



Stock code 7732

KING SHING INDUSTRIAL CO., LTD.

2024 Annual Shareholders' Meeting

Meeting Agenda (Translation)

June 28, 2024

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I. Call Meeting to Order

II. Meeting Agenda

KING SHING INDUSTRIAL CO., LTD.

2023 Annual Shareholders' Meeting Meeting Agenda (Translation)

Type of Meeting : Physical Meeting

Time : 10:00 a.m., June 28, 2024

Place : 3 Gongye 1st Road, Pingzhen District, Taoyuan City (1F Conference Room of our company)

1. Chairman's Address

2. Report Items:

- (1) The Business Report for the Years Ended December 31, 2023
- (2) Audit Committee's review report
- (3) To report 2023 employees' profit sharing and directors' compensation
- (4) Report on the Distribution of Cash Dividends from Earnings and Capital Surplus for the Fiscal Year 2023
- (5) Formulation of the "Enterprise Sustainability Development Practices Guideline" for the Company
- (6) Formulation of the "Code of Conduct and Business Ethics Guidelines" for the Company

3. Proposals for Ratification

- (1) To accept 2023 Business Report and Financial Statements
- (2) 2023 Earnings Distribution Table

4. Discussion Topics

- (1) Application for the Listing of Company Stocks.
- (2) Implementation of Cash Increase in Capital by Issuing New Shares as the Source of Public Underwriting Prior to Listing, with All Existing Shareholders Waiving Subscription Rights.
- (3) Amendment Proposal for Certain Articles of the "Articles of Association of the Company"

5. Other Business and Special Motion

6. Meeting Adjourned

Report Items

1. The Business Report for the Years Ended December 31, 2023

Explanatory Notes : Please refer to Attachment I on pages 7 to 11.

2. Audit Committee's review report

Explanatory Notes : Please refer to Attachment II on pages 12.

3. To report 2023 employees' profit sharing and directors' compensation

Explanation Notes:

- (1) According to the company's articles of association, if the company earns a profit for the year, it shall allocate no less than 1% for employee compensation and no more than 5% for director and supervisor remuneration.
- (2) In the fiscal year 2023, the company distributed employee compensation totaling NT\$1,659,970 in cash, and no distribution was made for director and supervisor remuneration. The amount distributed is consistent with the estimated expense recognized for the year.

4. Report on the Distribution of Cash Dividends from Earnings and Capital Surplus for the Fiscal Year 2023.

Explanation Notes:

- (1) According to the company's articles of association, the board of directors is authorized to distribute all or part of the dividends, capital surplus, or statutory earnings reserves that should be distributed by a resolution adopted by more than two-thirds of the directors present, provided that more than half of the directors are present, and report to the shareholders' meeting.
- (2) The distribution of earnings and capital surplus for the fiscal year 2023 is as shown in the table below.

Annual	Approval Date (year/month/day)	Payment Date (year/month/day)	Cash Dividend per Share			Total Cash Dividends (NT\$)
			Earnings Distribution (NT\$)	Capital Surplus (NT\$)	Total (NT\$)	
2023	2024/04/08	2024/05/23	1.112	0.54	1.652	99,120,000

5. Formulation of the "Enterprise Sustainability Development Practices Guideline" for the Company.

Explanation Notes:

- (1) In accordance with Article 1 of the Corporate Sustainable Development Practices Code for Listed and Over-the-Counter Companies, the "Enterprise Sustainability Development Practices Guideline" of our company is formulated.
- (2) Please refer to Attachment III on pages 13 to 18 of this manuals for the "Enterprise Sustainability Development Practices Guideline"

6. Formulation of the "Code of Conduct and Business Ethics Guidelines" for the Company.

Explanation Notes:

- (1) In accordance with Article 6 of the Integrity Operation Guidelines for Listed and Over-the-Counter Companies, the "Code of Conduct and Business Ethics Guidelines" of our company is established.
- (2) Please refer to Attachment IV on pages 19 to 27 of this manuals for the "Code of Conduct and Business Ethics Guidelines".

Proposals for Ratification

ITEM 1: (Proposed by the Board of Directors)

Proposal: Ratification of the 2023 business report and financial statements.

Explanation Notes:

- (1) The individual financial statements and consolidated financial statements of the Company for the fiscal year 2023 have been audited by the accounting firm Zhi Cheng & Co., Certified Public Accountants, with Mr. Lin Se-kai and Mr. Lin Chun-yao as the auditors. The audit report is on file, along with the business report, and has been reviewed by the Audit Committee and approved by the Board of Directors.
- (2) Please refer to Attachment I on page 7 to 11 of this manual for the Company's business report, individual and consolidated financial statements, and auditor's review report for the fiscal year 2023. Attachment V and Attachment VI on pages 28 to 39 and pages 40 to 48 also contain relevant documents.

Resolution:

ITEM 2: (Proposed by the Board of Directors)

Proposal: 2023 Earnings Distribution Table for ratification

Explanation Notes: The profit distribution table for the fiscal year 2023 of the Company has been reviewed and approved by the Audit Committee and the Board of Directors. Please refer to Attachment VII on page 49 of this manual.

Resolution:

Discussion Topics

ITEM1: (Proposed by the Board of Directors)

Proposal: Application for Listing of Company Stocks Case for discussion

Explanation Notes:

- (1) In order to align with the future development of the company, it is proposed to apply for the listing of stocks on the Taiwan Stock Exchange at an appropriate time.
- (2) Regarding the actual listing procedures and timeline, it is proposed to authorize the Chairman to handle them in accordance with relevant legal requirements.

Resolution:

ITEM2: (Proposed by the Board of Directors)

Proposal: Arranging for cash increase in capital by issuing new shares as the source for public underwriting before listing, with all existing shareholders fully waiving subscription rights for discussion.

Explanation Notes:

- (1) In response to operational development needs and in compliance with the statutory requirements for initial public offering applications, the Company proposes to conduct a cash capital increase and issue new shares within the quota prescribed by the regulatory authority. However, the actual number of new shares to be issued, the issuance price, and the issuance timing will be negotiated by the Chairman with the underwriter and handled in accordance with the actual situation of public underwriting and application for listing.
- (2) Pursuant to Article 267, Paragraph 1 of the Company Act, 10% to 15% of the total number of new shares issued in this offering will be reserved for employees to subscribe. The remaining shares will be requested to be waived for subscription by the existing shareholders, with the full amount allocated for future public underwriting before the Company's stock listing.
- (3) In case of employee waiver of subscription or insufficient subscription, the Chairman is authorized to negotiate with specific individuals for subscription.
- (4) The rights and obligations of the new shares issued in this cash capital increase are the same as those of the original issued shares and are issued without physical certificates.
- (5) The underwriting and sale methods specified issuance conditions, use of funds, and other relevant matters related to this cash capital increase and issuance of new shares, if instructed by the regulatory authority or if amendments are required due to objective circumstances, and for other matters not specified, it

is proposed to authorize the Board of Directors to handle them at their discretion.

- (6) This cash capital increase and issuance of new shares proposal will be subject to approval at the shareholders' meeting, and upon approval by the regulatory authority, a separate board meeting will be convened to decide on matters such as subscription payments and the record date for capital increase.

Resolution:

ITEM3: (Proposed by the Board of Directors)

Proposal: For Amendment to “Articles of Association of the Company”, presented for discussion

Explanation Notes:

- (1) In accordance with the company's business needs, it is proposed to amend certain articles of the company's articles of association.
- (2) For the corresponding comparison table of the relevant amendments to the "Articles of Association of the company," please refer to Attachment VIII on page 50 to 51 of this manual.

Resolution:

Other Business and Special Motion

Meeting Adjourned

III. Attachment

KING SHING INDUSTRIAL CO., LTD.

The Business Report for the Years Ended December 31, 2023

1. Business Report :

Unit: Thousand New Taiwan Dollars

Item	2023	2022	Difference(%)
Operating revenue	1,033,173	940,201	10%
Operating costs	729,082	682,407	7%
Operating profit - gross	304,091	257,794	18%
Operational expenses	156,079	149,571	4%
Operating profit	148,012	108,223	37%
Non-operating Income and Expenses	16,727	46,401	-64%
Profit before income tax	164,739	154,624	7%
Income Tax Expense	38,726	35,223	10%
Net income for the period	126,013	119,401	6%

2. Financial Structure and Profitability :

Analysis Items		2023	2022	Difference(%)
Financial Structure	Debt-to-Asset Ratio(%)	19.70	30.73	-36%
	Long-Term Funding to Fixed Assets Ratio(%)	174.16	144.26	21%
Profit ability	Return on Assets (ROA) (%)	6.92	7.15	-3%
	Return on Equity (ROE) (%)	8.92	10.06	-11%
	Pre-Tax Net Income to Paid-up Capital Ratio(%)	27.46	30.21	-9%
	Net Profit Margin(%)	12.20	12.70	-4%
	Earnings Per Share (EPS) (NTD)	2.36	2.33	1%

3. Development Overview :

Our company was established in March of the 78th year of the Republic of China (1989), initially specializing in the trading of automotive components. Over the years, we have evolved into a comprehensive leader with capabilities in research and development, manufacturing, and sales. Our main products include automotive cooling fans, blowers, and brushless variable frequency motors.

Our core operating philosophy is to diligently pursue excellence, engage in continuous innovation, and dedicate ourselves to solving various heat dissipation issues. We consistently enhance our research and development capabilities, invest in new production equipment to meet market demands, and adhere to a quality policy of prioritizing quality, customer satisfaction, and continuous improvement. We have sequentially obtained international quality certifications such as ISO9001, ISO14001, and IATF16949, establishing ourselves as a critical supplier of automotive components known for rigorous management, comprehensive processes, excellent

quality, and a complete product range. Our products are sold through distribution channels spanning all five continents, and we have been at the forefront of our industry in launching high-quality products, providing swift and comprehensive services to our customers.

(1) Product Diversification, Already Covering Products for Mainstream Brand Vehicle Series

Our company primarily specializes in the sale of cooling fan products, including those for engine cooling and air conditioning systems, predominantly used in the automotive sector. Our product line encompasses various sedan and light-duty truck models from globally renowned automobile manufacturers, as well as popular and high market-share vehicle series and models. In order to meet the trends and market demands of the automotive industry, we continuously expand our product range to provide a greater selection of high-quality products.

In comparison to the market demands of car manufacturers and system factories, the aftermarket focuses more on the completeness of product offerings rather than the scale of individual items. To address this, our company offers a flexible ordering system with a wide variety of products, adjusting production and delivery schedules according to demand. Customers can place short- to medium-term orders based on market and inventory planning, while adjustments are made to product quality and compatibility to accommodate market changes.

(2) Self-developed and designed products

In the aftermarket maintenance market, our company provides a variety of cooling fans and blowers for different vehicle models. While maintaining the specifications and characteristics of original equipment manufacturer (OEM) products, our research and development team integrates and summarizes data and specifications from various vehicle models during the product development stage. This enables us to design products with compatibility and commonality, avoiding patent infringement and ensuring performance and efficiency consistent with various OEMs. Additionally, it allows for the streamlining of production processes for a large number of product variations and modularization of product lines to achieve optimal production efficiency and resource allocation. Drawing on over 30 years of development and manufacturing experience, our company excels in flexibly adapting product designs and modifications according to customer needs.

(3) One-stop production process

At the outset of product design, our company completes tasks ranging from product drawings to mold design within the R&D department. Subsequently, our subsidiary in Thailand provides a comprehensive production process, encompassing early-stage mold manufacturing, plastic injection molding, metal stamping, motor production, and final product assembly, as well as cardboard box production for packaging, all conducted in-house. In response to urgent orders from customers, we can promptly and flexibly adjust production schedules. With an exceptionally high level of in-house production, our company maintains control over product quality and delivery schedules.

- (4) Over 20 years of extensive operations in Thailand, with outstanding management efficiency at our Thai factory

In 2005, our company established its primary production base, a subsidiary in Thailand, which has since demonstrated a high level of efficiency in local production processes and capacity management. The subsidiary has maintained a strong collaboration with the Taiwan headquarters in terms of product production, allowing for smooth operations in mold development, production, assembly, and final packaging and shipment.

Located in Chonburi Province, our Thai subsidiary is situated in a cluster of renowned automotive manufacturers and suppliers in Asia, including those from China, Japan, and Taiwan. Its proximity to the automotive component supply chain and the presence of major car manufacturers have facilitated our company's development of OEM business. In recent years, amid the heightened trade tensions between China and the United States, our Thai facility stands to benefit from the shift in production orders from China, leveraging its distinct geographical advantage.

4. Business Strategy:

In recent years, the global spread of the novel coronavirus disease (COVID-19) has had widespread effects. While our country has effectively controlled the epidemic and has now fully reopened, we still face challenges such as global central bank interest rate hikes and rising inflation. Taiwan is situated on the front lines of geopolitical tensions with China and also faces the challenge of global supply chain restructuring. Fortunately, our subsidiary, Thailand Jin Xing, is located in the "Eastern Economic Corridor" of Thailand, boasting a complete production process and supply chain. Moreover, the local political and economic environment is favorable to foreign investment, allowing us to navigate these challenges successfully. Currently, major car manufacturers and their supply chains are establishing facilities in Thailand, forming clusters of automotive component manufacturing. Leveraging these advantageous geographical conditions, our company is well-positioned to market globally.

Furthermore, as precision and quality requirements in the automotive maintenance market continue to rise, we have strengthened our quality and management measures to ensure the competitiveness of our products.

- (1) Strengthening managerial functions:

To ensure the effective implementation of company policies, assessing the performance of each department is crucial. This involves enhancing system management efficiency and establishing various operational processes. These efforts are aimed at achieving comprehensive quality management, eliminating internal waste, and enhancing our ability to earn management wealth.

- (2) Quality Control:

Establishing a comprehensive quality control process involves quality inspection and control from raw material procurement to production, aiming to reduce internal defect rates and external complaint rates. This ensures the stability of product and service quality, thereby enhancing customer satisfaction, solidifying the loyalty of existing customers, and fostering long-term positive relationships. Additionally, strengthening the training of

production operators and quality control personnel equips them with strong quality awareness and skills.

(3) Supply Chain Management:

Enhanced supplier management involves fostering strong collaborative relationships with suppliers, demanding adherence to high-quality standards, and establishing a supplier evaluation mechanism to ensure the consistent and reliable quality of components and materials provided by suppliers.

(4) Expanding into New Markets:

We maintain a strong interaction with Tier 1 suppliers, aiming to become their preferred partners. In response to the automotive industry's trend towards intelligence and electrification, we continuously collaborate with customers to meet their evolving technological requirements. This involves timely development and design of various products to sustain growth momentum and expand operational scale.

(5) Initial Public Offering (IPO):

In response to the expansion of our business operations, our company has initiated an IPO (Initial Public Offering) project, aiming to successfully attract external funds and strategic investors while bringing in professional managers to enhance our company's expertise and financial strength. We believe that this move will lay a solid foundation for our long-term development and facilitate further expansion of our market footprint. Furthermore, we are committed to upholding a high level of transparency and integrity throughout the IPO process, ensuring that all shareholders and potential investors fully understand our company's operational status and development vision. We pledge that the funds raised will be prioritized for technological innovation and product development to strengthen our competitive advantage and continuously enhance shareholder value. Additionally, our company will actively engage in ESG (Environmental, Social, and Governance) initiatives to give back to society. We will support environmental protection, education, and community development activities, striving to be a socially responsible enterprise with a positive impact on society. Through these measures, we aim not only to achieve our financial goals but also to bring long-term positive effects to society.

5. Looking to the Future:

(1) Short-term Development Plan

A. Our company has been developing brushless DC motors and Lin Bus communication protocol technology for many years. In response to the market's demand for new models of gasoline, hybrid, and electric vehicles, we have progressively updated our products to brushless motor fans. Therefore, our company will intensify efforts to develop and promote this type of product.

