

**FuSheng Precision Co., Ltd.**  
**2025 Annual Shareholders' Meeting Minutes**  
**(English Translation for Reference Only)**

Time: 9:00 AM, Tuesday, June 19, 2025

Place: No.398, Taoying Rd., Taoyuan Dist., Taoyuan City, Taiwan (Chuto Hotel, RuYi Meeting Room)

e-Meeting Platform : Taiwan Depository & Clearing Corporation (TDCC)

(<https://www.stockvote.com.tw>)

The Number of Shares of Attendance:

Attending shareholders and proxy represented 116,603,606 shares (including 88,620,506 which attended through electronic voting and virtual shareholders meeting) accounting for 83.65% of 139,386,973 shares, the Company's total outstanding shares

Directors Present: Director Liang-Chen Lee, Director Ching-Sheng Chiang, Director Duen-Chian Cheng, Independent Director Wei-Chi Liu. Four directors attended in person, which exceeds half of the total seven board seats.

In attendance: Qian-Ying Chang, CPA of Ernst & Young

Chairman: Liang-Chen Lee

Recorder: Shu-Rong You

**1. Call Meeting to Order:** The aggregate shareholding of the shareholders' present constituted a quorum. The Chairman called the meeting to order.

**2. Chairman's Welcome Speech:** Omitted.

**3. Reported Matters:**

(1) The Company's 2024 Business Report for Review

Explanatory Note: Refer to Attachment 1 for the 2024 Business Report.

(2) Audit Committee's review report in 2024 for Review

Explanatory Note: Refer to Attachment 2 for the 2024 Audit Committee's Review Report.

(3) 2024 Distribution of employees' and directors' compensation

Explanatory Note:

1) According to Article 27 of the Company's "Articles of Incorporation"

2) The allocation of 2024 profits distribution in the form of employees' compensation and the directors' remuneration resolved by the Board of Directors is set forth as NT\$93,604,101 and NT\$1,500,000 respectively, both distributed in cash.

(4) Endorsement/Guarantee provided to others for the end of 2024

Explanatory Note: Refer to Attachment 3 for Endorsement/Guarantee provided to others of 2024

(5) Directors' Remuneration in 2024

Explanatory Note: Refer to Attachment 4 for 2024 Director's Remuneration

(6) The Status of Domestic Unsecured Convertible Corporate Bonds

Explanatory Note:

1) In order to repay bank loans and replenish working capital, the company issued the first

domestic unsecured corporate bonds and was approved by the Financial Supervisory Commission with the approval letter No. 1100379166 on February 7, 2022.

2) Issuance and conversion status of the bonds:

Issue Date:	April 11, 2022
Total Issue Amount:	The total volume issued was 15,000 units with face value of NT\$100,000 per unit. Total issued amount was NT\$ 1,500,000,000
Interest Rate on Yearly Basis (%):	0.00
Maturity Period:	3 years; maturity date on April 11, 2025
Converted Amount:	As of maturity date on April 11, 2025, 14,828 units of the bond were converted to 8,356,973 common shares; The total outstanding face value of the bonds was NT\$17,200,000, which the Company repaid to the investors in cash.

- (7) The communications among the independent directors, the head of internal audit, and CPAs  
Explanatory Note: Refer to Attachment 5 for the communications among the independent directors, the head of internal audit, and CPAs.

#### 4. Acknowledged Matters:

(1) (Proposed by the Board of Directors)

Proposal: To approve the Company's 2024 business report and financial statements.

Description: 1) The Company's 2024 Parent Company Only and Consolidated Financial Statements were audited by independent auditors Zhi-Hui Yang and Chiao-Ying Chang of Ernst & Young Taiwan. The financial statements and the 2024 Business Report have been submitted to the Audit Committee for review and approval.

2) Refer to Attachment 1 for the 2024 Business Report, and Attachment 6 for Independent Auditors' Report and Financial Statements.

Resolution: The voting result is as follows:

The number of shares represented by the shareholders present at the time of voting was 116,603,606 shares (including the 88,620,506 shares whose voting rights were executed in electric form and virtual shareholders meeting).

Voting Result	% of Total Votes
Approval votes: 108,071,344 (including 80,091,254 shares in electronic form and 0 shares in virtual shareholders meeting)	92.68%
Disapproval votes: 5,293 (including 5,293 shares in electronic form and 0 shares in virtual shareholders meeting)	0.00%
Invalid votes: 0	0.00%
Abstention votes/no votes: 8,526,969 (including 8,526,969 shares in electronic form and 0 shares in virtual shareholders meeting)	7.31%

This resolution is resolved and approved as proposed.

(2)

(Proposed by the Board of Directors)

Proposal: To approve the Company's 2024 Distribution of Earnings.

Description: 1) According to the Board resolution on March 11, 2025, each common share holder will be entitled to receive a cash dividend of NT\$19.7 per share. The Chairman is authorized to determine the cash dividend record date and payment date upon the approval of the profit distribution proposal at the Annual Meeting of Shareholders.

2) Cash dividend distributions are calculated by the distribution ratio and rounded down to dollar. Adjustments are made in the descending order of the total sum of decimal number and the serial number of the account number to meet the total cash dividend distribution.

3) In the cases of other subjective and objective factors that will affect the total number of outstanding shares of the Company, it is proposed that the chairman of the Board shall be authorized to adjust the distribution ratio of the total proposed profit distribution of common stocks according to the actual number of shares in circulation on the record date.

4) Refer to Attachment 7 for the 2024 Earnings Distribution Proposal

Resolution: The voting result is as follows:

The number of shares represented by the shareholders present at the time of voting was 116,603,606 shares (including the 88,620,506 shares whose voting rights were executed in electric form and virtual shareholders meeting).

Voting Result	% of Total Votes
Approval votes: 108,360,474 (including 80,380,384 shares in electronic form and 0 shares in virtual shareholders meeting)	92.93%
Disapproval votes: 5,363 (including 5,363 shares in electronic form and 0 shares in virtual shareholders meeting)	0.00%
Invalid votes: 0	0.00%
Abstention votes/no votes: 8,237,769 (including 8,237,769 shares in electronic form and 0 shares in virtual shareholders meeting)	7.06%

This resolution is resolved and approved as proposed.

## 5. Discussion Items:

(1)

(Proposed by the Board of Directors)

Proposal: To revise the Company's "Rules of Procedure for Shareholders' Meeting".

Description: 1) Amend certain provisions of the "Rules of Procedure for Shareholders' Meeting" in order to comply with the Letter announced by the Taiwan Exchange.

2) Refer to Attachment 8 for Comparison of Amendments to the "Rules of Procedure for Shareholders' Meeting".

Resolution: The voting result is as follows:

The number of shares represented by the shareholders present at the time of voting was 116,603,606 shares (including the 88,620,506 shares whose voting rights were executed in electric form and virtual shareholders meeting).

Voting Result	% of Total Votes
Approval votes: 106,544,901 (including 78,564,811 shares in electronic form and 0 shares in virtual shareholders meeting)	91.37%
Disapproval votes: 971,686 (including 971,686 shares in electronic form and 0 shares in virtual shareholders meeting)	0.83%
Invalid votes: 0	0.00%
Abstention votes/no votes: 9,087,019 (including 9,084,009 shares in electronic form and 0 shares in virtual shareholders meeting)	7.79%

This resolution is resolved and approved as proposed.

