and supervisors recorded in the shareholder register has met the number standard specified in Article 26 of the Securities and Exchange Act. The shareholding details are as follows:

Record Date: March 26, 2024

Title	Name	Shareholding while elected	Book Closure Date Shares Held Listed in the Shareholders' Register
Chairman	CHIU, MING-CHIEN	6,614,237	6,708,527
Vice Chairman	LIN, TIEN-JUI	4,518,053	6,278,853
Director	HUANG, CHUNG-PENG	757,532	795,181
Director	WEI, CHIH-FANG	0	0
Share Ownership of Directors		11,889,822	13,782,561
Independent Director	CHIU, KUANG-HUI	104,568	111,806
Independent Director	LO, WEN-HAO	31,153	32,684
Independent Director	HU, HUI-SEN	0	0
Independent Director	Chin, Chia-Hung	0	0
Share Ownership of Independent Directors		135,721	144,490