B. Building upon the solid business foundation of our existing aftermarket (AM) radiator fan repair market, our company is horizontally expanding into different vehicle types, such as refrigerated trucks, logistics vehicles, trucks, and tour buses. We are also

actively developing Original Equipment (OE) and Original Equipment Supplier (OES) markets to maximize the benefits of our invested resources and accumulated experience.

(2) Long-term Development Plan

- A. The European Commission has mandated a 55% reduction in carbon dioxide emissions for new vehicle sales starting from 2030 compared to 2021 levels, with all new vehicle sales being carbon-neutral by 2035. This policy aims to achieve comprehensive sales of electric vehicles. Therefore, our company will accelerate the research, development, and manufacturing of electric vehicle products. Simultaneously, we will comprehensively enhance the precision of our technology and production processes. We will also expand our range of cooling products for various electric vehicle brands to increase our product coverage in the electric vehicle market and meet the growing market demand.
- B. We are actively collaborating with automobile manufacturers (OEM/ODM) or system factories to assess the potential for manufacturing or applying other electric vehicle components. This initiative aims to expand our business scope.
- C. We are strategically positioning ourselves in the global market to diversify our revenue sources between North America and Europe. This involves effectively adjusting production plans, schedules, and operational cycles. Additionally, we are actively adjusting our product structure, introducing more advanced technologies and materials to meet market demand. This enhances our company's added value in the supply chain, laying the foundation for future growth and sustainable operation.
- D. In our future development, we will adhere to the concept of sustainable development and actively promote green energy and carbon management programs. Our Thailand factory has already adopted green energy sources such as solar power and has completed carbon footprint assessments, successfully obtaining ISO14064-1 certification. This not only demonstrates our commitment to environmental protection but also enhances our corporate image. Currently, our Taiwan factory is undergoing carbon footprint assessments and implementing solar power projects. We aim to complete and implement further decarbonization plans as soon as possible. Through these initiatives, we are dedicated to building a more environmentally friendly, innovative, and responsible corporate image and ensuring our leading position in future competition.

Audit Committee's Review Report

The Board of Directors prepared and presented the Company's 2023 financial statements, business report and earnings distribution proposal. The 2023 financial statements have been audited by PwC Taiwan, which has issued an independent auditors' report. The above-mentioned financial statements, business report, and earnings distribution statement for 2023 have been reviewed and found to be correct by the Audit Committee. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit our report. Please verify.

KING SHING INDUSTRIAL CO., LTD.

Chairperson of the Audit Committee: Liu, Teng-Fa

April 8, 2024

KING SHING INDUSTRIAL CO., LTD.

Enterprise Sustainability Development Practices Guideline

Article 1 General Provisions:

1. Our company, in order to fulfill corporate social responsibility, promote economic, environmental, and social progress, and achieve sustainable development goals, has formulated the "Enterprise Sustainability Development Practices Guideline" (hereinafter referred to as "this Guideline") by referring to the "Sustainability Development Practices Guideline for Listed and Over-the-Counter Companies" and relevant laws and regulations for adherence.
2. While conducting business operations, our company actively practices sustainable development to align with international development trends. Through corporate citizenship, we aim to enhance our contribution to the national economy, improve the quality of life for employees, communities, and society, and promote sustainable development as a core competitive advantage.
3. Our company promotes sustainable development, paying attention to the rights and interests of stakeholders. While pursuing sustainable operation and profitability, we prioritize environmental, social, and corporate governance, incorporating them into our company's management policies and operational activities.
4. Our company adheres to the following principles in practicing sustainable development:
 - (1) Implementing effective corporate governance.
 - (2) Developing sustainable environments.
 - (3) Upholding social welfare.
 - (4) Strengthening the disclosure of corporate sustainability development information.
5. Taking into account domestic and international trends in sustainable development issues, the relevance of core business to stakeholders, and the impact of overall operational activities on stakeholders, our company formulates sustainable development policies, systems, or related management guidelines, and specific implementation plans.

Article 2 Implementing Effective Corporate Governance:

1. Our company adheres to the Corporate Governance Best Practice Principles for Listed and Over-the-Counter Companies, the Code of Conduct for Listed and Over-the-Counter Companies, and the Model Code of Conduct for Reference, to establish an effective corporate governance framework and related ethical standards to enhance corporate governance.

2. The Board of Directors of our company fulfills its duty of care and attention as prudent managers, overseeing the implementation of sustainable development goals by the enterprise, including the following:
 - (1) Formulating the mission or vision of sustainable development, and establishing policies, systems, or related management guidelines for sustainable development.
 - (2) Incorporating sustainable development into the company's operational activities and development direction, and approving specific implementation plans for sustainable development.
 - (3) Ensuring the timeliness and accuracy of disclosure of information related to sustainable development.

The Board of Directors of our company supervises and assists senior management in implementing corporate governance and practicing sustainable development. To ensure effective management of sustainable development, the General Manager's Office is responsible for proposing and implementing corporate social responsibility policies, systems, related management guidelines, and specific implementation plans. It assists in addressing economic, environmental, and social issues arising from operational activities and regularly reports to the Board of Directors on the operational processes and relevant actions taken by responsible personnel.

3. Our company's relevant operational activities comply with regulations and regularly conduct educational and training programs to promote sustainable development, including advocating the matters stated in Article 2, Clause 2.
4. Our company establishes a reasonable compensation policy to ensure that compensation planning aligns with organizational strategic objectives and stakeholders' interests. The employee performance appraisal system is integrated with sustainable development policies to provide clear and effective reward and disciplinary mechanisms.
5. Our company respects the rights and interests of stakeholders, identifies company stakeholders, and establishes a stakeholder section on the company's website. Through appropriate communication methods and stakeholder participation, we understand the reasonable expectations and needs of stakeholders and appropriately respond to significant sustainable development issues of concern to stakeholders.

Article 3 Developing Sustainable Environment:

1. Our company adheres to environmental regulations and international standards to adequately protect the natural environment, and commits to environmental sustainability goals in conducting operational activities and internal management.
2. Our company strives to enhance resource efficiency and utilizes low-impact recycled materials to sustainably utilize Earth's resources.
3. Our company establishes appropriate environmental management systems based on industry characteristics, including the following items:
 - (1) Collecting and evaluating timely and comprehensive information on the impact of

operational activities on the natural environment.

- (2) Establishing measurable environmental sustainability goals and regularly reviewing their sustainability and relevance.
 - (3) Formulating specific plans or action plans as execution measures and regularly reviewing their operational effectiveness.
4. Our company establishes dedicated environmental management units or personnel to develop, promote, and maintain relevant environmental management systems and specific action plans, and regularly conducts environmental education courses for management and employees.
 5. Our company engages in research and development, procurement, production, operations, and services following the principles below, while also assessing potential risks and opportunities of climate change for the company's present and future. Relevant measures are taken to reduce operational impacts on ecological benefits and human beings, and promote the concept of sustainable consumption:
 - (1) Reduce resource and energy consumption of products and services.
 - (2) Minimize emissions of pollutants, toxins, and waste, and appropriately manage waste.
 - (3) Enhance recyclability and reuse of raw materials or products.
 - (4) Maximize sustainable use of renewable resources.
 - (5) Extend product durability.
 - (6) Increase the effectiveness of products and services.
 6. To enhance the efficiency of water resource utilization, our company properly manages and sustains the use of water resources and formulates relevant management measures. Our company strengthens related environmental protection facilities to prevent pollution of water, air, and soil, and strives to minimize adverse effects on human health and the environment by adopting the best available pollution prevention and control technologies.
 7. Our company conducts greenhouse gas inventories and disclosures in accordance with domestic and international standards or guidelines, including:
 - (1) Direct greenhouse gas emissions: emissions from sources owned or controlled by the company.
 - (2) Indirect greenhouse gas emissions: emissions from the use of purchased electricity, heat, or steam, etc.

Our company pays attention to the impact of climate change on operational activities and takes relevant response measures based on operational conditions and greenhouse gas inventories.

Article 4 Maintaining Social Welfare:

1. Our company complies with relevant regulations, adheres to international human rights conventions, and fulfills the responsibility to safeguard human rights by establishing relevant management policies and procedures, including:
 - (1) Formulating corporate human rights policies and statements.
 - (2) Assessing the impact of company operations and internal management on human rights and establishing corresponding handling procedures.
 - (3) Regularly reviewing the effectiveness of corporate human rights policies and statements.
 - (4) When human rights violations occur, disclosing the handling procedures to relevant stakeholders.

Our company adheres to internationally recognized labor rights and ensures non-discriminatory treatment in human resource utilization policies. In cases of harm to workers' rights, we provide effective, appropriate, clear, and accessible channels for complaints, ensuring equality and transparency in the complaint process and providing appropriate responses to employee complaints.

2. Our company appropriately employs local labor where our operations are located and provides employees with information on labor laws in the host country and their rights.
3. Our company provides employees with a safe and healthy working environment, including necessary health and first aid facilities, strives to reduce factors harmful to employee safety and health, and regularly conducts safety and health education and training for employees to prevent occupational hazards.
4. Our company establishes a conducive environment for career development, education and training, talent development systems, and career competence development training plans for employees. We also formulate and implement reasonable employee welfare measures (including compensation, leave, and other benefits), appropriately reflecting corporate performance or achievements in employee compensation to ensure recruitment, retention, and motivation of human resources to achieve sustainable business goals.
5. Our company establishes diverse channels for employee communication and dialogue, allowing employees the right to access information and express opinions on company management activities and decisions.
6. Our company takes responsibility for products and services and values marketing ethics. In our research and development, procurement, production, operations, and service processes, we ensure the transparency and safety of product and service information, formulate and disclose consumer rights policies, and implement them in operational activities.
7. Our company complies with government regulations and industry standards to ensure the quality of products and services in terms of customer health and safety, customer privacy, marketing, and labeling. We adhere to relevant regulations and international

standards and prohibit deceptive, misleading, fraudulent, or any other actions that undermine consumer trust or harm consumer rights.

8. Our company evaluates and manages various risks that may cause operational disruptions, reducing their impact on consumers and society. We provide transparent and effective consumer complaint procedures for products and services, fairly and promptly handle consumer complaints, and comply with relevant regulations such as personal data protection laws to fully respect consumer privacy and protect the personal data provided by consumers.
9. Our company assesses the environmental and social impacts of procurement activities on supplier source communities and collaborates with suppliers to implement corporate social responsibility, and encourages suppliers to adopt similar standards for downstream suppliers to enhance the influence of our company's supply chain. We formulate supplier management policies, requiring suppliers to fully comply with relevant norms in various aspects such as environmental protection, occupational health and safety, or labor rights. Before engaging in business transactions, we assess whether suppliers have records affecting the environment and society to avoid transactions that conflict with corporate social responsibility policies.
10. Our company actively participates in and promotes social welfare activities by investing in community education organizations, charitable organizations, and relevant activities of local government agencies through business activity donations, corporate volunteer services, or other public welfare activities, to promote community development and enhance community identity.

Article 5 Enhanced Disclosure of Corporate Sustainable Development Information:

1. Our company adheres to relevant regulations and corporate governance practices in information disclosure, fully disclosing relevant and reliable sustainable development information to enhance transparency. The following sustainable development-related information is disclosed to the public by our company:
 - (1) Sustainable development policies, systems, or related management guidelines, and specific implementation plans approved by the Board of Directors.
 - (2) Risks and opportunities posed to the company's operations and financial conditions by sustainable development-related issues.
 - (3) Goals, measures, and implementation performance related to sustainable development promotion.
 - (4) Issues of concern to stakeholders.
 - (5) Environmental and social major issue management and performance information disclosed by key suppliers.
 - (6) Other sustainable development-related information.
2. Our company prepares sustainability reports based on internationally recognized standards or guidelines, disclosing the progress of sustainable development and obtaining third-party assurance. The content includes:
 - (1) Implementation of sustainable development policies, systems, or related

management guidelines, and specific implementation plans.

- (2) Key stakeholders and their areas of concern.
- (3) Performance and review of the company in implementing corporate governance, developing a sustainable environment, maintaining social welfare, and promoting economic development.
- (4) Future improvement directions and goals.

Article 6 Transitional Provisions:

1. Our company constantly monitors the development of domestic and international sustainable development-related guidelines and changes in the corporate environment. Based on this, we review and improve the sustainable development system established by the company to enhance the effectiveness of sustainable development implementation.

Article 7 This code is implemented upon approval by the Board of Directors, and any amendments will follow the same process.

1. This code was implemented on January 9, 2024, following approval by the Board of Directors on that date.

KING SHING INDUSTRIAL CO., LTD.

Code of Conduct and Business Ethics Guidelines

Article 1 Purpose and Scope:

This company engages in commercial activities based on the principles of fairness, honesty, integrity, and transparency. To implement the policy of integrity management and actively prevent dishonest behavior, this Operation Procedure and Code of Conduct are formulated in accordance with the 'Code of Integrity Management' of this company and relevant laws in the jurisdictions where the company and its subsidiaries and affiliated entities operate, specifying the specific matters that personnel of this company should pay attention to when performing their duties.

This Operation Procedure and Code of Conduct apply to this company's subsidiaries, foundations to which the company directly or indirectly donates funds cumulatively exceeding fifty percent, and other entities or organizations within the group that have substantial control capability.

Article 2 Applicability:

The term 'personnel of the Company' as referred to in this Operation Procedure and Code of Conduct refers to the directors, executives, employees, or individuals with substantial controlling power in the Company and its affiliated enterprises and organizations.

If any member of the Company's personnel solicits, promises, requests, or accepts any undue benefits through a third party, it shall be deemed as an act of the Company's personnel.

Article 3 Dishonest Conduct

The term "dishonest conduct" as referred to in this Operation Procedure and Code of Conduct refers to the actions of the Company's personnel during the execution of business activities, which involve directly or indirectly providing, receiving, promising, or soliciting any undue benefits in order to gain or maintain interests, or engaging in other acts that violate integrity, are unlawful, or contravene entrusted obligations.

The subjects of the aforementioned actions include public officials, political candidates, members of political parties or party personnel, as well as any directors (trustees), supervisors (directors), managers, employees, substantial controllers, or other stakeholders of public or private enterprises or organizations.

Article 4 Forms of Benefits

The term "benefits" as referred to in this Operation Procedure and Code of Conduct refers to any form or guise of money, gifts, presents, commissions, positions, services,

favors, kickbacks, facilitation payments, entertainment, hospitality, entertainment expenses, and other valuable items.

Article 5 Dedicated Unit

The company designates the Audit Department as the dedicated unit (hereinafter referred to as the "Company's Dedicated Unit"), which is subordinate to the Board of Directors. It is equipped with adequate resources and qualified personnel to handle the revision, implementation, interpretation, consultation services, content registration and filing of this Operation Procedure and Code of Conduct, as well as to supervise its execution. It shall report to the Board of Directors regularly (at least once a year). Its main responsibilities include the following:

1. Assisting in integrating integrity and ethical values into the company's business strategy and cooperating with legal and regulatory frameworks to establish measures ensuring integrity in operations.
2. Regularly analyzing and evaluating the risk of dishonest behavior within the scope of operations, and establishing preventive measures against dishonest behavior based on such analysis, and setting standards of operation and code of conduct for various tasks within each case.
3. Planning internal organization, structure, and responsibilities, and establishing mechanisms for mutual supervision and checks for business activities with higher risk of dishonest behavior within the scope of operations.
4. Promoting and coordinating integrity policy advocacy and training.
5. Planning a reporting system to ensure the effectiveness of its execution.
6. Assisting the Board of Directors and management in auditing and evaluating the effectiveness of preventive measures established for integrity in operations and conducting regular assessments of compliance with relevant business processes, and preparing reports accordingly.
7. Creating and properly maintaining documentation on integrity policies, compliance statements, commitments, and implementation status.