(2) (Proposed by the Board of Directors)

Proposal: To remove non-compete restrictions on the Company's directors.

Description: 1) Pursuant to Article 209 of the Company Act, "a director who engages in any behavior for himself/herself or on behalf of another person that is within the scope of the company's business shall explain such behavior to the meeting of shareholders and obtain its approval."

2) To draw on the expertise and relevant experience of the Company's directors to the benefit of the Company, it is proposed for resolution to remove the non-competition restrictions on the directors.

3) Removal of non-compete restrictions on the Company's directors, as below:

Name	Current Other Positions
Ching-Sheng Chiang	Chairman of Zhong Shan Worldmark Sporting Goods Ltd. Director of Zhong Shan LongXing Precision Director of World Gate Holding Ltd. Director of Fu Sheng Industrial Co., Ltd. Director of FS-Precision Tech Co., LLC Director of Fusheng Electronics Corporation Chairman of NFT Technology Co., Ltd. Director of Minson Integration, Inc.

Resolution: The voting result is as follows:

The number of shares represented by the shareholders present at the time of voting was 116,603,606 shares (including the 88,620,506 shares whose voting rights were executed in electric form and virtual shareholders meeting).

Voting Result	% of Total Votes
Approval votes: 107,437,507 (including 79,457,417 shares in electronic form and 0 shares in virtual shareholders meeting)	92.13%
Disapproval votes: 884,585 (including 884,585 shares in electronic form and 0 shares in virtual shareholders meeting)	0.75%
Invalid votes: 0	0.00%
Abstention votes/no votes: 8,281,514 (including 8,278,504 shares in electronic form and 0 shares in virtual shareholders meeting)	7.10%

This resolution is resolved and approved as proposed.

3. (Proposed by the Board of Directors)

Proposal: To revise the Company's "Articles of Incorporation"

Explanatory Notes: 1) In response to the amendment to the Securities and Exchange Act, listed (OTC) companies should stipulate in their articles of association that a certain percentage of annual profits should be set aside to adjust the salaries or distribute remuneration for grassroots employees, and the scope of "grassroots employees" should be defined.

2) Refer to Attachment 9 for Comparison of Amendments to the "Articles of Incorporation".

Resolution: The voting result is as follows:

The number of shares represented by the shareholders present at the time of voting was 116,603,606 shares (including the 88,620,506 shares whose voting rights were executed in electric form and virtual shareholders meeting).

Voting Result	% of Total Votes
Approval votes: 107,507,665 (including 79,527,575 shares in electronic form and 0 shares in virtual shareholders meeting)	92.19%
Disapproval votes: 5,322 (including 5,322 shares in electronic form and 0 shares in virtual shareholders meeting)	0.00%
Invalid votes: 0	0.00%
Abstention votes/no votes: 9,090,619 (including 9,087,609 shares in electronic form and 0 shares in virtual shareholders meeting)	7.79%

6. Extempore Motion:

Summary of shareholder inquiries:

**Shareholder No. 25804:** Among the company's current board members, the representation of either gender has not yet reached one-third. "Board gender diversity" is a key initiative promoted by the regulatory authority and aligns with global trends. The company plans to increase gender diversity in the next board election scheduled for next year. Has there been any progress in candidate selection so far? Additionally, is it possible for the company to achieve the target of one-third representation of either gender on the board next year?

**Company Response:** The company has already identified several female board candidate prospects. Prior to the expiration of the current board's term and the upcoming re-election next year, the company will seek appropriate opportunities to engage and consult with these candidates regarding their willingness to serve on the board, in order to implement the policy of "board member diversity."

**Shareholder No. 13396:** According to the annual report, a significant portion of last year's profits was attributable to the appreciation of the US dollar. What impact might the recent depreciation of the US dollar have on the company's future development?

**Company Response:** (1) The company has implemented a currency adjustment mechanism for some of its sales clients, allowing periodic price adjustments in response to exchange rate

fluctuations, thereby helping to partially mitigate the impact of currency movements. (2) The management team will continue to refine operational management and cost control measures to further the overall impact of exchange rate changes. (3) Currently, over 70% of the company's golf-related products are manufactured at its Vietnam plant . While many Asian currencies have appreciated against the US dollar recently, the Vietnamese dong has depreciated, which has been beneficial to the company's operations.

**Shareholder No. 9041(via online conference):** (1) What are the company's strategic plans for the hand tools industry following the acquisition of Proxene? (2) With the company's current market capitalization of approximately NT\$40–50 billion, what are the future plans and strategies for expanding within the sports-related industry, and how will the company enhance its market value?

**Company Response:** (1) The company began actively developing the titanium alloy hand tool business about 4 to 5 years ago, and has maintained a cooperative relationship with Proxene. The recent acquisition of Proxene marks our company formally entry into the hand tools industry. Given the process and material similarities between hand tool products and the company's precision casting operations, it is hoped that integrating resources between the two companies will accelerate international market expansion and strengthen the hand tools segment. Relevant development plans have already been formulated and are currently underway. (2) The sports industry is the company's core business. Within its broader strategic development plan, the company is actively exploring suitable investment opportunities across various areas of sector, including both upstream and downstream supply chains, and other network-related extensions. In addition to the golf-related segment, the company's subsidiary, Minson Integration Inc.(called "Minson") is expected to be listed on the OTC market in Q1 2026. Looking ahead, Minson will play a key role in leading the company's expansion into non-golf-related sectors.

**7. Meeting Adjourned:** 9:28 am, June 19, 2025. The Chairman declared the meeting adjourned.

(Note: The minutes of this shareholders' meeting record the main content and results of the meeting in accordance with Article 183, Paragraph 4 of the Company Law. The actual speeches will be based on the on-site video and audio recordings.)

## FuSheng Precision Co., Ltd. Business Report

### 1. Business Direction

The company adheres to the corporate culture of "seeking truth from facts and pursuing excellence" and has been displaying a strong performance in the fiercely competitive environment. With the rapid evolution in the industry, competition among rivals has not only focused on quality, price, service, delivery and technology but has further elevated to global supply chain management and the integration of corporate resources. In addition to rooting in the golf club head manufacturing, the company is gradually expanding its global and cross-industry footprint by implementing "innovation," "technology," "service," and "green," aiming to create more value for customers, shareholders, employees and society.

### 2. Business Overview

In 2024, the company's golf business came to an end due to customer inventory adjustments, and the number of golfers and terminal demand remained high, resulting in a significant increase in departmental revenue compared to the previous year, and coupled with the good performance of subsidiaries Minson and Zhongshan Aubo, the overall revenue hit the second-highest record in history. In addition, under the dual effects of factory expansion in Vietnam and the appreciation of the US dollar, the overall gross margin also increased significantly compared to the previous year. In addition, the company acquired ASIC in the third quarter of 2024 and officially entered the field of automotive components manufacturing, and we hope to bring more diversified growth momentum to the company.

