



Stock Code : 6670

# FuSheng Precision Co., Ltd

## **2024 Annual Report (Translation)**

Market Observation Post System: <http://mops.twse.com.tw>

Company Website: <https://www.fusheng-precision.com>

Date: May 22, 2025

This report has been prepared in Mandarin and English respectively. In case of any discrepancy or inconsistency between the Mandarin and the English versions, the Mandarin version shall prevail.

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CPA Firm: Ernst & Young

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**5. Exchanges in Foreign Countries and the Means for Inquiry of the Securities: None****6. Company Website:** <https://www.fusheng-precision.com>

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## I. Letter to Shareholders

Ladies and Gentlemen,

The global golf industry attracted a large number of new groups of young people and women to play golf during the epidemic, resulting in a significant increase of more than 30% in the overall market size after the epidemic compared to the pre-epidemic period; after two years of industry volatility, the brand and channel inventory adjustments were finally completed in 2024, resulting in the normalization of customer orders, coupled with the gradual fermentation of the cost and geographical advantages of the production base in Vietnam, the related business showed steady growth; in addition, the non-golf business, which was acquired by the Company, continued to increase. In addition, with the continued increase in non-golf business from acquisitions, the annual revenue and profit in 2024 hit another record high.

In 2024, our annual sales amounted to NT\$28.370 billion (compared to NT\$24.381 billion in 2023), +16.4% YOY. Because of revenue growth, appreciation of the U.S. dollar, and increased production in Vietnam, the gross margin also increased to 26.7% (compared to 23.2% in 2023). Net profit attributable increased to NT\$3.796 billion (compared to NT\$2.404 billion in 2022), +57.9% YOY, and EPS was NT\$28.17 (compared to NT\$18.18 in 2023).

Looking forward to 2025, the Company's golf business will be on a steady growth trend, fueled by continued high market demand and new customer orders. In addition, the revenue in non-golf will also continue to increase due to the continued growth of the business of our existing subsidiaries and the addition of new M&A bidders. However, under the shadow of Trump's tariff policy and the weakening of the U.S. dollar, the Company's operations will face more diverse challenges, and external market demand may also face some pressure due to changes in the global economy. Fortunately, the Company has a strong operating structure, a healthy capital level, and continues to capitalize on the advantages of its global presence and increase the flexible deployment of its resources, and is confident that it will be able to face the various changes and satisfy the needs of its customers.

Empowered by our corporate culture of "Seeking Truth from Facts and Working on Excellence", we keep focusing on golf business operation efficiency. Moreover, by incorporating ESG elements and capitalizing on the capital market, we are actively exploring opportunities in non-golf sports equipment and the aerospace & automotive sectors for steady and sustainable growth. We aim to enhance our business expansion, technology upgrades and talent acquisition, striving to cater to employee happiness, customer satisfaction and sustainable development, so that can make contribution to shareholders and society.

Chairman: Liang-Chen Lee

## 1.1 Business Operation in 2024

### 1.1.1 Consolidated financial results

Unit: NT\$'000

Items	2023		2024		Change	
	Amount	(%)	Amount	(%)	Amount	(%)
Net sales	24,381,370	100.00	28,369,692	100.00	3,988,322	16.36
Cost of goods sold	(18,731,741)	(76.83)	(20,806,315)	(73.34)	(2,074,574)	11.08
Gross profit	5,649,629	23.17	7,563,377	26.66	1,913,748	33.87
Operating profit	3,041,058	12.48	4,657,934	16.42	1,616,876	53.17
Income before tax	3,308,616	13.57	5,142,744	18.13	1,834,128	55.43
Net income	2,404,300	9.86	3,795,669	13.38	1,391,369	57.87
EPS (NT\$)	18.18		28.17		9.99	

### 1.1.2 Budget implementation

The financial forecast is not disclosed for 2024, and thus this is not applicable.

### 1.1.3 Profitability analysis

Unit: NT\$'000

Items		2023	2024	Change (%)
Financial Performance	Net sales	24,381,370	28,369,692	16.36
	Gross profit	5,649,629	7,563,377	33.87
	Net income	2,404,300	3,795,669	57.87
Profitability Analysis	Return on assets (%)	11.53	16.78	45.53
	Return on shareholders' equity (%)	19.09	26.06	36.51
	Pre-tax income to paid-in capital (%)	249.57	376.32	50.79
	Net margin (%)	9.86	13.38	35.70
	Basic after-tax EPS (NT\$)	18.18	28.17	54.95

### 1.1.4 Research and development status

FSP continues investment in R&D, ex, High-strength Titanium Alloy Cup Face, Carbon Fiber Reinforced Thermal Plastics, Ti-Al Alloy Casting Technology, to cater to our customers' need. We commit to making uninterrupted investment in R&D capability, to solidify our leading position and broaden our core competence.

## 1.2 2025 Business Outlook

### 1.2.1 Business Direction

“Seeking Truth from Facts & Keeping Improving” is our corporate culture, which lays a solid foundation for delivering good quality, competitive pricing, quick service and on-time delivery. Moreover, FSP keeps enhancing global manufacturing loading, advancing smart manufacturing capacity, establishing scientific production system and accelerating new business development, to achieve healthy top line and bottom line in golf and non-golf businesses.

### 1.2.2 Production and Marketing Policy

1. To maintain good communication with golf customers, to cultivate co-design capability for design-in and design-win opportunities
2. To raise up first pass yield, to reduce defect and scrap rate
3. To explore non-golf customers for more revenue and profit streams

### 1.2.3 Operating Strategies & Focuses

1. To actively develop new materials, to satisfy customers’ needs
2. To replenish product development system, to set up scientific production system
3. To enhance automation, to improve manufacturing efficiency and effectiveness
4. To optimize global manufacturing loading, to strengthen competitiveness
5. To expedite non-golf business development, to increase product offering
6. To reinforce talent selection, training, education and maintenance
7. To implement Big Data, AI, IOT into management system

### 1.2.4 Macro Dynamics

In 2024, as brand manufacturers and channels have seen results in inventory level control, customers have gradually resumed new product launches and order placement, and the overall market size of golf has expanded after the epidemic; customers also continue to be optimistic about the golf sports industry.

In addition, facing the unceasing influence of the external environment, the Russian-Ukrainian and Israeli-Palestinian wars have not yet seen the dawn of peace, after Trump was re-elected as the U.S. President, in order to improve the U.S. economy, a series of tariff increases, the ongoing trade war between China and the U.S. and the implementation of a number of uncertainties in the implementation of the policy, coupled with the continued rise in global labor and raw material costs, inflation, and the risk of the overall economy to downward trend, and other issues to form a formidable challenge.

The Company possesses a resilient business structure, stable financial foundations, and healthy liquidity. Leveraging the advantages of our global presence, we will flexibly allocate resources and actively adapt to various changes to meet customer demands.

In addition, the global trend of ESG has brought about regulatory changes. This reinforces our commitment to actively investing in the ESG. We continue to organize and review our ESG achievements, and in the future, we will promote ESG in a more systematic manner, deepening our commitment and advancing sustainable actions.

## II. Corporate Governance Report

### 2.1 Profiles of the Directors and the Management Team

#### 2.1.1 Profiles of the Directors and Supervisors

##### 2.1.1.1 Information of the Directors and Supervisors

Title	Nationality or Place of Registration	Name	Gender and Age	Date Elected	Term (Years)	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held in the Name of Others		Education and Selected Past Positions	Selected Current Positions at Other Companies	Other officers, directors, or supervisors Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	R.O.C.	Liang-Chen Lee (L.C. Lee)	Male 61	06.21, 2023	3	09.14. 2010	5,287,929	3.99	3,487,929	2.50	-	-	1,800,000	1.29	Tokyo International University Chairman and General Manager of FuSheng Industrial Co., Ltd.	(Note 6)	Director	Roger Chiang	Brother in law	-
Director	R.O.C.	Ching-Sheng Chiang (Roger Chiang)	Male 67	06.21, 2023	3	09.14. 2010	1,407,430	1.06	1,407,430	1.05	2,335,230	1.68	-	-	Ming Chi Institute of Technology General Manager of Zhong Shan Worldmark Sporting Goods Ltd. General Manager of the Sport Division of Fusheng Industrial Co.,Ltd.	Director of Fu Sheng Industrial Co., Ltd. Director of FS-Precision Tech Co., LLC Director of Fusheng Electronics Corporation CEO of FuSheng Precision Co., Ltd. Chairman of NFT Technology Co., Ltd. Chairman of Zhong Shan Worldmark Sporting Goods Ltd. Director of Zhong Shan LongXing Precision Director of Minson Integration, Inc. Director of Aubo Precision (Hong Kong) Co., Limited	Chairman	L.C. Lee	Brother in law	-



Title	Nationality or Place of Registration	Name	Gender and Age	Date Elected	Term (Years)	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held in the Name of Others		Education and Selected Past Positions	Selected Current Positions at Other Companies	Other officers, directors, or supervisors Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation ship	
Director	R.O.C.	Lien Sheng Investment Co., Ltd.	-	06.21, 2023	3	09.15. 2017	3,352,343	2.53	3,352,343	2.41	-	-	-	-	-	-	-	-	-	-
	R.O.C.	Representative: Wang-Ming Lee (Maxwell Lee)	Male 60				-	-	108,000	0.08	-	-	-	-	Tamsui Institute of Business Administration Vice President of Zhong Shan Worldmark Sporting Goods Ltd.	Director of Zhong Shan LongXing Precision Machinery Co., Ltd. Director and General Manager of Zhong Shan Worldmark Sporting Goods Ltd. Director of World Gate Holdings Limited	-	-	-	-
Director	R.O.C.	TGVest Associates (One) Co., Ltd.	-	06.21, 2023	3	01.24, 2018	200,000	0.15	216,000	0.15	-	-	-	-	-	-	-	-	-	-
	R.O.C.	Representative: Duen-Chian Cheng	Male 63				-	-	-	-	-	-	-	-	Master of Business Administration, Columbia University NATIONAL TAIWAN UNIVERSITY B.S. in Banking and Finance Chairman and Director of Clientron Corp. President of UMC Capital Corporation Managing Director of United Investments President of Morgan Stanley Taipei and Head of Taiwan IBD Executive Director of the Investment Banking Division and General Manager of the Taiwan Branch at Morgan Stanley Asia L.L.C.	Chairman of TGVest Capital Inc. Chairman of TriKnight Capital Corporation Vice Chairman of LuxNet Corporation Independent Director of EDOM TECHNOLOGY CO., LTD. Independent Director of ASIA POLYMER CORPORATION Independent Director of ELITE MATERIAL CO., LTD. Director of Advanced Energy Solution Holding Co., Ltd. Director of Minson Integration, Inc. Director of AcSiP Technology Corp Director of uPI semiconductor corp.	-	-	-	-

Title	Nationality or Place of Registration	Name	Gender and Age	Date Elected	Term (Years)	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held in the Name of Others		Education and Selected Past Positions	Selected Current Positions at Other Companies	Other officers, directors, or supervisors Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation ship	
Independent Director	R.O.C.	Victor Wei-Chi Liu (Victor Liu)	Male 73	06.21, 2023	3	01.24. 2018	-	-	-	-	-	-	-	-	Ph. D of Business Administration, Northwestern University Principal of National Sun Yat-sen University Chairman of International Commercial Bank of China Chairman of Taiwan High Speed Rail Corporation Chairman of IBF Financial Holdings	Principal of Chung Hua University Independent Director of TECO Corporation Director of Airiti Inc. Independent Director Candidate of An-Shin Food Services Co., Ltd.	-	-	-	-
Independent Director	R.O.C.	Chi-Tzu Kao (Michael Kao)	Male 65	06.21, 2023	3	01.24. 2018	-	-	-	-	-	-	-	-	Ph.D of Chemistry, University of California Berkeley Division Master of Business Administration, National Taiwan University Bachelor of the Department of Chemistry, National Taiwan University Co-founder, EVP, General Manager and Vice Chairman of ITEQ Corporation Chairman of IMAT Corporation	President of Taiwan ITRI New Venture Association Independent Director of INPAQ Technology Co., Ltd. Independent Director of Ta Liang Technology Co., Ltd Director of IMAT CORPORATION Director of Sheng Mao Investment Co., Ltd. Director of i-Bot Technology Inc. Chairman of Ren Mao Technology Management Consulting Co., Ltd Director of Orangeapple Co. Supervisor of Astron Materials Corporation Director of Grandway Wonice Technology Inc. Supervisor of De Mao Investment Co., Ltd. Chairman of Taiwan BASE Tech Venture Corporation	-	-	-	-

Title	Nationality or Place of Registration	Name	Gender and Age	Date Elected	Term (Years)	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held in the Name of Others		Education and Selected Past Positions	Selected Current Positions at Other Companies	Other officers, directors, or supervisors Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Independent Director	R.O.C.	Chih-Kang Chen (C.K. Chen)	Male 59	06.21, 2023	3	01.24. 2018	-	-	-	-	-	-	-	-	Bachelor of the Department of Accounting, National Cheng Kung University Director and General Manager of WUS Printed Circuit Co., Ltd.	Director and General Manager of WUS Printed Circuit Co., Ltd. Chairman of WUS Group Holdings Co., Ltd. Chairman of WUS Group (BVI) Holdings Co., Ltd. Chairman and General Manager of WUS Printed Circuit (Singapore) Pte. Ltd. Director of China Electronic (BVI) Holdings Co., Ltd. Director of Centron Electronics (Kunshan) Co., Ltd.	-	-	-	-

Note 6 : Chairman of Fu Sheng Industrial Co., Ltd., Chairman of Fusheng Electronics Corporation, Director of Fusheng Industrial (Shanghai) Co., Ltd, Director of Well Base International Limited, Director of Caysheng Holding Co., Ltd, Director of High Honour Limited, Director of Worldmark Services Limited, Director of Earnest Pacific Limited, Director of FS—ELLIOTT MACHINRY CO., Ltd, Director of Fu Sheng USA, Inc. , Director of Curtis—Toledo Inc. , Director of Curtis—East, Inc, Director of California Air Compressor Company, Director of Magnolia Air Compressor Company, Director of Curtis—Toledo Distribution Inc. , Director of FS Compressor India Private Limited, Director of FS—America Inc. , Director of Valiant APO Holding Ltd. , Director of Valiant APO Holding II Ltd., Director of Valiant APO Holding III Ltd. , Director of Valiant APO Investments Ltd., Director of FS—Elliott Co., LLC. , Director of Vision International Co., Ltd. , Director of World Gate Holding Ltd.

### 2.1.1.2 Major shareholders of the institutional shareholders:

04.21.2025

Name of Institutional Shareholders	Major Shareholders
Lien Sheng Investment Co., Ltd.	L.C. Lee 16.69%, Hsiu-Chuan Lee 15.65%, Meng-Feng Lee 14.24%, Wei-Chen Lee 13.86%, Yen-Te Lee 7.08%, Po-I Lee 5.63%, Ying-Tsun Lee 3.22%, Ting-Yi Lee 3.21%, Yueh-Hsun Lee 3.22%, Yi-Chen Lee 2.98%
TGVest Associates (One) Co., Ltd.	Duen-Chian Cheng 43.10%, Claire Lai 35.29%, Isabel Liu 7.88%, YK Yu 7.84%

### 2.1.1.3 Major shareholders of the Company's major institutional shareholders: None.

### 2.1.1.4 Information disclosure of Director qualifications and independence of independent directors

Qualifications Name	Professional Qualification and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
L.C. Lee	Mr. Lee serves as Chairman of Fusheng Precision, also Chairman of Fusheng Industrial and Fusheng Electronics, familiar with the branding and ODM/OEM operations for industrial product, electronic component and sports equipment. In addition to owning experiences in working with PE fund to complete spin-off in corporate restructuring, he has orchestrated several cross-border M&A deals and multinational JVs in the United States, Europe and Japan. Mr. Lee successfully led Fusheng Precision to go listed in Taiwan Stock Market in 2017.	—	0
Roger Chiang	Mr. Chiang serves as CEO of Fusheng Precision, with more than 30 years of experience in the sporting goods OEM industry. He has displayed good performance in financial results, manufacturing management and R&D achievements, since taking over the position in 2009. In recent years, he has actively and cautiously expanded business scope through strategic investment, diversifying into non-golf sports equipment and aerospace component industry.	—	0
Maxwell Lee	Mr. Lee serves as COO of Fusheng Precision, also the leader of China Plant which is the largest production site in our global manufacturing map. He has gone through multiple departments within the company, accumulating more than 30 years of experience in golf club head manufacturing process, quite familiar with the management system of complex processes and lean production.	—	0

Qualifications Name	Professional Qualification and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Duen-Chian Cheng	Mr. Cheng is Chairman of TGVest Capital, a well-known PE fund in Asia, also acting as Director of several listed companies in Taiwan. Being CEO of UMC Capital, he demonstrated successful investment records in the United States, China, Japan and Taiwan. He used to be Executive Director of Morgan Stanley Asia Pacific and GM of Taiwan Branch, with more than 20 years of investment banker experience, well-connected in many industries. Mr. Cheng holds an MBA degree from Columbia University.	—	3
Victor Liu (Independent Director)	Mr. Liu is Principal of Chung Hwa University. He used to serve as several important posts, including Principal of National Sun Yat-Sen University, Chairman of Taiwan High Speed Rail and Chairman of IBF Financial Holdings. Currently, he acts as Independent Director of a couple of listed companies. He enjoys good reputation in the fields of industry, government and academia. Mr. Liu holds a Ph.D. in Business Administration from Northwestern University. None of the provisions of Article 30 of the Company Law is applied.	During the two years before being elected and during the term of office, none of the provisions 3 paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies is applied.	1
Michael Kao (Independent Director)	Mr. Kao is Chairman of Taiwan Industrial Research and Innovation Association, which is recognized as an incubator and an angel investor for new start-ups. He was also a co-founder of ITEQ, an electronic component company listed in Taiwan (code: 6213). He committed himself to facilitating Silicon Valley's experiences shared with Taiwanese entrepreneurs. Mr. Kao holds a Ph.D. in Chemistry from University of California, Berkeley. None of the provisions of Article 30 of the Company Law is applied.	During the two years before being elected and during the term of office, none of the provisions 3 paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies is applied.	2
C.K. Chen (Independent Director)	Mr. Chen is CEO, used to be CFO, of Wus Printed Circuit, an electronic component company listed in Taiwan (code: 2316). In addition to familiarity with the business development and manufacturing management, he also owns CPA license, skilled at finance and accounting practices, as well as tax planning and regulation compliance. Mr. Chen holds a bachelor degree from National Cheng Kung University. None of the provisions of Article 30 of the Company Law is applied.	During the two years before being elected and during the term of office, none of the provisions 3 paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies is applied.	0

#### 2.1.1.5 Diversification and Independence of Board of Directors

##### (1) Board Member Diversity:

The policy of board member diversity shall include but not limited to the following two aspects:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: Professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), professional skills, and experience in the industry.

In addition, to achieve the ideal goal of corporate governance, the entire Board of Directors shall possess the following abilities:

1. Operational judgment capability
2. Accounting and financial analysis capability.
3. Business management capability.
4. Crisis management capability.
5. Industry knowledge.
6. An international market perspective.
7. Leadership.
8. Decision-making capability

Specific phased goals for board diversification have been established by our company: to have a representation of at least 10% female directors by the year 2025. Currently, all 7 board seats are occupied by male directors, and the target has not been achieved yet.

In terms of age diversity, we have 2 directors in the age range of 55 to 60, 3 directors in the age range of 60 to 65, 1 director in the age range of 65 to 70, and 1 director in the age range of 70 to 75. This composition enables a diverse range of ages and facilitates intergenerational communication.

Regarding professional backgrounds, all 7 directors possess industry management and operational backgrounds (100% representation). Additionally, 3 directors have R&D background (42.9% representation), while 3 directors have a finance and accounting background (42.9% representation).

The reasons why the number of directors of the same gender on the board of directors of the Company does not reach one-third and the measures to be taken to improve the gender diversity of directors are as follows:

1. Reason: The company currently has 7 directors, who were elected by the shareholders meeting on June 21, 2023. There is no female director. Due to the characteristics of the industry, it is not easy to find talents in a short period of time.
2. Measures to be taken: Before the re-election of the board of directors at the end of its term, expand the candidate talent pool, provide training and guidance on personal development plans, and seek multiple channels to recruit professional candidates to achieve gender diversity and inclusion and implement the board member diversity policy.

The Company's implementation of the Board diversity policy is described as follows:

Type	Name	Basic requirements and values				Professional knowledge and skills				
		Gender	Age	Nationality	Years of Service as Independent Director	Industry	R&D	Business Administration	Risk Management	Finance and Accounting
Director	L.C. Lee	Male	60~65	R.O.C.	—	V	V	V	V	
Director	Roger Chiang	Male	65~70	R.O.C.	—	V	V	V	V	
Director	Lien Sheng Investment Co., Ltd. Representative: Maxwell Lee	Male	55~60	R.O.C.	—	V		V	V	
Director	TGVest Associates (One) Co., Ltd. Representative: Duen-Chian Cheng	Male	60~65	R.O.C.	—	V		V	V	V
Independent Director	Victor Liu	Male	70~75	R.O.C.	3-9	V		V	V	V
Independent Director	Michael Kao	Male	60~65	R.O.C.	3-9	V	V	V	V	
Independent Director	C.K. Chen	Male	55~60	R.O.C.	3-9	V		V	V	V

- (2) Independence of the board : The independent directors of the company were all elected for the first time since January 24, 2018. The current term of office is 6 to 7 years. All independent directors have no more than 3 consecutive terms. The Company has a total of 7 directors, including 3 independent directors, and the proportion of independent directors is 42.9%. All independent directors did not have any of the circumstances described in Article 3, Item 1 of the " Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies " during the two years prior to their election and during their term of office. Among the board members of the Company, two directors are also employees, accounting for 28.6%. Director who has a stake in a proposal at the board meeting may not participate in the discussion or vote on that proposal, and shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director.