Article 6 Prohibition of Providing or Accepting Improper Benefits

When company personnel directly or indirectly provide, receive, promise, or request benefits as stipulated in Article 4, except under the following circumstances, they shall comply with the company's "Code of Conduct for Integrity in Business Operations" and the Operation Procedure and Code of Conduct, and shall proceed in accordance with relevant procedures:

1. Based on business needs, when visiting domestically or abroad, receiving foreign guests, promoting business, and communicating and coordinating, in accordance with local courtesy, customs, or practices.
2. Based on normal social customs, business purposes, or relationship building, attending or inviting others to attend normal social activities organized by others.

3. Inviting customers or being invited to participate in specific business activities, factory visits, etc., due to business needs, and the expenses, number of participants, accommodation arrangements, and duration of such activities have been clearly stipulated.
4. Participating in publicly held folk festivals and events open to the general public.
5. Rewards, assistance, condolences, or consolation provided by superiors.
6. Conducting activities in accordance with social etiquette customs or other company regulations.
7. Other activities in accordance with company regulations.

Article 7 Handling Procedures for Receipt of Improper Benefits:

1. When personnel of the company encounter others directly or indirectly providing or promising benefits as stipulated in Article 4, except as provided in the preceding articles, the following procedures shall be followed:
 - (1) If the provider or promisor has no conflict of interest with their duties, they shall report to their immediate supervisor within three days of receiving it, and if necessary, notify the specialized unit of the company.
 - (2) If the provider or promisor has a conflict of interest with their duties, they shall return or refuse it, report to their immediate supervisor, and notify the specialized unit of the company; if unable to return it, they shall hand it over to the specialized unit of the company for processing within three days of receiving it.
2. The term "having a conflict of interest with their duties" as referred to in the preceding paragraph shall mean one of the following circumstances:
 - (1) Having a commercial relationship, supervisory authority, or receiving subsidies or grants.
 - (2) Seeking, engaging in, or having already entered into contractual relationships such as contracts, purchases, or other agreements.
 - (3) Other circumstances where decisions, execution, or non-execution of the company's business will be affected favorably or unfavorably. The specialized unit of the company shall propose return, payment acceptance, public return, donation to charitable organizations, or other appropriate suggestions depending on the nature and value of the benefits in the first paragraph, and execute them after approval by the general manager.

Article 8 Prohibition of Facilitation Payments and Handling Procedures:

The company shall not provide or promise any facilitation payments.

If personnel of the company provide or promise facilitation payments due to threats or intimidation, the process shall be documented and reported to their immediate supervisor, and the specialized unit of the company shall be notified.

Upon receiving the notification as mentioned above, the specialized unit of the company shall handle it immediately, review the relevant circumstances, and take measures to reduce the risk of recurrence. If illegal activities are discovered, they shall immediately report to the judicial authorities.

Article 9 Handling Procedures for Political Donations:

The company offers political donations in accordance with the authorization and relevant regulations of our company, as well as the following matters:

1. It must be confirmed that the political donations comply with the political donation regulations of the recipient's country, including the upper limit and form of political donations.
2. Decisions should be documented in writing.
3. Political donations should be accounted for according to legal and accounting procedures.
4. When providing political donations, one should avoid engaging in business transactions with government agencies, applying for permits, or handling other matters involving the company's interests.

Article 10 Handling Procedures for Charitable Donations or Sponsorships:

When the company provides charitable donations or sponsorships, it shall comply with the relevant regulations of the operating jurisdiction and the following matters:

1. It shall comply with the laws and regulations of the jurisdiction where it operates.
2. Decisions shall be documented in writing.
3. The recipients of charitable donations shall be charitable organizations, and they shall not be used as a means of bribery.
4. The benefits that can be obtained from sponsorships shall be clear and reasonable, and they shall not be used for commercial transactions with the company or individuals related to the interests of company personnel.
5. After charitable donations or sponsorships, the company shall ensure that the use of funds aligns with the intended purposes of the donation.

Article 11 Conflict of Interest Avoidance:

Directors, managers, and other interested parties attending or participating in board meetings of the company, who have conflicts of interest with themselves or the legal entities they represent concerning the agenda items of the board meeting, shall explain the important content of their conflicts of interest at the meeting. If there is a risk of harm to the company's interests, they shall not participate in the discussion or vote, and shall abstain from discussion and voting. They shall also not exercise voting rights on behalf of other directors. Directors shall also exercise self-discipline and refrain from improper mutual support.

Employees of the company, when executing company business, shall report any conflicts of interest with themselves or the legal entities they represent, or any situations that may result in themselves, their spouses, parents, children, or related parties obtaining improper benefits, to their immediate supervisor and the specialized unit of the company. The immediate supervisor shall provide appropriate guidance.

Employees of the company shall not use company resources for business activities outside the company, nor shall they allow participation in business activities outside the company to affect their work performance.

Article 12 Organization and Responsibility of Confidentiality Mechanism:

The company shall establish a specialized unit responsible for formulating and implementing procedures for the management, preservation, and confidentiality of the company's business secrets, trademarks, patents, copyrights, and other intellectual property. It shall regularly review the results of implementation to ensure the continuous effectiveness of its operational procedures.

Employees of the company shall strictly comply with the relevant operational regulations of the intellectual property mentioned above. They shall not disclose to others any business secrets, trademarks, patents, copyrights, or other intellectual property known to them, nor shall they inquire about or collect business secrets, trademarks, patents, copyrights, or other intellectual property unrelated to their duties.

Article 13 Prohibition of Unfair Competition:

The company shall engage in business activities in compliance with the local fair trade laws and relevant competition regulations. It shall not engage in price fixing, bid rigging, output or quota restrictions, or market sharing or division through the allocation of customers, suppliers, operating areas, or types of business.

Article 14 Prevention of Harm to Stakeholders from Products or Services:

The company shall comply with relevant regulations and international standards governing the products and services it provides. It shall collect and understand pertinent information and summarize precautions for public disclosure. This encourages company personnel to ensure the transparency and safety of product and service information throughout the processes of research, procurement, manufacturing, provision, and sales.

The company shall formulate and publicly disclose on its website policies for protecting the rights and interests of consumers and other stakeholders, and prevent products or services from directly or indirectly harming the rights, health, and safety of consumers or other stakeholders.

Upon media reports or sufficient evidence indicating that the company's products or services may pose risks to the safety and health of consumers or other stakeholders, the company shall promptly recall the batch of products or suspend the services, investigate the facts, and propose a review and improvement plan.

The specialized unit of the company shall report to the board of directors on the aforementioned matters, their handling methods, and follow-up review and improvement measures.

Article 15 Prohibition of Insider Trading and Confidentiality Agreements:

Employees of the company shall comply with the provisions of securities trading laws and regulations. They shall not engage in insider trading using undisclosed information they have obtained, nor shall they disclose such information to others, to prevent others from engaging in insider trading using that undisclosed information.

Institutions or individuals participating in the company's mergers, divisions, acquisitions, share transfers, important memoranda, strategic alliances, other business cooperation plans, or significant contracts shall sign confidentiality agreements with the company. They shall commit not to disclose any business secrets or other significant information of the company they become aware of to others, and they shall not use such information without the company's consent.

Article 16 Adherence to and Declaration of Integrity Policy:

The company shall require directors and senior management to issue statements adhering to the integrity policy, and shall include compliance with the integrity policy as a condition of employment for employees.

The company shall disclose its integrity policy in internal regulations, annual reports, on the company's website, or in other promotional materials. It shall also timely declare its integrity policy at external events such as product launches and corporate briefings, ensuring that suppliers, customers, or other relevant business entities and individuals are fully aware of its principles and norms of integrity in operation.

Article 17 Integrity Operation Assessment before Establishing Business Relationships:

Before establishing business relationships with others, the company shall conduct assessments of the legality, integrity policy, and any records of dishonest behavior of agents, suppliers, customers, or other business counterparts to ensure that their business operations are fair, transparent, and do not involve soliciting, providing, or accepting bribes.

During the aforementioned assessment, the company may employ appropriate verification procedures to examine the following aspects of its business counterparts to understand their integrity operation status:

1. The country of origin, operating location, organizational structure, business policies, and payment locations of the enterprise.
2. Whether the enterprise has established an integrity policy and its implementation status.
3. Whether the operating location of the enterprise is in a country with a high risk of corruption.

4. Whether the business conducted by the enterprise belongs to an industry with a high risk of bribery.
5. The long-term operating status and reputation of the enterprise.
6. Consultation with business partners regarding their opinions on the enterprise.
7. Whether the enterprise has records of dishonest behavior such as bribery or illegal political donations.

Article 18 Explanation of Integrity Operation Policy to Business Counterparts:

During the course of engaging in business activities, employees of the company shall explain the company's integrity operation policy and related regulations to their counterparts in transactions. They shall explicitly refuse to directly or indirectly provide, promise, request, or accept any form or pretext of improper benefits, including kickbacks, commissions, facilitation fees, or any other means of providing or receiving improper benefits.

Article 19 Avoidance of Transactions with Unethical Operators:

Employees of the company shall avoid engaging in business transactions with agents, suppliers, customers, or other business counterparts involved in unethical behavior. If it is discovered that a business counterpart or cooperative partner has engaged in unethical behavior, business dealings with them shall be immediately ceased, and they shall be designated as refused business counterparts to uphold the company's integrity operation policy.

Article 20 Explicit Integrity Operation in Contracts:

When the company enters into contracts with others, it shall thoroughly understand the integrity operation status of the other party and incorporate compliance with the company's integrity operation policy into the contract terms. At least the following matters shall be clearly stipulated in the contract:

1. If either party becomes aware of personnel violating the contract terms prohibiting the receipt of commissions, kickbacks, or other improper benefits, they shall immediately truthfully inform the other party of the identity of such personnel, the provision, promise, request, or receipt method, the amount, or other improper benefits, and provide relevant evidence and cooperate with the other party's investigation. If one party suffers damage as a result, they may request compensation according to the contract and may deduct the amount from the contract price to be paid.
2. If either party is involved in circumstances of dishonest behavior that affect the rights and interests of the other party, the other party may unconditionally terminate or rescind the contract at any time.
3. Clear and reasonable payment terms shall be established, including payment location, method, compliance with relevant tax regulations, etc.

Article 21 Handling of Company Personnel Involved in Dishonest Behavior:

1. The company encourages both internal and external individuals to report dishonest or inappropriate behavior. Depending on the severity of the reported incident, rewards may be granted. Internal personnel found to have made false reports or malicious accusations shall face disciplinary action, with severe cases leading to dismissal. The company shall establish and publicize reporting channels on its corporate website and internal network, including reporting mailboxes, hotlines, or outsourcing to other independent external organizations to provide reporting channels. Whistleblowers should provide at least the following information:
 - (1) Name, ID number (anonymous reporting is also accepted), and contact information such as address, telephone number, and email address.
 - (2) Name or other identifying information of the reported individual.
 - (3) Specific evidence that can be used for investigation.
2. Personnel responsible for handling reported incidents in the company shall provide a written statement ensuring the confidentiality of the whistleblower's identity and the content of the report. The company also promises to protect whistleblowers from any undue consequences resulting from their reports. The specialized unit of the company shall handle reported incidents according to the following procedures:
 - (1) Reported incidents involving ordinary employees shall be reported to department heads, while those involving directors or senior executives shall be reported to independent directors.
 - (2) The specialized unit of the company and the relevant department heads or personnel mentioned above shall immediately investigate the relevant facts, seeking assistance from regulatory compliance or other relevant departments if necessary.
 - (3) If it is confirmed that the reported individual has violated relevant laws or the company's integrity operation policies and regulations, they shall immediately be required to cease the relevant behavior and be subject to appropriate measures. If necessary, the incident shall be reported to regulatory authorities, referred to judicial authorities for investigation, or compensation shall be sought through legal procedures to protect the company's reputation and interests.
 - (4) Records of the acceptance, investigation process, and investigation results of the reports shall be kept in written documents and retained for five years, with electronic storage permitted. If litigation related to the content of the report arises before the expiration of the retention period, the relevant information shall be retained until the conclusion of the litigation.
 - (5) If the reported incident is confirmed, the relevant units of the company shall be responsible for reviewing internal control systems and operating procedures, proposing improvement measures to prevent similar behaviors from recurring.
 - (6) The specialized unit of the company shall report the reported incidents, their handling methods, and follow-up review and improvement measures to the board of directors.

Article 22 Handling of Others Engaging in Dishonest Behavior Towards the Company:

If company personnel encounter instances of others engaging in dishonest behavior towards the company, and such behavior involves illegal activities, the company shall notify the relevant facts to judicial and prosecutorial authorities. If the behavior involves government agencies or officials, the company shall also notify the government's anti-corruption agencies.

Article 23 Internal Promotion, Establishment of Reward and Punishment, Appeal Mechanism, and Disciplinary Measures:

1. The company's dedicated unit should conduct internal promotion annually to communicate the importance of integrity to the board of directors and employees.
2. The company should incorporate integrity management into employee performance evaluations and human resources policies, establishing clear and effective reward and punishment systems as well as an appeals mechanism.
3. For company personnel who commit serious integrity violations, the company should dismiss or terminate their employment according to relevant laws or the company's personnel regulations.
4. The company should disclose information such as the titles, names, violation dates, violation contents, and handling outcomes of personnel who commit integrity violations on the internal website.

Article 24 This operational procedure and code of conduct shall be implemented after being approved by the board of directors and shall be reported to each independent director and the shareholders' meeting; the same procedure shall apply to any amendments.

1. This operational procedure and code of conduct were approved by the board of directors on January 9, 2024, and shall be implemented accordingly.

Independent Auditors' Report

(2024) Financial Review No. 23005500

To King Shing Industrial Co., Ltd.:

Audit opinions

We have audited the accompanying consolidated balance sheets of King Shing Industrial Co., Ltd. and its Subsidiaries (hereinafter refer to as the “King Shing Group”) as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows for January 1 to December 31, 2023 and 2022, and notes to the consolidated financial statements (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the King Shing Group as of December 31, 2023 and 2022, and its consolidated financial performance and cash flows from January 1 to December 31, 2023 and 2022 in accordance with the Regulations Governing the Preparations of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued into effect by the Financial Supervisory Commission.

Basis for audit opinions

We conducted our audits of the consolidated financial statements in accordance with the “Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants”, and auditing standards of the Republic of China. Our responsibilities under those standards are further addressed in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the King Shing Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other responsibilities in accordance with the Norm. 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 King Shing Group’s 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters of the King Shing Group's 2023 consolidated financial statements were as follows:

Evaluation of allowance for inventory valuation losses

Description of matters

Please refer to Note IV(XII) of the consolidated financial report for accounting policies on inventory, Note V(II) for critical accounting estimates and assumptions in relation to inventory valuation, and Note VI(IV) for details of inventories.

King Shing Group is primarily engaged in manufacturing and sales of fans and blowers for automotive cooling systems. Considering the useful life of vehicles and the diverse range of products in the after-sales service market, which are available in small quantities, the company needs to prepare adequate inventories to gain market share. This increases the risk of loss on inventory valuation or inventory obsolescence. Each inventory is measured at the lower of cost and net realizable value. Inventory is evaluated for impairment due to normal wear and tear, obsolescence, or changes in selling prices, and valuation losses are recognized accordingly.

As the amounts of inventory are material, considering the estimation of net realizable value of inventory and the adjustment of obsolete inventory exceeding a certain period of its shelf life is subject to the subjective judgment of management, we evaluated that the impact of amount of allowance for inventory valuation losses on the financial statements is significant. Therefore, we consider the allowance for inventory valuation losses to be one of the most important matters for this year's audit.

Audit Procedures in Response

We performed the main response procedures in respect of the specific aspects mentioned in the above key audit matters as summarized below:

1. Understand and evaluate the reasonableness of the company's inventory valuation policies.
2. Understand the annual inventory plan of King Shing Group and participate in the annual inventory taking to evaluate the effectiveness of the management's classification and control of obsolete inventories.
3. Obtain inventory aging reports and verify related supporting documents for the dates on which inventory changes occurred, ensure the age ranges are classified correctly and are consistent with the policies.
4. Obtain reports of which the net realizable value of inventories are evaluated, verify the completeness of the reports, and test the accuracy of the net realizable value and related calculations, thereby evaluating the reasonableness of King Shing Group's decision regarding the allowance for valuation loss.