### 3. Financial result

The Sales for 2024 was NTD 28,370m, an increase of 16.4% compared to NTD 24,381m in 2023. Net profit for 2024 was NTD 3,796m, an increase of 57.9% compared to NTD 2,404m in 2023. The main reason is the significant increase in the number and unit price of golf and other sports product orders. In addition, getting benefit from the continued strengthening of the US dollar, both revenue and profits showed significant growth.

### 4. Operating Implementation

#### 1) Operating revenue

The Sales for 2024 was NTD 28,370m, an increase of 16.4% compared to NTD 24,381m in 2023. The main reason is that customers have destocked and increase the orders, coupled with the benefit of exchange rate factors, resulting in a significant increase in overall revenue.

#### 2) Operating expenditure

The COGS percentage for 2024 was 73.34%, a decrease of 3.49% compared to 76.83% in 2023. Operating expense percentage for 2024 was 10.24%, a decrease of 0.45% compared to 10.69% in 2023. Mainly due to the increase in sales, and resulting in lower costs.

### 5. Profitability analysis

In 2024, the company achieved Gross Margin of 26.66%, an increase of 3.49% compared to 23.17% in 2023. The Operating Profit Margin for 2024 was 16.42%, an increase of 3.94% compared to 12.48% in 2023. Net Profit Margin for 2024 was 13.38%, also an increase of 3.52% compared to 9.86% in 2023. The main reason is the increase in sales and achieving the economic scales , and resulting in lower costs.

### 6. Research and development status

Aligned with the spirit of ESG, the company has invested heavily in automation, smart manufacturing, and the development and introduction of new materials and processes, and has provided technologies and solutions that meet the demand, which have been deeply recognized by customers. And the company will continue to expand its investment in research and development to further strengthen its core capabilities and competitiveness, and to consolidate and deepen its leading position in the industry.

## **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2024 Business Report, Financial Statements (including consolidated financial statements), and proposal for distribution of earnings. Of which, the Financial Statements (including consolidated financial statements) have been audited by Ernst & Young Taiwan. The 2024 Business Report, Financial Statements (including consolidated financial statements), and proposal for distribution of earnings have been audited by us as the Audit Committee of the Company. We deem no inappropriateness in these documents. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report. Please review.

FuSheng Precision Co., Ltd.

Chairman of the Audit Committee: Victor Wei-Chi Liu

March 11, 2025



## FuSheng Precision Co., Ltd.

## Endorsement/Guarantee provided to others for the year ended December 31, 2024

(Unit : thousands of NT\$/thousands of USD)

No. (Note 1)	Endorsement guarantee	Receiving Party		Limited of Endorsement/ Guarantee Amount for receiving party (Note3)	Maximum Balance of the period (Note4)	Ending Balance (Note5)(Note8)	Actual Amount provided (Note6)(Note8)	Amount of Endorsement/ Guarantee collateralized	Percentage of Accumulated Endorsement/ Guarantee to Net Equity per latest Financial statements	Limit on the Endorsement/ Guarantee Amount (Note 3)	Parent Company Endorsed or Guaranteed for the Subsidiaries (Note 7)	Subsidiaries Endorsed or Guaranteed for the Parent Company (Note 7)	Endorsement or Guarantee for Entities in China (Note 7)
		Company Name	Relationship (Note2)										
0	Fusheng Precision Co., Ltd.	World Gate Holdings Ltd.	2	\$36,682,613	\$524,480 (USD16,000)	\$524,480 (USD16,000)	\$-	None	3.57%	\$36,682,613	Y	-	-
0	Fusheng Precision Co., Ltd.	FS-Precision Tech Co., LLC.	2	36,682,613	655,600 (USD20,000)	655,600 (USD20,000)	262,240 (USD8,000)	None	4.47%	36,682,613	Y	-	-
0	Fusheng Precision Co., Ltd.	Extensor World Trading Ltd. (Hong Kong)	2	36,682,613	983,400 (USD30,000)	983,400 (USD30,000)	-	None	6.70%	36,682,613	Y	-	-
0	Fusheng Precision Co., Ltd.	Alloy Seiko Technology (Jiangsu) CO.,LTD.	2	17,607,654	269,400 (RMB60,000)	269,400 (RMB60,000)	22,450 (RMB5,000)	None	1.84%	36,682,613	Y	-	Y
0	Fusheng Precision Co., Ltd.	Alloy Seiko Industry (SZ) Co., LTD.	2	17,607,654	404,100 (RMB90,000)	404,100 (RMB90,000)	49,390 (RMB11,000)	None	2.75%	36,682,613	Y	-	Y
0	Fusheng Precision Co., Ltd.	NFT Technology Co., Ltd.	2	17,607,654	240,000	240,000	92,640	None	1.64%	36,682,613	Y	-	-
1	MINTECH ENTERPRISES COMPANY LIMITED	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	4	415,905	143,520 (THB150,000)	143,520 (THB150,000)	-	143,520 (THB150,000)	0.98%	415,905	N	-	-
1	MINTECH ENTERPRISES COMPANY LIMITED	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	4	415,905	143,520 (THB150,000)	143,520 (THB150,000)	-	143,520 (THB150,000)	0.98%	415,905	N	-	-
1	MINTECH ENTERPRISES COMPANY LIMITED	MINONE ENTERPRISES COMPANY LIMITED	4	415,905	95,680 (THB100,000)	95,680 (THB100,000)	-	95,680 (THB100,000)	0.65%	415,905	N	-	-
2	Zhong Shan Workmark Sporting Goods Ltd.	Alloy Seiko Technology (Jiangsu) CO.,LTD.	2	6,587,316	246,950 (RMB55,000)	246,950 (RMB55,000)	-	None	1.68%	13,723,575	Y	-	Y

Note 1 : The Company and its subsidiaries are coded as follows:

- (1)The Company is coded "0".  
(2)The subsidiaries are coded starting from "1" in numerical order.

Note 2 : The relationship between the guarantor of the endorsement and the object to be guaranteed is as follows:

- (1)An investee that has a business relationship with the Company  
(2)A subsidiary in which the Company holds directly over 50% of equity interest.  
(3)An investee in which the Company and its subsidiaries hold over 50% of equity interest.  
(4)An investee in which the Company holds directly or indirectly over 90% of equity interest.  
(5)A company which needs mutual insurance basing on the construction agreement.  
(6)A company in which the Company endorses or guarantees basing on the holding proportion of mutual investments.  
(7)The performance guarantee of the preconstruction real estate contact between the same industry in accordance with the Consumer Protection Law is jointly guaranteed.

Note 3 : The maximum of endorsement guarantee to a single entity is capped at 120% of the Company's net value; 100% directly and indirectly owned subsidiaries are not subject to such limitation, however the maximum amount of guarantee shall not exceed 250% of the Company's net value.

The total guarantee provided externally is limited to 250% of the Company's net value; the total accumulated external guarantee the Company and subsidiaries provided shall not exceed 250% of the Company's net value.

MINTECH ENTERPRISES COMPANY LIMITED : The total amount of guarantees endorsed by the Company shall not exceed 100% of the Company's net worth. The limit for guarantees endorsed to a single enterprise shall not exceed 40% of the Company's net worth.

For subsidiaries in which the Company's parent company directly or indirectly holds 100% of the voting shares, the amount of guarantees endorsed among these subsidiaries shall not be subject to this limit, but still shall not exceed 100% of the Company's net worth.