## 2.1.2 Profile of the Management Team

04.21.2025

Title	Nation ality	Name	Gender	Date of Elected	Shares Held		Shares Held by Spouse & Minors		Shares Held in the Name of Others		Education and Selected Past Positions	Selected Current Positions at Other Companies	Managers Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chief Executive Officer	R.O.C.	Roger Chiang	Male	9.14.2010	1,407,430	1.05	2,335,230	1.68	—	—	Ming Chi Institute of Technology General Manager of Zhong Shan Worldmark Sporting Goods Ltd. General Manager of the Sport Division of Fusheng Industrial Co., Ltd.	Director of Fu Sheng Industrial Co., Ltd. Director of FS-Precision Tech Co., LLC Director of Fusheng Electronics Corp. CEO of FuSheng Precision Co., Ltd. Chairman of NFT Technology Co., Ltd. Chairman of Zhong Shan Worldmark Sporting Goods Ltd. Director of Zhong Shan LongXing Precision Director of Minson Integration, Inc. Director of Aubo Precision (Hong Kong) Co., Limited	-	-	-	-
Executive Vice President	R.O.C.	Maxwell Lee	Male	9.14.2010	108,000	0.08	—	—	—	—	Tamsui Institute of Business Administration Vice President of Zhong Shan Worldmark Sporting Goods Ltd.	Director of Zhong Shan LongXing Precision Machinery Co., Ltd. Director and General Manager of Zhong Shan Worldmark Sporting Goods Ltd. Director of World Gate Holdings Limited	-	-	-	-
Senior Vice President	R.O.C.	Kevin Lin	Male	9.14.2010	30,000	0.02	—	—	—	—	The Department of Mechanical Engineering, Nan-Tai Institute of Technology Senior Director of the Sport Division of FuSheng Industrial Co., Ltd.	-	-	-	-	-
Senior Vice President	R.O.C.	Alice Tseng	Female	9.14.2010	80,000	0.06	8,000	0.01	—	—	Executive Master of Business Administration, National Central University Senior Director of the Sport Division of FuSheng Industrial Co., Ltd.	Director of Minson Integration, Inc.	-	-	-	-
Chief Financial Officer	R.O.C.	Eric Hsu	Male	9.14.2010	93,000	0.07	—	—	—	—	Bachelor of the Department of Finance, National Taiwan University Master of the Department of Business Administration, National Cheng Kung University Project Manager of the Executive Office of Universal Scientific Industrial Co., Ltd. Vice President of WI Harper Group	Supervisor of Fu Sheng Industrial Co., Ltd. Chairman of Zhong Shan Aubo Precision Technology Co., Ltd. Director of Zhong Shan Worldmark Sporting Goods Ltd. Supervisor of NFT Technology CO., Ltd. Chairman of Crosspace Co., Ltd. Supervisor of Minson Integration, Inc.	-	-	-	-
Assistant Vice President	R.O.C.	Chi-Ching Chen	Male	9.14.2010	41,000	0.03	—	—	—	—	The Department of Mechanical Engineering, Ta-Hwa Institute of Technology Senior Manager of the Sport Division of FuSheng Industrial Co., Ltd. Senior Director of FuSheng Precision Co., Ltd.	-	-	-	-	-



Title	Nationality	Name	Gender	Date of Elected	Shares Held		Shares Held by Spouse & Minors		Shares Held in the Name of Others		Education and Selected Past Positions	Selected Current Positions at Other Companies	Managers Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Assistant Vice President	R.O.C.	Vincent Fu	Male	9.14.2010 (Dismissal date: 10.01.2024)	63,950	0.05	—	—	—	—	Executive Master of Business Administration, National ChengChi University Special Assistant of the President of the Sport Division of FuSheng Industrial Co., Ltd.	Director of Zhong Shan LongXing Precision Machinery Co., Ltd. Director of NFT Technology CO., Ltd.	-	-	-	-
Assistant Vice President	R.O.C.	John Yen	Male	11.01.2017	—	—	—	—	—	—	Bachelor of the Department of Industrial and Systems Engineering, Chung Yuan University Senior Manager of Vision International Co., Ltd	-	-	-	-	-
Assistant Vice President	R.O.C.	Greg Chien	Male	11.01.2017	10,000	0.01	—	—	—	—	Bachelor of the Department of Mechanical Engineering, Chung-Hsing University Senior Manager of FuSheng Precision Co., Ltd.	-	-	-	-	-
Assistant Vice President	R.O.C.	Steave Lee	Male	11.01.2017	19,000	0.01	—	—	—	—	Bachelor of the Department of Mechanical Engineering, Chien Hsin Institute of Technology Senior Manager of FuSheng Precision Co., Ltd.	-	-	-	-	-
Assistant Vice President	R.O.C.	Frankie Chin	Male	05.01.2020	—	—	—	—	—	—	Bachelor of the Department of Information Management, National Sun Yat-sen University Assistant Vice President of FuSheng Precision Co., Ltd.	-	-	-	-	-
Assistant Vice President	R.O.C.	WenJui Yu	Male	11.01.2020	—	—	—	—	—	—	Bachelor of the Department of Industrial Engineering and System Management, Feng Chia University Assistant Vice President of FuSheng Precision Co., Ltd.	-	-	-	-	-
Assistant Vice President	R.O.C.	Benson Liao	Male	01.01.2024	80	0.00	—	—	—	—	Bachelor of the Department of Japanese, National Kaohsiung University of Science and Technology Director of Procurement Department of BenQ Materials Corp. Director of Sales Department of BenQ Materials Corp.	-	-	-	-	-
Assistant Vice President	R.O.C.	Jessica Tsai	Female	08.16.2023	—	—	—	—	—	—	Bachelor of Computer Science Department of Ming Chuan College Assistant Vice President of FuSheng Precision Co., Ltd.	-	-	-	-	-
Accounting Supervisor/ Chief Governance Officer	R.O.C.	Chris Chen	Male	05.12.2021 11.09.2023	7,000	0.01	—	—	—	—	Bachelor of the Department of Accounting, National ChengChi University Special Assistant of Accounting Department, FuSheng Precision Co., Ltd.	-	-	-	-	-
Audit Supervisor	R.O.C.	Andy Hsiao	Male	01.26.2024	—	—	—	—	—	—	Executive MBA Program of Industrial and Technology Management, College of Management Audit Supervisor of Hanns Touch Co.,Ltd. Audit Supervisor of TAITA CHEMICAL Co., Ltd. Audit Supervisor of JOINSOON ELECTRONICS MFG. Co.,Ltd. Audit Supervisor of SCANTEAK Co.,Ltd.	-	-	-	-	-

## 2.2 Profiles of the Remuneration to Directors, Supervisors and the Management Team in the Most Recent Year

### 2.2.1 Remuneration Paid to Directors and Independent Directors

#### 2.2.1.1. Compensation Paid to Directors and Independent Directors in the most recent year

12.31.2023/Unit: NT\$'000; thousand shares

Title	Name (Note1)	Director's Remuneration								Total Amount of (A+B+C+D) and as a % of Net Income		Compensation Earned by a Director Who is an Employee of FSP or of FSP's Consolidated Entities								Total Amount of (A+B+C+D+E+F+G) and as a % of Net Income (Note 10)		Compensation Paid to Directors from Non-consolidated Affiliates or Parent Company (Note 11)
		Base Compensation (A) (Note 2)		Severance Pay and Pension (B)		Compensation to Director (C) (Note 3)		Allowances (D) (Note4)				Base Compensation, Bonuses, and Allowances (E) (Note 5)		Severance Pay and Pensions (F)		Employees' Profit Sharing Bonus (G) (Note 6)						
		From FSP	From All Consolidated Entities (Note7)	From FSP	From All Consolidated Entities (Note7)	From FSP	From All Consolidated Entities (Note7)	From FSP	From All Consolidated Entities (Note7)	From FSP	From All Consolidated Entities (Note7)	From FSP	From All Consolidated Entities (Note7)	From FSP	From All Consolidated Entities (Note7)	Cash	Stock	Cash	Stock	From FSP	From All Consolidated Entities (Note7)	
Chairman	L.C. Lee	-	-	-	-	1,500	1,700	0	0	1,500 0.04	1,700 0.04	23,108	24,159	0	0	11,850	0	11,850	0	36,458 0.96	37,709 0.93	-
Director	Roger Chiang																					
Director	Lien Sheng Investment Co., Ltd. Representative: Maxwell Lee																					
Director	TGVest Associates (One) Co., Ltd. Representative: Duen-Chian Cheng																					
Independent Director	Victor Liu	6,000	6,000	0	0	0	0	0	0	6,000 0.16	6,000 0.15	0	0	0	0	0	0	0	0	6,000 0.16	6,000 0.15	-
Independent Director	Michael Kao																					
Independent Director	C.K. Chen																					

1. Independent Directors' remuneration policies, procedures, standards and structure, as well as the linkage to responsibilities, risks, and time spent:

(1) No transportation allowance and attendance fee.

(2) Director's Remuneration: According to the Articles of Incorporation, remuneration paid to directors every year shall be no more than 0.5% of annual profits. The directors and independent directors were paid by a fixed amount, and no additional compensation was paid.

2. In addition to the remuneration disclosed in the table above, remuneration received by the Directors for services in the most recent year (e.g., serving as external consultants of the parent company/all companies listed in the financial statements/reinvestment companies): None.

Range of remuneration paid to Board of Directors	Director's Remuneration(A+B+C+D)			
	Director's Remuneration(A+B+C+D)		Director's Remuneration(A+B+C+D+E+F+G)	
	From FSP	From All Consolidated Entities	From FSP	From All Consolidated Entities
Less than NT\$ 1,000,000	L.C. Lee, Duen-Chian Cheng, Maxwell Lee, Roger Chiang	L.C. Lee, Duen-Chian Cheng, Maxwell Lee, Roger Chiang	L.C. Lee, Duen-Chian Cheng	L.C. Lee, Duen-Chian Cheng
NT\$ 1,000,000 (inclusive)~NT\$ 2,000,000 (exclusive)	C.K. Chen, Michael Kao	C.K. Chen, Michael Kao	C.K. Chen, Michael Kao	C.K. Chen, Michael Kao
NT\$ 2,000,000 (inclusive)~NT\$ 3,500,000 (exclusive)	Victor Liu	Victor Liu	Victor Liu	Victor Liu
NT\$ 3,500,000 (inclusive)~NT\$ 5,000,000 (exclusive)				
NT\$ 5,000,000 (inclusive)~NT\$ 10,000,000 (exclusive)				
NT\$ 10,000,000 (inclusive)~NT\$ 15,000,000 (exclusive)			Maxwell Lee	Maxwell Lee
NT\$ 15,000,000 (inclusive)~NT\$ 30,000,000 (exclusive)			Roger Chiang	Roger Chiang
NT\$ 30,000,000 (inclusive)~NT\$ 50,000,000 (exclusive)				
NT\$ 50,000,000 (inclusive)~NT\$ 100,000,000 (exclusive)				
NT\$ 100,000,000 and more				
Total	7	7	7	7

Note 1: The names of directors should be listed separately (corporate shareholders should list the names of corporate shareholders and their representatives separately), and the amount of each benefit should be disclosed in aggregate by listing the general and independent directors separately.

Note 2: Compensation to directors for the most recent year (including salaries, bonuses, severance payments, bonuses, incentives, etc.).

Note 3: The amount of directors' remuneration approved by the Board of Directors for the most recent year is rounded up to the nearest thousand dollars.

Note 4: The related business expenses of directors (including travel expenses, special expenses, various allowances, dormitories, cars, and other in-kind expenses, etc.) for the most recent year. If the Company provides housing, automobiles and other means of transportation or personal expenses, please disclose the nature and cost of the assets provided, the actual or fair market value of the rent, gasoline, and other benefits. If there is a driver, please note that the company pays the driver, but does not include him/her in the calculation of remuneration.

Note 5: This refers to the salary, salary increment, severance pay, various bonuses, incentives, travel expenses, special expenses, various allowances, dormitory, car, and other in-kind benefits received by the directors and employees (including the president, vice president, other managers, and employees) in the most recent year. If the Company provides housing, automobiles, other transportation, or personal expenses, the Company should disclose the nature and cost of the assets provided, the actual or fair market value of rent, gasoline, and other benefits. If there is a driver, please note that the Company pays the driver, but does not include him/her in the calculation of remuneration. Salary expenses recognized under IFRS 2, "Share-based Payment," including the acquisition of employee stock option certificates, new shares with restricted employee rights, and participation in cash capital increase, should also be included in the calculation of remuneration.

Note 6: The amount of employee compensation (including stock and cash) received by directors and employees (including general manager, vice president, other managers, and employees) in recent years should be disclosed, and the amount of employee compensation approved by the board of directors in recent years should be disclosed, or the amount to be distributed this year should be calculated based on the proportion of last year's actual amount if the amount could not be estimated.

Note 7: The total amount of each remuneration paid to the directors of the Company by all companies (including the Company) included in the consolidated financial statements should be disclosed.

Note 8: The total amount of each remuneration paid to each director of the Company should be disclosed by the name of the director in the hierarchical hierarchy.

Note 9: The total amount of each remuneration paid to each director of the Company by all companies (including the Company) in the consolidated financial statements should be disclosed, and the names of the directors should be disclosed in the hierarchical levels in which they are categorized.

Note 10: Net income after tax refers to the net income after tax for the most recent year reported by the Company as a whole or as a separate entity.

Note 11: a. This column should specify the amount of directors' remuneration from investees other than subsidiaries or the parent company (if none, please fill in "None").

b. If a director of the Company receives remuneration from a non-subsidiary investee or the Parent Company, the amount of remuneration received by the director of the Company from a non-subsidiary investee or the Parent Company should be incorporated into Column I of the Remuneration Table, and the name of the Column should be changed to "Parent Company and All Investees."

c. Compensation refers to the compensation, remuneration (including employee, director, and supervisor remuneration), and business execution expenses received by the directors of the Company in their capacity as directors, supervisors, or managers of the subsidiaries other than the Company's subsidiaries or the Parent Company.

The disclosure of remuneration in this table is different from the concept of income under the Income Tax Act. Therefore, the purpose of this table is for informational purposes only and is not intended for tax purposes.

## 2.2.2 Remuneration Paid to General Manager and Vice General Manager

### 2.2.2.1 Compensation Paid to General Manager and Vice General Manager in the most recent year

12.31.2023/Unit: NT\$'000; thousand shares

Title	Name (Note1)	Salary (A) (Note2)		Severance Pay and Pensions (B)		Bonuses and Allowances (C) (Note3)		Employees’ Profit Sharing Bonus(D) (Note 4)				Total Amount of (A+B+C+D) and as a % of Net Income (%) (Note 6)		Compensatio n Received from Non-consolid ated Affiliates or Parent Company (Note 7)
		From FSP	From All Consolidated Entities (Note 5)	From FSP	From All Consolidated Entities (Note 5)	From FSP	From All Consolidated Entities (Note 5)	From FSP		From All Consolidated Entities (Note 5)		From FSP	From All Consolidated Entities (Note 5)	
								Cash	Stock	Cash	Stock			
Chief Executive Officer	Roger Chiang	13,369	14,420	0	0	20,388	20,788	15,730	0	15,730	0	49,487 1.30	50,938 1.25	-
Executive Vice President	Maxwell Lee													
Vice President	Kevin Lin													
Vice President	Alice Tseng													

Note 1: The names of the general manager and vice president should be listed separately, and the amount of each benefit should be disclosed in an aggregate manner.

Note 2: Salaries, salary increments, and severance payments for the President and Vice President for the most recent year.

Note 3: The amounts of bonuses, incentives, travel expenses, special expenses, allowances, dormitories, cars, and other compensation to the president and vice presidents in recent years are shown. If the Company provides housing, automobiles and other means of transportation or personal expenses, the Company should disclose the nature and cost of the assets provided, the actual or fair market value of the rent, gasoline and other benefits. If there is a driver, a note should be included to indicate the compensation paid by the Company to the driver, but not included in the calculation of remuneration. Salary expenses recognized in accordance with IFRS 2, "Share-based Payment," including the acquisition of employee stock options, new shares with restricted employee rights, and participation in cash capital increase, etc., should also be included in the calculation of remuneration.

Note 4: The amount of employees' compensation (including stock and cash, and if the amount cannot be estimated, the amount of this year's proposed distribution should be calculated based on the proportion of last year's actual distribution amount) approved by the Board of Directors for the most recent year's distribution to the President and Vice President.

Note 5: The total amount of compensation paid to the Company's president and vice president by all companies (including the Company) in the consolidated financial statements should be disclosed.

Note 6: Net income after income tax refers to the net income after income tax of the most recent financial statements of individual companies or individual financial reports.

Note 7: a. This column should specify the amount of remuneration received by the Company's general manager and deputy general manager from investees other than subsidiaries or from the parent company (if not, please fill in "Nil"). b. The amount of remuneration received by the Company's general manager and deputy general manager from investees other than subsidiaries or from the parent company should be indicated in this column.

b. If the Company's General Manager and Deputy General Manager receive remuneration from a non-subsiary investee or the Parent Company, the amount of remuneration received by the General Manager and Deputy General Manager from a non-subsiary investee or the Parent Company should be incorporated into Column E of the Remuneration Table, and the name of the column should be changed to "Parent Company and All Investees."

c. Compensation refers to the compensation, remuneration (including employee, director, and supervisor remuneration), and business execution expenses, etc., received by the Company's president and vice president for their positions as directors, supervisors, or managers of the investees or parent companies other than subsidiaries.

Since the disclosure of compensation in this table is different from the concept of income under the Income Tax Act, the purpose of this table is for informational purposes only and is not intended for tax purposes.

Range of remuneration paid to CEO, General Manager and Vice President of the Company	Name of General Manager/ Vice General Manager	
	From FSP(Note1)	From All Consolidated Entities (Note 2)
Less than NT\$ 1,000,000		
NT\$ 1,000,000 (inclusive)~NT\$ 2,000,000 (exclusive)		
NT\$ 2,000,000 (inclusive)~NT\$ 3,500,000 (exclusive)		
NT\$ 3,500,000 (inclusive)~NT\$ 5,000,000 (exclusive)	Kevin Lin	Kevin Lin
NT\$ 5,000,000 (inclusive)~NT\$ 10,000,000 (exclusive)	Alice Tseng	Alice Tseng
NT\$ 10,000,000 (inclusive)~NT\$ 15,000,000 (exclusive)	Maxwell Lee	Maxwell Lee
NT\$ 15,000,000 (inclusive)~NT\$ 30,000,000 (exclusive)	Roger Chiang	Roger Chiang
NT\$ 30,000,000 (inclusive)~NT\$ 50,000,000 (exclusive)		
NT\$ 50,000,000 (inclusive)~NT\$ 100,000,000 (exclusive)		
NT\$ 100,000,000 and more		
Total	4	4

Note 1:The total amount of each remuneration paid to each general manager and deputy general manager of the Company is disclosed in the attributed level of the general manager and deputy general manager.

Note 2:The total amount of each remuneration paid to each general manager and deputy general manager of the Company by all companies (including the Company) in the consolidated report is disclosed, and the names of the general managers and deputy general managers are disclosed in the hierarchical hierarchy to which they belong.

## 2.2.2.2 Employees' Profit Sharing Bonus Paid to the Management Team

12.31.2024/Unit: NT\$'000

Title	Name	Stock (Fair Market Value)	Cash	Total	Total Employees' Profit Sharing Bonus Paid to Management Team as a % of Net Income
Chief Executive Officer	Roger Chiang	-	28,315	28,315	0.75
Executive Vice President	Maxwell Lee				
Senior Vice President	Kevin Lin				
Senior Vice President	Alice Tseng				
Vice President	Chi-Ching Chen				
Assistant Vice President	Vincent Fu				
Assistant Vice President	John Yen				
Assistant Vice President	Greg Chien				
Assistant Vice President	Steave Lee				
Assistant Vice President	Frankie Chin				
Assistant Vice President	WenJui Yu				
Assistant Vice President	Jessica Tsai				
Assistant Vice President	Benson Liao				
Chief Financial Officer	Eric Hsu				
Accounting Supervisor	Chris Chen				

2.2.2.3 Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors and the management team, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

(1)

Unit: NT\$'000; %

Title	2023				2024			
	Amount		%		Amount		%	
	From FSP	From All Consolidated Entities	From FSP	From All Consolidated Entities	From FSP	From All Consolidated Entities	From FSP	From All Consolidated Entities
Directors and Independent Directors	6,600	7,050	0.27	0.29	7,500	7,700	0.20	0.20
CEO/EVP/GM/SVP	44,503	45,554	1.85	1.89	49,487	50,938	1.3	1.34

(2) The remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

a. Directors and Independent Directors:

Remuneration to Directors and Independent Directors is appropriated according to the Article of Incorporation, proposed to and resolved by the Board of Directors before distribution and reported to the shareholders' meeting.

b. Chief Executive Officer, Executive Vice President, General Manager and Senior Vice President:

The remuneration to the CEO, EVP, GM and SVP is defined by their contribution, the market salary standard and projected future risks the Company will face. The employees' profit sharing bonus is appropriated according to the Article of Incorporation, proposed to and resolved by the Board of Directors before distribution and reported to the shareholders' meeting.

In conclusion, the remuneration paid to directors, independent directors, supervisors, and the management team followed the Article of Incorporation of the Company and remuneration policy, which has positive linkage to operating performance and future risk exposure.

## 2.3 Implementation of Corporate Governance

### 2.3.1 Board of Directors Meeting Status

FSP's Board of Directors had 8 regular meetings in 2024.

The directors' attendance status is as follows :

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Notes
Chairman	L.C. Lee	8	-	100	Required attendance in 2023: 8
Director	Roger Chiang	7	1	87.5	Required attendance in 2023: 8
Director	Lien Sheng Investment Co., Ltd. Representative: Maxwell Lee	8	-	100	Required attendance in 2023: 8
Director	TGVest Associates (One) Co., Ltd. Representative: Duen-Chian Cheng	8	-	100	Required attendance in 2023: 8
Independent Director	Victor Liu	8	-	100	Required attendance in 2023: 8
Independent Director	Michael Kao	8	-	100	Required attendance in 2023: 8
Independent Director	C.K. Chen	8	-	100	Required attendance in 2023: 8

Other Matters to be Recorded:

1. For any of the following situation during the operation of the Board, the date of meeting of the Board, terms, description of proposal, all the independent directors' opinions and the treatment of such opinions shall be specified:

1.1 Issues specified in Article 14-3, Securities and Exchange Act: Refer to Note.

1.2 Other than the abovementioned issues, the matters to be resolved in the meetings of the Board with dissents or qualified opinions, which are recorded or in writing: None.

2. For the recusal of directors to the proposals with interest conflicts, the name of directors, description of proposal, reason of recusal, and the status of voting participation shall be specified:

2.1 In the meeting of the Board on 01.26.2024, regarding the year-end bonus distribution to the Management Team, Director Roger Chiang and Maxwell Lee were the involved party to the proposal and thus entered recusals of the discussion and voting due to interest conflicts. The proposal was passed unanimously by all the other attended directors.

2.2 In the meeting of the Board on 03.24.2024, the board of directors authorized the subsidiary Vision International Co., Ltd. to sign a factory lease contract with its related party FuSheng (Vietnam) Industrial Co., Ltd. Directors LC Lee and Roger Chiang were the involved party to the proposal and thus entered recusals of the discussion and voting due to interest conflicts. The proposal was passed unanimously by all the other attended directors.

2.3 In the meeting of the Board on 09.06.2024, regarding the employees' profit sharing Bonus distribution to the management team for 2023, Director Roger Chiang and Maxwell Lee were the involved parties to the proposal and thus entered recusals of the discussion and voting due to interest conflicts. The proposal was passed unanimously by all the other attended directors.

3. Evaluation of the performance of the Board of Directors

Evaluation cycle	Evaluation periods	Evaluation scope	Evaluation methods	Criteria for performance evaluation
The Company's board of directors shall conduct an internal performance evaluation of the board or the board members at least once a year, and by an external independent professional institution or a panel of external experts and scholars at least once every three years.	01.01.2024 ~ 12.31.2024	The Board Board of Directors /members Audit Committee and Remuneration Committee	Internal evaluation.	<p><b>Performance evaluation of the board of directors:</b></p> <p>The criteria for evaluation include participation in the operation of the company, improvement of the quality of the board of directors' decision making, composition and structure of the board, election and continuing education of the directors, and internal control.</p> <p><b>Performance evaluation of the board members:</b></p> <p>The criteria for evaluation include alignment of the goals and missions of the company, awareness of the duties of a director, participation in the operation of the company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control.</p> <p><b>Performance evaluation of the functional committees (audit committee and remuneration committee):</b></p>

				The criteria for evaluation include participation in the operation of the company, awareness of the duties of the functional committee (audit committee and remuneration committee), quality of decisions made by the functional committee (audit committee and remuneration committee), makeup of the functional committee (audit committee and remuneration committee) and election of its members, and internal control.
The Company has performed the internal evaluation according to above procedures. The result of the evaluation was 4 to 5 points, representing the directors’ recognition of the operation of the Board and functional committees and corporation governance.				
<b>Performance evaluation of the board of directors</b>	<b>Performance evaluation of the board members</b>	<b>Performance evaluation of the Remuneration Committee</b>	<b>Performance evaluation of the Audit Committee</b>	
4.95	4.95	4.92	4.92	

Level content description: Excellent (5), Good (4), Fair (3), Improvement Required (2), Significant Improvement Required (1)

4. The goals for enhancing the functions of Board of Directors of the year and the latest year (e.g. establishment of the Audit Committee, or improvement of transparency for information) and the assessments to the implementation:

3.1 Improvement of transparency for information: Our company adopted a video-assisted shareholders' meeting in 2023, providing shareholders with a more convenient way to participate in the meeting

3.2 Advanced study of directors and supervisors: The Company arranges advanced studies for directors and supervisors to help them obtain necessary information conveniently in order to maintain their core values and professional strengths and abilities.