Sales revenue cutoff

Description of matters

Please refer to Note IV(XXV) of the consolidated financial report for accounting policies on sales revenue. Please refer to Note VI(XV) of the consolidated financial report for the details of sales revenue.

The operating revenue of the King Shing Group derives from manufacturing and selling fans and blowers for automotive cooling systems. There are different types of transactions terms when selling them to the customers. Sales revenue is recognized according to the individually agreed transaction terms with customers and confirmation of transfer of control of goods upon shipment. In particular, whether the control of goods shipped before the end of the reporting period has transferred to the customers in accordance with the agreed transaction terms will affect the period to which sales revenue is attributed in the financial statements. Therefore, we consider the cutoff of sales revenue to be one of the most important matters for this year's audit.

Audit Procedures in Response

We performed the main response procedures in respect of the specific aspects mentioned in the above key audit matters as summarized below:

1. We have acknowledged and evaluated the internal controls regarding the timing of recognition of sales revenue for King Shing Group, and tested the effectiveness of these controls.
2. Cutoff tests were conducted on sales transactions during a certain period before and after the end of the financial reporting period to assess the accuracy of the timing of revenue recognition.

Other matters- Parent company only financial reports

King Shing Industrial Co., Ltd. has prepared the parent company only financial statements for 2023, and 2022. We have issued an audit report with an unqualified opinion, which was filed 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 consolidated financial statements in accordance with the Regulations Governing the Preparations of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, and maintain necessary internal controls related to the preparation of consolidated financial statements to ensure that the consolidated financial statements are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing King Shing Group's financial reporting process.

Auditor's responsibilities for auditing the consolidated financial statement

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 audit report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards of the Republic of China will always detect a material misstatement when it exists. 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 the consolidated financial statements.

We exercise professional judgment and maintain professional skepticism according to the auditing standards of the Republic of China when auditing. 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 appropriate audit procedures responsive to those risks, and obtain sufficient and appropriate audit evidence 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 King Shing Group'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 the King Shing Group'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 King Shing Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes) and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We are responsible for our audit opinion.

We communicate with those charged with governance, including 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to affect our independence (including related safeguards).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of King Shing Group's 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a specific 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.

PricewaterhouseCoopers, Taiwan

Lin, Se-Kai

CPA

Lin, Chun-Yao

Former Securities and Futures Bureau of Financial
Supervisory Commission

Approval certificate number: Order No. Financial-
Supervisory-Securities-IV-0960072936

Former Securities Commission of the Ministry of
Finance

Approval certificate number: Order No. (85) Taiwan-
Ministry of Finance-Securities and Futures Bureau (6)
68702

April 8, 2024

King Shing Industrial Co., Ltd. and subsidiaries
Consolidated Balance Sheets
December 31, 2023 and 2022

Unit: Expressed in thousands of New Taiwan Dollars

Assets	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	VI(I)	\$ 353,793	18	\$ 121,141	7
1136	Financial assets at amortized cost - current	VI(II) and VIII	6,243	-	127,275	7
1150	Notes receivable, net	VI(III)	4,412	-	4,321	-
1170	Accounts receivable, net	VI(III)	263,368	14	288,681	16
1200	Other receivables		5,684	-	6,733	-
130X	Inventories	VI(IV)	361,217	19	350,068	19
1410	Prepayments		1,484	-	2,986	-
1470	Other current assets		596	-	267	-
11XX	Total current assets		<u>996,797</u>	<u>51</u>	<u>901,472</u>	<u>49</u>
Non-current assets						
1535	Financial assets at amortized cost - non-current	VI(II) and VIII	180	-	-	-
1600	Property, plant and equipment	VI(V) and VIII	909,411	47	890,752	49
1755	Right-of-use assets	VI(VI)	2,970	-	4,009	-
1780	Intangible assets	VI(VIII)	11,072	1	13,145	1
1840	Deferred income tax assets	VI(XXII)	18,408	1	14,162	1
1900	Other non-current assets		3,286	-	2,825	-
15XX	Total non-current assets		<u>945,327</u>	<u>49</u>	<u>924,893</u>	<u>51</u>
1XXX	Total assets		<u>\$ 1,942,124</u>	<u>100</u>	<u>\$ 1,826,365</u>	<u>100</u>

(Continued)

King Shing Industrial Co., Ltd. and subsidiaries
Consolidated Balance Sheets
December 31, 2023 and 2022

Unit: Expressed in thousands of New Taiwan Dollars

	Liabilities and equity	Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	VI(IX)	\$ 179,000	9	\$ 354,000	20
2130	Contract liabilities- current	VI(XV)	1,803	-	1,594	-
2170	Accounts payable		78,325	4	91,974	5
2200	Other payables		55,910	3	53,582	3
2230	Current income tax liabilities		35,752	2	33,114	2
2280	Lease liabilities- current		1,040	-	1,006	-
2300	Other current liabilities		6,434	1	6,092	-
21XX	Total current liabilities		<u>358,264</u>	<u>19</u>	<u>541,362</u>	<u>30</u>
	Non-current liabilities					
2570	Deferred income tax liabilities	VI(XXII)	8,226	-	2,772	-
2580	Lease liabilities- non-current		2,008	-	3,028	-
2600	Other non-current liabilities	VI(X)	14,130	1	14,093	1
25XX	Total non-current liabilities		<u>24,364</u>	<u>1</u>	<u>19,893</u>	<u>1</u>
2XXX	Total liabilities		<u>382,628</u>	<u>20</u>	<u>561,255</u>	<u>31</u>
	Equity attributable to owners of the parent					
	Share capital	VI(XII)				
3110	Share capital - common stock		600,000	31	511,860	28
	Capital surplus	VI(XIII)				
3200	Capital surplus		606,111	31	531,028	29
	Retained earnings	VI(XIV)				
3310	Legal reserve		34,574	2	22,413	1
3350	Unappropriated retained earnings		366,134	19	251,508	14
	Other equity interest					
3400	Other equity interest		(47,323)	(3)	(51,699)	(3)
31XX	Total equity attributable to owners of parent		<u>1,559,496</u>	<u>80</u>	<u>1,265,110</u>	<u>69</u>
3XXX	Total equity		<u>1,559,496</u>	<u>80</u>	<u>1,265,110</u>	<u>69</u>
	Significant Events after the Balance Sheet Date	XI				
3X2X	Total liabilities and equity		<u>\$ 1,942,124</u>	<u>100</u>	<u>\$ 1,826,365</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements. Please refer to it as well.

Chairman: Shih, Chun-Chin

Manager: Shih, Chun-Chin

Accounting supervisor: Lai, Tsung-Yen

King Shing Industrial Co., Ltd. and subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: Expressed in thousands of New Taiwan Dollars
(Except for earnings per share expressed in New Taiwan Dollar)

Item	Notes	2023		2022	
		Amount	%	Amount	%
4000 Operating revenue	VI(XV)	\$ 1,033,173	100	\$ 940,201	100
5000 Operating costs	VI(IV)(XX) (XXI)	(729,082)	(71)	(682,407)	(73)
5900 Operating profit - gross		<u>304,091</u>	<u>29</u>	<u>257,794</u>	<u>27</u>
Operating expenses	VI(XX) (XXI)				
6100 Selling expenses		(42,788)	(4)	(44,284)	(5)
6200 Administrative expenses		(87,267)	(8)	(77,539)	(8)
6300 Research and development expenses		(25,895)	(3)	(22,771)	(2)
6450 Expected credit impairment loss	XII(II)	(129)	-	(4,977)	(1)
6000 Total operational expenses		(<u>156,079</u>)	(<u>15</u>)	(<u>149,571</u>)	(<u>16</u>)
6900 Operating profit		<u>148,012</u>	<u>14</u>	<u>108,223</u>	<u>11</u>
Non-operating income and expenses					
7100 Interest income	VI(XVI)	7,530	1	2,472	-
7010 Other income	VI(XVII)	3,339	-	2,644	-
7020 Other gains and losses	VI(XVIII)	11,414	1	46,690	5
7050 Finance cost	VI(XIX) and VII	(5,556)	-	(5,405)	-
7000 Total non-operating income and expenses		<u>16,727</u>	<u>2</u>	<u>46,401</u>	<u>5</u>
7900 Profit before income tax		<u>164,739</u>	<u>16</u>	<u>154,624</u>	<u>16</u>
7950 Income tax expense	VI(XXII)	(38,726)	(4)	(35,223)	(4)
8200 Net income for the period		<u>\$ 126,013</u>	<u>12</u>	<u>\$ 119,401</u>	<u>12</u>

(Continued)

King Shing Industrial Co., Ltd. and subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: Expressed in thousands of New Taiwan Dollars
(Except for earnings per share expressed in New Taiwan Dollar)

Item	Notes	2023		2022		
		Amount	%	Amount	%	
Other comprehensive income - net						
Components not to be reclassified to profit or loss						
8311	Remeasurements of defined benefit plans	VI(X)	\$ 1,052	-	\$ 2,916	-
8349	Income tax related to components that are not reclassified subsequently to profit or loss	VI(XXII)	(278)	-	(712)	-
8310	Components not to be reclassified to profit or loss - total		774	-	2,204	-
Components that may be reclassified to profit or loss						
8361	Exchange difference arising from translation of foreign financial statements		4,376	1	33,385	4
8360	Components that may be reclassified to profit or loss - total		4,376	1	33,385	4
8300	Other comprehensive income - net		\$ 5,150	1	\$ 35,589	4
8500	Total comprehensive income (loss)		\$ 131,163	13	\$ 154,990	16
Net profit attributable to:						
8610	Owners of the parent		\$ 126,013	12	\$ 119,401	12
			\$ 126,013	12	\$ 119,401	12
Total comprehensive income attributable to:						
8710	Owners of the parent		\$ 131,163	13	\$ 154,990	16
			\$ 131,163	13	\$ 154,990	16
Basic earnings per share						
9750	Basic earnings per share	VI(XXIII)	\$	2.36	\$	2.33
Diluted earnings per share						
9850	Diluted earnings per share	VI(XXIII)	\$	2.19	\$	2.20

The accompanying notes are an integral part of these consolidated financial statements. Please refer to it as well.

Chairman: Shih, Chun-Chin

Manager: Shih, Chun-Chin

Accounting supervisor: Lai, Tsung-Yen

King Shing Industrial Co., Ltd. and subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: Expressed in thousands of New Taiwan Dollars

	Notes	Equity attributable to owners of the parent						Total equity
		Capital surplus			Retained earnings			
		Share capital - common stock	Share premium	Employee share options	Legal reserve	Unappropriated retained earnings	Exchange difference arising from translation of foreign financial statements	
<u>2022</u>								
Balance - January 1, 2022		\$ 511,860	\$ 514,658	\$ 15,274	\$ 17,625	\$ 134,691	(\$ 85,084)	\$ 1,109,024
Net income for the period		-	-	-	-	119,401	-	119,401
Other comprehensive income		-	-	-	-	2,204	33,385	35,589
Total comprehensive income (loss)		-	-	-	-	121,605	33,385	154,990
Appropriation and distribution of earnings:	VI(XIV)							
Legal reserve recognized		-	-	-	4,788	(4,788)	-	-
Share-based payment transaction	VI(XI)	-	-	1,096	-	-	-	1,096
Balance - December 31, 2022		\$ 511,860	\$ 514,658	\$ 16,370	\$ 22,413	\$ 251,508	(\$ 51,699)	\$ 1,265,110
<u>2023</u>								
Balance - January 1, 2023		\$ 511,860	\$ 514,658	\$ 16,370	\$ 22,413	\$ 251,508	(\$ 51,699)	\$ 1,265,110
Net income for the period		-	-	-	-	126,013	-	126,013
Other comprehensive income		-	-	-	-	774	4,376	5,150
Total comprehensive income (loss)		-	-	-	-	126,787	4,376	131,163
Appropriation and distribution of earnings:	VI(XIV)							
Legal reserve recognized		-	-	-	12,161	(12,161)	-	-
Cash capital increase	VI(XII)	29,000	72,500	-	-	-	-	101,500
Share-based payment transaction	VI(XI)(XII)	59,140	18,953	(16,370)	-	-	-	61,723
Balance - December 31, 2023		\$ 600,000	\$ 606,111	\$ -	\$ 34,574	\$ 366,134	(\$ 47,323)	\$ 1,559,496

The accompanying notes are an integral part of these consolidated financial statements. Please refer to it as well.

Chairman: Shih, Chun-Chin

Manager: Shih, Chun-Chin

Accounting supervisor: Lai, Tsung-Yen

King Shing Industrial Co., Ltd. and subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: Expressed in thousands of New Taiwan Dollars

Notes	January 1 to December 31, 2023	January 1 to December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 164,739	\$ 154,624
Adjustments		
Adjustments to reconcile profit (loss)		
Expected credit impairment loss	XII(II) 129	4,977
Depreciation	VI(V)(VI)(XX) 53,195	49,307
Amortization	VI(VIII)(XX) 2,262	2,492
Interest expense	VI(XIX) 5,556	5,405
Interest income	VI(XVI) (7,530)	(2,472)
Profit from lease modification	VI(VI) -	(18)
Share-based payment compensation cost	VI(XI) 2,583	1,096
Gain on disposal of fixed assets	VI(XVIII) (133)	36
Changes in operating assets and liabilities		
Net changes in operating assets		
Notes receivable	(91)	1,568
Accounts receivable	25,184	(79,760)
Other receivables	598	1,006
Inventories	(11,149)	(2,747)
Prepayments	1,502	(722)
Other current assets	(329)	225
Net changes in operating liabilities		
Contract liabilities- current	209	149
Notes payable	-	(20)
Accounts payable	(13,649)	(19,232)
Other payables	4,864	5,398
Other current liabilities	342	1,334
Other non-current liabilities	941	1,249
Cash inflow generated from operating activities	229,223	123,895
Interest received	7,981	1,858
Interest Paid	(5,610)	(5,259)
Income taxes paid	(35,130)	(16,941)
Cash inflow generated from operating activities, net	196,464	103,553

(Continued)

King Shing Industrial Co., Ltd. and subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: Expressed in thousands of New Taiwan Dollars

	Notes	January 1 to December 31, 2023	January 1 to December 31, 2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Disposal of (acquisition) financial assets at amortized cost		\$ 120,852	(\$ 78,385)
Acquisition of property, plant and equipment	VI(XXIV)	(69,791)	(33,333)
Disposal of property, plant and equipment		176	1,928
Acquisition of intangible assets	VI(VIII)	(185)	(2,075)
Decrease (increase) in refundable deposits		281	(1,067)
Cash inflow (outflow) generated from investing activities, net		51,333	(112,932)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term loans	VI(XXV)	872,000	896,000
Decrease in short-term loans	VI(XXV)	(1,047,000)	(695,000)
Decrease in other payables - related parties	VI(XXV)	-	(175,811)
Repayments for the principal of lease liabilities	VI(XXV)	(1,010)	(611)
Increase in refundable deposits	VI(XXV)	150	-
Cash capital increase	VI(XII)	101,500	-
Share options exercised by the employees		59,140	-
Cash inflow (outflow) generated from financing activities, net		(15,220)	24,578
Effect of changes in exchange rate		75	13,387
Increase in cash and cash equivalents		232,652	28,586
Cash and cash equivalents, beginning of period		121,141	92,555
Cash and cash equivalents, end of period		\$ 353,793	\$ 121,141

The accompanying notes are an integral part of these consolidated financial statements. Please refer to it as well.

Chairman: Shih, Chun-Chin

Manager: Shih, Chun-Chin

Accounting supervisor: Lai, Tsung-Yen

Independent Auditors' Report

(2024) Financial Review No. 23005002

To King Shing Industrial Co., Ltd.:

Audit opinions

We have audited the accompanying parent company only balance sheets of King Shing Industrial Co., Ltd. as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, parent company only statements of changes in equity, parent company only statements of cash flows for January 1 to December 31, 2023 and 2022, and notes to the parent company only financial statements (including a summary of significant accounting policies).