Zhong Shan Workmark Sporting Goods Ltd. : The total amount of guarantees endorsed by the Company shall not exceed 100% of the Company's net worth. The limit for guarantees endorsed to a single enterprise shall not exceed 40% of the Company's net worth.

For subsidiaries in which the Company's parent company directly or indirectly holds 100% of the voting shares, the amount of guarantees endorsed among these subsidiaries shall not be subject to this limit, but still shall not exceed 100% of the Company's net worth.

Note 4 : The maximum amount of the Company and its subsidiaries' endorsement or guarantee to others.

Note 5 : It should be filled in the amount which approved by the Board of Directors. However, it should be filled in the amount which utilized by the chairman, whom authorized by the Board of Directors in accordance with Subparagraph 8,Article 12 of Guidelines for Lending of Capital, Endorsements and Guarantees by Public Companies.

Note 6 : Fill in the actual amount drawn from the balance.

Note 7 : Fill in "Y" if it belongs to "Parent Company Endorsed or Guaranteed for the Subsidiaries", "Subsidiaries Endorsed or Guaranteed for the Parent Company", or "Endorsement or Guarantee for Entities in China".

Note 8 : Foreign currency were exchanged by exchange rate as at balance sheet date.

**FuSheng Precision Co., Ltd.**  
**Directors' Remuneration in 2024**

Unit: NT\$'000; thousand shares

Title	Name	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		Compensation Paid to Directors from Non-consolidated Affiliates or Parent Company	
		Base Compensation (A)		Severance Pay and Pension (B)		Compensation to Director (C)		Allowances (D)				Base Compensation, Bonuses, and Allowances (E)		Severance Pay and Pensions (F)		Employees' Profit Sharing Bonus (G)							
		From FSP	From All Consolidated Entities	From FSP	From All Consolidated Entities	From FSP	From All Consolidated Entities	From FSP	From All Consolidated Entities	From FSP	From All Consolidated Entities	From FSP	From All Consolidated Entities	From FSP	From All Consolidated Entities	From FSP		From All Consolidated Entities		From FSP	From All Consolidated Entities		
Chairman	Liang-Chen Lee																						
Director	Ching-Sheng Chiang																						
Director	Representative of Lien Chang Investment Co., Ltd. Wang-Ming Lee	0	0	0	0	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	None	
Director	Representative of TGVest Associates (One) Co., Ltd. Duen-Chian Cheng																						
Independent Director	Wei-Chi Liu																						
Independent Director	Chi-Tzu Kao	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	None	
Independent Director	Chih-Kang Chen																						
<div>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. Independent directors were paid by a fixed amount, and no additional compensation was paid.</div> <div>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.</div>																							

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements (I)
Less than NT\$ 1,000,000	Liang-Chen Lee, Ching-Sheng Chiang, Wang-Ming Lee, Duen-Chian Cheng	Liang-Chen Lee, Ching-Sheng Chiang, Wang-Ming Lee, Duen-Chian Cheng	Liang-Chen Lee, Duen-Chian Cheng	Liang-Chen Lee, Duen-Chian Cheng
NT\$1,000,000 ~ NT\$1,999,999	Chih-Kang Chen , Chi-Tzu Kao	Chih-Kang Chen , Chi-Tzu Kao	Chih-Kang Chen , Chi-Tzu Kao	Chih-Kang Chen , Chi-Tzu Kao
NT\$2,000,000 ~ NT\$3,499,999	Wei-Chi Liu	Wei-Chi Liu	Wei-Chi Liu	Wei-Chi Liu
NT\$3,500,000 ~ NT\$4,999,999	0	0	0	0
NT\$5,000,000 ~ NT\$9,999,999	0	0	0	0
NT\$10,000,000 ~ NT\$14,999,999	0	0	Wang-Ming Lee	Wang-Ming Lee
NT\$15,000,000 ~ NT\$29,999,999	0	0	Ching-Sheng Chiang	Ching-Sheng Chiang
NT\$30,000,000 ~ NT\$49,999,999	0	0	0	0
NT\$50,000,000 ~ NT\$99,999,999	0	0	0	0
Greater than or equal to NT\$100,000,000	0	0	0	0
Total	7	7	7	7

## FuSheng Precision Co., Ltd

### The Communications among the Independent Directors, the Head of Internal Audit, and CPAs

#### 1<sup>st</sup> Meeting of 2024

#### I .Follow-up on Previous Instructions or Recommendations from Independent Directors

Instructions or Recommendations from Independent Directors	Implementation Status
1. Strengthen the subsidiary's internal control system implementation and operational audit.	1. Based on the risk assessment results, important and non-important subsidiaries have been included in the 2024 audit plan.
2. Strengthen the internal control framework and promotion of carbon credits, ESG, carbon neutrality, and green energy.	2. The company has multiple production sites in locations including Taiwan, China, Vietnam, and Thailand, all equipped with solar energy facilities to generate green energy and reduce reliance on carbon-emitting electricity.
3. Develop value-added functions, such as streamlining processes, eliminating inertia, adopting AI and digitalization, and reducing costs.	3. The audit department is committed to leveraging new technologies and innovative thinking to cultivate digital audit capabilities, thereby enhancing our team's contribution to the organization.
4. Enhance internal control audits for information security.	4. Our company obtained ISO-27001 certification on October 27, 2023. Audit department colleagues have participated in auditor training. In 2024, in addition to internal control information security audits, maintenance audits for ISO annual certification will also be conducted.

#### II. Report Items

Topic	Audit Report and Explanation	Suggestions and Comments from Independent Directors
I. Audit department organization and manpower	Report on audit manpower for the first half of 2024.	No comments from the independent directors.
II. Progress of the annual audit plan	As of July 31, 36 audit cases were scheduled for execution; 33 cases have been completed, and reports for the remaining 3 cases are being consolidated.	No comments from the independent directors.
III. Audit findings and closure progress	Report on the number of audit findings and closure progress as of July 31	No comments from the independent directors.

Topic	Audit Report and Explanation	Suggestions and Comments from Independent Directors
IV. Digital audit operation development plan	Explanation of application goals and execution plans.	Independent directors' suggestions incorporated into the records of Topic V
V. Instructions from Independent Directors	Please provide suggestions or requests.	<p><b>Independent Director Chi-Tzu Kao's advice:</b></p> <ol style="list-style-type: none"> <li>1. Assist in exploring emerging digital technologies in the market and providing them for internal reference, such as for the MIS or manufacturing units. This can also be used as the foundation for data analysis in audits through the promotion of digitalization.</li> <li>2. Consider areas where the audit team can contribute to sustainability and green energy topics, such as carbon emissions or the proportion of green energy at various plants, to help the company promote its global green energy strategy and enhance its competitiveness within the industry.</li> </ol> <p><b>Independent Director Wei-Chi Liu's advice:</b></p> <ol style="list-style-type: none"> <li>3. Conduct more research on the application of generative AI audit software.</li> <li>4. Assist the company in promoting the establishment of on-site databases and quality control.</li> <li>5. Include the company's ESG carbon reduction goals and progress in the audit plan to verify actual implementation.</li> </ol> <p><b>Independent Director Chih-Kang Chen's advice:</b></p> <ol style="list-style-type: none"> <li>6. What are the actual applications of ChatGPT in audits?</li> <li>7. When audit findings repeatedly occur, consider whether it is a system or management process issue and how to effectively improve it, such as in the case of approved vendor list (AVL) transaction control, procurement acceptance anomalies, etc. The team is asked to investigate the root cause and provide explanations.</li> </ol> <p><b>Response of Audit Department:</b></p> <ol style="list-style-type: none"> <li>1. The company has initiated the BI project, which can assist management in decision-making and evaluate the use of RPA (Robotic Process Automation) tools to enhance administrative efficiency.</li> </ol>