Note : Securities and Exchange Act §14-3 resolutions:

Meeting Date	Resolution	Any Independent Directors' Opinion	Implementation Status
01.26.2024	Approving the distribution of year-end bonus to the Management Team in 2023	None	Implemented according to the resolutions
	Audit Supervisor Mobilization		
	Proposed Dissolution and Liquidation FS-Precision Tech. Co., LLC		
	Proposal for investing on Alloy Seiko Industry CO.,LTD./Technology(Jiangsu) Co.,LTD.		
03.12.2024	Approving the distribution of employees' profit sharing bonus and directors' compensation in 2023	None	Implemented according to the resolutions
	Proposal of stock release - In order to cooperate with the subsidiary Minson Integration,Inc. to apply for TWSE/TPEx transactions in the future, the stock release program is planned.		
	Amendment of the Company's "Procedures for Lending Funds to Other Parties"		
	Proposed to provide endorsement/guarantee to Extensor World Trading Limited to acquire credit line from banks.		
	Proposed to provide endorsement/guarantee to FS-Precision Tech Co.,LLC. to acquire credit line from banks.		
	Proposed to provide Letter of support to subsidiary Vision International Co., Ltd.		
05.07.2024	Approval of the establishment of an optoelectronics company in Hechuan District, Chongqing by Zhongshan Aobo Precision Technology Company Limited, a 52.5%-owned subsidiary of the Company	None	Implemented according to the resolutions
07.05.2024	Approving the parent company on behalf of a 100% owned subsidiary,intends to invest on Alloy Seiko Industry CO.,LTD./Technology(Jiangsu)CO.,LTD.	None	Implemented according to the resolutions
	Approval of the establishment of a trading subsidiary in Thailand by Sharpope Company Limited, a 100% owned subsidiary of the Company		
08.13.2024	On behalf of subsidiary Vision International to announce acquiring right-of-use asset from related-party	None	Implemented according to the resolutions
	Approving to provide endorsement/guarantee to subsidiary NFT Co.,Ltd. to acquire credit line from banks.		
	Approving to provide letter of support to subsidiary Vision to acquire		



Meeting Date	Resolution	Any Independent Directors' Opinion	Implementation Status
	credit line from banks.		
09.06.2024	Announcement of stating that the company's Board of Directors has resolved to handle the share release of its subsidiary, Minson Integration, Inc.	None	Implemented according to the resolutions
	The announcement states that the Company has reduced its shareholding subsidiary, Minson Integration Inc., by more than 10% cumulatively.		
	Approving employees' profit sharing bonus distribution to the Management Team for 2023		
	To announce that the Board of Directors has approved a loan from its subsidiary, Zhongshan Worldmark to its subsidiary Alloy Seiko Technology(Jiangsu)Co.,Ltd.		
	To announce the company's board of directors has approved the endorsement and guarantees for its subsidiary, Alloy Seiko Industry Co.,Ltd., and Alloy Seiko Technology(Jiangsu) Co.,Ltd.		
11.12.2024	The Company's Investment in CDIB-SKM Limited Partnership	None	Implemented according to the resolutions
	Cash capital increase of Alloy Seiko Technology(Jiangsu) Co.,Ltd., an indirectly held subsidiary of the Company		
	The Board of Directors has passed a resolution to allocate shares of Minson Integration, Inc (called "Minson") to recommended securities firms.		
	Approving the Board of Directors has resolved to execute subrogation for FS-Precision Tech Co.,LLC (called "PT") to its liquidation proceeding		
	The endorsements/guarantees for subsidiary Extensor World Trading Ltd.(Hong Kong) approved by the board of directors		
	Approving to provide the endorsements/guarantees for subsidiary World Gate Holdings Ltd. approved by the board of directors		
	Approving to provide letter of support to subsidiary Vision to acquire credit line from banks.		
	Approving the endorsements/guarantees for subsidiary FS-Precision Tech Co., LLC. approved by the board of directors		
	Approving lending funds to the Company's major vendor – Ming Fa Cheng Enterprise Co., Ltd.		
	Approving lending funds to subsidiary Vision International Co.,Ltd.		
	Proposed amendments to the "Internal Control System" and "Internal Audit Implementation Rules" of the Company		
12.24.2024	Approving the evaluation of the Independence and Suitability of the CPAs	None	Implemented according to the resolutions
	Approving hiring and compensation of the CPAs		
	Approving provide endorsement/guarantee to subsidiary NFT Co.,Ltd. and World Gate Holdings Ltd. to acquire credit line from banks.		
	Approving the endorsements/guarantees for subsidiary World Gate Holdings Ltd. approved by the board of directors		

### 2.3.2 Audit Committee Meeting Status

The Audit Committee was formally established on Jan. 24, 2018. This Committee consists of 3 independent directors. The independent director, Victor Wei-Chi Liu was selected to serve as the convener, and at least one meeting should be convened every quarter. The Committee is responsible for the fair presentation of the Company's financial statements, the hiring/dismissal, independence and performance of the CPAs of the Company, the effective implementation of the Company's internal control, compliance with relevant laws and regulations and management of the existing/potential risks. The major responsibilities of this Committee are as follows.

1. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.

2. Assessment of the effectiveness of the internal control system.
3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
4. Matters in which a director is an interested party.
5. Asset transactions or derivatives trading of a material nature.
6. Loans of funds, endorsements, or provision of guarantees of a material nature.
7. The offering, issuance, or private placement of equity-type securities.
8. The hiring or dismissal of a certified public accountant, or their compensation.
9. The appointment or discharge of a financial, accounting, or internal audit officer.
10. Annual and semi-annual financial reports.
11. Other material matters as may be required by this Company or by the competent authority.

FSP's Audit Committee had 8 meetings in 2024.

The independent directors' attendance status is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Notes
Independent Director	Victor Liu	8	-	100	-
Independent Director	Michael Kao	8	-	100	-
Independent Director	C.K. Chen	8	-	100	-
<p>Other Matters to be Recorded:</p> <p>1. For any of the following situation during the operation of the Audit Committee, the date of meeting of the Committee, terms, description of proposal, resolutions of the Audit Committee and the treatment of such opinions shall be specified: :</p> <p>1.1 Issues specified in Article 14-5, Securities and Exchange Act: Refer to Note.</p> <p>1.2 Other than the abovementioned issues, the matters failed to be passed by the Audit Committee, but resolved with consents of more than two third of all directors: None.</p> <p>2. For the recusal of independent directors to the proposals with interest conflicts, the name of independent director (s) , description of proposal, reason of recusal, and the status of voting participation shall be specified: None.</p> <p>3. The communications among the independent directors, the head of internal audit, and CPAs: The Company's Internal Auditor and the contracted CPAs participated in every Audit Committee meetings.</p>					

Note: Securities and Exchange Act §14-5 resolutions:

Audit Committee Meeting Date	Resolution	Any Independent Director Opinion	Implementation Status
01.26.2024	Audit Supervisor Mobilization	None	Implemented according to the resolutions
	Proposed Dissolution and Liquidation FS-Precision Tech. Co., LLC		
	Proposal for investing on Alloy Seiko Industry CO.,LTD./Technology(Jiangsu) Co.,LTD.		
03.12.2024	Approving 2023 Business Report and Financial Statements of the Company	None	Implemented according to the resolutions
	2023 Assessment of the Effectiveness of the Internal Control System" and "Statement of Internal Control System" of the Company		
	Proposed to provide endorsement/guarantee to Extensor World Trading Limited to acquire credit line from banks.		
	Proposed to provide endorsement/guarantee to FS-Precision Tech Co.,LLC. to acquire credit line from banks.		
	Proposed to provide Letter of support to subsidiary Vision International Co., Ltd.		
	Request for consent of Ernst & Young and its affiliates for estimated non-confirmation of services provided		
05.07.2024	Approval of the establishment of an optoelectronics company in Hechuan District, Chongqing by Zhongshan Aobo Precision Technology Company Limited, a 52.5%-owned subsidiary of the Company	None	Implemented according to the resolutions

Audit Committee Meeting Date	Resolution	Any Independent Director Opinion	Implementation Status
07.05.2024	To announce the parent company on behalf of a 100% owned subsidiary,intends to invest on Alloy Seiko Industry CO.,LTD./Technology(Jiangsu)CO.,LTD.	None	Implemented according to the resolutions
	Approval of the establishment of a trading subsidiary in Thailand by Sharpope Company Limited, a 100% owned subsidiary of the Company		
08.13.2024	On behalf of subsidiary Vision International to announce acquiring right-of-use asset from related-party	None	Implemented according to the resolutions
	Approving to provide endorsement/guarantee to subsidiary NFT Co.,Ltd. to acquire credit line from banks.		
	Approving to provide letter of support to subsidiary Vision to acquire credit line from banks.		
09.06.2024	Announcement of stating that the company's Board of Directors has resolved to handle the share release of its subsidiary, Minson Integration, Inc.	None	Implemented according to the resolutions
	The announcement states that the Company has reduced its shareholding subsidiary, Minson Integration Inc., by more than 10% cumulatively.		
	Approving employees' profit sharing bonus distribution to the Management Team for 2023		
	To announce that the Board of Directors has approved a loan from its subsidiary, Zhongshan Worldmark to its subsidiary Alloy Seiko Technology(Jiangsu)Co.,Ltd.		
	To annouce the company's board of directors has approved the endorsement and guarantees for its subsidiary,Alloy Seiko Industry Co.,Ltd.,and Alloy Seiko Technology(Jiangsu) Co.,Ltd.		
11.12.2024	The Company's Investment in CDIB-SKM Limited Partnership	None	Implemented according to the resolutions
	Cash capital increase of Alloy Seiko Technology(Jiangsu) Co.,Ltd., an indirectly held subsidiary of the Company		
	The Board of Directors has passed a resolution to to allocate shares of Minson Integration, Inc (called "Minson") to recommended securities firms.		
	Approving the Board of Directors has resolved to execute subrogation for FS-Precision Tech Co.,LLC (called "PT") to its liquidation proceeding		
	The endorsements/guarantees for subsidiary Extensor World Trading Ltd.(Hong Kong) approved by the board of directors		
	Approving to provide the endorsements/guarantees for subsidiary World Gate Holdings Ltd. approved by the board of directors		
	Approving to provide letter of support to subsidiary Vision to acquire credit line from banks.		
	Approving the endorsements/guarantees for subsidiary FS-Precision Tech Co., LLC. approved by the board of directors		
	Approving lending funds to the Company's major vendor – Ming Fa Cheng Enterprise Co., Ltd.		
	Approving lending funds to subsidiary Vision International Co.,Ltd.		
	Proposed amendments to the "Internal Control System" and "Internal Audit Implementation Rules" of the Company		
12.24.2024	Approving the evaluation of the Independence and Suitability of the CPAs	None	Implemented according to the resolutions
	Approving hiring and compensation of the CPAs		
	Approving provide endorsement/guarantee to subsidiary NFT Co.,Ltd. and World Gate Holdings Ltd. to acquire credit line from banks.		
	Approving the endorsements/guarantees for subsidiary World Gate Holdings Ltd. approved by the board of directors		

### 2.3.3 Operation Status of the Corporation Governance and the discrepancies with the Corporate Governance Best Practice Principles for TWSE/ GTSM Listed Companies, and the causes:

Assessment Item	Implementation Status(Note 1)			Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reason
	Yes	No	Explanation	
1. Does Company follow "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies" to establish and disclose its corporate governance practices?	✓		The Company has established the Corporate Governance Best Practice Principles, and disclosed these on the official website and MOPS	No significant difference
2. Shareholding Structure and Shareholders' Rights				
(1) Does Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, has these procedures been implemented accordingly?	✓		(1) The Company has established "Procedures for Handling Material Inside Information" to assure the right of shareholders. The Spokespersons and deputy spokespersons and share affairs system handle the advices or disputes of shareholders.	No significant difference
(2) Does Company possess a list of major difference shareholders and beneficial owners of these major shareholders?	✓		(2) The Company's current major shareholders were the members of the founding family, management team and professional institution. The Company can grasp the shareholding status and maintain well interaction among major shareholders.	No significant difference
(3) Has the Company built and executed a risk management system and "firewall" between the Company and its affiliates?	✓		(3) The Company has established related guidelines in the internal control system, to set up an appropriate risk control mechanism and the "firewall."	No significant difference
(4) Has the Company established internal rules prohibiting insider trading on undisclosed information?	✓		(4) The Company has established related guidelines to prevent the insider trading and disclosed such guidelines on the company website, to prohibit insider trading on undisclosed information. The Company arrange educational campaigns for the directors, management team and employees at least once a year. The participant will receive the teaching materials, and the topic includes the scope of material inside information, confidentiality firewall operations, disclosure of material inside information and disciplinary measures. For those newly on boarded, the educational campaigns will be performed within one month.	No significant difference
3. Composition and Responsibilities of the Board of Directors				
(1) Does the Board develop a diversified policy of its members, specific management objectives and implemented?	✓		(1) The Company has established the Corporate Governance Best Practice Principles and disclosed the complete information on the Company's website and MOPS. Please refer to page 13-15 for the diversified policy of its members, specific management objectives and the implementation results.	No significant difference
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?		✓	(2) The Company has set up Remuneration Committee and Audit Committee, with other functional committees to be set up as needed.	Will set up other functional committee as needed
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually?	✓		(3) The Company has established "Procedures of Performance Assessments of the Board of Directors" on May 12, 2020. The Company conduct internal assessment annually, and perform external review at least once every three years, and report the performance evaluation result to the Board of Directors. The performance evaluation result of 2024 had been reported to the Board of Directors on March 11, 2025.	No significant difference
(4) Does the Company regularly evaluate the independence of CPAs?	✓		(4) The Company has hired Ernst & Young as the independent auditor, and completed the evaluation of the independence and suitability of the CPAs on December 24, 2024.	No significant difference

Assessment Item	Implementation Status(Note 1)			Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reason																																									
	Yes	No	Explanation																																										
4. Does the Company appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors’ compliance of law, handling matters related to board meetings and shareholders’ meetings according to law, and recording minutes of board and shareholders’ meetings)?	✓		The Company has designated the Financial Center to be in charge of board meetings, shareholders’ meetings affairs and corporate governance. The Board of Directors has resolved on November 9, 2023 that Chiaching Chen, Accounting Supervisor of the Finance Center, serves as the Company's Chief Governance Officer on a full-time basis and has been in charge of corporate governance affairs in public companies for more than three years, thus is qualified as required by laws. The major duties include but not limited to furnishing information required for business execution by directors, assisting directors’ compliance of law, handling matters related to board meetings and shareholders’ meetings according to law, and recording minutes of board meetings and shareholders’ meetings.	No significant difference																																									
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		<div>The Company has established spokesperson and deputy spokesperson system, and regularly disclosed financial information. We also set “Investors” and “Contacts” sections on our official website. The Company reports the situation of communication with stake holders to the Board of Directors at least once a year. The communication situation of 2024 has been reported to the Board of Directors on December 23, 2024.</div> <table><tr><th>Major Issues</th><th>Stakeholders</th><th>Communication Channels</th></tr><tr><td>1. Customers` Health &amp; Safety</td><td>Customer</td><td>Direct Communication</td></tr><tr><td>2. Product Regulatory Compliance</td><td rowspan="4">Employee</td><td>Labor-management Meeting</td></tr><tr><td>3. Environmental Regulatory Compliance</td><td>Employee Performance Interview</td></tr><tr><td>4. Regulatory Compliance</td><td>Employee Welfare Committee</td></tr><tr><td>5. Labeling of Corporation Products</td><td>Satisfaction Survey</td></tr><tr><td>6. Patent</td><td rowspan="2">Supplier</td><td>Inner Promotion Channel</td></tr><tr><td>7. Labor-management Negotiations</td><td>Direct Communication</td></tr><tr><td>8. Customer Privacy</td><td rowspan="2">Shareholder</td><td>Supplier Evaluation</td></tr><tr><td>9. Economic Performance</td><td>Annual Report/Financial Report</td></tr><tr><td>10. Marketing Communication</td><td rowspan="2">Bank</td><td>MOPS</td></tr><tr><td>11. Occupation Health &amp; Safety</td><td>Shareholder`s Meeting</td></tr><tr><td>12. Education &amp; Training</td><td rowspan="2">Government Agency</td><td>Direct Communication</td></tr><tr><td>13. Anti-corruption</td><td>MOPS</td></tr><tr><td>14. Energy</td><td></td><td>Official Document</td></tr><tr><td></td><td></td><td>MOPS</td></tr></table>	Major Issues	Stakeholders	Communication Channels	1. Customers` Health & Safety	Customer	Direct Communication	2. Product Regulatory Compliance	Employee	Labor-management Meeting	3. Environmental Regulatory Compliance	Employee Performance Interview	4. Regulatory Compliance	Employee Welfare Committee	5. Labeling of Corporation Products	Satisfaction Survey	6. Patent	Supplier	Inner Promotion Channel	7. Labor-management Negotiations	Direct Communication	8. Customer Privacy	Shareholder	Supplier Evaluation	9. Economic Performance	Annual Report/Financial Report	10. Marketing Communication	Bank	MOPS	11. Occupation Health & Safety	Shareholder`s Meeting	12. Education & Training	Government Agency	Direct Communication	13. Anti-corruption	MOPS	14. Energy		Official Document			MOPS	No significant difference
Major Issues	Stakeholders	Communication Channels																																											
1. Customers` Health & Safety	Customer	Direct Communication																																											
2. Product Regulatory Compliance	Employee	Labor-management Meeting																																											
3. Environmental Regulatory Compliance		Employee Performance Interview																																											
4. Regulatory Compliance		Employee Welfare Committee																																											
5. Labeling of Corporation Products		Satisfaction Survey																																											
6. Patent	Supplier	Inner Promotion Channel																																											
7. Labor-management Negotiations		Direct Communication																																											
8. Customer Privacy	Shareholder	Supplier Evaluation																																											
9. Economic Performance		Annual Report/Financial Report																																											
10. Marketing Communication	Bank	MOPS																																											
11. Occupation Health & Safety		Shareholder`s Meeting																																											
12. Education & Training	Government Agency	Direct Communication																																											
13. Anti-corruption		MOPS																																											
14. Energy		Official Document																																											
		MOPS																																											
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has appointed "Taishin Securities Stock Affairs Agency" as its professional shareholder service agency.	No significant difference																																									
7. Information Disclosure																																													
(1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status?	✓		(1) The Company has disclosed information regarding the Company’s financials, business and corporate governance status in accordance with laws on the Company’s website and MOPS.	No significant difference																																									
(2) Does the company have other information disclosure	✓		(2) The Company has appointed dedicated staff to collect necessary information and regularly/irregularly	No significant difference																																									

Assessment Item	Implementation Status(Note 1)			Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reason
	Yes	No	Explanation	
<p>channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?</p> <p>(3) Does the company publish and announce the annual financial report within two months at end of every business year? Then, does it also publish and announce the Q1, Q2 and Q3 financial statements and monthly operating situation before the prescribed time?</p>		✓	<p>disclose investor conference information on MOPS. The Company also has English &amp; Chinese website (<a href="https://www.fusheng-precision.com/">https://www.fusheng-precision.com/</a>) to disclose related information for domestic and foreign investors. To ensure the appropriate and timely disclosure of information that might affect shareholders/interested persons in decision-making, the Company has implemented spokesman system.</p> <p>(3) In 2024, The Company's annual, 1Q, 2Q and 3Q financial statements and monthly operating situation have been published and announced within the prescribed time.</p>	Plan to advance the schedule as needed
<p>8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?</p>	✓		<p>(1) The Company has established Employee Welfare Funds Committee and set relevant regulations to enhance employee's rights.</p> <p>(2) In order to protect the investors' rights and to make the public understand the operating situation, the Company has set up "Investor" section on the official website, which could provide investors with more information in addition to MOPS.</p> <p>(3) The Company has appointed dedicated departments as the communication channel for suppliers and other stakeholders to protect their rights.</p> <p>(4) The Company irregularly provided relevant regulatory information and professional training courses to directors, and also completed the training requirements according to "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies".</p> <p>(5) Risk management policy and risk evaluation measure implementation status: The Company has established related policies in accordance with laws and regulations to conduct risk assessment and implement internal audits.</p> <p>(6) Customer relationship policy implementation status: The Company has maintained good and stable relationship with customers to achieve best interest for the company.</p> <p>(7) The Company has purchased liability insurance for Directors (including independent directors) and the Management Team.</p>	No significant difference
<p>9. The improvement status for the result of Corporate Governance Evaluation announced by Taiwan Stock Exchange; for improvement not yet conducted, the prioritized enhancement and measures shall be described.</p> <p>The Company has set up a specific improvement project to address the subjects in the evaluation. The evaluation result of 2024 was rank among 21%~35% (average score 91.59), and the company's score was 90.83. Comparing to 2023, the company's evaluation result was also rank among 21%~35% (average score 87.81), and the company's score was 89.34. The score was continuously improved. The improvements included the disclosure in English, enhancement of corporate governance, information transparency, ESG, protection of shareholders' rights, and so on.</p>				

Note 1 :The implementation Status shall be all explained.

Note 2: The Accounting Independence Assessment Standards

Item	Evaluation indicators	Result	Whether it meets the independence
1.	As of the most recent operation, there has been no situation where the visa has not been changed for 7 years.	Yes	Yes
2.	No significant benefit with the client.	Yes	Yes
3.	Avoid any inappropriate relationship with the client.	Yes	Yes
4.	Accountants should ensure that their assistants observe honesty, impartiality and independence.	Yes	Yes
5.	The financial statements of service agencies within the two years before practicing shall not be audited and certified.	Yes	Yes
6.	The name of the accountant shall not be used by others.	Yes	Yes
7.	No shares of the Company or its affiliated companies are held.	Yes	Yes
8.	There is no monetary loan or borrowing between the Company and its affiliated companies.	Yes	Yes
9.	There is no joint investment or profit-sharing relationship with the Company and its affiliated companies.	Yes	Yes
10.	No concurrent work for the company or its affiliated companies, and a fixed salary is paid.	Yes	Yes
11.	No management function involved in decision making for the Company or its affiliates.	Yes	Yes
12.	No engagement in other businesses that may lose its independence.	Yes	Yes
13.	The person has no relationship with the company's management personnel in terms of spouse, lineal blood relative, lineal blood relative by marriage, or collateral blood relative within the second degree of kinship.	Yes	Yes
14.	No commissions were received in connection with the business.	Yes	Yes
15.	Till now, there has been no disciplinary action or violation of the principle of independence.	Yes	Yes

## 2.3.4 Remuneration Committee Meeting Status

### 2.3.4.1 Information of the members of the Remuneration Committee

Role	Criteria	Professional qualifications and experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Members
	Name			
Independent Director (Convener)	Victor Liu	Please refer to page 9	During the two years before being elected and during the term of office, none of the provisions 3 paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies is applied	1
Independent Director	Michael Kao	Please refer to page 9	During the two years before being elected and during the term of office, none of the provisions 3 paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies is applied	2
Independent Director	C.K. Chen	Please refer to page 9	During the two years before being elected and during the term of office, none of the provisions 3 paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies is applied	0

### 2.3.4.2 Remuneration Committee Meeting Status

(1) There are three members in the Remuneration Committee

(2) The tenure of the current term is from July 1<sup>st</sup> , 2023 to June 30<sup>th</sup> , 2026 FSP's Remuneration Committee convened 4 meetings in 2024. The committee members' attendance status is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Notes
Convener	Victor Liu	4	0	100	
Member	Michael Kao	4	0	100	
Member	C.K. Chen	4	0	100	

#### Other Matters to be Recorded:

1. If the Board of Directors does not adopt or wishes to amend the proposals of the Remuneration Committee, please state the date and session of the Board meeting, proposals, resolutions from the Board of Directors, and handling of the Remuneration Committee's opinions (e.g., if the salary and remuneration approved by the Board of Directors are better than those proposed by the Remuneration Committee, please specify the differences and the reason): None.
2. For the resolutions of the Remuneration Committee, if any member expresses objections or reservations, which are recorded on the record or in a written statement, the date, meeting session, content of the proposal, the opinions of all members, and the handling of the members' opinions shall be stated: None.