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the King Shing Industrial Co., Ltd. as of December 31, 2023 and 2022, and its parent company only financial performance and cash flows from January 1 to December 31, 2023 and 2022 in accordance with the Regulations Governing the Preparations of Financial Reports by Securities Issuers.

Basis for audit opinions

We conducted our audits of the parent company only financial statements in accordance with the “Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants”, and auditing standards of the Republic of China. Our responsibilities under those standards are further addressed in the Auditor’s Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the King Shing Industrial Co., Ltd. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other responsibilities in accordance with the Norm. 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 King Shing Industrial Co., Ltd.’s 2023 parent company only financial statements. 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, we do not provide a separate opinion on these matters.

Key audit matters of the King Shing Industrial Co., Ltd.'s 2023 parent company only financial statements were as follows:

Evaluation of allowance for inventory valuation losses

Description of matters

Please refer to Note IV(XI) of the parent company only financial report for accounting policies on inventory, Note V(II) for critical accounting estimates and assumptions in relation to inventory valuation, and Note VI(IV) for details of inventories.

King Shing Industrial Co., Ltd. is primarily engaged in manufacturing and sales of fans and blowers for automotive cooling systems. Considering the useful life of vehicles and the diverse range of products in the after-sales service market, which are available in small quantities, the company needs to prepare adequate inventories to gain market share. This increases the risk of loss on inventory valuation or inventory obsolescence. Each inventory is measured at the lower of cost and net realizable value. Inventory is evaluated for impairment due to normal wear and tear, obsolescence, or changes in selling prices, and valuation losses are recognized accordingly.

The aforementioned matters also exist in King Shing Industrial Co., Ltd.'s subsidiary, which is recognized in investments accounted for using equity method. As the amounts of inventory are material, considering the estimation of net realizable value of inventory and the adjustment of obsolete inventory exceeding a certain period of its shelf life is subject to the subjective judgment of management, we evaluated that the impact of amount of allowance for inventory valuation losses on the financial statements is significant. Therefore, we consider the allowance for inventory valuation losses to be one of the most important matters for this year's audit.

Audit Procedures in Response

We performed the main response procedures in respect of the specific aspects mentioned in the above key audit matters as summarized below:

1. Understand and evaluate the reasonableness of the company's inventory valuation policies.
2. Understand the annual inventory plan of King Shing Industrial Co., Ltd. and participate in the annual inventory taking to evaluate the effectiveness of the management's classification and control of obsolete inventories.
3. Obtain inventory aging reports and verify related supporting documents for the dates on which inventory changes occurred, ensure the age ranges are classified correctly and are consistent with the policies.
4. Obtain reports of which the net realizable value of inventories are evaluated, verify the completeness of the reports, and test the accuracy of the net realizable value and related calculations, thereby evaluating the reasonableness of King Shing Industrial Co., Ltd.'s decision regarding the allowance for valuation loss.

Sales revenue cutoff

Description of matters

Please refer to Note IV(XXV) of the parent company only financial report for accounting policies on sales revenue. Please refer to Note VI(XVI) of the parent company only financial report for the details of sales revenue.

The operating revenue of the Company derives from manufacturing and selling fans and blowers for automotive cooling systems. There are different types of transactions terms when selling them to the customers. Sales revenue is recognized according to the individually agreed transaction terms with customers and confirmation of transfer of control of goods upon shipment. In particular, whether the control of goods shipped before the end of the reporting period has transferred to the customers in accordance with

the agreed transaction terms will affect the period to which sales revenue is attributed in the financial statements. Therefore, we consider the cutoff of sales revenue to be one of the most important matters for this year's audit.

Audit Procedures in Response

We performed the main response procedures in respect of the specific aspects mentioned in the above key audit matters as summarized below:

1. We have acknowledged and evaluated the internal controls regarding the timing of recognition of sales revenue for King Shing Industrial Co., Ltd., and tested the effectiveness of these controls.
2. Cutoff tests were conducted on sales transactions during a certain period before and after the end of the financial reporting period to assess the accuracy of the timing of revenue recognition.

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 Preparations of Financial Reports by Securities Issuers, and maintain necessary internal controls related to the preparation of parent company only financial statements to ensure that parent company only financial statements are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for auditing the parent company only financial statement

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 audit report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards of the Republic of China will always detect a material misstatement when it exists. 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 the parent company only financial statements.

We exercise professional judgment and maintain professional skepticism according to the auditing standards of the Republic of China when auditing. 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 appropriate audit procedures responsive to those risks, and obtain sufficient and appropriate audit evidence 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 King Shing 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 the King Shing 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 King Shing 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 relevant notes) and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities within the King Shing 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 of entities. We are responsible for our audit opinion.

We communicate with those charged with governance, including 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to affect our independence (including related safeguards).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of King Shing Industrial Co., Ltd.’s 2023 parent company only financial statements and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a specific 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.

PricewaterhouseCoopers, Taiwan

Lin, Se-Kai

CPA

Lin, Chun-Yao

Former Securities and Futures Bureau of Financial Supervisory Commission

Approval certificate number: Order No. Financial-Supervisory-Securities-IV-0960072936

Former Securities Commission of the Ministry of Finance

Approval certificate number: Order No. (85) Taiwan-Ministry of Finance-Securities and Futures Bureau (6) 68702

April 8, 2024

King Shing Industrial Co., Ltd.
Parent Company Only Balance Sheets
December 31, 2023 and 2022

Unit: Expressed in thousands of New Taiwan Dollars

Assets	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	VI(I)	\$ 318,309	16	\$ 98,127	5
1136	Financial assets at amortized cost - current	VI(II) and VIII	3,078	-	125,931	7
1150	Notes receivable, net	VI(III)	4,088	1	3,333	-
1170	Accounts receivable, net	VI(III)	259,796	13	284,522	15
1180	Net accounts receivable - related parties	VII	1,293	-	1,540	-
1200	Other receivables		2,650	-	3,298	-
1210	Other receivables - related parties	VII	-	-	191	-
130X	Inventories	VI(IV)	233,664	12	232,747	13
1410	Prepayments		1,224	-	1,854	-
1470	Other current assets		22	-	95	-
11XX	Total current assets		<u>824,124</u>	<u>42</u>	<u>751,638</u>	<u>40</u>
Non-current assets						
1550	Investments accounted for using equity method	VI(V)	542,421	27	508,836	27
1600	Property, plant and equipment	VI(VI), VII and VIII	577,678	29	579,223	31
1755	Right-of-use assets	VI(VII)	1,470	-	2,182	-
1780	Intangible assets	VI(IX)	10,836	1	12,866	1
1840	Deferred income tax assets	VI(XXII)	12,819	1	8,637	1
1900	Other non-current assets		3,785	-	1,858	-
15XX	Total non-current assets		<u>1,149,009</u>	<u>58</u>	<u>1,113,602</u>	<u>60</u>
1XXX	Total assets		<u>\$ 1,973,133</u>	<u>100</u>	<u>\$ 1,865,240</u>	<u>100</u>

(Continued)

King Shing Industrial Co., Ltd.
Parent Company Only Balance Sheets
December 31, 2023 and 2022

Unit: Expressed in thousands of New Taiwan Dollars

Liabilities and equity	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current liabilities						
2100	Short-term loans	VI(X)	\$ 179,000	9	\$ 354,000	19
2130	Contract liabilities- current	VI(XVI) and VII	33,637	2	33,531	2
2170	Accounts payable		43,481	2	58,673	3
2180	Accounts payable - related parties	VII	58,670	3	66,779	4
2200	Other payables		45,726	2	42,161	2
2230	Current income tax liabilities		35,748	2	31,028	2
2280	Lease liabilities- current		725	-	712	-
2300	Other current liabilities		5,567	-	5,502	-
21XX	Total current liabilities		<u>402,554</u>	<u>20</u>	<u>592,386</u>	<u>32</u>
Non-current liabilities						
2570	Deferred income tax liabilities	VI(XXII)	8,473	1	2,772	-
2580	Lease liabilities- non-current		767	-	1,484	-
2600	Other non-current liabilities	VI(XI)	1,843	-	3,488	-
25XX	Total non-current liabilities		<u>11,083</u>	<u>1</u>	<u>7,744</u>	<u>-</u>
2XXX	Total liabilities		<u>413,637</u>	<u>21</u>	<u>600,130</u>	<u>32</u>
Equity						
Share capital						
VI(XIII)						
3110	Share capital - common stock		600,000	30	511,860	27
Capital surplus						
VI(XIV)						
3200	Capital surplus		606,111	31	531,028	29
Retained earnings						
VI(XV)						
3310	Legal reserve		34,574	2	22,413	1
3350	Unappropriated retained earnings		366,134	18	251,508	14
Other equity interest						
3400	Other equity interest		(47,323)	(2)	(51,699)	(3)
3XXX	Total equity		<u>1,559,496</u>	<u>79</u>	<u>1,265,110</u>	<u>68</u>
Significant Events after the Balance Sheet Date						
XI						
3X2X	Total liabilities and equity		<u>\$ 1,973,133</u>	<u>100</u>	<u>\$ 1,865,240</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements. Please refer to it as well.

Chairman: Shih, Chun-Chin

Manager: Shih, Chun-Chin

Accounting supervisor: Lai, Tsung-Yen

King Shing Industrial Co., Ltd.
Parent Company Only Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: Expressed in thousands of New Taiwan Dollars
(Except for earnings per share expressed in New Taiwan Dollar)

	Item	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	VI(XVI) and VII	\$ 1,019,547	100	\$ 929,530	100
5000	Operating costs	VI(IV)(XX)(XXI) and VII	(799,173)	(78)	(742,169)	(80)
5900	Operating profit - gross		<u>220,374</u>	<u>22</u>	<u>187,361</u>	<u>20</u>
	Operating expenses	VI(XX)(XXI)				
6100	Selling expenses		(21,266)	(2)	(21,441)	(2)
6200	Administrative expenses		(52,452)	(5)	(48,098)	(5)
6300	Research and development expenses		(25,895)	(3)	(22,771)	(2)
6450	Expected credit impairment loss	XII(II)	(84)	-	(4,977)	(1)
6000	Total operational expenses		(99,697)	(10)	(97,287)	(10)
6900	Operating profit		<u>120,677</u>	<u>12</u>	<u>90,074</u>	<u>10</u>
	Non-operating income and expenses					
7100	Interest income	VI(XVII)	7,352	1	2,444	-
7010	Other income		3,254	-	2,415	-
7020	Other gains and losses	VI(XVIII)	9,634	1	44,832	5
7050	Finance cost	VI(XIX) and VII	(5,450)	(1)	(5,347)	(1)
7070	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	VI(V)	<u>28,870</u>	<u>3</u>	<u>17,219</u>	<u>2</u>
7000	Total non-operating income and expenses		<u>43,660</u>	<u>4</u>	<u>61,563</u>	<u>6</u>
7900	Profit before income tax		<u>164,337</u>	<u>16</u>	<u>151,637</u>	<u>16</u>
7950	Income tax expense	VI(XXII)	(38,324)	(4)	(32,236)	(3)
8200	Net income for the period		<u>\$ 126,013</u>	<u>12</u>	<u>\$ 119,401</u>	<u>13</u>
	Other comprehensive income					
	Components not to be reclassified to profit or loss					
8311	Remeasurements of defined benefit plans	VI(XI)	\$ 629	-	\$ 2,106	-
8330	Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method - components not to be reclassified to profit or loss	VI(V)	339	-	648	-
8349	Income tax related to components that are not reclassified subsequently to profit or loss	VI(XXII)	(194)	-	(550)	-
8310	Components not to be reclassified to profit or loss - total		<u>774</u>	-	<u>2,204</u>	-
	Components that may be reclassified to profit or loss					
8361	Exchange difference arising from translation of foreign financial statements	VI(V)	<u>4,376</u>	<u>1</u>	<u>33,385</u>	<u>4</u>
8360	Components that may be reclassified to profit or loss - total		<u>4,376</u>	<u>1</u>	<u>33,385</u>	<u>4</u>
8300	Other comprehensive income - net		<u>\$ 5,150</u>	<u>1</u>	<u>\$ 35,589</u>	<u>4</u>
8500	Total comprehensive income (loss)		<u>\$ 131,163</u>	<u>13</u>	<u>\$ 154,990</u>	<u>17</u>
	Basic earnings per share	VI(XXIII)				
9750	Basic earnings per share		<u>\$ 2.36</u>		<u>\$ 2.33</u>	
	Diluted earnings per share	VI(XXIII)				
9850	Diluted earnings per share		<u>\$ 2.19</u>		<u>\$ 2.20</u>	

The accompanying notes are an integral part of these parent company only financial statements. Please refer to it as well.

Chairman: Shih, Chun-Chin

Manager: Shih, Chun-Chin

Accounting supervisor: Lai, Tsung-Yen

King Shing Industrial Co., Ltd.
Parent Company Only Statements of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: Expressed in thousands of New Taiwan Dollars

	Notes	Capital surplus		Retained earnings		Exchange difference arising from translation of foreign financial statements	Total equity
		Share capital - common stock	Share premium	Employee share options	Legal reserve		
<u>2022</u>							
Balance - January 1, 2022		\$ 511,860	\$ 514,658	\$ 15,274	\$ 17,625	\$ 134,691 (\$ 85,084)	\$ 1,109,024
Net income for the period		-	-	-	-	119,401	119,401
Other comprehensive income		-	-	-	-	2,204	35,589
Total comprehensive income (loss)		-	-	-	-	121,605	154,990
Appropriation and distribution of earnings:	VI(XV)						
Legal reserve recognized		-	-	-	4,788 (4,788)	-
Share-based payment transaction	VI(XII)	-	-	1,096	-	-	1,096
Balance - December 31, 2022		\$ 511,860	\$ 514,658	\$ 16,370	\$ 22,413	\$ 251,508 (\$ 51,699)	\$ 1,265,110
<u>2023</u>							
Balance - January 1, 2023		\$ 511,860	\$ 514,658	\$ 16,370	\$ 22,413	\$ 251,508 (\$ 51,699)	\$ 1,265,110
Net income for the period		-	-	-	-	126,013	126,013
Other comprehensive income		-	-	-	-	774	5,150
Total comprehensive income (loss)		-	-	-	-	126,787	131,163
Appropriation and distribution of earnings:	VI(XV)						
Legal reserve recognized		-	-	-	12,161 (12,161)	-
Cash capital increase	VI(XIII)	29,000	72,500	-	-	-	101,500
Share-based payment transaction	VI(XII)(XIII)	59,140	18,953 (16,370)	-	-	61,723
Balance - December 31, 2023		\$ 600,000	\$ 606,111	\$ -	\$ 34,574	\$ 366,134 (\$ 47,323)	\$ 1,559,496

The accompanying notes are an integral part of these parent company only financial statements. Please refer to it as well.