Topic	Audit Report and Explanation	Suggestions and Comments from Independent Directors
		<p>2. The Audit Department will continue to assess the company's current position in terms of sustainability, industry environment, and competition, providing references for management's future direction.</p> <p>3. The Audit Department will also evaluate emerging technologies in the market and assess their applicability to audit operations.</p> <p>4. As mentioned in point 1, the Audit Department will verify the completeness and consistency of data during audits. Any anomalies will be immediately reported to management for adjustment to ensure data quality.</p> <p>5. A proposal to amend the internal control system has been scheduled for the November 2024 Board meeting, and the management of sustainability information will be included in the 2025 annual audit plan.</p> <p>6. The company is currently using GPT (Microsoft's enterprise version), with the following applications:</p> <ul style="list-style-type: none"> <li>(1) Utilizing the tool for rapid risk analysis and audit program development in specific areas.</li> <li>(2) Summarizing key points from company policies into audit focus areas using GPT.</li> <li>(3) Reducing administrative work hours and improving efficiency.</li> </ul> <p>7. This year's audit focuses on supplier management, equipment maintenance and spare parts management, procurement management, and customer credit management, along with assessing current practices at various plants and subsidiaries. The main issues identified include:</p> <ul style="list-style-type: none"> <li>(1) Non-compliance with SOPs.</li> <li>(2) Inadequate internal management practices.</li> </ul> <p>The Audit Department has requested the management to improve the management system and strengthen the promotion and implementation of these processes, utilizing a systematic approach to controlling operational procedures.</p>

## 2<sup>nd</sup> Meeting of 2024

### I. Report

Topic	Summary	Independent Directors' Comments
I . Audit Department Strategy	Presentation of the 2025 Internal Audit Strategy.	No further comments.
II . Audit department manpower	Report on audit manpower for 2024.	No further comments.
III . Progress of the annual audit plan	As of November 30, 2024, 63 audit cases have been completed, with the remaining 8 cases scheduled for December.	No further comments.
IV . Audit findings and closure progress	Report on audit results and key findings as of November 30, 2024.	No further comments.
V . Risk Assessment	2025 risk assessment report.	No further comments.
VI . Next year's audit plan	2025 audit plan presentation.	No further comments.
VII . CPA audit report	Matters communicated with the corporate governance unit.	No further comments.
VIII . Instructions from Independent Directors	Recommendations and requirements from the Independent Directors.	<p><b>Independent Director Chi-Tzu Kao's advice:</b></p> <ol style="list-style-type: none"> <li>1. The company should explore emerging digital technologies, utilizing AI to enhance audit efficiency. If capital expenditures are needed, the independent directors will support them.</li> <li>2. Internal processes should advance document and data digitization to establish an integrated database for operations management, improving decision-making and audit analysis.</li> <li>3. As Vietnam becomes a key production base, the company should consider establishing a dedicated audit unit within the Vietnam company under the headquarters' Internal Audit Department to ensure independence and oversee compliance.</li> </ol> <p><b>Response of Audit Department:</b></p> <ol style="list-style-type: none"> <li>1. A pilot test for RPA in routine audits is planned for early 2025, with Power Query integration for ERP database</li> </ol>

Topic	Summary	Independent Directors' Comments
		<p>analysis in the latter half of the year. Market research on emerging technologies will continue.</p> <p>2. The company is collaborating with Systex on a Power BI project, currently in the second phase of data validation. This initiative integrates ERP and automation system data with FSP GPT to generate actionable insights for management decisions. Efforts to digitize documents and data will continue.</p> <p>3. Preliminary discussions with Vietnam plant management were held in October 2024 regarding the establishment of an audit unit. The structure, staffing, and roles are still under evaluation, and further follow-ups will be conducted.</p> <p><b>Independent Director Wei-Chi Liu's advice:</b></p> <p>1. Inquired about challenges in executing audit operations.</p> <p><b>Response of Audit Department:</b></p> <p>1. Senior management fully supports internal audit functions, and no significant obstacles have been encountered.</p> <p><b>Independent Director Chih-Kang Chen's advice:</b></p> <p>1. Emphasized the need to focus on subsidiary Alloy Seiko internal controls over sales and inventory.</p> <p><b>Response of Audit Department:</b></p> <p>1. As per the 2025 audit plan, an overall assessment of Alloy Seiko control environment, risk assessment, and internal controls is scheduled for June. Audit procedures will also incorporate findings from external auditors and key concerns from management.</p>



## **Independent Auditors' Report Translated from Chinese**

To FuSheng Precision Co., Ltd.

### **Opinion**

We have audited the accompanying parent company only balance sheets of FuSheng Precision Co., Ltd. (the "Company") as of December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, changes in stockholders' equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the parent company only financial statements, including the summary of material accounting policies (collectively "the parent company only financial statements").

In our opinion, based on our audits and the report(s) of the other auditors (please refer to the Other Matter – Making Reference to the Audit(s) of Other Auditors section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and cash flows for the years ended December 31, 2024 and 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagement of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the report(s) of the other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Recognition of Operating Revenue

The Company recognized operating revenue in the amount of NTD22,216,028 thousand in 2024. As the Company had a large number of customers and products were sold to domestic and international markets involving various transaction terms, the reasonableness of its judgment when the obligation performance is satisfied will have a material impact on the revenue recognition, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policy of revenue recognition; understanding and testing the effectiveness of internal control established by management regarding revenue recognition; selecting samples to perform tests of details and reviewing related transaction certificates and the significant terms and conditions of contracts to verify the accuracy of the timing of performance obligation satisfaction; confirming significant account receivable balance by sending confirmation letters; selecting samples of transactions from either side of balance sheet date, vouching samples against related certificates and reviewing significant subsequent sales return or discounts transactions to ensure revenue was recognized at appropriate timing.

We also assessed the adequacy of disclosures of operating revenues. Please refer to Notes 4 and 6 to the Company's financial statements.

### **Other Matter—Making Reference to the Audit(s) of Other Auditors**

We did not audit the parent company only financial statements of certain investments accounted for using equity method whose statements are based solely on the reports of the other auditors. These investments accounted for using equity method (credit balance of investments accounted for using equity method) to NTD(217,290) thousand and NTD(119,378) thousand, representing (1.05)% and (0.69)% of the parent company only total assets as of December 31, 2024 and 2023, respectively. The related shares of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method amounted to NTD(88,178) thousand and NTD(197,116) thousand, representing (1.92)% and (6.91)% of the income from continuing operations before income tax for the years ended December 31, 2024 and 2023, respectively.