Note: Resolution of Remuneration Committee Meeting in 2024 and the implementation status:

Remuneration Committee Meeting Date	Resolution	Any Independent Director Opinion	Implementation Status
01.26.2024	Approving the distribution of year-end bonus to the Management Team in 2023	None	Adopted by the Board of Directors and Implemented accordingly
03.12.2024	Approving the distribution of employees' profit sharing bonus and directors' compensation in 2023	None	Adopted by the Board of Directors and Implemented accordingly
08.13.2024	Approving the conversion of the variable remuneration of the Company's managers to a fixed remuneration proposal.	None	Adopted by the Board of Directors and Implemented accordingly
09.06.2024	Approving the appropriation of employees' profit sharing bonus in 2023	None	Adopted by the Board of Directors and Implemented accordingly

#### 2.3.4.3 Responsibilities of FSP's Remuneration Committee Meeting

The Committee shall exercise the care of a good administrator to faithfully perform the following duties and presents its recommendations to the board of directors for discussion:

1. Periodically reviewing this Charter and making recommendations for amendments.
2. Establishing and periodically reviewing the annual and long-term performance goals for the directors and managerial officers and the policies, systems, standards, and structure for their compensation.
3. Periodically assessing the degree to which performance goals for the directors and managerial officers of the Company have been achieved and setting the types and amounts of their individual compensation.

The Committee shall perform the duties under the preceding paragraph in accordance with the following principles:

1. Ensuring that the compensation arrangements of this Corporation comply with applicable laws and regulations and are sufficient to recruit outstanding talent.
2. Performance assessments and compensations levels of directors and managerial officers shall take into account the general pay levels in the industry. Reasonableness of the correlation between the individual performance, the Corporation's operational performance and future risk exposure shall also be put into consideration.
3. There shall be no incentive for the directors or managerial officers to pursue compensation by engaging in activities that exceed the tolerable risk level of this Corporation.
4. For directors and senior managerial officers, the percentage of bonus to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided with regard to the characteristics of the industry and the nature of this Corporation's business.
5. No member of the Committee may participate in discussion and voting when the Committee is deciding on that member's individual compensation.

"Compensation" as used in the preceding two paragraphs includes cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. Its scope

shall be consistent with the compensation for directors and managerial officers as set out in the Regulations Governing Information to be published in Annual Reports of Public Companies.

When deliberating the recommendations of the remuneration committee, the board of directors shall give comprehensive consideration to matters including amounts of remuneration, payment methods, and the company's future risk.

If the board of directors will decline to adopt, or will modify, a recommendation of the remuneration committee, it shall require the consent of a majority of the directors in attendance at a meeting attended by two-thirds or more of the entire board, which in its resolution shall give the comprehensive consideration under the preceding paragraph and shall specifically explain whether the remuneration passed by it exceeds in any way the recommendation of the remuneration committee.

If the remuneration passed by the board of directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified in the board meeting minutes and announced on MOPS within 2 days.

If decision-making and handling of any matter relating to the remuneration of directors and managerial officers of a subsidiary is delegated to the subsidiary but requires ratification by the board of directors of the parent company, the parent company's remuneration committee shall be asked to make recommendations before the matter is submitted to the board of directors for deliberation.

#### 2.3.4.4 Nominating Committee Members' Information and Meeting Status: None.

2.3.5 Operation status of the sustainable development and the discrepancies with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies, and the causes:

Assessment Item	Implementation Status			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies								
	Yes	No	Explanation									
1. Does the Company establish a sustainable development management framework and a dedicated (or part-time) unit for promoting sustainable development? Is the unit authorized by the Board of Directors to implement ESG activities at the executive level and supervised by the Board of Directors?	✓		The Company has established ESG working team as a part-time unit to promote sustainable development and report to the Board of Directors at least once a year. Regarding the carbon footprint verification which is a specific project and the results will be reported to the board of directors every quarter. Risk management strategies such as carbon reduction programs, energy efficiency improvement and cost reduction have been formulated to address major environmental issues such as climate change, greenhouse gas management and energy management, and are reported to the Board of Directors on a quarterly basis (113/03/12, 113/05/07, 113/08/13, 113/11/12), which oversees the progress and effectiveness of the implementation of these strategies. The Board of Directors oversees the progress and effectiveness of the implementation of these strategies.	No significant difference								
2. Has the Company assessed the environmental, social, and corporate governance risks related to its operations based on the principle of materiality and established relevant risk management policies or strategies?	✓		<div>The Company has set up “Procedure of Risk Assessment and Environmental Aspects” to identify and evaluate the significant impact of environmental, social and corporate governance topics related to the Company’s operation and to response.</div> <div>This disclosure covers the Company's sustainability performance from January ,2024 to December,2024 at its major locations. The risk assessment boundary is based on the Company and includes the subsidiaries, Zhongshan Sports Equipment Company Limited (Zhongshan Guangsheng), Vision International Co., Ltd. and Minson Integration Company Limited , on the basis of their relevance to the operation of the business and the degree of impact on the material subject matter.</div> <table><tr><th>Matter</th><th>Risk</th><th>Description</th></tr><tr><td rowspan="2">Environment</td><td>Climate Change</td><td><div>1. We collect and analyze information on climate change issues and energy risks annually, identify and evaluate climate change-related risks by referring to the ISO 14001 risk identification procedures, and formulate preventive measures to reduce the negative impacts of climate change. .</div><div>2. Continuously implement environmental protection action programs through the implementation of the ISO 14001 environmental management system.</div></td></tr><tr><td>Greenhouse</td><td><div>1. The Company has formulated and is actively implementing the four major transformations (the seven strategies below), and will gradually add more carbon reduction strategies in accordance with the development of carbon reduction technology.</div></td></tr></table>	Matter	Risk	Description	Environment	Climate Change	<div>1. We collect and analyze information on climate change issues and energy risks annually, identify and evaluate climate change-related risks by referring to the ISO 14001 risk identification procedures, and formulate preventive measures to reduce the negative impacts of climate change. .</div> <div>2. Continuously implement environmental protection action programs through the implementation of the ISO 14001 environmental management system.</div>	Greenhouse	<div>1. The Company has formulated and is actively implementing the four major transformations (the seven strategies below), and will gradually add more carbon reduction strategies in accordance with the development of carbon reduction technology.</div>	No significant difference
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	Yes	No	Explanation	
			<div> <div></div> <div>Pollution and Waste Management</div> <div> <ol style="list-style-type: none"> <li>1. Implement the Toyota Production System to effectively improve production efficiency and minimize production process waste, and achieve the goals of resource efficiency and energy conservation.</li> <li>2. Actively develop strategies for low-carbon transformation of products, and continue to expand green energy installations through the introduction of energy-saving equipment and monitoring and management by the EMS (Energy Management System) system.</li> </ol> </div> </div>	
			<div> <div>Social</div> <div>Occupational Safety and Health</div> <div> <ol style="list-style-type: none"> <li>1. Obtained ISO 45001 Occupational Health and Safety Management System certification.</li> <li>2.Regularly hold fire drills and environmental safety and hygiene education training every year to cultivate employees' emergency response and self-safety management skills, and to prevent employees from approaching situations that may cause injury or illness (e.g., chemicals, noise, fire, explosives...etc.).</li> </ol> </div> </div>	
			<div> <div></div> <div>Product Management</div> <div> <ol style="list-style-type: none"> <li>1. To obtain "ISO 9001 Quality Management System" and "AS 9100D Aerospace Quality Management System" certifications to ensure the health and safety of product users and product quality.</li> <li>2. Actively develop new environmental friendly materials and processes, and increase the utilization rate of recycled materials in order to shorten the production process and reduce the waste generated during the production process.</li> <li>3. Reduce employee's working time and labor intensity through technology upgrading and automation technology investment and improvement to increase employee's job satisfaction and efficiency.</li> </ol> </div> </div>	

Assessment Item	Implementation Status				Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies	
	Yes	No	Explanation			
			Corporate Governance	Security	1. To formulate information security policies to implement information security management mechanisms and enhance the Group's information security protection capabilities through three main axes, namely, personnel governance, equipment resources and policy management. 2. Obtained ISO27001 Information Security Management System certification (valid from 112/11/20 to 115/11/20).	
				Stakeholders Communicaton	1. Depending on the stakeholders, we communicate with them in different ways on a regular and irregular basis every year, and use questionnaires to identify the major issues of concern, and conduct significance analyses through a systematic analytical model in order to understand the stakeholders and the important issues of concern to them. 2. Establishing various communication channels for active communication to minimize confrontation and misunderstanding. We also set up investor mailboxes, which are handled and responded to by specialized staff.	
3. Environmental Topic						
(1) Has the Company set an environmental management system designed to industry characteristics?	✓		(1) The Company has passed the ISO 45001 certification and ISO 14001 certification and follow the related environmental regulations.			No significant difference
(2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	✓		(2) a.The Company has an energy management system and holds regular energy management meetings to monitor the efficiency of energy use and the effectiveness of energy conservation programs. We have long been committed to using recycled materials that have a low impact on the environment, and have upgraded our 3R strategy of circular economy to 5R (Reduce, Reuse, Recycle, Repurpose, Redesign) to ensure that our operations minimize the impact on the environment from product design, process design, and the use of materials. b.We are committed to implementing sustainable low-carbon operations and strengthening energy management by setting energy saving and carbon reduction targets, conducting resource and energy consumption inventories, upgrading renewable energy installations, and tracking target achievement on a regular basis in order to continuously improve management policies and measures.			No significant difference

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(3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	✓		c. For the annual energy saving/carbon reduction/waste reduction policies and achievements, please refer to point (4) of this table.  (3) The Company has established energy-saving and carbon-reduction measures and strategies for temperature control and effective use of energy to achieve energy-saving and carbon-reduction goals, as well as statistics and monitoring of water resources usage, electricity usage, and carbon dioxide emissions.	No significant difference																														
(4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction and other waste management policies?	✓		(4) The Company has accomplished the following energy conservation and waste reduction measures (The coverage of below information is the Company’s Taoyuan plant): 1) Expanded the improvement of environmental protection facilities during 2023, and expected to obtain a fixed pollution operation license in August 2023. 2) Generate 250,260 kWh solar power in 2024, equivalent to 123,620 kg carbon reduction. 3) Reduced 28,222tons of the usage of tap-water in 2024. 4) The data of carbon emission, water usage and waste quantity from 2021 to 2024: <table><tr><th></th><th>Water Usage (1,000 Cubic Meter)</th><th>Electricity Usage (1,000 kWh)</th><th>Waste Quantity (Ton)</th><th>Carbon Emission (TonCO<sub>2</sub>e)</th><th>Carbon emission per unit (TonCO<sub>2</sub> e /Million NT\$ sales)</th></tr><tr><td>2021</td><td>119</td><td>36,509</td><td>8,238</td><td>23,780</td><td>1.24</td></tr><tr><td>2022</td><td>126</td><td>38,153</td><td>8,862</td><td>25,393</td><td>0.91</td></tr><tr><td>2023</td><td>121</td><td>29,927</td><td>5,887</td><td>19,378</td><td>0.99</td></tr><tr><td>2024</td><td>126</td><td>33,834</td><td>6,987</td><td>23,664</td><td>1.07</td></tr></table> Note: Carbon emissions are disclosed in the parent company's external verification data on greenhouse gas inventory. In 2022 , the revenue reached a record high and a 26.7% decreased in carbon intensity based on revenue. In 2023, due to the effect from destocking, the revenue decreased 30%, however the carbon intensity only increased 9.0%.		Water Usage (1,000 Cubic Meter)	Electricity Usage (1,000 kWh)	Waste Quantity (Ton)	Carbon Emission (TonCO <sub>2</sub> e)	Carbon emission per unit (TonCO <sub>2</sub> e /Million NT\$ sales)	2021	119	36,509	8,238	23,780	1.24	2022	126	38,153	8,862	25,393	0.91	2023	121	29,927	5,887	19,378	0.99	2024	126	33,834	6,987	23,664	1.07	No significant difference
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4. Social Topic (1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?	✓		(1) The Company commits to abiding by domestic labor laws and regulations. The Company will refer to “OECD Guidelines for Multinational Enterprises”, “BSCI Code of Conduct”, “ILO Conventions, Protocols, and Recommendations” and other applicable international standards or guidelines to continue improving the working conditions and welfares for all our employees. The Company will periodically examine and review the business activities as well as the internal management to evaluate the influence on human rights, the environment and public interests. The Company will assume the social responsibilities, by adopting measures and promulgating	No significant difference																														

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(2) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	✓		relevant regulations, to employees, consumers and stake holders, as well as to ensure the sustainable development of the environment. Refer to 7. (1) for detailed implementation.  (2) The Company has established the “Work Rules Guideline” in accordance with the Labor Standards Act and set up the Employees' Welfare Committees and the “Employee Welfare Fund Management Policy” to appropriate employees’ benefits reasonably in accordance with Enforcement Rules of the Employee Welfare Fund Act. The Company has a performance appraisal system by setting Key Performance Indicators, Operational Performance Indicators and Individual Performance Indicators to link the operational performance with personal performance. The assessments take place twice a year, and the result, after approved by the Board of Director, will have linkage to employees’ compensation. In 2023, A considerable amount of employee bonus of performance were allocated based on actual operating results.	No significant difference
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	✓		(3) a.The Company has established “Safety and health work rules” and set up occupational safety and health management system and medical personnel to be in-charge of related issues. The Company perform employee health examination annually, prepare safety and health protective equipment in the working environment, and perform safety and health education monthly. The Office of Safety and Health performs inspections monthly and provide improvement instructions.  b. The company regards employees as an important asset of the company. In order to protect and promote the physical and mental health of the employees, in addition to the annual health checkups for all employees that are superior to the laws and regulations, the factory nurses also adjust the checkups appropriately according to the physical condition of individual employees in the previous year and arrange for the repeat checkups, factory doctor's consultation, and hygienic education for high-risk groups; in addition, for the mental health of employees, the company introduces the service of consultant psychologists to visit the factory once a month to promote the physical and mental balance of the employees. For employee mental health, we have introduced a consultant psychologist to visit the factory once a month to promote employees' physical and mental balance.  In fiscal year 113, we held the first online walking activity combined with tree planting for public welfare, with 407 participants and a total of 69,857 kilometers of walking, reaching 70% of the total number of trees planted for public welfare; we also held an 8-week physical weight loss	No significant difference

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			<p>activity with 272 participants, with a total weight loss of 757 kilograms, and we received positive feedbacks from our employees for all the activities.</p> <p>c. In addition to caring for the physical and mental health of our employees, we also actively practice a sports culture. In 113 years, we were certified as a “Sports Enterprise” by the Sports Department of the Ministry of Education again, demonstrating our continuous dedication and commitment to the health of our employees, and we will continue to organize related health promotion activities to take care of the health of our employees in the future.</p> <p>d. Obtained ISO45001 - Occupational Health and Safety Management System certification, valid from 2023/3/16 to 2025/5/19. (Reviewed and passed on 2025/04/09, currently awaiting review and issuance by the issuing organization.)</p> <p>In fiscal year 113, we held the first online walking activity combined with tree planting for public welfare, with 407 participants and a total of 69,857 kilometers of walking, reaching 70% of the total number of trees planted for public welfare; we also held an 8-week physical weight loss activity with 272 participants, with a total weight loss of 757 kilograms, and we received positive feedbacks from our employees for all the activities.</p>											
(4) Has the Company established effective career development training plans?	✓		(4) The Company has set up Human Capital System to train our outstanding and diversified employees through a transparent assessment and promotion process, effectively building up career plan. A total of 654 courses were held in 2024, with a total of 25,055 attendances, of which 113 courses focusing on functional development (leadership + professional functions) were held, with 993 attendances.	No significant difference										
(5) Does the Company’s product and service comply with related regulations and international rules for customers’ health and safety, privacy, sales, labelling and set polices to protect consumers’ rights and consumer appeal procedures?	✓		(5) The Company’s manufacturing processes have passed international certifications (as tabulated as below) and the Company has established consumer appeal procedures. The products have been covered by products liability insurance. <table><tr><td>Name of Certification</td><td>Effective Period</td></tr><tr><td>ISO 9001:2015</td><td>05.07.2023 to 05.06.2026</td></tr><tr><td>AS 9100 D</td><td>08.30.2021 to 08.29.2024</td></tr><tr><td>ISO 14001:2015</td><td>06.20.2023 to 05.19.2025</td></tr><tr><td>ISO45001:2018</td><td>06.20.2023 to 05.19.2025</td></tr></table>	Name of Certification	Effective Period	ISO 9001:2015	05.07.2023 to 05.06.2026	AS 9100 D	08.30.2021 to 08.29.2024	ISO 14001:2015	06.20.2023 to 05.19.2025	ISO45001:2018	06.20.2023 to 05.19.2025	No significant difference
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(6) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?	✓		(6) The Company has set up supplier management policy to evaluate their performance in aspects of environmental, occupational safe and health and labor rights as our important indicators determining the selection and extension of supplier contracts.	No significant difference												
5. Does the Company refer to international reporting rules or guidelines to publish ESG Report to disclose non-financial information of the Company? Has the said Report acquire 3rd certification party verification or statement of assurance?	✓		The company has referred to GRI (Global Reporting Initiative) and SASB (Sustainability Accounting Standards Board) guidelines in preparing the sustainability report. We also obtained assurance and certification from a third-party verification entity.	No significant difference												
6. If the company has established its corporate social responsibility code of practice according to “Listed Companies Corporate Social Responsibility Code of Practice,” please describe the operational status and differences: No significant difference																
7. Other important information to facilitate better understanding of the company’s implementation of corporate social responsibility: (1) The Company’s human rights principle:																
<table><tr><th>Goals</th><th>Implementations</th></tr><tr><td>Occupational Safety and Health</td><td><ul style="list-style-type: none"><li>FSP is certified by ISO14001 (environmental management systems) and ISO45001 (Occupational Health and Safety Management), therefore is able to provide safe occupational environment for our employees.</li><li>In accordance with “Occupational Safety and Health Act” and relevant laws, FSP retains full-time nurse and part-time medical doctors to provide medical service for on-site employees.</li><li>For all new recruits, FSP provides general physical examination before their on-board date. For every employee, FSP provides physical examination on a regular base which is more often and thorough than legally required. All the expenses for above physical examination are assumed by FSP.</li><li>FSP retains occupational safety engineers, medical doctors/nurses or nutritionists to host seminars on annual base, covering topics with regard to occupational safety and health.</li></ul></td></tr><tr><td>Anti-Discrimination</td><td><ul style="list-style-type: none"><li>According to FSP “Work Rule”, the process of the recruitment and its result should not be influenced by applicant’s race, religious belief, gender, marital/reproductive status, age, political orientation, disability, sexual orientation, constellation, blood type or other factors which may create discrimination.</li></ul></td></tr><tr><td>Forbiddance on Child-Labor</td><td><ul style="list-style-type: none"><li>According to FSP “Personnel Recruitment Operation Standard”, in order to abide by corporate social responsibility and ethic codes, the age of all recruited personnel should be above 18 years old.</li></ul></td></tr><tr><td>Anti-Force Labor</td><td><ul style="list-style-type: none"><li>According to FSP “Work Rule”, it is forbidden to coerce or enslave employees in any form to work against their will.</li></ul></td></tr><tr><td>Mental Health and Recreation</td><td><ul style="list-style-type: none"><li>FSP has established many clubs, such as hiking, badminton, golf, aerobic yoga, and also provides financial aids to maintain the operation of these clubs. 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(2)Climate-related information:

Assessment Item	Implementation Status
1.Please describe board of members and management team's oversight and governance of climate-related risks and opportunities.	<p><b><u>Board of Directors</u></b></p> <p>The Company's Board of Directors serves as the highest guiding level for climate change management. They ensure the company has clear strategies and direction in climate change, greenhouse gas management, and energy management, and they regularly monitor the execution of these strategies.</p> <p><b><u>Senior Management Team</u></b></p> <p>Led by the CEO, our senior management team is responsible for guiding in developing and implementing specific strategies and action plans related to climate change, greenhouse gas management, and energy management.</p> <p><b><u>Management Departments</u></b></p> <p>Within each facility, the climate change, greenhouse gas management, and energy management departments serve as the company's internal executing units. They are responsible for implementing the company's climate and sustainability action plans, including monitoring and reporting the company's greenhouse gas emissions,developing emission reduction plans, improving the company's energy efficiency, reducing energy costs, and promoting the use of renewable energy. These departments report on the group's greenhouse gas inventory and certification plan execution to the Board of Directors at least once every quarter.</p>
2. Please describe how the climate risks and opportunities impact the company's business, strategy and finances (short-term, medium-term, long-term).	<p>The Company, as a foundation for financial risk management, takes into consideration both short-term and long-term perspectives. We analyze factors such as the company's development direction, regional policies and regulations, business relationships within the value chain, technology, and substantial climate factors mentioned in the IPCC's Sixth Assessment Report.</p> <p><b><u>(1)Short-term :</u></b></p> <ul style="list-style-type: none"> <li>◆ Extreme Weather Events: Climate change may lead to extreme weather events such as storms, floods, or droughts. These events could result in production disruptions, supply chain interruptions, or property losses, thereby affecting business operations and financial conditions.</li> <li>◆ Energy Costs: Climate change may lead to fluctuations in energy prices, posing risks of increased energy costs.</li> </ul> <p><b><u>(2)Mid-term :</u></b></p> <ul style="list-style-type: none"> <li>◆ Regulatory Requirements: Increased government attention to climate change issues has led to stricter regulatory requirements. These requirements may necessitate companies to reduce greenhouse gas emissions or implement other environmental measures, which could increase operating costs or require adjustments to business models.</li> <li>◆ Changes in Consumer Behavior: Increased consumer concern about climate change may lead to greater demand for eco-friendly products and services.</li> </ul> <p><b><u>(3)Long-term :</u></b></p> <ul style="list-style-type: none"> <li>◆ Uncertainty in Resource Supply: Climate change may lead to increased uncertainty in the supply of natural resources such as water. It's necessary to assess the sustainability of these resources and consider corresponding risk management and diversification strategies.</li> <li>◆ Adjustments for value : With the increase in climate risks and growing environmental awareness, investors are paying more attention to the sustainability of companies and their environmental impact.</li> </ul>