Chairman: Shih, Chun-Chin

Manager: Shih, Chun-Chin

Accounting supervisor: Lai, Tsung-Yen

King Shing Industrial Co., Ltd.
Parent Company Only Statements of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: Expressed in thousands of New Taiwan Dollars

	Notes	January 1 to December 31, 2023	January 1 to December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 164,337	\$ 151,637
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	VI(VI)(VII)(XX)	9,969	9,480
Amortization	VI(IX)(XX)	2,215	2,400
Expected credit impairment loss	XII(II)	84	4,977
Interest expense	VI(XIX)	5,450	5,347
Interest income	VI(XVII)	(7,352)	(2,444)
Profit from lease modification	VI(VII)	-	(18)
Share-based payment compensation cost	VI(XII)	2,583	1,096
Share of profit of associates and joint ventures accounted for using equity method		28,870	(17,219)
Loss (gain) on disposal of fixed assets	VI(XVIII)	(48)	267
Changes in operating assets and liabilities			
Net changes in operating assets			
Notes receivable		(755)	2,360
Accounts receivable		24,642	(78,568)
Accounts receivable - related parties		247	1,374
Other receivables		198	435
Other receivables - related parties		191	(191)
Inventories		(917)	11,141
Prepayments		630	66
Other current assets		73	(78)
Net changes in operating liabilities			
Contract liabilities- current		106	10,057
Notes payable		-	(20)
Accounts payable		(15,192)	(18,969)
Accounts payable - related parties		(8,109)	24,814
Other payables		6,102	2,129
Other current liabilities		65	1,345
Other non-current liabilities		(1,166)	(1,164)
Cash inflow generated from operating activities		154,483	107,506
Interest received		7,802	1,830
Interest Paid		(5,505)	(5,201)
Income taxes paid		(32,279)	(12,068)
Cash inflow generated from operating activities, net		<u>124,501</u>	<u>92,067</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal of (acquisition) financial assets at amortized cost- current		122,853	(78,288)
Acquisition of property, plant and equipment	VI(XXIV)	(12,411)	(2,800)
Disposal of property, plant and equipment		48	1,564
Acquisition of intangible assets	VI(IX)	(185)	(2,021)
Decrease (increase) in refundable deposits		300	100
Cash inflow (outflow) generated from investing activities, net		<u>110,605</u>	<u>(81,645)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans	VI(XXV)	872,000	896,000
Decrease in short-term loans	VI(XXV)	(1,047,000)	(695,000)
Decrease in other payables - related parties	VI(XXV)	-	(175,811)
Cash capital increase	VI(XIII)	101,500	-
Share options exercised by the employees	VI(XII)	59,140	-
Repayments for the principal of lease liabilities	VI(XXV)	(714)	(444)
Increase in refundable deposits	VI(XXV)	150	-
Cash inflow (outflow) generated from financing activities, net		<u>(14,924)</u>	<u>24,745</u>
Increase in cash and cash equivalents		220,182	35,167
Cash and cash equivalents, beginning of period		98,127	62,960
Cash and cash equivalents, end of period		<u>\$ 318,309</u>	<u>\$ 98,127</u>

The accompanying notes are an integral part of these parent company only financial statements. Please refer to it as well.

Chairman: Shih, Chun-Chin

Manager: Shih, Chun- Chin

Accounting supervisor: Lai, Tsung-Yen

【Attachment VII】**KING SHING INDUSTRIAL CO., LTD.****Earnings Distribution Table****For the Years Ended December 31, 2023**

Unit: New Taiwan Dollar

Item	Amount
Accumulated undistributed earnings at the beginning of the period	239,346,161
Add : Net profit after tax	126,013,340
Add : Other comprehensive income (after tax)	775,132
Less : 10% legal reserve	(12,678,847)
Less : Provision of special reserve	(47,323,061)
Distributable net profit	306,132,725
Less : Distributable items :	
Cash Dividends (NT\$1.112 per share)	(66,720,000)
Unappropriated retained earnings	239,412,725

Chairman : SHIH, CHUN-CHIN

Manager: SHIH, CHUN-CHIN

Accounting Supervisor: LAI,ZONG-YAN

KING SHING INDUSTRIAL CO., LTD.

**"Articles of Association of the Company" Comparison Table
of Amended Articles**

Before the revision	After the revision	Explanation
<p>Article 33</p> <p>If the company has a surplus in its annual financial statements, taxes should be paid first, followed by offsetting accumulated losses. Next, ten percent should be set aside as statutory surplus reserves. However, if the statutory surplus reserves have reached the paid-in capital, this limit does not apply. Additionally, in accordance with laws or regulations or provisions of the competent authority, special surplus reserves may be allocated or reversed. The remaining balance may be considered distributable profits, taking into account undistributed profits from the beginning of the period. After considering any reservations, the board of directors shall prepare a proposal for profit distribution, which shall be submitted to the shareholders' meeting for resolution and distribution.</p> <p>The company authorizes the board of directors, with the presence of two-thirds or more of the directors and the resolution of a majority of the directors present, to distribute all or part of the dividends, bonuses, capital surplus, or statutory surplus reserves that should be distributed in the form of cash, and report to the shareholders' meeting.</p> <p>The company, currently in a growth stage, adopts a policy of allocating dividends from accumulated distributable earnings. Dividend distribution takes into account factors such as the current and future investment environment, capital requirements, domestic and international competitive conditions, and capital budgeting, while</p>	<p>Article 33</p> <p>If the company has a surplus in its annual financial statements, taxes should be paid first, followed by offsetting accumulated losses. Next, ten percent should be set aside as statutory surplus reserves. However, if the statutory surplus reserves have reached the paid-in capital, this limit does not apply. Additionally, in accordance with laws or regulations or provisions of the competent authority, special surplus reserves may be allocated or reversed. The remaining balance may be considered distributable profits, taking into account undistributed profits from the beginning of the period. After considering any reservations, the board of directors shall prepare a proposal for profit distribution, which shall be submitted to the shareholders' meeting for resolution and distribution.</p> <p>The company authorizes the board of directors, with the presence of two-thirds or more of the directors and the resolution of a majority of the directors present, to distribute all or part of the dividends, bonuses, capital surplus, or statutory surplus reserves that should be distributed in the form of cash, and report to the shareholders' meeting.</p> <p>The company, currently in a growth stage, adopts a policy of allocating dividends from accumulated distributable earnings. Dividend distribution takes into account factors such as the current and future investment environment, capital requirements, domestic and international competitive conditions, and capital budgeting, while</p>	<p>Align with the company's business requirements.</p>

Before the revision	After the revision	Explanation
<p>also balancing shareholder interests and the company's long-term financial planning. Among the dividends distributed for the current year, at least ten percent should be allocated as cash dividends. However, the board of directors may adjust this ratio based on the overall operational conditions at the time <u>and seek approval from the shareholders' meeting.</u></p> <p>When the company makes provisions for special surplus reserves in accordance with the law, if there is an insufficient provision for the "net increase in fair value of investment properties from the cumulative prior period" and "net decrease in other equity items from the cumulative prior period," before distributing profits, it should first allocate the same amount from the undistributed profits from prior periods to the special surplus reserves. If there is still an insufficiency, the amount should then be allocated from the current year's after-tax net profit, plus any other items beyond the current year's after-tax net profit, to the undistributed profits for the current period.</p>	<p>also balancing shareholder interests and the company's long-term financial planning. <u>The dividend distribution should not be less than 30% of the distributable earnings for the current year</u>, with at least <u>20%</u> of the dividends for the year being allocated as cash dividends. However, the Board of Directors reserves the right to adjust this ratio based on the overall operating conditions at the time.</p> <p>When the company makes provisions for special surplus reserves in accordance with the law, if there is an insufficient provision for the "net increase in fair value of investment properties from the cumulative prior period" and "net decrease in other equity items from the cumulative prior period," before distributing profits, it should first allocate the same amount from the undistributed profits from prior periods to the special surplus reserves. If there is still an insufficiency, the amount should then be allocated from the current year's after-tax net profit, plus any other items beyond the current year's after-tax net profit, to the undistributed profits for the current period.</p>	
<p>Article 36.</p> <p>This chapter was established on February 27, 1989. First amendment on February 20, 2003. Second amendment on November 15, 2005 . Third amendment on November 5, 2008 . Fourth amendment on October 30, 2009 . Fifth amendment on August 10, 2010 . Sixth amendment on January 16, 2013 . Seventh amendment on July 8, 2013 . Eighth amendment on October 29, 2015 . Ninth amendment on May 20, 2019 . Tenth amendment on June 30, 2021 . Eleventh amendment on July 29, 2022 . Twelfth amendment on April 20, 2023 . Thirteenth amendment on February 5, 2024 .</p>	<p>Article 36.</p> <p>This chapter was established on February 27, 1989. First amendment on February 20, 2003 . Second amendment on November 15, 2005 . Third amendment on November 5, 2008 . Fourth amendment on October 30, 2009 . Fifth amendment on August 10, 2010 . Sixth amendment on January 16, 2013 . Seventh amendment on July 8, 2013 . Eighth amendment on October 29, 2015 . Ninth amendment on May 20, 2019 . Tenth amendment on June 30, 2021 . Eleventh amendment on July 29, 2022 . Twelfth amendment on April 20, 2023 . Thirteenth amendment on February 5, 2024 . <u>Fourteenth amendment on June 28, 2024 .</u></p>	<p>Add the date of this revision.</p>

IV. Appendix

Rules and Procedures of Shareholders' Meeting

Article 1

In order to establish a good governance system of shareholder meetings, improve supervision functions and strengthen management functions of the Company, these rules are made in accordance with the provisions of Article 5 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2

The rules for procedure of the shareholders' meetings of the Company shall be subject to these Rules, unless otherwise specified by laws or regulations.

Article 3

The shareholders' meeting of the Company shall be convened by the board of directors unless otherwise provided by law.

When convening a shareholders' meeting via video conference, it shall be stipulated in the articles of association, approved by the board of directors, and the resolutions of the video conference shareholders' meeting shall be implemented with the consent of more than two-thirds of the attending directors and the majority of the attending directors. Any change in the method of convening the shareholders' meeting by the Company shall be approved by the board of directors and implemented no later than the issuance of the notice of the shareholders' meeting.

Thirty days before the regular shareholders' meeting or fifteen days before the extraordinary shareholders' meeting, the Company shall transmit electronically to the Market Observation Post System (MOPS) the notice of the shareholders' meeting, proxy forms, relevant recognition cases, discussion items, matters related to the election or dismissal of directors, and explanatory materials on each agenda item. Additionally, twenty-one days before the regular shareholders' meeting or fifteen days before the extraordinary shareholders' meeting, the Company shall transmit electronically to the MOPS the shareholders' meeting handbook and supplementary meeting materials. However, if the Company's paid-in capital as of the end of the most recent fiscal year exceeds NT\$10 billion or if the combined foreign and mainland Chinese shareholding ratio listed in the shareholder registry as of the end of the most recent fiscal year reaches thirty percent or more, the aforementioned electronic transmissions shall be completed thirty days before the regular shareholders' meeting. Fifteen days before the shareholders' meeting, the Company shall prepare the relevant shareholders' meeting handbook and supplementary materials for shareholders' perusal and display them at the Company and any professional shareholder service agencies appointed by the Company.

The aforementioned meeting handbook and supplementary materials shall be provided for shareholders' perusal on the day of the shareholders' meeting as follows:

When convening a physical shareholders' meeting, it shall be distributed at the shareholders' meeting venue.

1. When convening a video-assisted shareholders' meeting, it shall be distributed at the shareholders' meeting venue and transmitted electronically to the video conference platform.
2. When convening a video shareholders' meeting, it shall be transmitted electronically to the video conference platform.
3. Notifications and announcements shall specify the purpose of the meeting; notifications agreed upon by the relevant parties may be made electronically.

Items such as the election or dismissal of directors, amendment of the articles of association, reduction of capital, application for cessation of public issuance, director non-competition permission, surplus to capital increase, capital reserve to capital increase, company dissolution, merger, division, or matters specified in Article 185-1 of the Company Law, Article 26-1, Article 43-6 of the Securities Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be enumerated and explained in the convening notice, and shall not be proposed as ad hoc resolutions.

If the purpose of convening the shareholders' meeting is stated to be a comprehensive election of directors, and the date of assumption of office is specified, after the election is completed at the meeting, the date of assumption of office shall not be changed at the same meeting through ad hoc resolutions or other means.

Shareholders holding one percent or more of the total issued shares may submit proposals for the regular shareholders' meeting, limited to one proposal per shareholder. If more than one proposal is submitted, none shall be included in the agenda. Furthermore, if the proposals submitted by shareholders fall under any of the subparagraphs of Article 172-1, paragraph 4 of the Company Law, the board of directors may exclude them from the agenda.

Shareholders may submit advisory proposals to urge the Company to enhance public interests or fulfill social responsibilities. The procedural requirements shall comply with the relevant provisions of Article 172-1 of the Company Law, limited to one proposal per shareholder. If more than one proposal is submitted, none shall be included in the agenda.

Before the convening of the regular shareholders' meeting, the Company shall announce the acceptance of shareholders' proposals, the method of written or electronic submission, the place of submission, and the submission period. The submission period shall not be less than ten days. Shareholder proposals shall be limited to three hundred words; if exceeding three hundred words, the proposal shall not be included in the agenda. Shareholders submitting proposals shall attend the shareholders' meeting in person or authorize others to attend on their behalf and participate in the discussion of the proposal.

Before the date of the shareholders' meeting notice, the Company shall notify the proposing shareholders of the handling results and include the proposals that comply with the provisions of this article in the meeting notice. The reasons for proposals not included in the agenda shall be explained by the board of directors at the shareholders' meeting.

Article 4

Shareholders may issue a proxy letter issued by the Company for each shareholder meeting, specifying the scope of authorization, the appointed proxy, and the attendance of the shareholder meeting.

Each shareholder may issue only one proxy letter and appoint only one proxy. The proxy letter should be delivered to the Company five days before the shareholder meeting. In case of duplicate proxy letters, the one received first shall prevail. However, the declaration of revocation of the previous proxy shall not be subject to this deadline.

After delivering the proxy letter to the Company, if a shareholder wishes to attend the shareholder meeting in person or wishes to exercise voting rights in writing or electronically, they should notify the Company in writing of the revocation of the proxy two days before the shareholder meeting. If the revocation is overdue, the voting rights exercised by the appointed proxy shall prevail.

After delivering the proxy letter to the Company, if a shareholder wishes to attend the shareholder meeting via video conference, they should notify the Company in writing of the revocation of the proxy two days before the shareholder meeting. If the revocation is overdue, the voting rights exercised by the appointed proxy shall prevail.

Article 5 (The Principles for the Venue and Time of Shareholders' Meetings)

The location of the shareholders' meeting shall be at the Company's registered office or at a location convenient for shareholders to attend and suitable for holding the shareholders' meeting. The meeting start time shall not be earlier than 9:00 a.m. or later than 3:00 p.m., and the location and time of the meeting shall take into account the opinions of independent directors.

However, when the Company convenes a video conference shareholders' meeting, it is not bound by the aforementioned restrictions on the meeting location.

Article 6 (Preparation of Sign-in Sheet and Other Documents)

The Company shall include in the meeting notice the time and location for shareholders (hereinafter referred to as "shareholders") to register, as well as other matters to note.

The registration time for shareholders shall be at least thirty minutes before the meeting starts; the registration location shall be clearly marked, and suitable personnel shall be assigned to handle it. For video conference shareholders' meetings, registration shall be accepted on the video conference platform at least thirty minutes before the meeting starts. Shareholders who complete the registration shall be considered as personally attending the shareholders' meeting.

Shareholders shall attend the shareholders' meeting with attendance certificates, attendance sign-in cards, or other attendance documents. The Company shall not arbitrarily request additional proof of attendance from shareholders. Solicitors shall bring identification documents for verification.

The Company shall provide a sign-in sheet for shareholders to sign in, or shareholders may submit sign-in cards for signing in.

The Company shall provide the agenda handbook, annual report, attendance certificates, speaking slips, ballots, and other meeting materials to attending shareholders. For elections of directors, ballots shall be provided separately.

When government agencies or legal entities are shareholders, their representatives at the shareholders' meeting are not limited to one person. When a legal entity is appointed to attend the shareholders' meeting, only one person shall be designated to represent it.

For shareholders' meetings conducted via video conference, shareholders who wish to attend via video conference shall register with the Company at least two days before the shareholders' meeting.

For shareholders' meetings conducted via video conference, the Company shall upload the agenda handbook, annual report, and other relevant documents to the video conference platform at least thirty minutes before the meeting starts, and shall continue to disclose them until the meeting ends.