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

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

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

### **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2024 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Yang, Chih-Huei  
Chang, Chiao-Ying  
Ernst & Young, Taiwan  
March 11, 2025

Notice to Readers

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or the Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese  
FUSHENG PRECISION CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of December 31,	
		2024	2023
<b>Current assets</b>			
Cash and cash equivalents	4 and 6	\$2,915,435	\$1,372,384
Current financial assets at fair value through profit or loss	4 and 6	170,870	169,404
Current financial assets at amortised cost	4, 6 and 8	15,000	15,000
Notes receivable, net	4, 5 and 6	2,564	731
Accounts receivable, net	4, 5 and 6	4,006,610	3,492,726
Accounts receivable due from related parties, net	4, 5, 6 and 7	130,526	15,483
Other receivables	4	101,803	102,232
Other receivables due from related parties	4 and 7	953,004	723,945
Inventories, net	4, 5 and 6	297,881	232,945
Prepayments		41,475	36,581
Other current assets		920	1,732
<b>Total current assets</b>		<b>8,636,088</b>	<b>6,163,163</b>
<b>Non-current assets</b>			
Non-current financial assets at fair value through profit or loss	4 and 6	61,417	42,362
Investments accounted for using equity method	4 and 6	10,948,196	10,025,484
Property, plant and equipment	4, 6, 7 and 9	971,117	1,005,708
Right-of-use assets	4 and 6	4,747	5,326
Intangible assets	4	15,803	4,989
Deferred tax assets	4, 5 and 6	3,346	10,086
Prepayments for business facilities	9	28,869	17,024
Guarantee deposits paid		1,429	1,353
Other non-current assets, others		34,533	56,665
<b>Total non-current assets</b>		<b>12,069,457</b>	<b>11,168,997</b>
<b>Total assets</b>		<b>\$20,705,545</b>	<b>\$17,332,160</b>

(continued)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese  
FUSHENG PRECISION CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS (CONTINUED)  
December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

Liability and Equity	Notes	As of December 31,	
		2024	2023
<b>Current liabilities</b>			
Current contract liabilities	4 and 6	\$19,923	\$15,786
Accounts payable		691,329	442,293
Accounts payable to related parties	7	3,436,595	3,318,358
Other payables		374,469	356,637
Other payables to related parties	7	1,494	2,608
Current tax liabilities	4, 5 and 6	573,159	438,901
Current lease liabilities	4 and 6	1,341	1,010
Bonds payable, current portion	4 and 6	352,783	-
Other current liabilities		169,268	309,425
<b>Total current liabilities</b>		<u>5,620,361</u>	<u>4,885,018</u>
<b>Non-current liabilities</b>			
Bonds payable	4 and 6	-	1,174,183
Deferred tax liabilities	4, 5 and 6	17,239	-
Non-current lease liabilities	4 and 6	3,437	4,438
Credit balance of investments accounted for using equity method	4 and 6	217,266	119,355
Other non-current liabilities, others	4 and 6	174,197	-
<b>Non-current liabilities</b>		<u>412,139</u>	<u>1,297,976</u>
<b>Total liabilities</b>		<u>6,032,500</u>	<u>6,182,994</u>
<b>Equity</b>			
<b>Ordinary share</b>	4 and 6	1,366,582	1,325,735
<b>Certificate of entitlement to new shares from convertible bond</b>	6	7,506	-
<b>Capital surplus</b>	6	3,247,601	2,211,537
<b>Retained earnings</b>	6		
Legal reserve		2,252,645	2,013,994
Special reserve		582,078	421,540
Unappropriated retained earnings		7,483,535	5,758,438
<b>Total retained earnings</b>		<u>10,318,258</u>	<u>8,193,972</u>
<b>Other equity interest</b>	4		
Exchange differences on translation of foreign financial statements		(266,902)	(582,078)
<b>Total equity</b>		<u>14,673,045</u>	<u>11,149,166</u>
<b>Total liabilities and equity</b>		<u>\$20,705,545</u>	<u>\$17,332,160</u>

The accompanying notes are an integral part of the parent company only financial statements.

## PARENT COMPANY ONLY STATEMENTS OF COMPERHENSIVE INCOME

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Notes	For the years ended December 31,	
		2024	2023
<b>Operating revenue</b>	4, 6 and 7	\$22,216,028	\$19,527,584
<b>Operating costs</b>	4, 6 and 7	(17,985,305)	(17,039,935)
<b>Gross profit</b>		<u>4,230,723</u>	<u>2,487,649</u>
Unrealized profit from sales		(203,366)	(55,475)
Realized profit on from sales		<u>55,475</u>	<u>398,589</u>
<b>Gross profit from operations</b>		<u>4,082,832</u>	<u>2,830,763</u>
<b>Operating expenses</b>	4, 6 and 7		
Selling expenses		(186,555)	(217,173)
Administrative expenses		(373,036)	(347,418)
Research and development expenses		(302,546)	(271,936)
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		<u>(273)</u>	<u>429</u>
Total operating expenses		<u>(862,410)</u>	<u>(836,098)</u>
<b>Net operating income</b>		<u>3,220,422</u>	<u>1,994,665</u>
<b>Non-operating income and expenses</b>	4 and 6		
Interest income		79,657	110,423
Other income	7	123,756	172,541
Other gains and losses		43,920	(107,478)
Finance costs		(11,218)	(16,942)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method		<u>1,128,564</u>	<u>700,640</u>
Total non-operating income and expenses		<u>1,364,679</u>	<u>859,184</u>
<b>Profit from continuing operations before tax</b>		4,585,101	2,853,849
<b>Total tax expense</b>	4, 5 and 6	<u>(789,432)</u>	<u>(449,549)</u>
<b>Profit</b>		<u>3,795,669</u>	<u>2,404,300</u>
<b>Other comprehensive income, net</b>	4 and 6		
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>			
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(11,680)	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		-	(17,790)
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>			
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		315,176	(160,538)
<b>Other comprehensive income, net</b>		<u>303,496</u>	<u>(178,328)</u>
<b>Total comprehensive income</b>		<u>\$4,099,165</u>	<u>\$2,225,972</u>
<b>Earnings per share(NT\$):</b>	6		
Basic earnings per share		<u>\$28.17</u>	<u>\$18.18</u>
Diluted earnings per share		<u>\$27.19</u>	<u>\$17.39</u>

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese  
FUSHENG PRECISION CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
For the years ended December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