<p>3.Please describe the financial impact of extreme climate events and transition actions.</p>	<ul style="list-style-type: none"> <li>◆ Production Interruption: Extreme weather events such as storms, floods, or droughts may lead to production interruptions, thereby affecting the revenue and profit of the company.</li> <li>◆ Asset Loss: Extreme weather events may result in property damage, such as equipment damage, facility destruction, or inventory losses.</li> <li>◆ Loss in investment : Transition actions such as reducing greenhouse gas emissions or shifting towards renewable energy may require corresponding investments by companies. These investments include equipment upgrades, technological transformations, or energy transitions, increasing the operational costs of the company.</li> <li>◆ Regulatory Compliance Costs: Increased government attention to climate change issues may lead to changes in related regulations.</li> <li>◆ Changes in Market Demand: Increased consumer demand for environmentally friendly products and services may prompt companies to adjust their product portfolios and market positioning.</li> </ul>
<p>4.Please describe How climate risk identification, assessment and management processes are integrated into the overall risk management system.</p>	<ol style="list-style-type: none"> <li>1. Our company has initially identified potential climate-related risks, including extreme weather events, the impact of climate change on supply chains and resource supply, regulatory changes, and changes in consumer behavior. We conduct internal and external environmental analyses, collecting relevant information and data to determine potential risks, and we also evaluate the potential impact of climate risks on the business, strategy, and financial condition of the company is crucial. This assessment involves both quantitative and qualitative evaluations, such as financial model analysis, supply chain impact analysis, and customer behavior pattern analysis.</li> <li>2. Based on the assessment results, our company has formulated corresponding risk management strategies, including risk avoidance, risk mitigation, risk transfer, and risk acceptance.For instance, reduce sensitivity to climate change by improving supply chain ,or develop eco-friendly products and services to meet the market demand by investing in R&amp;D and innovation.</li> <li>3. Following the recommendations of the Task Force on Climate-related FinancialDisclosures (TCFD), we are enhancing our operational resilience by implementing renewable energy sources, energy-saving measures, developing eco-friendly low-carbon products, and practicing sustainable procurement.</li> <li>4. Integrate the climate risk management process into the overall risk management system of the company. This includes linking and coordinating with other risk management processes such as enterprise risk assessment, business continuity planning, and corporate governance.</li> </ol>
<p>5.Using scenario analysis to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.</p>	<p><b><u>Scenario:</u></b> The main plant is located in the low-lying area of the Guishan Industrial Zone and needs to prevent the impact of heavy rainfall or typhoon-related flooding.</p> <p><b><u>Parameters:</u></b> The frequency and extent of damage caused to production facilities, supply chains, and assets by heavy rainfall or typhoon-related flooding.</p> <p><b><u>Assumptions:</u></b> Due to drastic climate change, the area experiences heavy rainfall or typhoon-related flooding every year.</p> <p><b><u>Analysis factors:</u></b> The specific number of instances of production interruptions due to heavy rainfall or typhoon-related flooding.</p> <p><b><u>Major financial impacts:</u></b> It may lead to production interruptions, reducing revenue and profit. Additionally, facility damage may require repair or replacement,</p>

	<p>increasing the company's costs.</p> <p><b>Measures :</b></p> <p>(1) The company has formulated emergency plans with sufficient emergency supplies and backup equipment to address the impacts during flood periods.</p> <p>(2) The company conducts annual staff disaster response training, providing relevant training and guidance to ensure they can respond to disaster situations.</p> <p>(3) The company has installed flood control systems to mitigate flood impacts and reduce related financial risks.</p> <p>(4) The company has taken out relevant risk insurance to further mitigate financial losses.</p> <p>(5) Through feedback, the Industrial Zone Management Center has improved the drainage system.</p> <p>Results of climate resilience enhancement: There were no instances of production in 2022 &amp; 2023.</p>
6. Please describe the content of the plan and the indicators and targets used to identify and manage physical and transition risks.	The short, medium and long-term carbon reduction goals have been formulated and the planned is set.
7. Internal carbon pricing and its standard for evaluation.	The company's internal carbon pricing mechanism uses shadow price for evaluation at this stage. The pricing basis is comprehensively evaluated based on the carbon trading prices and regulations of major production base countries such as Taiwan, Mainland China, and Vietnam.
8. Please describe the scope of greenhouse gas emissions, planning schedule, annual achievement progress and other information; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the source and amount of carbon reduction credits offset should be explained.	<p>The scope of direct emissions and energy indirect emissions data is conducted according to the 'Roadmap for Sustainable Development of Listed Companies' issued by the Financial Supervisory Commission in March 2022. Our company (Taipei headquarters, Taoyuan plant, Kaohsiung plant) is required to complete the inventory by 2026 and verification by 2028, however, our company has completed the inventory and verification ahead of schedule in 2023.</p> <p>More details, please refer to below table 1-1an 1-2</p>
9. Greenhouse gas inventory and assurance, reduction targets, strategies and action plans (Please refer to below table 1-1an 1-2) °	<p>(1) Assurance : In 2023, our company has been certified by AFNOR International Verification Company to adopt the ISO 14064-3 standard, and the certification opinion is reasonable .</p> <p>(2) Reduction target: the carbon emission intensity of a single product will be reduced by 10% in 2025 and by 20% in 2030. The long-term goal is to work towards net-zero emissions by 2050.</p> <p>(3) Reduction strategies: four major transformations of energy, technology, industry, and life (seven major strategies)</p> <p>(4) Action plan: The company's general manager personally leads and supervises the carbon reduction plan and its implementation effectiveness .Please refer to table 1-2.</p>

1-1 Greenhouse Gas Inventory and Assurance Status

1-1-1 Information

Please describe Emissions (Metric tons of CO2e), Intensity (Metric tons of CO2e per million dollars), and Data Coverage Scope for the Past Two Years.

Unit : Metric ton ,CO2e

Year	Location	Scope 1	Scope 2	Subtotal Emissions (Metric tons of CO2e)	Total Emissions (Metric tons of CO2e)	Carbon Intensity (Metric tons of CO2e per million dollars of revenue)	Assurance	Assurance status
2024	Taipei office	0	5.8878	5.8878	23,664.7008	1.0652	AFNOR INTERNATIONAL	In 2024, the total greenhouse gas emissions for Scope 1 and Scope 2 were 23,664.7008 metric tons of CO2e. The assurance was conducted by an assurance provider in accordance with ISO 14064-3 standards, and the assurance opinion concluded was reasonably assured.
	Taoyuan plant	5,967.6814	16,714.3912	22,628.0726				
	Kaoshiung plant	11.5632	965.1772	976.7404				
2023	Taipei office	0	5.1844	5.1844	19,378.3069	0.9923	AFNOR INTERNATIONAL	In 2023, the total greenhouse gas emissions for Scope 1 and Scope 2 were 19,378.3069 metric tons of CO2e. The assurance was conducted by an assurance provider in accordance with ISO 14064-3 standards, and the assurance opinion concluded was reasonably assured.
	Taoyuan plant	3,801.6224	14,744.5168	18,546.1392				
	Kaoshiung plant	1.9045	825.0788	826.9833				

Remark 1 : Direct GHG Emissions (Scope 1) 、Energy Indirect GHG Emissions (Scope 2)

Remark 2 : The scope of direct emissions and energy indirect emissions data is conducted according to the 'Roadmap for Sustainable Development of Listed Companies' issued by the Financial Supervisory Commission in March 2022. Our company (Taipei headquarters, Taoyuan plant , Kaoshiung plant ) is required to complete the inventory by 2026 and verification by 2028, however, our company has completed the inventory and verification ahead of schedule in 2023.

Remark 3 : The standards of greenhouse gas inventory : According to International Organization for Standard-ization announcement -ISO 14064-1 。

Remark 4 : Greenhouse gas emissions: Calculated and disclosed based on revenue per unit of product.

Remark 5 : In 2022, the company achieved record-high revenue, with a carbon intensity (0.9100) decreasing by 26.7% compared to 2021. However, in 2023, due to the global destocking effect, the company's revenue declined by 30.0%. Yet, the carbon intensity (0.9923) only increased by 9.0% compared to 2022.

1-1-2 Assurance Information

Explanation of Assurance Status for the Past Two Years, including the scope of assurance, assurance provider, assurance standards, and assurance opinions.

(1) In 2024, the total greenhouse gas emissions for Scope 1 and Scope 2 were 23,664.7008 metric tons of CO2e. The assurance was conducted by an assurance provider in accordance with ISO 14064-3 standards, and the assurance opinion concluded was reasonably assured.

(2) In 2023, the total greenhouse gas emissions for Scope 1 and Scope 2 were 19,378.3069 metric tons of CO2e. The assurance was conducted by an assurance provider in accordance with ISO 14064-3 standards, and the assurance opinion concluded was reasonably assured.

1-2 Gas Reduction Targets, Strategies, and Specific Action Plans:

Please describe the baseline year and data for greenhouse gas reduction, the reduction targets, strategies, and specific action plans, as well as the progress in achieving the reduction targets.

- (1) According to the 'Roadmap for Sustainable Development of Listed Companies' issued by the Financial Supervisory Commission in March 2022, the parent company is classified in the third stage (to complete the inventory by 2026 and verification by 2028), and the subsidiary is classified in the fourth stage (to complete the inventory by 2027 and verification by 2029). Our company will conduct greenhouse gas inventory and verification in accordance with relevant regulations.
- (2) Baseline year for greenhouse gas emissions: The results of the first verification will be used as the baseline year. The baseline year for the parent company is 2022.
- (3) Target of reduction : In 2025, the carbon emission intensity per unit product in Scope 1 and Scope 2 will be reduced by 10%, and by 2030, it will be reduced by 20%. The long-term goal is to strive for net-zero emissions by 2050.

(4) Strategy :

The company has formulated and is actively implementing four major transformations with 7 strategies:

	1.Energy	2.Technology	3. Industry	4. Lifestyle
Strategy	Strategy 1: Increase the use of green energy	Strategy 2: Energy-saving equipment	Strategy 4 :Establish a sustainable supply chain	Strategy 7 : Promote green actions for everyone
		Strategy 3:Develop advanced low-carbon processes	Strategy 5: Expand the circular economy	
			Strategy 6: Strengthen carbon emission management	

(5) Action plan:

- Continue to build photovoltaic systems.
- Continue to improve the energy efficiency of equipment (e.g., replacing various equipment such as lighting systems, air conditioning systems and so on.
- Continue to create high-efficiency and intelligent low-carbon production lines.
- Sustainable risk management of the supply chain .
- Implement the 3R plan (Reuse/Reduce/Recycle) for process materials.
- Accelerate carbon inventory and establish a carbon management mechanism.
- Promote various green activities.

(6) Implementation status:

The company's general manager personally leads and supervises the carbon reduction plan and its implementation effectiveness every month.

Carbon emissions (Unit:kg CO2e/pcs)

	2021	2022	2023	2024	2025
Goal	2.84	2.70	2.55	2.27	2.13
Target of reduction	-	5%	12.3%	20%	25%
Actual	2.60	2.61	2.45	-	-
Implementation Status	Achieved	Achieved	Achieved	-	-

Remark: The unit carbon emissions of products in this table are the total total carbon emissions of Scope 1 and Scope 2 of the Taoyuan plant/the total equivalent number of products.

2.3.6 Operation Status of the Ethical Corporate Management and the discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the causes:

Assessment Item	Implementation Status			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Explanation	
1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures				
(1) Does the company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	✓		(1) The Company has established “Procedures for Ethical Management and Guidelines for Conduct” and outlined the Company’s ethic value in several internal and public documents. The Board of Directors and the Management Team bear the responsibilities to follow the code of conduct.	No significant difference
(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	✓		(2) The Company has set up the whistle blowing system and related disciplinary measures and complaints according to the Company’s “Procedures for Ethical Management and Guidelines for Conduct”.	No significant difference
(3) Whether the company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?	✓		(3) The Company has established “Anti-corruption Policy” and the “Work Rule” to prevent unethical conduct and signed the Statement of Ethic with our trading counterparties.	No significant difference
2. Ethic Management Practice				
(1) Whether the company has assessed the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	✓		(1) The Company evaluates the credit of our trading counterparties, performs supplier assessment and signs the Statement of Ethic to avoid unethical conduct.	No significant difference
(2) Whether the company has set up a unit which is dedicated to promoting the company’s ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation?	✓		(2) The Company designates Human Resource Department as the dedicated organization to promote the company’s ethical standards and reports directly to the Board of Directors, at least once a year. The performance result of 2022 has been reported to the Board of Directors on December 23, 2022.	No significant difference
(3) Whether the company has established policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	✓		(3) The Company has established “Procedures for Ethical Management and Guidelines for Conduct”, “Anti-corruption Policy” and “Procedure for Board of Directors Meetings”: 1) The “Procedure for Board of Directors Meetings” and “Procedures for Ethical Management and Guidelines for Conduct” regulate the recusal policy. When a Company director, supervisor, officer or	No significant difference

Assessment Item	Implementation Status			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Explanation	
(4) To implement relevant policies on ethical conducts, has the company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?	✓		<p>other stakeholder attending or presenting at a board meeting, or the juristic person representing thereby, has a stake in a proposal at the meeting, that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director.</p> <p>2) The Company's "Procedures for Ethical Management and Guidelines for Conduct" and "Anti-corruption Policy" regulate the ethical behavior of the Management Team and the employees, to avoid providing or accepting improper benefits, conflict of interest and disclosure of confidential information.</p> <p>3) The Company's website provides a contact method, set up an internal whistleblowing mailbox and improvement proposal system to take advice from the inside and outside.</p> <p>(4) The Company has established accounting and internal control system. The Internal Auditors formulate annual audit plans based on the results of the risk assessment and subsequently report its audit findings and remedial issues to the Board of Director periodically. In addition, to ensure the effectiveness of the internal control system and build up proper corporate governance and risk control, we review and amend the process annually as the basis of our Statement of Internal Control System.</p>	No significant difference
(5) Does the company provide internal and external ethical conduct training programs on a regular basis?	✓		<p>(5) The status of the implementation of the Company's ethical conduct in 2024: The Company held educational campaign about ethical conduct on May 3, 2024 and September 3, 2024 with total 1206 employees participating. Relevant units have been arranged to participate in external compliance training courses, totaling 109 hours in 2024.</p>	No significant difference
3. Implementation of Complaint Procedures				
(1) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	✓		<p>(1) The Company has established "Anti-corruption Policy", "Procedures for Ethical Management and Guidelines for Conduct" and "Codes of Ethical Conduct" and designates Legal Department and Human Resource Department as the responsible units.</p>	No significant difference



Assessment Item	Implementation Status			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Explanation	
(2) Whether the company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner?	✓		(2) The Company has set up whistleblowing mailbox and improvement proposal system to take advice from the inside and outside. (No complaints received in 2024)	No significant difference
(3) Does the company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	✓		(3) The Company has regulated the measures to protect the whistleblowers from improper treatment in the "Procedures for Ethical Management and Guidelines for Conduct"	No significant difference
4. Information Disclosure Does the company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System ("MOPS")?	✓		The Company has disclosed the "Procedures for Ethical Management and Guidelines for Conduct" on the company website and MPOS, and act accordingly.	No significant difference
5. If the company has established corporate governance policies based on Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any discrepancy between the policies and their implementation. No significant difference.				
6. Other important information to facilitate better understanding of the company's corporate conduct and ethics compliance practices (e.g., review the company's corporate conduct and ethics policy). None.				

2.3.7 Shall there be any principle of corporate governance and related regulation established by the Company, the inquiry means shall be disclosed:None

2.3.8 The implementation status of the internal control system should disclose the following matters: 1. Internal Control Statement: Please refer to <http://mops.twse.com.tw>) for inquiries. 2. Those who entrust accountants to conduct special audits of internal control systems should disclose the accountant's audit report:  
None

2.3.9 The status of the internal control system shall disclose the following

2.3.9.1 important resolutions of the Shareholders' Meeting and the Board for the recent year up to the publication date of the annual report:

1. Important resolutions of the Shareholders' Meeting and the implementations

Date	Important resolution and the implementations
06.18.2024	<p>Report Items</p> <ol style="list-style-type: none"> <li>1) The Company's 2023 business report</li> <li>2) Audit Committee's review report in 2023</li> <li>3) Distribution of employees' and directors' compensation in 2023</li> <li>4) Endorsement/Guarantee provided to others for the year ended December 31, 2023</li> <li>5) Compensation paid to directors and independent directors in 2023</li> <li>6) The status of domestic unsecured convertible corporate bonds</li> <li>7) The communications among the independent directors, the head of internal audit, and CPAs</li> </ol> <p>Proposed Resolutions</p> <p>Acknowledged Matters</p> <ol style="list-style-type: none"> <li>1) Approval of the Company's 2023 business report and financial statements Implementation Status: Relevant statements have been submitted to the competent authority for inspection and for application for proclamation in accordance with the Company Act and relevant laws and regulations.</li> <li>2) Approval of the Company's 2023 distribution of earnings Implementation Status: Set July 22, 2024 as the ex-dividend date and August 2, 2024 the payment date of cash dividend (NT\$12.5/ share).</li> </ol> <p>Discussion Items</p> <ol style="list-style-type: none"> <li>1) Amendment of the Company's "Procedures for Lending Funds to Other Parties" Implementation Status: In accordance with the revised procedures</li> <li>2) Proposal of stock release - In order to cooperate with the subsidiary Minson Integration, Inc. to apply for TWSE/TPEX transactions in the future, the stock release program is planned. Implementation Status: On November 19, 2024, the Company completed the settlement and transfer of shares.</li> </ol>

2. Important resolutions of the Board of Directors

Date	Important Resolutions
01.26.2024	<ol style="list-style-type: none"> <li>1. Approving the year-end bonus distribution to the Management Team in 2023.</li> <li>2. Change of Chief Internal Auditor.</li> <li>3. The BOD resolved the dissolution and liquidation of the subsidiary FS-Precision Tech Co.,LLC.</li> <li>4. Proposal for investing on Alloy Seiko Industry CO.,LTD./Technology(Jiangsu) Co.,LTD.</li> </ol>
03.12.2024	<ol style="list-style-type: none"> <li>1. Approving the Employees' Profit Sharing Bonus distribution to the Management Team in 2023.</li> <li>2. Approving the Company's 2023 business report and financial statements.</li> <li>3. Approving the Company's 2023 distribution of earnings.</li> <li>4. Approving the self-assessment for the internal control and Statement of the Internal Control System of 2023.</li> <li>5. Proposal of stock release - In order to cooperate with the subsidiary Minson Integration, Inc. to apply for TWSE/TPEX transactions in the future, the stock release program is planned.</li> <li>6. Amendment of the Company's "Procedures for Lending Funds to Other Parties"</li> <li>7. Convening the 2024 Annual Shareholders' Meeting.</li> <li>8. Approving to keep the short-term general credit limit in banks, including Citi bank and so on.</li> <li>9. Approving to provide endorsement/guarantee to Extensor World Trading Limited to acquire credit line from banks.</li> <li>10. Approving to provide endorsement/guarantee to FS-Precision Tech Co.,LLC. to acquire credit line from banks.</li> <li>11. Approving to provide Letter of support to subsidiary Vision International Co., Ltd.</li> </ol>

Date	Important Resolutions
05.07.2024	<ol style="list-style-type: none"> <li>1. Reviewing the first quarter financial statements of 2024.</li> <li>2. Approving to renew the insurance since the company's liability insurance for directors and key employees will be expired on July 4<sup>th</sup>, 2024.</li> <li>3. The Company's Board resolved the capitalization reference date for the domestic 1st unsecured convertible corporate bond conversion into common shares.</li> <li>4. Approving authorize the board of subsidiary Aubo to set up the company for Project Optics.</li> </ol>
07.05.2024	<ol style="list-style-type: none"> <li>1. Approving the parent company on behalf of a 100% owned subsidiary, intends to invest on Alloy Seiko Industry CO.,LTD./Technology(Jiangsu)CO.,LTD.</li> <li>2. Approval of the establishment of a trading subsidiary in Thailand by Sharpope Company Limited, a 100% owned subsidiary of the Company</li> </ol>
08.13.2024	<ol style="list-style-type: none"> <li>1. Consolidated financial statements for the second quarter of fiscal year 2024</li> <li>2. Set the record date for the first domestic unsecured convertible bonds to be converted to common shares.</li> <li>3. The board of directors of Vision International Co., Ltd. proposed to authorize its subsidiary, Fosun (Vietnam) Industries Ltd. to sign a lease agreement for factory buildings with a related party.</li> <li>4. The proposal to convert the variable remuneration of the Company's managers to fixed remuneration.</li> <li>5. The proposal of the 2023 Annual Sustainability Report.</li> <li>6. Amendments to certain provisions of the Company's "Code of Corporate Governance Practices".</li> <li>7. Amendments to certain provisions of the "Rules of Procedure for Shareholders' Meetings" of the Company.</li> <li>8. To amend certain provisions of the Company's "Code of Conduct for Meetings of the Board of Directors".</li> <li>9. To amend certain provisions of the "Rules Governing the Organization of the Audit Committee" of the Company.</li> <li>10. To propose the Company to apply for credit lines from financial institutions such as Chinatrust Bank.</li> <li>11. To approve the provision of guarantees by the Company to NFT to assist it in applying for banking facilities.</li> <li>12. To propose the issuance of a letter of support to Vision International Co., Ltd. to assist in its application for bank financing facilities.</li> </ol>
09.06.2024	<ol style="list-style-type: none"> <li>1. Announcement of stating that the company's Board of Directors has resolved to handle the share release of its subsidiary, Minson Integration, Inc.</li> <li>2. The Company has reduced its shareholding subsidiary, Minson Integration Inc., by more than 10% cumulatively.</li> <li>3. Approving employees' profit sharing bonus distribution to the Management Team for 2023</li> <li>4. To announce that the Board of Directors has approved a loan from its subsidiary, Zhongshan Worldmark to its subsidiary Alloy Seiko Technology(Jiangsu)Co.,Ltd.</li> <li>5. To announce the company's board of directors has approved the endorsement and guarantees for its subsidiary, Alloy Seiko Industry Co.,Ltd., and Alloy Seiko Technology(Jiangsu) Co.,Ltd.</li> <li>6. Revision of certain provisions of the "Procedures for Handling Material Internal Information" of the Company.</li> </ol>
11.12.2024	<ol style="list-style-type: none"> <li>1. Approving the Consolidated Financial Report for the third quarter of 2024.</li> <li>2. The Company's Investment in CDIB-SKM Limited Partnership.</li> <li>3. Cash capital increase of Alloy Seiko Technology(Jiangsu) Co.,Ltd., an indirectly held subsidiary of the Company.</li> <li>4. The Board of Directors has passed a resolution to allocate shares of Minson Integration, Inc (called "Minson") to recommended securities firms.</li> <li>5. Approving the Board of Directors has resolved to execute subrogation for FS-Precision Tech Co.,LLC (called "PT") to its liquidation proceeding.</li> <li>6. Approving the Company to apply for a credit line from ANZ.</li> <li>7. The endorsements/guarantees for subsidiary Extensor World Trading Ltd.(Hong Kong) approved by the board of directors.</li> <li>8. Approving to provide the endorsements/guarantees for subsidiary World Gate Holdings Ltd. approved by the board of directors.</li> </ol>