Article 6-1

When the Company convenes a video conference shareholders' meeting, the meeting notice shall specify the following matters:

1. The methods for shareholders to participate in the video conference and exercise their rights.
2. The handling procedures in the event of obstacles to participating in or conducting the video conference due to natural disasters, incidents, or other force majeure circumstances. These shall include at least the following:
 - (a) In the event that obstacles occur before the meeting, causing the meeting to be postponed or continued, the duration of the obstacle and the rescheduled or continued meeting date shall
 - (b) Shareholders who did not register to participate in the original shareholders' meeting via video conference shall not be allowed to participate in the rescheduled or continued meeting.
 - (c) In the event of a video-assisted shareholders' meeting, if the video conference cannot continue, the meeting shall proceed with the attendance of shareholders who participated via video conference, provided that the total shareholding represented by attending shareholders meets the statutory threshold for convening the shareholders' meeting. Shareholders participating via video conference shall be counted towards the total shareholding represented by attending shareholders, and their votes shall be deemed abstentions for all agenda items of the meeting.
 - (d) Procedures in case all agenda items have been announced with results, and no ad hoc resolutions have been proposed.
3. For the convening of a video conference shareholders' meeting, appropriate alternative measures shall be provided for shareholders who have difficulties participating via video conference. Except in cases specified in Article 44-9(6) of the Guidelines for Handling Securities Affairs of Publicly Issued Companies, at least connection equipment and necessary assistance shall be provided to shareholders, and the period for shareholders to apply to the Company shall be specified, along with other relevant matters to note.

Article 7 (Chairperson of the Shareholders' Meeting, Attendees)

If the shareholders' meeting is convened by the Board of Directors, the chairperson shall be the Chairman of the Board. In the event that the Chairman is absent or unable to perform their duties

for any reason, the Vice Chairman shall act as the proxy. If there is no Vice Chairman or the Vice Chairman is also absent or unable to perform their duties, the Chairman shall designate one Executive Director to act as the proxy. If there is no Executive Director, one Director shall be designated by the Chairman to act as the proxy. If the Chairman does not designate a proxy, one Executive Director or Director shall be chosen by mutual recommendation among the Executive Directors or Directors to act as the proxy.

If the chairperson is an Executive Director or a proxy of a Director, they shall have served for at least six months and possess an understanding of the financial and business conditions of the Company. The same applies if the chairperson is a representative of a corporate director.

For shareholders' meetings convened by the Board of Directors, it is preferable for the Chairman of the Board to preside over the meeting in person. Furthermore, a majority of the directors of the Board should be present, and at least one representative from various functional committees should attend. The attendance shall be recorded in the minutes of the shareholders' meeting.

If the shareholders' meeting is convened by a person other than the Board of Directors, the chairperson shall be the convening person. If there are two or more convening persons, they shall mutually recommend one person to act as the chairperson.

The Company may appoint appointed lawyers, accountants, or relevant personnel to attend the shareholders' meeting.

Article 8 (Recording or Video Recording of Shareholders' Meeting Proceedings)

The Company shall record and video record continuously and uninterruptedly the entire process of shareholder registration, meeting proceedings, and voting counting from the commencement of shareholder registration.

The audiovisual data mentioned above shall be retained for at least one year. However, if a lawsuit is filed by shareholders under Article 189 of the Company Law, it shall be retained until the conclusion of the litigation.

In the case of a shareholders' meeting conducted via video conference, the Company shall record and retain data regarding shareholder registration, enrollment, registration, questioning, voting, and company voting results, and shall continuously and uninterruptedly record and video record the entire video conference.

The aforementioned data and audiovisual recordings shall be properly preserved by the Company throughout the retention period, and the recordings shall be provided to the entrusted personnel responsible for handling video conference affairs for safekeeping.

In the case of a shareholders' meeting conducted via video conference, the Company should also record the operation interface of the video conference platform.

Article 9

Shareholders' attendance at the meeting shall be based on the number of shares held. The number of attending shares shall be calculated based on the signatures in the attendance register, the submission of attendance cards, and the number of shares reported on the video conference platform, including those exercising voting rights in writing or electronically.

Once the meeting time has arrived, the chairman shall promptly declare the meeting open and simultaneously announce the number of shares without voting rights and the total number of attending shares.

However, if the attendance of shareholders representing more than half of the total issued shares is not achieved, the chairman may announce a postponement of the meeting. This postponement may occur up to two times, with a total delay not exceeding one hour. If after two postponements the attendance of shareholders representing more than one-third of the total issued shares is still not met, the chairman shall declare the adjournment of the meeting. In the case of a shareholders' meeting conducted via video conference, the Company shall also announce the adjournment on the video conference platform.

If after two postponements the required attendance is still not met but shareholders representing more than one-third of the total issued shares are present, the chairman may proceed with an informal resolution in accordance with Article 175, Paragraph 1 of the Company Law, and shall notify all shareholders of this informal resolution within one month for the reconvening of the shareholders' meeting. In the case of a shareholders' meeting conducted via video conference, shareholders wishing to attend via video conference shall re-register with the Company as per Article 6.

Before the conclusion of the current meeting, if the attending shareholders representing more than half of the total issued shares, the chairman may submit the informal resolution made to the shareholders' meeting for a vote again in accordance with Article 174 of the Company Law.

Article 10

If the shareholders' meeting is convened by the board of directors, the agenda shall be determined by the board of directors. All relevant proposals (including amendments to original proposals and ad hoc motions) shall be put to a vote. The meeting shall proceed according to the scheduled agenda and shall not be changed without the decision of the shareholders' meeting.

If the shareholders' meeting is convened by a person other than the board of directors, the provisions of the preceding paragraph shall apply *mutatis mutandis*.

Before the conclusion of the agenda set forth in the preceding two paragraphs, the chairman shall not adjourn the meeting without resolution. If the chairman violates the rules of procedure and adjourns the meeting, other members of the board of directors shall promptly assist the shareholders to elect a chairman by a majority vote of the attending shareholders, in accordance with the statutory procedures, to continue the meeting.

The chairman shall provide ample explanation and discussion opportunities for proposals, proposed amendments, or ad hoc motions raised by shareholders. When it is deemed that a sufficient level of discussion has been reached, the chairman may announce the end of the discussion, put the matter to a vote, and allocate an appropriate voting time.

Article 11 (Shareholder Speech)

Before speaking at the shareholder meeting, shareholders must first fill out a speech slip indicating the purpose of their speech, shareholder account number (or attendance card number), and name, with the speaking order determined by the chairman.

If a shareholder attends the meeting but does not speak, it is considered as if they did not speak. If the content of the speech does not match what is written on the speech slip, the content of the speech prevails.

Each shareholder is allowed to speak on the same agenda item no more than twice, with each speech limited to five minutes, unless otherwise approved by the chairman. The chairman may stop a shareholder from speaking if their speech violates the rules or goes beyond the scope of the agenda. During a shareholder's speech, other shareholders must not speak or disrupt without the consent of the chairman and the speaking shareholder, and the chairman should intervene if there is a violation.

When a corporate shareholder appoints two or more representatives to attend the shareholder meeting, only one person may speak on the same agenda item.

After a shareholder speaks, the chairman may personally respond or designate relevant personnel to do so.

In the case of a shareholder meeting conducted via video conference, shareholders participating via video may submit questions in writing on the video conference platform from the time the meeting is called to order until it is adjourned, with each question limited to two times and 200 words each time. The provisions from the first to the fifth paragraph do not apply in this case.

Questions that do not violate the rules or go beyond the scope of the agenda should be disclosed on the video conference platform for everyone's information.

Article 12 (Calculation of Voting Shares, Abstention System)

The voting at shareholders' meetings shall be based on shareholding. The shares held by shareholders without voting rights shall not be counted towards the total number of issued shares in the resolution of the shareholders' meeting. Shareholders who have a conflict of interest that may harm the interests of the company shall not participate in the vote and shall not delegate their voting rights to other shareholders. The shares for which voting rights cannot be exercised shall not be counted towards the total voting rights of the shareholders present. Except for trust enterprises or stock agents approved by the securities regulatory authority, when one person is entrusted by two or more shareholders simultaneously, the voting rights delegated shall not exceed three percent of the total voting rights of the issued shares, and any excess voting rights shall not be counted.

Article 13

Shareholders are entitled to one vote per share; however, those restricted or listed as having no voting rights under Article 179, Paragraph 2 of the Company Act are excluded from this limit.

During the period when the company's stocks are registered on the Emerging Stock Market or listed on the stock exchange, shareholders' meetings may be conducted electronically, and shareholders may exercise their voting rights in writing. The method of exercising voting rights shall be specified in the notice of the shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically shall be deemed to be present at the shareholders' meeting. However, with regard to ad hoc resolutions and amendments to original proposals made at the shareholders' meeting, they

are deemed to have abstained. Therefore, the company should avoid proposing ad hoc resolutions and amendments to original proposals.

For shareholders who exercise their voting rights in writing or electronically, their expressions of intention shall be delivered to the company at least two days before the meeting. In case of duplicate expressions of intention, the one received first shall prevail. However, this does not apply to expressions of intention that have been revoked before the deadline.

If a shareholder wishes to attend the shareholders' meeting in person or via video conferencing after exercising their voting rights in writing or electronically, they should withdraw their previous expression of intention to vote in the same manner as used for exercising voting rights at least two days before the meeting. If the withdrawal is made after the deadline, the voting rights exercised in writing or electronically shall prevail. If a shareholder exercises their voting rights in writing or electronically and appoints a proxy to attend the shareholders' meeting, the voting rights exercised by the proxy shall prevail.

Unless otherwise provided by the Company Act or the company's articles of incorporation, resolutions at the shareholders' meeting shall be passed with the consent of more than half of the voting rights of the shareholders present. During the voting process, shareholders shall vote, and the results of their approval, disapproval, or abstention shall be entered into the Market Observation Post System on the day of the shareholders' meeting.

When there are amendments or alternative proposals for the same agenda item, the chairman shall determine the voting order for them together with the original proposal. If one of the proposals has already been passed, the other proposals shall be deemed rejected, and there is no need for further voting.

The chairman shall appoint scrutineers and vote counters for the voting on resolutions or elections at the shareholders' meeting, but the scrutineers shall be shareholders themselves.

The vote counting and tallying for the resolutions or election of items on the agenda of the shareholders' meeting shall be conducted publicly at the meeting venue, and the results, including the number of votes, shall be announced immediately after the counting is completed, and records shall be made.

In the case of shareholders' meetings conducted via video conferencing, shareholders participating via video conferencing shall vote on each agenda item and election of items through the video conferencing platform after the chairman announces the start of the meeting, and they shall complete the voting before the chairman announces the end of the voting. Those who exceed the time limit shall be deemed to have abstained.

For shareholders' meetings conducted via video conferencing, the chairman shall conduct a one-time vote counting after announcing the end of the voting, and the results of the resolutions and elections shall be announced.

When the company convenes an auxiliary shareholders' meeting with video conferencing, shareholders, solicitors, or proxies who have registered to attend the shareholders' meeting via video conferencing in accordance with Article 6 and wish to attend the physical shareholders' meeting in person shall withdraw their registration in the same manner as the registration at least two days before the shareholders' meeting. Failure to withdraw within the deadline will result in only the option to attend the shareholders' meeting via video conferencing.

For shareholders who exercise their voting rights in writing or electronically and subsequently participate in the shareholders' meeting via video conferencing without withdrawing their expression of intention, except for ad hoc resolutions, they may not exercise voting rights on the original proposal again, propose amendments to the original proposal, or vote on amendments to the original proposal.

Article 14

When there is an election of directors at a shareholders' meeting, it should be conducted in accordance with the relevant appointment regulations set forth by the company. The election results, including the list of elected directors with their respective vote counts and the list of unsuccessful candidates with their respective vote counts, should be announced on the spot.

The ballots for the election items mentioned above should be sealed and signed by the scrutineers, then properly preserved for at least one year. However, if shareholders file a lawsuit pursuant to Article 189 of the Company Act, they should be preserved until the conclusion of the lawsuit.

Article 15

Resolutions adopted at shareholders' meetings should be documented in minutes, signed or stamped by the chairperson, and distributed to each shareholder within twenty days after the meeting. The production and distribution of minutes may be conducted electronically.

The distribution of minutes mentioned above may be announced through the Taiwan Stock Exchange or the Taipei Exchange's public information system.

Minutes should accurately record the date, time, venue, chairperson's name, decision-making method, key points of the proceedings, and voting results (including weighted voting). In the case of director elections, the number of votes received by each candidate should be disclosed. These minutes should be permanently preserved during the company's existence.

For shareholders' meetings conducted via video conference, in addition to the aforementioned requirements, the minutes should also include the start and end times of the meeting, the method of convening the meeting, the names of the chairperson and the recorder, alternative measures provided to shareholders facing difficulties participating via video, and the handling procedures and outcomes in case of obstacles or disruptions to the video conference platform or participation.

When the company conducts video shareholders' meetings, in addition to complying with the above provisions, the minutes should specify the alternative measures provided to shareholders facing difficulties participating via video.

Article 16 (Public Announcement)

The company shall compile a statistical table on the shares solicited by the solicitor, shares represented by proxy, and shares attended via written or electronic means, in accordance with the prescribed format, on the day of the shareholders' meeting, and shall clearly display it at the venue of the meeting; in the case of a shareholders' meeting conducted via video conference, the company shall upload the aforementioned information to the shareholders' meeting video conference platform

at least thirty minutes before the meeting starts, and shall continue to disclose it until the meeting ends.

When the company convenes a video conference for a shareholders' meeting, the number of shareholders attending shall be disclosed on the video conference platform upon the announcement of the meeting. The same applies if there is another statistical attendance count during the meeting.

For resolutions of shareholders' meetings that constitute significant information as prescribed by laws or regulations of the Taiwan Stock Exchange Corporation (Taiwan Stock Exchange) or the Gretai Securities Market, the company shall transmit the content to the Market Observation Post System within the prescribed time frame.

Article 17 (Maintenance of Venue Order)

The personnel in charge of organizing shareholder meetings shall wear identification badges or armbands.

The chairman may direct marshals or security personnel to assist in maintaining order at the venue. Marshals or security personnel assisting in maintaining order shall wear armbands or identification badges bearing the words "Marshal" when present.

If there is a public address system at the venue, shareholders speaking through equipment not provided by the company may be prohibited by the chairman.

Shareholders who violate the rules of procedure, refuse to comply with the chairman's correction, and obstruct the conduct of the meeting despite being warned, may be asked to leave the venue by the chairman directing marshals or security personnel.

Article 18 (Breaks, Resumption of Meeting)

During the meeting, the chairman may announce breaks at appropriate intervals. In the event of force majeure, the chairman may temporarily suspend the meeting and announce a resumption time as circumstances permit.

If the venue scheduled for the meeting becomes unavailable before the agenda is completed, the shareholders' meeting may decide to relocate to continue the meeting.

The shareholders' meeting may decide to postpone or resume the meeting within five days in accordance with Article 182 of the Company Law.

Article 19 (Disclosure of Information for Video Conferences)

For meetings conducted via video conference, the company shall promptly disclose the results of each motion and election, in accordance with regulations, on the video conference platform after the voting concludes. This disclosure shall continue for at least fifteen minutes after the chairperson announces the adjournment of the meeting.

Article 20 (Location of Chairman and Recording Personnel for Video Conference Shareholders' Meeting)

When the company convenes a video conference shareholders' meeting, the chairman and recording personnel should be at the same location within the country, and the chairman should announce the address of that location at the beginning of the meeting.

Article 21 (Handling of Disconnection)

For a shareholders' meeting conducted via video conference, the company may conduct a simple connectivity test for shareholders before the meeting and provide relevant services promptly during and prior to the meeting to assist in addressing technical communication issues.

In the event of circumstances such as natural disasters, emergencies, or other force majeure events causing a disruption to the video conference platform or participation via video conferencing for more than thirty minutes, the chairman shall, unless exempted under Article 44-20, paragraph 4 of the Guidelines for Handling Corporate Services of Publicly Issued Companies, announce within five days a postponement or continuation of the meeting before declaring adjournment. This provision is not subject to Article 182 of the Company Act.

Shareholders who were not registered for participation via video conferencing at the original shareholders' meeting shall not be allowed to participate in the postponed or continued meeting.