	Capital			Retained Earnings			Other Components of Equity	
	Common Stock	Certificate of entitlement to new shares from convertible bond	Capital surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Operations	Total equity
Balance as of January 1, 2023	\$1,310,300	\$314	\$1,932,929	\$1,530,772	\$630,454	\$6,562,732	\$(421,540)	\$11,545,961
Appropriation and distribution of 2022 retained earnings:								
Legal reserve appropriated	-	-	-	483,222	-	(483,222)	-	-
Reversal of special reserve	-	-	-	-	(208,914)	208,914	-	-
Cash dividends of ordinary share	-	-	-	-	-	(2,916,496)	-	(2,916,496)
Due to recognition of equity component of convertible bonds issued	-	-	(45,031)	-	-	-	-	(45,031)
Profit (loss) in 2023	-	-	-	-	-	2,404,300	-	2,404,300
Other comprehensive income in 2023	-	-	-	-	-	(17,790)	(160,538)	(178,328)
Total comprehensive income	-	-	-	-	-	2,386,510	(160,538)	2,225,972
Conversion of convertible bonds	-	15,121	319,924	-	-	-	-	335,045
Conversion of certificates of bonds-to-share	15,435	(15,435)	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	3,715	-	-	-	-	3,715
Balance as of December 31, 2023	<u>\$1,325,735</u>	<u>\$-</u>	<u>\$2,211,537</u>	<u>\$2,013,994</u>	<u>\$421,540</u>	<u>\$5,758,438</u>	<u>\$(582,078)</u>	<u>\$11,149,166</u>
Balance as of January 1, 2024	\$1,325,735	\$-	\$2,211,537	\$2,013,994	\$421,540	\$5,758,438	\$(582,078)	\$11,149,166
Appropriation and distribution of 2023 retained earnings:								
Legal reserve appropriated	-	-	-	238,651	-	(238,651)	-	-
Special reserve appropriated	-	-	-	-	160,538	(160,538)	-	-
Cash dividends of ordinary share	-	-	-	-	-	(1,659,703)	-	(1,659,703)
Due to recognition of equity component of convertible bonds issued	-	-	(133,907)	-	-	-	-	(133,907)
Profit (loss) in 2024	-	-	-	-	-	3,795,669	-	3,795,669
Other comprehensive income in 2024	-	-	-	-	-	(11,680)	315,176	303,496
Total comprehensive income	-	-	-	-	-	3,783,989	315,176	4,099,165
Conversion of convertible bonds	-	48,353	918,058	-	-	-	-	966,411
Conversion of certificates of bonds-to-share	40,847	(40,847)	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	195,037	-	-	-	-	195,037
Changes in ownership interest in subsidiaries	-	-	56,425	-	-	-	-	56,425
Share-based payments	-	-	451	-	-	-	-	451
Balance as of December 31, 2024	<u>\$1,366,582</u>	<u>\$7,506</u>	<u>\$3,247,601</u>	<u>\$2,252,645</u>	<u>\$582,078</u>	<u>\$7,483,535</u>	<u>\$(266,902)</u>	<u>\$14,673,045</u>

The accompanying notes are an integral part of the parent company only financial statements.



English Translation of Parent Company Only Financial Statements Originally Issued in Chinese  
FUSHENG PRECISION CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
For the years ended December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$4,585,101	\$2,853,849
Adjustments:		
Income and expense that not affecting cash flow:		
Depreciation expense	142,458	135,471
Amortization expense	4,417	4,005
Expected credit loss (gain) for bad debt expense	273	(429)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(3,816)	(7,511)
Interest expense	11,218	16,942
Interest income	(79,657)	(110,423)
Investment income	(6,082)	(6,082)
Share-based payments	451	-
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	(1,128,564)	(700,640)
Gains (losses) on disposals of property and equipment	4	(2,562)
Unrealized profit from sales	203,366	55,475
Realized profit on from sales	(55,475)	(398,589)
Profit from lease modification	(120)	-
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	(1,833)	394
Decrease (increase) in accounts receivable	(514,157)	1,002,413
Decrease (increase) in accounts receivable due from related parties	(115,043)	10,310
Decrease (increase) in other receivable	429	8,231
Decrease (increase) in other receivable due from related parties	(18,239)	847
Decrease (increase) in inventories	(63,993)	4,204
Decrease (increase) in prepayments	(4,894)	(3,015)
Decrease (increase) in other current assets	812	1,792
Increase (decrease) in contract liabilities	4,137	(123,631)
Increase (decrease) in accounts payable	249,036	(5,844)
Increase (decrease) in accounts payable to related parties	118,237	(536,566)
Increase (decrease) in other payable	17,832	(82,200)
Increase (decrease) in other payable to related parties	(1,114)	(860)
Increase (decrease) in other current liabilities	9,536	307,259
Increase (decrease) in net defined benefit liability	-	(24,419)
Cash inflow (outflow) generated from operations	3,354,320	2,398,421
Interest received	79,657	110,423
Interest paid	(10)	(78)
Income taxes paid	(631,195)	(835,974)
Net cash flows from (used in) operating activities	2,802,772	1,672,792
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at amortised cost	-	143,723
Acquisition of financial assets at fair value through profit or loss	(16,724)	(44,546)
Acquisition of property, plant and equipment	(142,260)	(184,443)
Proceeds from disposal of property, plant and equipment	20,704	68,000
Increase in refundable deposits	(76)	-
Decrease in refundable deposits	-	2,159
Increase in other receivables due from related parties	(904,470)	(902,314)
Decrease in other receivables due from related parties	693,650	1,055,174
Acquisition of intangible assets	(371)	(1,654)
Decrease in other non-current assets	22,522	18,791
Increase in prepayments for business facilities	(11,845)	-
Decrease in prepayments for business facilities	-	16,024
Dividends received	165,752	195,404
Net cash flows from (used in) investing activities	(173,118)	366,318
Cash flows from (used in) financing activities:		
Increase in short-term loans	-	50,000
Decrease in short-term loans	-	(50,000)
Payments of lease liabilities	(2,564)	(1,338)
Increase in other non-current liabilities	24,504	-
Cash dividends paid	(1,659,703)	(2,916,496)
Disposal of ownership interests in subsidiaries (without losing control)	551,160	-
Net cash flows from (used in) financing activities	(1,086,603)	(2,917,834)
Net increase (decrease) in cash and cash equivalents	1,543,051	(878,724)
Cash and cash equivalents at beginning of period	1,372,384	2,251,108
Cash and cash equivalents at end of period	\$2,915,435	\$1,372,384

The accompanying notes are an integral part of the parent company only financial statements.

## **REPRESENTATION LETTER**

The entities included in the consolidated financial statements as of December 31, 2024 and for the year then ended prepared under the International Financial Reporting Standards, No.10 are the same as the entities to be included in the combined financial statements of the Group, if any to be prepared, pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (referred to as “Combined Financial Statements”). Also, the footnotes disclosed in the Consolidated Financial Statements have fully covered the required information in such Combined Financial Statements. Accordingly, the Group did not prepare any other set of Combined Financial Statements than the Consolidated Financial Statements.

Very truly yours,

Fusheng Precision Co., Ltd.

Chairman: LEE, LIANG-CHEN

March 11, 2025

## Independent Auditors' Report Translated from Chinese

To Fusheng Precision Co., Ltd.

### Opinion

We have audited the accompanying consolidated balance sheets of Fusheng Precision Co., Ltd. (the “Company”) and its subsidiaries (collectively the “Group”) as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in stockholders’ equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the consolidated financial statements, including the summary of material accounting policies (collectively “the consolidated financial statements”).