Date	Important Resolutions
	<ul style="list-style-type: none"> <li>9. Approving to provide letter of support to subsidiary Vision to acquire credit line from banks.</li> <li>10. Approving the endorsements/guarantees for subsidiary FS-Precision Tech Co., LLC. approved by the board of directors.</li> <li>11. The Company formulated the "Regulations Governing Financial Operations between Related Parties".</li> <li>12. Approving lending funds to the Company's major vendor – Ming Fa Cheng Enterprise Co., Ltd.</li> <li>13. Approving lending funds to subsidiary Vision International Co.,Ltd.</li> <li>14. Proposed amendments to the "Internal Control System" and "Internal Audit Implementation Rules" of the Company.</li> <li>15. The Company's Board resolved the capitalization reference date for the domestic 1st unsecured convertible corporate bond conversion into common shares.</li> </ul>
12.24.2024	<ul style="list-style-type: none"> <li>1. The Company's 2025 Annual Operating Plan and Financial Budget (including capital expenditures).</li> <li>2. The Company's 2025 annual audit plan.</li> <li>3. Approving the evaluation of the Independence and Suitability of the CPAs.</li> <li>4. Approving hiring and compensation of the CPAs.</li> <li>5. Approving the Company to apply for a credit line from Taishin Bank.</li> <li>6. Approving provide endorsement/guarantee to subsidiary NFT Co.,Ltd. and World Gate Holdings Ltd. to acquire credit line from banks.</li> <li>7. Approving the endorsements/guarantees for subsidiary World Gate Holdings Ltd. approved by the board of directors.</li> </ul>
01.10.2025	<ul style="list-style-type: none"> <li>1. The Company proposes to grant managers year-end bonuses for the year 2024.</li> <li>2. The Company proposes to lift the prohibition on non-competition of its managers.</li> <li>3. The proposal to lift the prohibition on non-competition of the Company's directors.</li> </ul>
03.11.2025	<ul style="list-style-type: none"> <li>1. Approving the tender offer for the common shares of Proxene Tools Co., Ltd.</li> <li>2. The Change of Chief Information Security Officer</li> <li>3. Approving the Employees' Profit Sharing Bonus distribution to the Management Team in 2024.</li> <li>4. Approving the Company's 2024 business report and financial statements.</li> <li>5. Approving the Company's 2024 distribution of earnings.</li> <li>6. Approving the self-assessment for the internal control and Statement of the Internal Control System of 2024.</li> <li>7. The Company amended certain provisions of the "Articles of Association of Fusheng Precision Co.,Ltd."</li> <li>8. Convening the 2025 Annual Shareholders' Meeting.</li> <li>9. The change the accountant appointed by the Company.</li> <li>10.Approving to keep the short-term general credit limit in banks, including Citi bank and so on.</li> <li>11. Approving to provide endorsement/guarantee to Extensor World Trading Limited to acquire credit line from banks.</li> <li>12. Approving to provide endorsement/guarantee to FS-Precision Tech Co.,LLC. to acquire credit line from banks.</li> <li>13. Approving to provide Letter of support to subsidiary Vision International Co., Ltd.</li> <li>14. The Company's Board resolved the capitalization reference date for the domestic 1st unsecured convertible corporate bond conversion into common shares.</li> </ul>
04.01.2025	<ul style="list-style-type: none"> <li>1. Approving the issuance of the 2nd Domestic Unsecured Convertible Corporate Bonds..</li> </ul>
05.08.2025	<ul style="list-style-type: none"> <li>1. The consolidated financial statements for the first quarter of 2025 were filed.</li> <li>2. The Company's directors' and officers' liability insurance will expire on July 4, 2025, and the Company intends to renew the insurance policy.</li> <li>3. To propose the first domestic unsecured convertible bond to common stock conversion of the Company.</li> <li>4. The Company proposes to agree with Ernst &amp; Young and its affiliates on the expected non-confirmation of services to be provided by Ernst &amp; Young.</li> <li>5. In response to the demand for plant expansion in Vietnam, the Company intends to purchase the land use rights and factory buildings from Wimbledon International Co. Ltd (Wimbledon) in Vietnam by increasing the capital of its Vietnam subsidiary, Vision International Co.</li> <li>6. To seek approval for the Company to apply for credit facilities from financial institutions such as the China Export-Import Bank.</li> </ul>

2.3.10 For the recent year and up to the publication date of the annual report, dissents of any director or supervisor to the key resolutions of the Board, with records or written statements, and the descriptions: None

## 2.4 Information Regarding the Company's Audit Fee

### 2.4.1 Information Regarding the Company's Independent Auditor and Fee

Unit: NT\$'000

Accounting Firm	Name of CPA	Period Covered	Audit Fee	Non-Audit Related Fee	Total	Note
Ernst & Young	Chih-Huei Yang	01.01.2024 to 12.31.2024	4,225	4,572	8,797	-
	Chiao-Ying Chang	01.01.2024to 12.31.2024				

The non-audit related fee was for the tax assurance and ESG consulting services.

2.4.2 If the audit firm was replaced and the audit fee paid to the new audit firm was less than the payment of the previous year, the audit fee amount before and after the replacement and the reasons called for the replacement should be disclosed: None

2.4.3 If the audit fee reduced more than 10% from the year before, the decrease of the audit fee amount and ratio and the reason for such decrease should be disclosed: None

2.4.4 Audit fees refer to the fees paid by the Company to the certified public accountants for auditing, reviewing, or revising the financial statements.

## 2.5 Information Regarding the Replacement of Independent Auditor

2.5.1 Information regarding the former CPAs: None

2.5.2 Information Regarding the Successor CPAs: None

2.5.3 Reply of the former CPAs to Article 10, Paragraph 6, Part1 and Part 2, Section 3, of this standard: None

2.5.4 Assessment of the External Auditor's Independence: The board of directors evaluates the independence of the CPAs annually in accordance with the relevant laws and regulations and based on the internal Independence Assessment Form. The latest independence assessment has been approved by the Audit Committee and the Board of Directors on December 24, 2024 . Important assessment procedures include obtaining the CPA's Independence Declaration, evaluating whether the CPA's continuous auditing exceeds 7 years, whether the CPA has significant interest in the Company, whether the CPA has any joint investment or share interest with the Company, etc.

**2.6 If the Company's Chairman, General Manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPA or at an affiliated enterprise, their names, titles, and the service time with the accounting firms and affiliated enterprise should be disclosed:** None

**2.7 The change in equity transfer and equity pledge of the directors, supervisors, managers, and shareholders with over 10% shareholding in the most recent year and as of the printing date of the annual report**

2.7.1 Changes in the shareholdings of directors, supervisors, managers and shareholders holding more than 10% of the shares: Please refer to (<http://mops.twse.com.tw>) for inquiries.

2.7.2 The directors, supervisors, managers and shareholders holding more than 10% of the shares to whom the equity is transferred are related persons: None

2.7.3 The directors, supervisors, managers and shareholders holding more than 10% of the shares to whom the equity is transferred are related persons: None

## 2.8 Relationship among the Top Ten Shareholders

04.21.2025; Unit: shares; %

Name	Shares Held		Shares Held by Spouse & Minors		Shares Held in the Name of Others		Name and Relationship between Shareholders		Note
	Shares	%	Shares	%	Shares	%	Name	Relationship	
GRATEFUL SOCIAL WELFARE FOUNDATION Representative: L.C. Lee	9,000,000	6.46	Not applicable	Not applicable	-	-	-	-	
	3,487,929	2.50	-	-	1,800,000	1.29	Wang-Chiang Lee	Brother	
Valiant APO Holdings III Ltd. Representative: L.C. Lee	6,754,260	4.85	Not applicable	Not applicable	-	-	-	-	
	3,487,929	2.50	-	-	1,800,000	1.29	Wang-Chiang Lee	Brother	
Ren-Shou Liao	4,437,820	3.18	-	-	-	-	-	-	
Yuanta Taiwan High DividendLow Volatility ETF	4,373,000	3.14	Not applicable	Not applicable			-	-	-
Hou-Chuan Lee	3,596,659	2.58	-	-	-	-	-	-	
L.C. Lee	3,487,929	2.50	-	-	1,800,000	1.29	Wang-Chiang Lee	Brother	
Lien Sheng Investment Co., Ltd.	3,352,343	2.41	Not applicable	Not applicable	-	-	-	-	
Citibank (Taiwan) Ltd in custody for Norges Bank Investment Fund.	3,345,000	2.40	-	-			-	-	
Wang-Chiang Lee	3,157,546	2.27	-	-	-	-	L.C. Lee Chang-Ying Lee	Brother	
GTM HOLDINGS CORPORATION	3,000,000	2.15	Not applicable	Not applicable	-	-	-	-	

**2.9 The stock shares of one invested business held by the Company, the Company's directors, supervisors, and managers, and the business controlled by the Company directly or indirectly, and the consolidated shareholding ratio**

12.31.2024; Unit: thousand shares; %

Long-term Investment	Ownership by FSP		Ownership by Directors, Managers and Directly/Indirectly Owned Subsidiaries		Total Ownership	
	Shares	%	Shares	%	Shares	%
Sharphope Co., Ltd.	50	100	-	-	50	100
Extensor World Trading Ltd. (Hong Kong)	10,000	100	-	-	10,000	100
Vision International Co., Ltd	26,000	100	-	-	26,000	100
Gainsmart Group Ltd.	18,000	100	-	-	18,000	100
FS-North America, Inc.	10	100	-	-	10	100
FS-Precision Tech Co., LLC	-	100	-	-	-	100
World Gate Holdings Ltd.	93,000	100	-	-	93,000	100
Zhong Shan Worldmark Sporting Goods Ltd.	-	100	-	-	-	100
Zhong Shan LongXing Precision Machinery Co., Ltd.	-	100	-	-	-	100
Alloy Seiko Industry CO.,LTD		77.51				77.51
Alloy Seiko Technology(JiangSu) Co.,Ltd.		77.51				77.51
Zhong Shan DingXing Vacuum Technology Co., Ltd.	-	100	-	-	-	100
NFT Technology CO., Ltd.	13,600	69.74	-	-	13,600	69.74
Zhong Shan Aubo Precision Technology Co., Ltd.	-	52.50	-	-	-	52.50
Zhong Shan Aubo Metal Surface Treatment Co., Ltd.	-	52.50	-	-	-	52.50
AUBO (VIET NAM ) PRECISION TECHNOLOGY COMPANY LIMITE	300	52.50	-	-	300	52.50
AUBO PRECISION (HONG KONG ) CO., LIMITED	100	52.50	-	-	100	52.50
Crosspace Co., Ltd.	100	100	-	-	100	100
Minson Integration Inc.	19,836	65.30	78	0.26	19,914	65.65
Mintech Enterprises Company Limited	20,000	65.30	-	-	20,000	65.30
Minone Enterprises Company Limited	1,500	65.30	-	-	1,500	65.30
Minson Enterprises (Thailand) Company Limited	12,000	65.30	-	-	12,000	65.30
Menxon Enterprises (Thailand) Company Limited	10,000	65.30	-	-	10,000	65.30

### III. Capital Overview

#### 3.1 Capital and Shares

##### 3.1.1 Capital Formation

##### 3.1.1.1 Capital Formation History

Date	Issue Price (NT\$/Share)	Authorized Share Capital		Capital Stock		Note		
		Shares ('000 shares)	Amount (NT\$'000)	Shares ('000 shares)	Amount (NT\$'000)	Sources of Capital (NT\$'000)	Capital raised by Assets Other than Cash	than Cash Date of Approval & Approval Document No.
Sep. 2010	10	20	200	20	200	Establishment	None	Note 1
Nov. 2010	28	218,430	2,184,300	218,430	2,184,300	Issuing new shares for division of a company as the succeeding company	None	Note 2
Jun. 2012	10	300,000	3,000,000	218,430	2,184,300	-	None	Note 3
Dec. 2015	10	300,000	3,000,000	118,430	1,184,300	Capital Reduction	None	Note 4
Dec. 2018	10	300,000	3,000,000	131,030	1,310,300	Fund Raising	None	Note 5
Apr. 2023	10	300,000	3,000,000	131,061	1,310,614	Convertible Bonds Converted	None	Note 6
Jun. 2023	10	300,000	3,000,000	132,573	1,325,726	Convertible Bonds Converted	None	Note 7
Sep. 2023	10	300,000	3,000,000	132,574	1,325,735	Convertible Bonds Converted	None	Note 8
Jun. 2024	10	300,000	3,000,000	133,131	1,331,305	Convertible Bonds Converted	None	Note 9
Sep. 2024	10	300,000	3,000,000	134,827	1,348,273	Convertible Bonds Converted	None	Note 10
Dec. 2024	10	300,000	3,000,000	136,658	1,366,582	Convertible Bonds Converted	None	Note 11
Mar. 2025	10	300,000	3,000,000	137,409	1,374,088	Convertible Bonds Converted	None	Note 12

Note 1: Fu-Chan-Shang-Tzu No.09987699510

Note 2: 11.22.2010 Jing-Shou-Shang-Tzu No. 09901260880

Note 3: 06.08.2012 Jing-Shou-Shang-Tzu No. 10101105070

Note 4: 02.05.2016 Jing-Shou-Shang-Tzu No. 10501010630

Note 5: 01.07.2019 Jing-Shou-Shang-Tzu No. 10701163550

Note 6: 04.28.2023 Jing-Shou-Shang-Tzu No. 11230061190

Note 7: 06.06.2023 Jing-Shou-Shang-Tzu No. 11230093940

Note 8: 09.04.2023 Jing-Shou-Shang-Tzu No. 11230167120

Note 9: 06.11.2024 Jing-Shou-Shang-Tzu No. 11330084180

Note 10: 09.23.2024 Jing-Shou-Shang-Tzu No. 11330161580

Note 11: 12.02.2024 Jing-Shou-Shang-Tzu No. 11330208470

Note 12: 03.01.2025 Jing-Shou-Shang-Tzu No. 11430042390

##### 3.1.1.2 Type of Stock

Type of Stock	Authorized Share Capital			Note
	Outstanding Shares	Unissued Shares	Total	
Common Stock	139,386,973	160,613,027	300,000,000	Listed Compnay Stock

##### 3.1.1.3 Information Related to Shelf Registration: None.



### 3.1.2 List of Major Shareholders (Holding percentage over 5% and Top 10 Shareholders)

04.21.2025; Unit: shares

<b>Name of the Major Shareholder</b>	<b>Shares</b>	<b>Shareholding</b>	<b>%</b>
GRATEFUL SOCIAL WELFARE FOUNDATION		9,000,000	6.46%
Valiant APO Holdings III Ltd.		6,754,260	4.85%
Ren-Shou Liao		4,437,820	3.18%
Yuanta Taiwan High DividendLow Volatility ETF		4,373,000	3.14%
Hou-Chuan Lee		3,596,659	2.58%
LC Lee		3,487,929	2.50%
Lien Sheng Investment Co., Ltd.		3,352,343	2.41%
Citibank (Taiwan) Ltd in custody for Norges Bank Investment Fund.		3,345,000	2.40%
Wang-Chiang Lee		3,157,546	2.27%
GTM HOLDINGS CORPORATION		3,000,000	2.15%

### 3.1.3 The Company's dividend policy and its implementation

#### 3.1.3.1 Dividend policy

According to the Articles of Incorporation, the Company shall distribute at least 2% of distributable profit of the current year, if any, as employees' compensation, by means of cash or stock, and no higher than 0.5% of distributable profit of the current year as remuneration to directors. The preceding employees include the employees of parents or subsidiaries of the company meeting certain specific requirements. The resolution of distribution of employees' compensation and remuneration to directors shall adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors; and shall be reported to the shareholders' meeting. However, the company's accumulated losses shall have been covered.

The current year's earnings, if any, shall be distributed in the following order:

- Payment of all taxes and dues;
- Offset prior years' operation losses;
- Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
- Set aside or reverse special reserve in accordance with law and regulations; and
- The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The policy of dividend distribution should reflect factors such as the current and future investment environment, fund requirements, domestic and international competition and capital budgets; as well as the interest of the shareholders, share bonus equilibrium and long-term financial planning etc. The Board of Directors shall make the distribution proposal annually and present it at the shareholders' meeting. The Company's Articles of Incorporation further provide at least 10% of the dividends must be paid in the form of cash.

### 3.1.3.2 The proposed dividend distribution for the year

FuSheng Precision Co., Ltd.  
Earnings Distribution Proposal  
2024

Unit: NT\$

Item	Amount
Unappropriated Retained Earnings at the Beginning	\$3,699,544,779
Other Comprehensive Income (loss) – Re-measurements of the Defined Benefit Plan: 2024	(11,680,249)
Net Income of 2024	3,795,669,631
Subtotal	7,483,534,161
Subtract:	
Legal Reserve (10%)	(378,398,938)
Special Reserve	315,176,898
Retained Earnings Available for Distribution as of December 31, 2024	7,420,312,121
Distribution Item:	
<b>Cash Dividends to Common Share Holders (NT\$19.7 per share)</b>	<b>(2,738,837,199)</b>
Unappropriated Retained Earnings	<u>\$4,681,474,922</u>

3.1.4 The impact of the stock dividend proposed in the shareholders' meeting on the Company's business performance and the earnings per share: Not applicable.

3.1.5 Remuneration to employees, directors, and supervisors:

3.1.5.1 The percentage or range for the compensations to employees, and directors and supervisors specified in the Articles of Incorporation: Refer to 4.1.6

3.1.5.2 The estimation basis for the estimated compensations to employees, directors, and supervisor, and the estimation basis when the compensations are distributed in shares, and the accounting treatment when there is any deviation between the estimation and the actual distribution:

(1) The estimation basis of current year's compensation to employees, directors, and supervisors:

At least 2% of distributable profit of the current year, if any, as employees' compensation, and no higher than 0.5% of distributable profit of the current year as remuneration to directors.

(2) The estimation basis when the compensations are distributed in shares: Not applicable. No compensations are distributed in shares in 2024.

(3) The accounting treatment when there is any difference between the estimation and the actual distribution: The differences will be recorded in the following year as a change in accounting estimate.

3.1.5.3 Resolution of compensation distribution by the Board

(1) Compensation approved by the Board of Directors in 2024:

The allocation of 2024 profits distribution in the form of the employees' compensation and directors' remuneration resolved by the Board of Directors is set forth as NT\$93,604

thousand and NT\$1,650 thousand respectively, both distributed in cash. There is no difference between the amount resolved by the Board and the amount of the recognition of expense for the year of 2023.

- (2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: Not applicable.

3.1.5.4 The actual distribution of the compensations to employees, directors, and supervisors in the previous year. If there is any difference between the recognized expenses, the amount, the reasons and accounting treatment shall be disclosed:

The amount distributed to employees' profit sharing and directors' remuneration was NT\$60,000 thousand and NT\$1,600 thousand respectively and was approved in the Shareholders' Meeting dated on June 18, 2024. There is no difference between the amount distributed and the amount of the recognition of expense for the year of 2023.

3.1.6 The Company's Stock Buy Back: None.

## 3.2 Corporate Bonds:

### 3.2.1. Issuance of corporate bonds:

Type of corporate bond	First unsecured domestic convertible corporate bonds
Issue (Processing) Date	April 11, 2022
Nominal value	NT\$100,000
Place of issue and transaction	Taiwan
Issue Price	112.01
Total Amount	Total denomination of the issue is NT\$1.5 billion
Interest Rate	Coupon rate 0% per annum
Term	3 years /Expiry date: April 11, 2025
Guaranteed Institution	None
Trustee	Taipei Fubon Commercial Bank Co., Ltd.
Underwriter	Fubon Securities Co. Ltd.
Signatory Solicitors	Handsome Attorneys Law Firm, Ya-Wen Chiu
CPA	Ernst & Young, Su-Wen Lin, Jia-Ling Tu
Repayment Method	1.Period: 3 year 2.Repayment Method: Except for the convertible corporate bonds which have been converted into ordinary shares of the company in accordance with Article 10 of the Methods of Issuance, by holders of the convertible corporate bonds, or the company withdraws in advance in accordance with Article 18 of the Methods of Issuance and those repurchased and cancelled by the business office of a securities firm, the company will repay the bond in cash within 10 business days after the maturity date. If the aforementioned date is the day when the Taipei Stock Exchange Centralized Exchange Market is closed, it will be postponed to the next business day.
Unredeemed principal	The company's issued the corporate bonds for the first time, with no outstanding balance
Terms of redemption or early settlement	Please refer to the Method of Issuance
Restricted Terms	None

Name of credit rating agency, rating date, corporate bond rating result		None		
Other Rights	Amount of ordinary shares, overseas depositary receipts or other marketable securities converted (exchanged or warrants) as at the date of printing of the annual report	Converted Amount (NT'000)	Conversion Price per Share	Converted Shares
		304,392	197.2	1,543,568
		246,491	178.1	1,384,006
		776,969	170.4	4,559,680
	Method of issue and conversion (exchange or share option)	Please refer to the Method of Issuance		
The method of issue and conversion, exchange or subscription, the possible dilution of shareholdings by the terms of issue and the effect on the interests of existing shareholders		The total denomination of the issue is NT\$1.5 billion. The issuance period of the corporate bonds is 3 years, and since the timing of the creditors' requests for conversion will be different, which will delay the influence to the earnings per share and will not have a significant impact on the existing shareholders' equity.		
Name of the custodian for the exchange of the subject		N/A		

### 3.2.2 Converted Corporate Bonds Information:

Type of corporate bond		First unsecured domestic convertible corporate bonds			
Item	Period	2022	2023	2024	As of April 11 of 2025
Market Price	Highest	117.00	127.00	198.00	217.00
	Lowest	103.20	108.00	119.00	184.00
	Average	112.14	117.84	145.93	196.20
Conversion Price		197.2	Jan.-Jun.:197.2 Jul.-Dec.:178.1	Jan.-Jun.:178.1 Jul.-Dec.:170.4	170.4
Issue (processing) date and conversion price on issue		04.11.2022 / NT\$210	04.11.2022 / NT\$210	04.11.2022 / NT\$210	04.11.2022 / NT\$210
Manner of fulfilling conversion obligations		Issue of New Shares	Issue of New Shares	Issue of New Shares	Issue of New Shares

**3.3 Preferred Stocks:** None.

**3.4 Global Depositary Receipts:** None.

**3.5 Status of Employee Stock Option Plan:** None.

**3.6 Status of Employee Restricted Stock:** None.

**3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions:** None.

### 3.8 Financing Plans and Implementation

First unsecured domestic convertible corporate bonds has completely raised in 2022, and the total fund raised NT\$ 1,680,102 thousand. The total fund required for this plan in order to increasing working capital and repaying the loan was NT\$1,680,102 thousand and which completed in the first quarter of 2022.

## IV. Operational Highlights

### 4.1 Business Activities

#### 4.1.1 Business Scope

##### 4.1.1.1 Major business content

The company is engaged in contract manufacturing of golf equipment, mainly club heads, and started diversifying into precision casting parts for aerospace, automobile and industrial uses and ice and extreme sports equipment.

##### 4.1.1.2 Product Proportion

Unit: NT\$'000, %

Item	2023		2024	
	Amount	%	Amount	%
Golf Club Head	18,898,026	77.51	21,618,117	76.20
Boots for ice hockey, motocross and other sports related equipment	2,311,031	9.48	2,325,063	8.20
Others	3,172,313	13.01	4,426,512	15.60
Total	24,381,370	100.00	28,369,692	100.00

##### 4.1.1.3 Major products and services

Major products are as below,

###### (1) Golf Equipment

The company is a contract manufacturer, mainly providing golf club heads, graphite shafts and assembled clubs. We also hold a JV that is producing club head accessories for vertical integration in this field.

###### (2) Aerospace Precision Parts

Capitalizing on strong casting technology, the company started penetrating into aerospace casting parts market. We just completed construction of aerospace-grade casting facilities in Taiwan site which just earned some AS 9100 and NADCAP certificates. Investment in existing legacy facility in US site for N. America market still continues. More importantly, we keep closely watching any possible opportunity for M&A in this industry.

###### (3) High-end extreme sports equipment: Invest in Minson, a large OEM manufacturer of winter sports equipment, whose main customers are global leading brands.