For a meeting postponed or continued as per the provisions of paragraph 2, shareholders who were registered for participation via video conferencing at the original shareholders' meeting and completed the check-in process but did not participate in the postponed or continued meeting shall have their shareholding, exercised voting rights, and election rights included in the total shares, voting rights, and election rights of the shareholders attending the postponed or continued meeting.

When conducting a meeting postponed or continued as per the provisions of paragraph 2, matters that have already undergone voting and vote counting, with the voting results or the list of elected directors announced, shall not require reconsideration or re-voting.

In the case of a video-assisted shareholders' meeting where continuation of the video conference is not feasible as described in paragraph 2, if the total shares represented at the meeting, after deducting those represented by shareholders attending via video conferencing, still meet the legal quorum required for the meeting, the meeting shall proceed without the need for postponement or continuation as per the provisions of paragraph 2.

In the event described in the preceding paragraph, the shares represented by shareholders participating via video conferencing shall be counted towards the total shares represented at the shareholders' meeting. However, they shall be considered as abstaining from voting on all agenda items for that shareholders' meeting.

When the company postpones or continues a meeting as per the provisions of paragraph 2, it shall carry out the relevant preparatory work according to the original shareholders' meeting date and the provisions of the respective articles listed under Article 44-20, paragraph 7 of the Guidelines for Handling Corporate Services of Publicly Issued Companies.

For the shareholders' meeting date set for postponement or continuation under the provisions of paragraph 2, the company shall proceed in accordance with the latter part of Article 12 of the Regulations Governing Shareholders' Meetings of Public Companies, Article 44-5, paragraph 2,

Article 44-15, and Article 44-17, paragraph 1 of the Guidelines for Handling Corporate Services of Publicly Issued Companies.

Article 22 (Handling of Digital Discrepancies)

When holding a virtual shareholders' meeting, the company should provide appropriate alternative measures for shareholders who have difficulties attending the meeting via video conference. Except for situations specified in Article 44-9, Paragraph 6 of the Guidelines for Handling Corporate Affairs of Publicly Issued Companies, the company must at least provide shareholders with connection equipment and necessary assistance, and specify the period during which shareholders can apply to the company and other relevant points to note.

Article 23

This regulation shall come into effect upon approval by the shareholders' meeting, and the same shall apply to any amendments.

KING SHING INDUSTRIAL CO., LTD.

Articles of Association of the Company

Chapter 1: General Provisions

Article 1: This company is organized in accordance with the provisions of the Company Act and is named KING SHING INDUSTRIAL CO.,LTD. in English.

Article 2: The businesses operated by this company are as follows:

1. CD01030 - Automobile and Parts Manufacturing Industry
2. CD01040 - Motorcycle and Parts Manufacturing Industry
3. CD01050 - Bicycle and Parts Manufacturing Industry
4. CA02060 - Metal Container Manufacturing Industry
5. CC01030 - Electrical and Audiovisual Electronics Product Manufacturing Industry
6. CC01080 - Electronic Components Manufacturing Industry
7. F401010 - International Trade Industry
8. ZZ99999 - Apart from licensed operations, may engage in businesses not prohibited or restricted by law.

Article 3: The headquarters of this company is located in Taoyuan City, Republic of China (Taiwan). When necessary, with the resolution of the board of directors, branch offices may be established domestically or internationally.

Article 4: The methods of public announcement of this company shall be conducted in accordance with Article 28 of the Company Act.

Article 5: This company may provide guarantees to external parties.

Article 6: With the resolution of the board of directors, this company may make investments domestically and internationally. When acting as a limited liability shareholder of other companies, the total amount of investments shall not exceed 40% of the actual paid-in capital of this company, as stipulated by Article 13 of the Company Act.

Chapter 2: Shares

Article 7: The total capital of the company is set at NT\$800 million, divided into 80 million shares, with a par value of NT\$10 per share. The Board of Directors is authorized to issue shares in multiple installments.

Out of the aforementioned total capital, 6 million shares are reserved for the exercise of employee stock options. The Board of Directors is authorized to issue these shares in multiple installments.

In accordance with relevant laws and regulations regarding the issuance of employee stock options, if the proposed issuance price of the stock options does not fall under the restrictions stipulated in Article 53 of the Regulations Governing the Offering and Issuance of Securities by Issuers, the issuance may only proceed upon approval by a shareholder meeting attended by more than half of the total number of issued shares and with the affirmative vote of more than two-thirds of the voting rights represented at the meeting.

Article 8: The shares of this company are registered, and they are signed or stamped by a director representing the company, and issued after being certified by the competent authority or its designated registration institution. The company's issued shares may be exempt from printing stock certificates, but they should be registered with a securities central depository institution.

Article 9: The employee stock options, restricted employee rights shares, and newly issued shares of this company shall reserve a certain proportion for subscription by employees or for repurchase of shares for transfer to employees in accordance with the law. The recipients of such issuance or transfer may include employees of subsidiary companies who meet certain conditions, the conditions and transfer methods of which shall be determined by the board of directors.

Article 10: The management of the company's stocks shall be conducted in accordance with the Guidelines for Handling Stock Affairs of Publicly Issued Stock Companies issued by the Financial Supervisory Commission, unless otherwise stipulated by laws or regulations.

Article 11: Changes recorded in the shareholder register shall not be made within sixty days before the annual general meeting of shareholders, within thirty days before an extraordinary general meeting of shareholders, or within five days before the record date for the distribution of dividends or other benefits determined by the company.

Chapter 3: Shareholders' Meeting

Article 12: Shareholders' meetings are divided into regular meetings and extraordinary meetings. Regular meetings shall be convened at least once a year, convened by the board of directors within six months after the end of each fiscal year in accordance with the law. Extraordinary meetings shall be convened when necessary according to the law.

Article 13: Each shareholder of the company, unless otherwise stipulated by law, shall have one voting right for each ordinary share.

Article 14: Shareholders' meetings of the company may be conducted via video conference or other methods announced by the competent authority.

Article 15: Unless otherwise stipulated by the Company Act, resolutions of the shareholders' meeting shall be adopted with the affirmative vote of more than half of the total number of issued shares represented by the shareholders present, and with the affirmative vote of more than half of the voting rights represented at the meeting.

Article 16: Shareholders who are unable to attend the shareholders' meeting due to reasons may issue a power of attorney specifying the scope of authorization, authorizing a proxy to attend the shareholders' meeting. The method of shareholders authorizing attendance shall be handled in accordance with the "Rules for the Use of Proxy Forms by Shareholders of Publicly Issued Companies" issued by the competent authority, in addition to the provisions of Article 177 of the Company Act.

Article 17: After the company's stocks are publicly traded, shareholders may exercise their voting rights electronically. Shareholders who exercise their voting rights electronically shall be deemed to be present in person. All related matters shall be handled in accordance with the relevant laws and regulations.

Article 18: When the shareholders' meeting is convened by the board of directors, it shall be chaired by the chairman of the board. In the absence or inability of the chairman to exercise his/her duties, the chairman shall designate another director as the chairman. If no designation is made, the directors shall elect a chairman from among themselves.

Article 19: Decisions made at the shareholders' meeting shall be recorded in the minutes, which shall be signed or stamped by the chairman and distributed to each shareholder within twenty days after the meeting. The preparation and distribution of the minutes shall be handled in accordance with Article 183 of the Company Act.

Chapter 4: Directors and Audit Committee

Article 20: The company shall have 5-9 directors, each serving a term of three years. Directors shall be nominated by a candidate nomination system, and appointed from the list of director candidates by the shareholders' meeting. Directors may be re-elected consecutively.

In the preceding provision, the number of independent directors shall not be less than 2 persons, and shall not be less than one-fifth of the total number of directors. Independent directors shall be nominated by a candidate nomination system and appointed from the list of independent director candidates by the shareholders' meeting. Matters concerning the professional qualifications, shareholding, concurrent positions restrictions, nomination and appointment procedures, and other matters to be complied with regarding independent directors shall be handled in accordance with relevant regulations of the securities regulatory authority.

The company shall establish an audit committee in accordance with Article 14-4 of the Securities Exchange Act, which shall be composed of all independent directors and shall be responsible for exercising the powers of supervisors stipulated by the Company Act, the Securities Exchange Act, and other laws and regulations. Matters such as the number of members, term of office, powers, and rules of procedure of the audit committee shall be governed by the regulations of the audit committee organization.

Article 21: The board of directors shall be chaired by the chairman of the board, who is elected by more than two-thirds of the directors present at the board meeting. If the majority of the directors present agree, a vice chairman may also be elected as needed in the same

manner. The chairman represents the company externally. In the event that the chairman is absent or unable to perform his/her duties for any reason, the provisions of Article 208 of the Company Act shall apply.

Article 22: The board of directors shall be convened by the chairman of the board unless otherwise stipulated by the Company Act. Except as otherwise provided by law, resolutions of the board of directors shall be adopted by a majority vote of the directors present at the meeting, with the agreement of the majority of the directors present. In the event that a director is unable to attend the board meeting for any reason, they may appoint another director as their proxy to attend the meeting in accordance with Article 205 of the Company Act, provided that one proxy is limited to representing one absent director.

Article 23: The convocation of the board of directors shall specify the reasons and shall notify each director in writing, by fax, email, or other electronic means, at least seven days in advance. However, in case of emergency, the board of directors may be convened at any time.

Article 24: The powers of the board of directors are as follows:

1. Deliberation on business policies, medium- and long-term development plans, and supervision of the execution of annual business plans.
2. Proposal of preliminary budgets.
3. Formulation of plans for capital increase or decrease.
4. Proposal of profit distribution or loss offsetting.
5. Proposal of significant external contracts.
6. Proposal of amendments to the company's articles of association.
7. Formulation of the company's organizational regulations and important business regulations.
8. Establishment, closure, reorganization, or dissolution of branches.
9. Appointment or dismissal of the company's executives.
10. Selection of auditors for audit verification.
11. Convocation of shareholders' meetings.
12. Proposal of the purchase or disposal of significant company assets.
13. Proposal of endorsements or guarantees for the company's external obligations; formulation of investment plans abroad.
14. Proposal of using dividends, profits, or surplus reserves to increase capital.
15. Exercise of powers under Article 202 of the Company Act.
16. Resolutions regarding the distribution of cash dividends to shareholders, statutory surplus reserves, and capital reserves.

Article 25: The proceedings of the board of directors shall be recorded in minutes, which shall be signed or stamped by the chairman and distributed to each director within twenty days after the meeting. The minutes shall record the date, time, and location of the meeting,

the name of the chairman, the method of decision-making, and shall include the main points and results of the proceedings. The minutes, along with the attendance register of directors and proxy appointment documents for proxy attendance, shall be kept by the company.

Article 26: The board of directors may establish various functional committees, and the qualifications, powers, and related matters of their members shall be handled in accordance with relevant laws and regulations, as determined by the board of directors.

Article 27: The remuneration of all directors shall be determined by the board of directors based on the usual industry standards, as well as their level of participation and contribution to the operation of the company.

Article 28: The board of directors may, based on actual needs, with the attendance of more than half of the directors and the agreement of the majority of the directors present, purchase liability insurance for each term of directors during their term of office within the scope of their duties, as required by law.

Chapter 5: Management

Article 29: The company may appoint managers, and their appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter 6: Accounting

Article 30: The company adopts the calendar year system, with each accounting year running from January 1st to December 31st.

Article 31: At the end of each accounting year, the board of directors shall prepare (1) an operating report, (2) financial statements, and (3) a proposal for profit distribution or loss offsetting. These documents shall be submitted to the shareholders' meeting for approval in accordance with the statutory procedures.

Article 32: If the company earns a profit for the year, it shall allocate not less than 1% for employee remuneration and not more than 5% for director remuneration. However, if the company has accumulated losses, an amount shall be set aside in advance for offsetting these losses. Employee remuneration may be distributed in the form of stocks or cash, and the recipients shall include employees of subsidiary companies who meet certain conditions, which shall be determined by the board of directors. The distribution of employee and director remuneration shall be approved by a resolution of the board of directors with the affirmative vote of at least two-thirds of the directors present and with the agreement of the majority of the directors present, and shall be reported to the shareholders' meeting.

Article 33: In the annual financial statements of the company, if there is a surplus, taxes shall first be paid, followed by the offsetting of accumulated losses. Ten percent shall then be allocated as statutory surplus reserves, but if the statutory surplus reserves have reached the paid-in capital, this limit does not apply. Additionally, in accordance with laws or regulations or provisions of the competent authority, special surplus reserves may be

allocated or reversed. The remaining balance, after taking into account any unallocated profits from the beginning of the period, may be considered distributable profits. After considering any reservations, the board of directors shall prepare a proposal for profit distribution, which shall be submitted to the shareholders' meeting for resolution and distribution.

The company authorizes the board of directors, with the attendance of at least two-thirds of the directors and the agreement of the majority of the directors present, to distribute all or part of the dividends, capital reserves, or statutory surplus reserves that should be distributed in the form of cash, and to report to the shareholders' meeting.

The company is currently in a growth stage, and its dividend policy regarding the allocation of accumulated distributable profits must consider factors such as the current and future investment environment, funding requirements, domestic and international competitive conditions, and capital budgeting, while balancing the interests of shareholders and the company's long-term financial planning. Among the dividends distributed for the fiscal year, at least ten percent must be allocated as cash dividends. However, the board of directors may adjust this ratio based on the overall operating conditions at the time and submit it to the shareholders' meeting for resolution.

When the company sets aside special surplus reserves in accordance with the law, if there is an insufficient amount for the provision of "Accumulated net increase in fair value of investment properties from previous periods." and "The net decrease in other equity items from previous periods." the shortfall should first be deducted from the undistributed profits from previous periods before distributing profits. If there is still an insufficient amount, the shortfall should then be deducted from the amount of undistributed profits for the current period, including items beyond post-tax net profit for the current period.

Chapter 7: Supplementary Provisions

Article 34: The organization and management regulations of the company shall be separately formulated by the board of directors.

Article 35: Provisions not covered in this articles of association shall be handled in accordance with the Company Law and other relevant laws and regulations.

Article 36: This Articles of Association was established on February 27, 1989.

First Amendment: February 20, 2003.

Second Amendment: November 15, 2005.

Third Amendment: November 5, 2008.

Fourth Amendment: October 30, 2009.

Fifth Amendment: August 10, 2010.

Sixth Amendment: January 16, 2013.

Seventh Amendment: July 8, 2013.

Eighth Amendment: October 29, 2015.

Ninth Amendment: May 20, 2019.

Tenth Amendment: June 30, 2021.

Eleventh Amendment: July 29, 2022.

Twelfth Amendment: April 20, 2023.

Thirteenth Amendment: February 5, 2024.

KING SHING INDUSTRIAL CO., LTD.

President of the Board : SHIH, CHUN-CHIN

【Appendix III】**KING SHING INDUSTRIAL CO., LTD.****Shareholding of All Directors****Date of Record: April 30, 2024**

Title	Name	Shareholdings (Shares)
Chairman	SHIH, CHUN-CHIN	8,624,000
Director	CHU YUN CO., LTD. Legal Representative : KU, CHI-HUI	3,723,000
Director	QLAO ZHONG INVESTMENT CO., LTD. Legal Representative : SHIH, MENG-CHIN	11,033,000
Director	SHENG JI CHANG INTERNATIONAL CO., LTD. Legal Representative : SHAO, ZHONG-PING	3,870,000
Director	JIN JIE INVESTMENT CO., LTD. Legal Representative : LIU, YEN-TI	150,000
Independent Director	LIU, TENG-FA	—
Independent Director	TSAI, JUNG-FA	—
Independent Director	WANG, CHI-CHUAN	—
Independent Director	CHIU, KUO-WANG	—

Note:

- (1) As of April 30, 2024, the total issued shares of this company amounted to 60,000,000 ordinary shares.
- (2) The total number of shares held by all directors is 27,400,000, which meets the statutory percentage requirement.