###### (4) Automotive parts: Through mergers and acquisitions, our company entered the automotive parts aluminum forging and processing related industries in 2024, and has become a supplier that provides comprehensive solutions to many international automobile manufacturers.

##### 4.1.1.4 New products under development

###### (1) New Material Development

The company keeps developing new materials for golf club heads, including high-strength stainless steel and titanium alloy as well as other high-density, light-weight metals and polymers. At the same time, all the efforts are also aimed at low environmental pollution and high recyclability.

###### (2) Innovative Structural Design

- A. To develop manufacturing process for weight reduction and thin wall of Ti-club heads
- B. To develop novel co-molding technique of metal and polymer via forging, casting and injection molding, for weight redistributing
- C. To design new structure with low CT and high COR
- D. To define the position of counterweight, adjusted on different centers of gravity
- E. To shape club heads by casting with different materials directly

#### 4.1.2 Industry overview

##### 4.1.2.1 Current status and outlook of the industry

###### (1) Golf Equipment

Golf was born in Europe and is prevalent in the US and Japan. This market is pretty mature, showing low-single-digit growth over past years.

Taiwan plays an indispensable role in golf equipment supply chain. More than 80% of golf club output are covered by Taiwanese manufacturers on OEM/ODM basis, with production sites located in Taiwan, China and Vietnam. Most well-known brand names are the US and Japanese players, including US-based Callaway, Cobra (PUMA), Cleveland, Ping, Taylor Made, Titleist, Wilson and Japan-based Bridgestone, Daiwa, Dunlop, Honma, Maruman, Mizuno, PRGR, Tsuruya, Yamaha, YRC.

Club head is the highest-priced component, also with the most added value, in the club assembly. Its manufacturing flow is very complicated, mainly divided into two segments. The front-end process is technology-intensive, requiring precision casting or forging capabilities, while the back-end process is labor-intensive, needed to be equipped by trained and skilled workers. The design of club heads, regardless of material, structure and functionality, must strictly follow the compliances USGA and R&A have stipulated. Such kinds of challenges are in favor of Taiwanese manufacturers, due to decades of manufacturing experience they have accumulated. These Taiwanese players also own rich skilled manpower, advanced manufacturing technologies and excellent design capacities.

Moreover, the designs of club heads are getting more complex in terms of material application, appearance, inner structure, surface treatment and embedded accessories. As such, an integrated supply chain serves as important foundation for club head production. Good connections with brand-name customers are also crucial. All the advantages Taiwan has enjoyed are entry barriers for new outside comers.

###### Golf Equipment Supply Chain

Upstream	steel refining industry, metal manufacturing industry, carbon fiber fabricating industry (including suppliers of various materials)
Middle-Stream	golf club head manufacturers, including FSP, Advanced, O-Ta, Dynamic, Performax , Sino, Endo.
Downstream	Brand-name companies, including Callaway, Cobra(PUMA), Cleveland, Ping, TaylorMade, Titleist, Wilson, Bridgestone, Dunlop, Honma, Mizuno, PRGR, Yamaha, YRC.

In recent years, emerging markets such as China and Southeast Asia keep growing in economy, so that health and leisure activities have been valued, with golf as one of the best choices. Besides, more and more junior, female and diverse ethnic groups started playing golf which makes golf among the most popular sports.

Although the golf market looks saturated, it is still showing a slow growth trend over the past decade. Thanks to owning key success factors such as good customer relations, strong R&D capabilities, experienced production system and economies of scale, Taiwanese manufacturers enjoy irreplaceable status in the golf industry.

###### (2) Composite Products

- A. In line with the light weight, high strength and adjustable gravity for designing club heads, the demand for carbon fiber crown is surging.
- B. Baseball bats are also designed to be light-weight and high-strength, so that the market demand for composite bats and even full carbon fiber bats is on increase.
- C. Carbon fiber plays as the main materials for hockey sticks and ski poles, also applicable for other winter sports equipment.

- D. In addition to the metal material shaped by casting, forging and CNC processing, carbon fiber has gradually been used for producing aerospace parts.
- E. Carbon fiber is quickly utilized in electric cars and supercars in view of light weight for power consumption saving.

#### 4.1.2.2 Product development trends and competition

The golf club heads could be divided into three categories: Metal wood, Iron and Putter

##### (1) Metal Wood

The driver is typically the longest club found in a golf bag and its goal is to get the ball as far as possible towards the green. In order to broaden the sweet spot, the driver is designed to be bigger size and lighter weight. As known, the titanium is lighter, stronger and more elastic than other metals. Therefore, the driver with titanium club head enables a golfer to hit the ball farther and straighter. As for the fairway and hybrid woods, stainless steel is mainstream material.

In view of the latest design concept, the combination of composite and metal materials can create the best effect of counterweight. Nowadays, more features have been put into driver products, such as "adjustable weight", "adjustable hosel", "adjustable loft", "score line structure" and "aerodynamics". On top of these new functionalities, brand names place lots of emphases on "aesthetic creativity", "cosmetic finished", "bold colors" and "3D painting", hoping to inspire consumers' willingness to buy new assembled clubs for replacement needs.

##### (2) Irons

The irons are mainly focused on enabling ball to travel much straighter and aligned after stroke. Major material is stainless steel and sweet spot is broader. Couples of features, such as advanced metal materials, new joint structures, carbon fiber and vibration absorption, are designed into the irons to be more attractive to end users.

##### (3) Putter

The putter is by far the most used club in golf bags and has received much concern from golfers. How to muster putter well is a key to shrink handicap. With revolutionary technologies in putter designs, it become easier to avoid the so-called dreaded three-putt. Most of the putters are shaped through precision casting, while some premium models are milled by block piece with CNC processing which are much more stable in gravity and uniformity. As far as material concerned, stainless steel is still the mainstream for putter head production.

After decades of development, Taiwan's golf equipment industry has become a global manufacturing center and an OEM and ODM partner for major brands. Our competitors are including O-TA Percision Industry Co., Ltd., Advanced International Multitech Co.,Ltd, and Dynamic Precision Industry Corp. Due to the short product development time and stable delivery time, the company can quickly provide services to meet customer needs, and has composite material production capabilities, it can maintain its competitive advantage and our performace is better than our competitors .Above all, we are currently the largest OEM for golf equipment in the world.

#### 4.1.3 Overview of Technologies and R&D

##### 4.1.3.1 Overview of the R&D expenses inputs

Unit: NT\$'000

	2024	The 3-Month Period Ended March 31, 2025
Consolidated R&D Expenses	828,295	232,182

4.1.3.2 The technologies or product successfully developed for the recent year and as of the publication date of the annual report.

Year	Result	Descriptions
2024	High strength and high temperature thermoplastic carbon fiber molding technology	The customer uses mass-produced, high-strength, high-temperature thermoplastic carbon fiber for golf head covers.
	Nano Added to Heat-Incorporated Carbon Fiber Resin	Nano additives are added to thermosetting carbon fibers to increase strength around 10%.
	High Strength Titanium Alloy Casting Material HST-160C	The third generation product of high-strength titanium alloy casting material.
	High Strength Titanium Alloy Casting Material HST-220	This is the Titanium alloy with the highest mechanical properties , and it helps to reduce material thickness and swing the ball further.
	Low reactive materials	Reduce the casting oxide layer to avoid acid pickling.
	Automated Manufacturing Equipment	Automated process, continuous development of automatic spraying, automatic gluing and compounding, automatic forging loading and unloading, and automatic matching spot welding.
	Automated measuring equipment and processes	Automated processes, such as 3D digital scanning and measurement.
	Development of new pipe handle block disassembly structure	The customer adopt the mass production which easily to operate ,and also the technology is used by the customer .
	Metal 3D printing technology	Set up the prototype into the mass production.
	Laser deep engraving and forging lines	The customer introduces these two techlogioies into the appearance.
2025	HSC 215+ casting material development	Customers use for prototype development, high strength stainless steel casting material, after optimization can be both finished corners.
	Titanium and Steel 3D Printing	Customer's prototype samples are being used, and function tests can be conducted at the design stage to accelerate prototype sample development.
	DLC-LITE PVD Process Development	Customers are using mass production, high wear-resistant plating, and both novelty and functionality.
	DLC Process Development	High hardness and low coefficient of friction plating, abrasion resistance up to 10 times of conventional plating.
	Plating Masking Process Development	Breakthrough the limitation of single color plating in the past, can produce multi-color appearance with complex patterns and fine lines.
	UV Paint Development	Customers use mass production, solvent-free, high hardness coating with environmental protection and performance requirements.
	Vacuum Diffusion Welding Development	Customer adopts mass production to replace traditional hard soldering process.
	Hollow Structure Ceramic Core Development	Customer's prototype is in progress, provide more weight design for the product.
	AIO Automatic Welding Workstation	Customer adopts mass production, integrating 3D vision optical inspection and welding robot for matching welding.



#### 4.1.4 Long-term and Short-term Development

##### 4.1.4.1 Short-term Plan

###### (1) Marketing Strategy

- A. To enhance the capabilities of CNC, CAD, CAM and shorten the lead time for tooling development
- B. To digitalize and strengthen R&D capabilities and capacities, and upgrade our collaboration with customers for design-in, design-win development
- C. To develop new materials and processes to meet market trends

###### (2) Production Strategy

- A. To continuously improve manufacturing process to further reduce defect and repair rates
- B. To improve production yield rate, speed up production flow and shorten delivery time
- C. To make use of lean production system to improve output efficiency
- D. To leverage ERP system to monitor the most updated production status
- E. To improve production environment and meet environmental protection needs to ensure employees' safety

###### (3) Sales Strategy

- A. To maintain good relations with customers on win-win basis, and then further enhance mutual trust, to make sure more orders being awarded
- B. To offer a more diversified product portfolio, with one-stop-shopping services, to meet customer requirements
- C. To increase the proportion of high value-added products

###### (4) Human Resource Development

- A. To conduct on-the-job education and off-the-job training for employees to boost their job skills and domain knowledge
- B. To cultivate multi-functional employees and solidify job rotation mechanism to meet potential job needs
- C. To conduct periodical performance reviews by KPI/OKR measurement systems

##### 4.1.4.2 Long-term plan

###### (1) R&D strategy

- A. To actively develop alternative metal materials that can be applied to existing products to meet the diverse needs from customers
- B. To develop new materials for various products, to boost added value and widen application scope
- C. To roll out composite club heads with multiple functionalities to enjoy differentiation benefits and improve product competitiveness
- D. To make further investment in implementation of the automated equipment that employs computer-integrated manufacturing to improve efficiency

###### (2) Production Strategy

- A. To collaborate with satellite factories on value-chain integration concept, to control material inventory level and speed up production
- B. To make good use of cross-factory cooperation to seek the optimal manufacturing loading worldwide

###### (3) Sales Strategy

- A. To form a supply chain system with customers and rely on each other to expand market share
- B. To offer more diversified product lines and one-stop-shopping services

(4) Human Capital Development

- A. To expand talent pool with diversified professional background in line with long-term strategy
- B. To arrange job rotations and cross-plant assignments to train and accumulate potential personnel for management and profession positions in the future
- C. To cooperate with reputable universities and colleges to recruit well-educated persons of great potential to join us

## 4.2 Market and Sales Overview

### 4.2.1 Market Analysis

#### 4.2.1.1. Revenue by Geography

Unit: NT\$'000

Region	2023		2024	
	Amount	%	Amount	%
US	15,396,947	63%	19,674,658	69%
Japan	4,650,399	19%	4,031,130	14%
Rest of World	4,334,024	18%	4,663,904	17%
Total	24,381,370	100%	28,369,692	100%

Note: Categorized by the region customers' HQs are located

The company is mainly engaged in manufacturing and marketing of golf club heads on OEM/ODM basis. Since most well-known brand names are American and Japanese players, the company sells most of products through export which accounts for more than 95% of annual sales. As market demand in the US, Japan and Europe has turned matured, the main growth momentum will arise from the emerging markets such as China and Southeast Asia.

#### 4.2.1.2 Market Share

The company has acted as a contract manufacturer for golf club heads for more than 40 years. Due to comprehensive manufacturing service offerings with good on-time delivery, the company is the global largest club head producer, in terms of sales dollar and unit shipments as well as market share. The company is highly confident in sustainable business growth, thanks to

(1) Professional management team with strong execution abilities

Most of team members are veteran and professional in this industry. They not only have rich production experiences and strong execution capabilities, but also are familiar with the past, present and future development of golf products. By virtue of great sensitivity to external environment, its team can quickly response to market change, with great advantages of adaptability and flexibility. Well equipped with recruited talents and outside professionals, the company has been keeping a leading position in the golf industry worldwide.

(2) Excellent R&D capacities with customer orientation

The company owns the largest R&D team, with the largest capacities, in this industry. By continuously developing new materials and designs to pursue product innovation and diversification, the company aims at upgrading its technical capabilities and added values. The company has accumulated decades of experiences in collaborating with the engineering teams of more than ten renowned golf brand-name companies.

With strong execution of long-implemented "Toyota Production System" (TPS), the company has improved production efficiency significantly which has been reflected on its

uprising gross margins over the past years. Good quality, on-time delivery, responsive service at reasonable cost are the company's superiorities that are unparalleled by its competitors, exceeding customer expectations.

(3) Good management system with harmonious labor relations

The company is aware that the good management system with well-trained and well-motivated employees is crucial to maintain our leadership in an ever-change environment. In this context, the company keeps optimizing its management system in accordance with employees' well-being and discipline. All are expected to improve personnel's welfare and morale, based on which the company can generate the optimal benefits to shareholders and customers.

4.2.1.3 Favorable and Unfavorable Factors in the Long Term

(1) Favorable factors

- A. By accumulating decades of experience, Taiwan has built up a complete supply chain system with excellent quality and low cost advantages in the golf equipment production. The island has already played an indispensable role, supplying more than 80% of golf clubs in the world.
- B. Emerging markets such as China and Southeast Asia have continued to grow in economy, so that health and leisure activities have been valued, with golf as one of the best choices. In addition, more and more junior, female and diverse ethnic groups started playing golf which makes golf among the most popular sports.
- C. The driver is mainly made of titanium. The company outperforms in tooling capability and titanium casting technology, which help itself stand out from competitors in Ti-club head production.
- D. The company is the largest contract manufacturer of golf equipment worldwide. Over the past years, it has demonstrated very profitable operation records which has contributed to our health financial structure and strong cash generating ability. Performance is much more superior to peers, so that the company has relatively abundant resources to make investment in either golf development or non-golf business.
- E. In recent years, we have continuously acquired non-golf business projects to create synergies and new elements with our core golf business, thereby providing customers with different service values through diversified operations.

(2) Unfavorable factors and the response

- A. The manufacturing process of club heads is very labor-intensive, consisting of more than 100 working steps that are tedious and time-consuming. Impacted by rising labor costs and recruitment difficulty in recent years, the company is making every effort to address these concerns. In addition to upgrading the job skills of employees by exercising multi-functional training, the company has put lots of resources in automation implementation, along with Big Data/AI/IOT concepts, to seek the best competitive niche.
- B. Since the company mainly takes OEM orders from international brand names, some of component suppliers are directly designated by the customers. Such kind of arrangement makes us not easy to prepare safety stocks, as particularly the lead time our customers allow is getting shorter. By staying tuned with market situation and keeping close contact with customers and suppliers, the company has displayed a good result in manufacturing and sales reconciliation, to ensure there is no shortage of supply and no interruption in production.
- C. When almost 100% of our sales are denominated in USD and more than 70% of cost/expense in other currencies, the company is definitely exposed to FX fluctuation

risk. To deal with the uncertainty, the company factors FX change into the quotation process, trying to mitigate the impact the currency issue may bring out. It also sets up FX-adjusted mechanism for product costs with some customers, so as to appropriately hedge the FX risk.

- D. Due to environmental protection issues or supply-demand imbalance, the prices of raw materials may fluctuate, sometimes causing cost increase then affecting the bottom line. The company is committed to improving the yield rates and reducing scrap rates for cost savings. Meanwhile, it also tries most to negotiate with customers for their support to share such kind of cost incremental in a timely manner.
- E. Since U.S. President Trump proposed a policy of reciprocal tariffs after taking office again, there has been uncertainty about the imposition of tariffs on many countries, resulting in a strong wait-and-see atmosphere in the market and possibly affecting consumer purchasing power. Due to geopolitical factors, the supply chain needs to respond more quickly.

#### 4.2.2 Production Procedures of Main Products

##### 4.2.2.1 Main purpose of golf club heads

The club head is one of the main parts of assembled club. Different designs with different materials may greatly affect its functionality and performance.

##### 4.2.2.2 Manufacturing Process

Process of golf club heads:

###### A. Casting Process:

molding/ tooling → wax injection → hooking → dipping → dewaxing → casting → cutting → heat treatment → machining → polishing → painting → finished product

###### B. Forging Process:

die making → coarse/ medium/ fine forging → sandblasting → precision forging → surface treatment → machining → polishing → painting → finished product

###### C. Graphite Shaft Process:

carbon fiber prepreg → cutting → laminating → rolling cloth → rolling OPP tape → hardening → grinding → coating → finished product

#### 4.2.3 Supply of Main Materials

The company's raw material supply is stable and the quality is fine. The supply status:

1. Stainless steel ingot: The main source is domestic suppliers, some of which are purchased from foreign manufacturers.
2. Titanium ingot : The main source is foreign suppliers, some of which are purchased from domestic manufacturers.
3. Zirconia sand and powder: The main source is foreign suppliers.

#### 4.2.4 Major Customers and Suppliers:

1. Customers that accounted for more than 10% of annual consolidated revenue in any of the last two years:

Unit: NT\$'000

No.	2023				2024				The 3-Month Period Ended March 31, 2025			
	Name	Amount	As % of Revenue	Relation	Name	Amount	As % of Revenue	Relation	Name	Amount	As % of Revenue	Relation
1	Company A	5,881,877	24.1%	-	Company A	7,642,143	26.9%	-	Company A	2,400,537	28.3%	-
2	Company B	3,951,928	16.2%	-	Company B	4,549,800	16.0%	-	Company B	1,300,955	15.3%	-
3	Company C	2,883,393	11.8%	-	Company C	2,673,474	9.4%	-	Company C	731,042	8.6%	-
	Others	11,664,172	47.9%		Others	13,504,275	47.7%		Others	4,046,979	47.8%	
	Total Revenue	24,381,370	100.0%		Total Revenue	28,369,692	100.0%		Total Revenue	8,479,513		

The company is engaged in the manufacture, assembly and sale of various metal products such as golf club heads. The customer portfolio is stable.

2. Suppliers that accounted for more than 10% of annual consolidated purchase in any of the last two years:

There was no supplier that accounted for more than 10% of annual consolidated purchase in any of the last two years

### 4.3 Human Resources

Unit: persons

		2023	2024	Current Year as of March 31, 2025
Number of Employees	Managers (Note)	46	50	44
	Employees	14,217	17,003	15,271
	R&D Personnel	541	608	608
	Total	14,804	17,661	15,923
Average Years of Age		34.0	35.0	34.3
Average Years of Service		4.6	5.5	5.3
Education Profile (as a % of total)	PhD	0%	0%	0%
	Master's Degree	1%	1%	1%
	Bachelor's Degree	12%	12%	13%
	High School or Below	87%	87%	86%
	Total	100%	100%	100%

Note: Managers are Senior Directors or above.

### 4.4 Environmental Protection Expenditure

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions):

1. 03.15.2023 Fu-Huan-Ji-Tzu No.1120064434. Violating the Article 24, Paragraph 2 of the Air Pollution Control Act, did not perform operations pursuant to the permit contents. A fine of NT\$ 100,000 was imposed. The related personnel has resubmit verification documents that demonstrate compliance with the regulations of the Act to the competent authority and enhanced employees' education and passed the audit by the Environmental Protection Administration.

## 4.5 Labor Relations

4.5.1 The Company employee's welfare measures, education, training, retirement policy and its implementation, as well as agreement between the employers and employees and the employees' interest protection measures:

### 4.5.1.1 Employee's welfare

The Company's welfare measures follow the Labor Standards Act, Labor Insurance Act and related laws and regulations. The current welfare includes: all kinds of gifts, labor insurance, health insurance, employee group insurance, pension funds, annual health checks, year-end bonus, employees' profit sharing bonus, employee child scholarships and childcare aids, recreational activities subsidies, employee cafeteria, fitness facilities, and other irregularly activities.

In order to reduce the maternity expenses of employees and help increasing the fertility rate in Taiwan, besides of the original employee child education and employee childcare subsidies being increased to 2 children, this year, maternity allowances of newborn has been added , including one-time nutritional payments, baby care products subsidies and increased measures such as maternity allowance, including childcare allowance from infant to under seven years old in order to make our employees be relieved.

### 4.5.1.2 Education and training

The Company encourages its employees to improve professional skills to achieve the goal of continuous improvement and sustainable growth. For those who participated in-service master program and are helpful to the Company, they will be provided with tuition and miscellaneous subsidies and rewards for salary adjustment after obtaining academic credentials.

The company's education and training system is mainly divided into pre-employment training (for new employees to introduce the company's policy) and on-the-job training. The on-the-job training is separately planned and executed by each department according to job requirements.

In addition to formal training programs, our company strives to provide our colleagues with diverse learning and growth opportunities while promoting their physical and mental well-being. Every year, we organize unique "Popcorn Talks" where professionals from different fields are invited to inspire and engage our employees. These talks are designed to be enjoyable and anticipated events that stimulate creative thinking, improve ideas, and bring fresh perspectives back to the workplace.

### 4.5.1.3 Retirement policy and its implementation

The Company's retirement policy and its implementation follows the Labor Standards Act and Labor Insurance Act, which includes:

#### 1. Labor Standards Act ("the old system"): Defined benefit plan

##### a. retirement application:

A worker may apply for voluntary retirement under any of the following conditions:

- 1) Where the worker attains the age of fifty-five and has worked for fifteen years.
- 2) Where the worker has worked for more than twenty-five years.
- 3) Where the worker attains the age of sixty and has worked for ten years.

Those whose work period or age has not reached the previous standards, but who meet the Company's policy requirements and have been approved by the Supervisory Committee of Labor Retirement Reserve, the Company may accept their early retirement applications.

##### b. payment of worker pensions:

- 1) Two bases are given for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The length of service is calculated as half year when it is less than six months and as one year when it is more than six months.
- 2) As set forth in Article 54 of the Labor Standards Act, an additional 20% on top of the amount calculated according to the preceding subparagraph shall be given to workers forced to retire due to disability incurred from the execution of their duties.

The retirement pension base as specified in 1), shall be one month's average wage of the worker at the time when his or her retirement is approved.

c. appropriation of labor pension reserve funds:

Company appropriate 10% of the total monthly wages of their employees who adopt defined benefit plan as labor pension reserve funds and deposit such amount in a designated account. The funds in said account may not be used as an assignment, seizure, offset or security object.

The supervision of labor pension reserve funds: The Company has set up the Supervisory Committee of Labor Retirement Reserve since August, 2023, to supervise the collection and spending, custody and utilization of the Fund.

2. Labor Pension Act ("the new system"): Defined contribution plan

a. According to the "Monthly Contribution Classification Table" issued by the Bureau of Labor Insurance, Ministry of Labor, the Company appropriate 6% of the worker's monthly wage to individual labor pension accounts.

b. Employees may also voluntarily deposit pension funds within six percent of their monthly salary.

4.5.1.4 The measures to protect employees' interests

The Company regularly arranges labor-management meetings, monthly town-hall meetings to update policies, incentives for production targets, and subsidies to enhance the cohesiveness and job satisfaction of the employees and assure the harmonious relationship between employers and employees.

4.5.2 Any losses resulting from labor disputes in the most recent year and as of the publication date of the annual report: None.

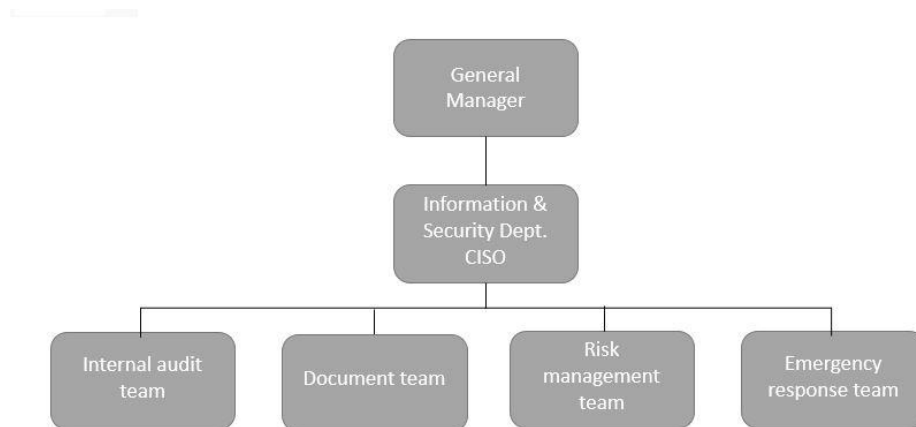
4.5.3 The estimated loss amount of current and future potential disputes: None.

## 4.6 Information Security Management

### 4.6.1 Information Security Framework, Policy, Specific Plan and Invested Resource:

#### 4.6.1.1 Information Security Framework:

To ensure the implementation of information security, the Company has assign Information & System Center to be responsible for formulating the information security policies, plans, introduction, promotion and implementation. All moves are expected to reduce information security risks and enhance information security awareness. The updated status shall be reported to CEO periodically.



#### 4.6.1.2 Information Security Policy:

The overall information security policy mainly aims to implement the management mechanisms and enhance the protection capabilities, which are materialized through the three main directions of personnel governance, equipment resources and policy management.

- Personnel Governance: enhance employees' awareness of information security and implement information security education and promotion
- Equipment Resources: build up appropriate information security equipment, upgrade the protection level and improve the defense abilities
- Policy Management: constantly review and adjust information security policies to maintain the reliability, while complying with international standards and regulations

#### 4.6.1.3 Information Security Specific Plan:

As time goes on with the possible threat, the information security measures are conducted in three dimensions: advanced prevention, protective measures and emergency response. These plans are supplemented by the continuous introduction of new technology, so as to strengthen the management abilities, for best information security protection.

##### - Advanced Prevention:

- (1) publicize information security policies or relevant information to employees from time to time, and confirm the effectiveness of implementation
- (2) conducts rolling reviews and adjustments for information security strategies and mechanisms
- (3) collaborate with the outside experts for detection and prevention internally and externally, expected to close the loopholes in time

##### - Protective Measures:

- (1) build the information facilities room, equipped with independent air conditioning, power and backup system, which are also fireproof and shockproof to ensure the safe data protection
- (2) construct a joint defense mechanism for information security to prevent false alarm and omissions of incident notification, and discover potential threats and cast early alerts
- (3) set up the segmented internal network functionally, to limit the scope if caused by the accident



- (4) collect and analyze firewall data in each factory and formulate appropriate defense policies to ensure that each factory is protected from external attacks
  - (5) control and regulate the permission of use for all end-user devices, to avoid information security gaps
  - (6) build security authentication to ensure account access security, for access to important systems and sensitive data
- Emergency Response:
- (1) complete the important systems, databases and files equipped with backup mechanisms, which can be switched to backup or data restoration immediately in the event of an emergency, to ensure uninterrupted services
  - (2) set up the backup mechanism for the main and backup networks across each plant, to ensure the operations will not be affected by network disruption
  - (3) rehearse for the disaster recovery mechanism verification annually, to ensure the recoverability of important host computers and systems

#### 4.6.1.4 Information Security Invested Resource Investment:

Information security has become an important issue in the Company's operations, and the corresponding information security management issues and resources invested are as follows:

-Dedicated manpower: In 2023, the Information Security Management Department (ISMD) was established as a dedicated information security organization to be responsible for the company's information security planning, technology introduction, and information security related matters, in order to maintain and continuously strengthen information security.

-Education and training: All new employees complete information security education and training courses upon arrival at the Company. In 2024, the Company invested in information security education and training for a total of 786 people.

-Investment in information security: In 2024, the investment in information security was approximately \$11,447 thousand.

4.6.2 In 2024 and as of the date of this Annual Report, the Company has not suffered any losses due to material information security incidents.

No	Item
1	WAF (Web Application Firewall)
2	Internet Filtering Control System
3	Enterprise Vulnerability Management System
4	Backup Software
5	Mail Advanced Defense System
6	Mail Audit System
7	Mail Anti-Virus Filtering System
8	Spam Blocking Software System
9	Two Factor System
10	Anti-Virus and Anti-Hacking System
11	Intrusion Threat Detection and Information Security Vendor Monitoring Service
12	Endpoint Control System
13	Penetration Testing
14	System and Web Vulnerability Scanning

#### 4.7 Important contracts:

Nature of Contract	Contracted Parties	Term of Agreement	Main Content	Restrictions
Loan Agreement	KGI Bank	2024/11/07-2025/11/07	Loan terms and conditions	None
Loan Agreement	Mega Bank	2024/11/09-2025/11/08	Loan terms and conditions	None
Loan Agreement	CTBC Bank	2024/07/31-2025/07/31	Loan terms and conditions	None
Loan Agreement	Fubon Bank	2024/10/29-2025/10/12	Loan terms and conditions	None
Loan Agreement	Bank Sinopac	2024/11/13-2025/10/31	Loan terms and conditions	None
Loan Agreement	Taishin Bank	2025/01/31-2026/01/31	Loan terms and conditions	None
Loan Agreement	Chang Hwa Bank	2024/06/14-2025/05/31	Loan terms and conditions	None
Loan Agreement	ANZ Bank	2024/10/15-2025/10/15	Loan terms and conditions	None
Loan Agreement	Citi Bank	2025/03/18-2026/03/18	Loan terms and conditions	None
Loan Agreement	DBS Bank	2025/09/30-2026/09/30	Loan terms and conditions	None
Loan Agreement	E.Sun Bank	2024/05/21-2025/05/21	Loan terms and conditions	None
Loan Agreement	Standard Chartered Bank	2024/10/30-2025/10/30	Loan terms and conditions	None
Loan Agreement	Eximbank	2025/04/02-2026/04/01	Loan terms and conditions	None
Loan Agreement	Bank of China	2024/12/26-2025/12/26	Loan terms and conditions	None
Loan Agreement	China Construction Bank	2024/01/25-2025/12/14	Loan terms and conditions	None
Loan Agreement	Bank of Communications	2024/09/14-2025/08/30	Loan terms and conditions	None
Loan Agreement	ICBC Bank	2024/03/04-2026/03/04	Loan terms and conditions	None
Loan Agreement	HSBC Bank	2024/11/07-2025/11/07	Loan terms and conditions	None

## V. Review of Financial Conditions, Operating Results, and Risk Management

### 5.1 Analysis of Financial Status

Unit: NT\$'000

Item \ Year	2023	2024(Remark)	Differences	
			Amount	%
Current assets	13,107,889	17,918,962	4,811,073	36.70
Property, plant and equipment	5,047,846	5,802,878	755,032	14.96
Intangible assets	652,336	1,101,913	449,577	68.92
Other assets	1,194,783	1,342,141	147,358	12.33
Total assets	20,002,854	26,165,894	6,163,040	30.81
Current liabilities	5,663,020	8,695,164	3,032,144	53.54
Non-current liabilities	1,908,436	774,328	-1,134,108	(59.43)
Total liabilities	7,571,456	9,469,492	1,898,036	25.07
Common Stock	1,323,735	1,366,582	42,847	3.24
Certificate of entitlement to new shares from convertible bond	-	7,506	7,506	100.00
Capital Surplus	2,211,537	3,247,601	1,036,064	46.85
Retained earnings	8,193,972	10,318,258	2,124,286	25.92
Other components of equity	(582,078)	(266,902)	315,176	(54.15)
Equity attributable to the parent company	11,149,166	14,673,045	3,523,879	31.61
Non-controlling interests	1,282,232	2,023,357	741,125	57.80
Total equity	12,431,398	16,696,402	4,265,004	34.31
Analysis of deviation over 20% and the absolute amount accounts for 1% of total asset of current year:				
1. In order to develop new businesses, the company acquired Alloy Seiko Industry Co.,Ltd. in August 2024 and obtained 77.51% of the equity, which was incorporated into the company's assets and liabilities. As a result, the current assets, intangible assets and current liabilities in 2024 all increased significantly compared to 2023.				
2. The domestic unsecured convertible corporate bonds issued by the company in 2022 will mature in April 2025. Most investors initiated the conversion in 2024, resulting in a significant reduction in non-current liabilities and an increase in capital reserves.				

Remark: The identifiable assets acquired and liabilities assumed by the Company as a result of the merger with Alloy Seiko was recognized at provisional amounts in the consolidated financial statements as of December 31, 2024, which were issued on March 11, 2025. The Company completed the valuation process in April 2025 and obtained the appraisal report from the independent appraisal expert. The difference between the relevant provisional amounts and the appraisal results was retroactively adjusted. For information on the consolidated financial statements as of December 31, 2024, please refer to the first quarter financial report of 2025 reviewed by the CPA on May 8, 2025.

## 5.2 Analysis of Operation Results

5.2.1 Analysis of the change of operating revenues, operating profit and income before tax in the past two years:

Unit: NT\$'000

Item \ Year	2023	2024	Differences	
			Amount	%
Operating revenues	24,381,370	28,369,692	3,988,322	16.36
Gross profit	5,649,629	7,563,377	1,913,748	33.87
Operating profit	3,041,058	4,657,934	1,616,876	53.17
Non-operating income and expenses	267,558	484,810	217,252	81.20
Income before income tax	3,308,616	5,142,744	1,834,128	55.43
Profit attributable to owners of parent	2,404,300	3,795,669	1,391,369	57.87
Analysis of deviation over 20% and the absolute amount accounts for 1% of total asset of current year: In 2024, the revenue hit the second highest level in history due to the release of new product orders and customers' requests for early delivery of goods. Due to proper cost control, both gross profit and operating profit increased compared to 2023.				

5.2.2 Sales volume forecast and related information, major impact on financial performance and future plan on financial performance: Please refer to I. Letter to Shareholders.

## 5.3 Analysis of Cash Flow

5.3.1 Analysis of Cash Flow

Unit: NT\$'000

Item \ Year	2023	2024	Differences	
			Amount	%
Net cash provided by operating activities	4,965,172	4,833,415	(131,757)	(2.65)
Net cash used in investing activities	712,581	934,687	222,106	31.17
Net cash used in financing activities	3,789,870	1,617,295	(2,172,575)	(57.33)
Analysis of deviation over 20% and the absolute amount accounts for 1% of total asset of current year: The decrease in net cash outflow from financing activities was mainly due to the significant decrease in cash dividends paid in 2024 compared to 2023.				

5.3.2 Remedial actions for liquidity shortfall: As a result of positive operating cash flows and cash on-hand, remedial actions are not applicable.

5.3.3 Cash flow projection for next year:

Unit: NT\$'000

Cash balance at the beginning of the year (1)	Net cash flow from operating activities (2)	Net cash outflow from investing and financing activities (3)	Cash surplus (deficit) (1)+(2)+(3)	Measures for managing cash deficit	
				Investment plans	Financing plans
7,397,574	5,229,021	(6,040,406)	6,586,189	-	-
Liquidity forecast analysis for the next year: 1. Operating activities: It is expected that due to the uncertainty of the overall environment in 2025 due to issues such as tariffs, customers will continue to place orders conservatively, resulting in the amount of net cash inflow from operating activities not being much different from that in 2024. 2. Investing and financing activities: Due to the impact of acquisitions and the payment of more cash dividends in 2025, the net profit is expected to increase compared to 2024.					

#### 5.4 Recent years' major capital expenditures and impact on financial and business: None.

#### 5.5 Long-term investment policy and results

##### 5.5.1 Investment policy

The Company's investment focuses on enhancing the golf business and actively expand no-golf business to extent the Company's core competence

##### 5.5.2 Investment result, reason of gain or loss and improvement plan:

Unit: NT\$'000

Name of Corporation	Major Business or Products	Amount of Gain (Loss) Recognized	Main reasons of gain or loss	Improvement plan
Sharphope Company Ltd.	Investment holding	227,564	Normal operation	-
Gainsmart Group Ltd.	Investment holding	(88,177)	Recognition of the loss for reinvestment	Plan to complete liquidation and dissolve the company in 2025
Vision International Co., Ltd.	Manufacture and sale of golf club head	247,204	Normal operation	-
World Gate Holdings Limited	Investment holding	654,329	Normal operation	-
Extensor World Trading Ltd.(Hong Kong)	International trade	132,619	Normal operation	-
FS-North America, Inc.	Investment holding	(88,177)	Recognition of the loss for reinvestment	Plan to complete liquidation and dissolve the company in 2025
FS-Precision Tech Co., LLC	manufacture and sale of automotive parts, aerospace parts and medical equipment	(89,538)	The company stopped production in the fourth quarter of 2024 and entered the liquidation and dissolution process.	Plan to complete liquidation and dissolve the company in 2025
Zhong Shan Worldmark Sporting Goods Ltd.	Manufacture and sale of golf club head	370,144	Normal operation	-
Zhong Shan LongXing Precision Machinery Co., Ltd.	CNC machining service of golf club heads and other industrial parts	14,572	Still expand the business and improve productivity to yield better results	-
Alloy Seiko Industry Co.,Ltd.	Hardware and mechanical products, and sales of automotive related parts	(54,927)	At the beginning of this period still needs to be improved	Through the company's resources, we will improve our financial and business performance and actively expand our business
Alloy Seiko Technology(Jiangsu) Co.,Ltd.	Manufacturing and sales of automobile parts and related metal hardware products	(13,092)	At the beginning of this period still needs to be improved	Through the company's resources, we will improve our financial and business

Name of Corporation	Major Business or Products	Amount of Gain (Loss) Recognized	Main reasons of gain or loss	Improvement plan
				performance and actively expand our business
Zhong Shan DingXing Vacuum Technology Co., Ltd.	PVD (Physical Vapor Deposition) surface treatment of golf club heads and other industrial parts	2,901	Normal operation	-
NFT Technology CO., Ltd.	Manufacture and sale of aerospace precision casting parts	3,920	Normal operation	-
Zhong Shan Aubo Precision Technology Co., Ltd.	Manufacture and sales of accessories for golf club head	245,637	Normal operation	-
Zhong Shan Aubo Metal Surface Treatment Co., Ltd.	Anodizing process service	4,448	Normal operation	-
Aubo (Chongqing) Optoelectronics Co., Ltd.	Manufacturing and sales of optical and electronic related parts, instruments and optical glass	(1,002)	Early stage business	Actively expand business and continuously promote products
Aubo (Viet Nam) Precision Technology Company Limited	Manufacture and sales of accessories for golf club head	90,048	Normal operation	-
Aubo Precision (Hong Kong) Co., Limited	International trade	34,140	Normal operation	-
Crosspace Co., Ltd.	Sales of own-branded titanium tableware	(448)	Product promotion in progress	Product promotion in progress
Minson Integration Inc.	Sales of boots, helmets and protective gear for ice hockey, cross-country motorcycles, baseball, skiing and other sports	178,045	Normal operation	-
Mintech Enterprises Company Limited	manufacture and sale of plastic injection parts, sports helmets and protective gear	16,928	Normal operation	-
Minone Enterprises Company Limited	manufacture and sale of motocross boots, skates and sports protective gear	23,966	Normal operation	-
Minson Enterprises (Thailand) Company Limited	manufacture and sale of motocross boots and protective gear and in-line skates	11,400	Normal operation	-
Menxon Enterprises (Thailand) Company Limited	manufacture and sale of ice hockey skate boots and motocross boots	26,533	Normal operation	-

#### 5.5.3 Investment in the next year:

The company will carefully evaluate several investment projects on hand from a middle-to-long-term strategic perspective, either in golf or non-golf segment.

### 5.6 Risk Management

#### 5.6.1 The effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

##### 5.6.1.1 Changes in interest rate

The amount of bank loans of the company is not large, and changes in interest rates have little effect on the company's profit and loss. However, the company will always pay attention to interest rate fluctuation and take necessary measures to reduce the impact of interest rate changes.

##### 5.6.1.2 Changes in exchange rate

The company adopts the principle of stability and conservatism in the management of foreign currency funds. It does not engage in foreign exchange-related transactions for the purpose of speculation. The company collects international financial information related to exchange rates at any time, and incorporates exchange rate trends into quotation decisions to reduce the impact of exchange rate changes.

##### 5.6.1.3 Inflation

Observe that the company's past profits and losses have not yet had a significant impact due to inflation, so inflationary pressure has limited impact on the company's profits and losses. The company keeps abreast of market price fluctuations and takes appropriate measures to mitigate the impact of inflation on the company's profit and loss.

#### 5.6.2 The policy regarding high-risk and/or highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

The company focuses on business operations, and the financial policy is based on the principle of soundness and conservatism. It does not make high-risk and high-leverage investments. All investments are implemented after careful evaluation. Fund lending to others, endorsement guarantees and engaging in derivative commodity transactions are handled in accordance with the company's "Articles of Incorporation", "Procedures for Acquisition or Disposal of Assets", "Procedures for Lending Funds to Other Parties" and "Procedures for Endorsements & Guarantees".

#### 5.6.3 Future development plans and expected R&D expense inputs

##### 5.6.3.1 Future Development Plans

###### A. Material Technology and Process Development

- Vacuum precision casting technology: Develop lightweight, high-strength alloy products to meet high-end application needs. In response to international trends, we invest in research on process raw materials to build a resilient supply chain.
- Aerospace-grade precision casting capabilities: Establish production capabilities that meet different aerospace standards and expand market application scope.
- Environmentally friendly molding technology: Develop environmentally friendly and fast-molding carbon fiber technology suitable for ultra-high temperature engineering composite materials.

B. Manufacturing automation and smart manufacturing

- Enhanced CNC capabilities: Combine CAD, CAM, and CAE technologies to shorten mold development time and improve production accuracy.
- Rapid prototyping and drying system: Introducing rapid prototyping machines and rapid drying systems to shorten new product development and mass production cycles and improve precision and quality.
- All-round automated production: Upgrading from single-station automation to full-line and full-field automation to achieve a more efficient production model.

C. Smart Manufacturing and Digital Transformation

- Introduction of smart equipment: Enhance equipment maintenance and operation efficiency to ensure production stability.
- Energy Monitoring System: Real-time monitoring and improvement of energy efficiency, reducing waste and costs.
- Digital combat situation system: Establish a real-time production information platform to accelerate decision-making processes and improve response capabilities.
- Big data and production history: Establish big data of process parameters to ensure production traceability and optimize process conditions.

D. Expansion of technology

- Application in the sports assembly industry: Apply carbon fiber and automation technology to the sports assembly industry to expand the scope of technology application.

5.6.3.2 Expected R&D Expense Inputs

The company's estimated R&D expenditure in 2025 is NT\$ 912,968 thousand, which will be well planned and appropriately adjusted according to the operating conditions and macro environment

5.6.4 Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

The management and operation of the company are in compliance with relevant domestic and foreign laws and regulations, and pay close attention to the information about the domestic and foreign policy trends and regulatory changes related to the operation of the company. Request and reduce the impact of the company's financial operations.

5.6.5 Effect on the Company's finance and business from the evolving technologies and industry(including information security risk) , and measures to be taken in response:

The company is the world's largest golf equipment manufacturing company, with solid precision casting and forging manufacturing technology. It continues to pay attention to industry-related technological changes and technological development(including information security risk), and constantly improve product development capabilities and efficiency, and appropriately adjust the company's business strategy to Continue to strengthen market competitiveness and leadership, so technological changes and industrial changes have not had a significant impact on the company's financial business.

5.6.6 The effects of changes of the corporation image on the corporation risk management, and measures to be taken in response:

The company keeps offering good-quality products and services to customers, based on corporate culture of "seeking truth from facts, pursuing excellence". Meanwhile, we continuously enhance our corporate governance and business ethics to protect the interests of all stakeholders. Therefore, the company has no existing crisis or crisis management which needs



to be copied with, caused by the change in corporate image.

5.6.7 Expected benefits and possible risks associated with merge and acquisitions, and measures to be taken in response:

In order to expand its business scope, the Company has not only entered the upstream golf industry for vertical integration, but also entered the automotive components and hand tool industries through mergers and acquisitions. The investment has brought benefits to the Company's revenue without any major risks.

5.6.8 Expected benefits and possible risks associated with any plant expansion, and measures to be taken in response:

The Company's expansion plan should be approved by the board of directors and is expected to contribute to revenue growth and profit growth without major risks.

5.6.9 Risks exposed to for purchases and sales, and measures to be taken in response:

5.6.9.1 The Company carefully evaluates suppliers and actively increases and diversifies supply sources, and maintains good cooperative relationships with suppliers, without the risk of excessive concentration of purchases.

5.6.9.2 In order to disperse the sales concentration, the company not only maintains a good relationship with old customers, but also actively develops new customers to reduce the risk of sales concentration.

5.6.10 Potential impact and risks associated with sales of significant numbers of shares by the Company's Directors, and/or Major Shareholders who own 10+% of the Company's total outstanding Shares: None

5.6.11 Risks associated with change in management: None.

5.6.12 Litigation or non-litigation events: Major litigation, non-litigation or administrative disputes involving the company and its directors, supervisors, general manager, substantive responsible persons, major shareholders with a shareholding ratio of more than 10%, and affiliated companies in the most recent year and as of the publication date of the annual report, which have been determined or are still in dispute, and whose results may have a significant impact on shareholders' equity or securities prices, should disclose the facts in dispute, the subject amount, the start date of the litigation, the main parties involved in the litigation, and the handling status as of the publication date of the annual report: None.

5.6.13 Other important risks and responding measures: None.

**5.7 Other Important Items:** None.

## **VI. Special Disclosure**

### **6.1 Summary of Affiliated Companies:**

6.1.1 Merger business report of related companies: please refer to the Market Observation Post System (<http://mops.twse.com.tw>) or visit our company website (<https://www.fusheng-precision.com/>) for inquiries.

6.1.2 Consolidated Financial Statements of Affiliated Enterprises: The entities that are required to be included in the combined financial statements of Fusheng Precision Co. Ltd., as of and for the year ended December 31, 2024, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements". In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Fusheng Precision Co. Ltd., and Subsidiaries do not prepare a separate set of combined financial statements.

6.1.3 Affiliation Reports: None.

**6.2 Private Placement Securities in the Most Recent Years: None.**

**6.3 Other Supplement Information: None.**

**6.4 The occurrence of the events affecting shareholders' equity or securities price as defined in Article 36, Paragraph 3 Section 2 of Securities Exchange Act in the most recent year and as of the printing date of the annual report:**

On March 11, 2025, the Company's Board of Directors resolved to acquire 51% of the common shares of Proxene Tools Co., Ltd. and completed the transaction on April 9, 2025. The same date was used as the acquisition date, and Proxene Tools Co., Ltd. was included in the consolidated financial statement preparation entity, and its non-controlling interest was measured based on the relative share of the amount recognized in the identifiable net assets.

**FuSheng Precision Co., Ltd**

**Chairman: Liang-Chen Lee**