In our opinion, based on our audits and the report(s) of the other auditors (please refer to the *Other Matter– Making Reference to the Audit(s) of Other Auditors* section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2024 and 2023, and their consolidated financial performance and cash flows for the years ended December 31, 2024 and 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagement of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the report(s) of the other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Emphasis of Matter — Mergers and acquisitions**

As stated in Note 6(27) of the consolidated financial statements, the Company and its subsidiaries set August 23, 2024 as the acquisition date to acquire Alloy Seiko Industry(SZ) Co., LTD. and its subsidiaries, measuring the identifiable assets acquired and liabilities assumed at their fair values as of that date. However, Fusheng Precision Co., Ltd. is conducting independent evaluation of the above-mentioned merger and acquisition transactions. By the date of releasing this consolidated financial statement, a formal evaluation report has not been obtained. Therefore, in accordance with paragraph 45 of IFRS 3 "Business Combinations", if the initial accounting for a business combination is not complete at the end of the financial reporting period in which the combination occurs, the provisional amount for the items for which the accounting is incomplete should be reported in its financial statements. Thus, in the consolidated financial statement of Fusheng Precision Co., Ltd. as of December 31, 2024, the amounts of identifiable assets, assumed liabilities, and non-controlling interests of the acquiree that were acquired in the acquisition were recognized as provisional amounts. They may be adjusted when the evaluation report is formally issued thereafter. The auditor did not revise the opinion as a result.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Recognition of Operating Revenue

Fusheng Precision Co., Ltd. and its subsidiaries recognized operating revenue in the amount of NTD 28,369,692 thousand in 2024. As the Group had a large number of customers and products were sold to domestic and international markets involving various transaction terms, the reasonableness of its judgment when the obligation performance is satisfied will have a material impact on the revenue recognition, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policy of revenue recognition; understanding and testing the effectiveness of internal control established by management regarding revenue recognition; selecting samples to perform tests of details and reviewing related transaction certificates and the significant terms and conditions of contracts to verify the accuracy of the timing of performance obligation satisfaction; confirming significant account receivable balance by sending confirmation letters; selecting samples of transactions from either side of balance sheet date, vouching samples against related certificates and reviewing significant subsequent sales return or discounts transactions to ensure revenue was recognized at appropriate timing.

We also assessed the adequacy of disclosures of operating revenues. Please refer to Notes 4 and 6 to the Group's financial statements.

#### Inventory valuation

The net carrying value of inventory as of December 31, 2024 for Fusheng Precision Co., Ltd. and its subsidiaries amounted to NTD 4,077,040 thousand, which accounted for 15.58% of total assets and was significant to the consolidated financial statements. Allowance for inventory valuation losses was measured by lower of cost and net realizable value and the valuation of which involved the management's significant judgement, we have therefore determined valuation on inventory a key audit matters.

Our audit procedures included but not limited to, understanding the process design of estimating the allowance for inventory valuation loss, testing the effectiveness of related control, selecting samples to recheck the unit cost of inventory, observing the process of inventory counts, assessing the accuracy of the inventory aging intervals provided by the Group through analytical procedures to make sure that the inventory aging schedule was appropriate; selecting samples to review related certificates to verify the correctness of the net realizable value that management used with respect to different inventory type.

We also consider the appropriateness of disclosure of inventories. Please refer to Notes 5 and 6 of the Company's consolidated financial statements.

#### **Other Matter – Making Reference to the Audit(s) of Other Auditors**

We did not audit the financial statements of certain consolidated subsidiaries, but they were audited by other accountants, which reflected total assets of NTD 66,561 thousand and NTD 304,064 thousand, constituting 0.25% and 1.52% of consolidated total assets as of December 31, 2024 and 2023, respectively, and total operating revenues of NTD 646,338 thousand and NTD 626,401 thousand, constituting 2.28% and 2.57% of the consolidated total operating revenues for the years ended December 31 2024 and 2023, respectively.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2024 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Others

We have audited and expressed unqualified opinions including Other Matter paragraph in the parent company only financial statements of the Company as of and for the years ended December 31, 2024 and 2023, respectively.

Yang, Chih-Huei  
Chang, Chiao-Ying  
Ernst & Young, Taiwan  
March 11, 2025

## Notice to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or the Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statement Originally Issued in Chinese  
FUSHENG PRECISION CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

	Assets	Notes	As of December 31,	
			2024	2023
<b>Current assets</b>				
Cash and cash equivalents	4 and 6		\$7,397,574	\$4,854,475
Current financial assets at fair value through profit or loss	4 and 6		170,870	169,404
Current financial assets at amortised cost	4, 6 and 8		15,000	70,332
Notes receivable, net	4, 5 and 6		16,515	10,626
Accounts receivable, net	4, 5, 6 and 7		5,361,161	4,459,195
Other receivables	4		651,873	288,569
Current tax assets			7,707	15,291
Inventories, net	4, 5 and 6		4,077,040	3,072,437
Prepayments			219,806	160,620
Other current assets			1,416	6,940
<b>Total current assets</b>			<b>17,918,962</b>	<b>13,107,889</b>
<b>Non-current assets</b>				
Non-current financial assets at fair value through profit or loss	4 and 6		62,817	44,165
Non-current financial assets at amortised cost	4 and 6		4,533	524
Property, plant and equipment	4, 6, 7 and 8		5,802,878	5,047,846
Right-of-use assets	4, 6 and 7		767,762	563,175
Investment property, net	4		-	9,238
Intangible assets	4, 5 and 6		1,101,913	652,336
Deferred tax assets	4, 5 and 6		75,616	49,090
Prepayments for business facilities			65,329	32,555
Guarantee deposits paid	7		85,220	142,339
Other non-current assets, others			280,864	353,697
<b>Total non-current assets</b>			<b>8,246,932</b>	<b>6,894,965</b>
<b>Total assets</b>			<b>\$26,165,894</b>	<b>\$20,002,854</b>
	Liability and Equity			
<b>Current liabilities</b>				
Current borrowings	4, 6 and 8		\$1,188,095	\$680,793
Current contract liabilities	4 and 6		44,386	20,070
Notes payable	4		5	5
Accounts payable	4 and 7		3,599,725	2,701,529
Other payables	6 and 7		2,473,550	1,621,678
Current tax liabilities	4 and 5		742,636	508,505
Current provisions	4, 5 and 6		22,032	32,826
Current lease liabilities	4, 6 and 7		39,359	62,566
Bonds payable, current portion	4 and 6		352,783	-
Long-term liabilities, current portion	4 and 6		8,160	8,160
Other current liabilities, others			224,433	26,888
<b>Total current liabilities</b>			<b>8,695,164</b>	<b>5,663,020</b>
<b>Non-current liabilities</b>				
Bonds payables	4 and 6		-	1,174,183
Non-current portion of non-current borrowings	4 and 6		24,480	32,640
Non-current provisions	4, 5 and 6		10,391	10,052
Deferred tax liabilities	4, 5 and 6		143,747	81,484
Non-current lease liabilities	4, 6 and 7		322,687	234,420
Net defined benefit liability, non-current	4, 5 and 6		86,796	60,677
Guarantee deposits received			376	3,159
Other non-current liabilities, others	6		185,851	311,821
<b>Total non-current liabilities</b>			<b>774,328</b>	<b>1,908,436</b>
<b>Total liabilities</b>			<b>9,469,492</b>	<b>7,571,456</b>
<b>Equities</b>	4 and 6			
<b>Common stock</b>			1,366,582	1,325,735
<b>Certificate of entitlement to new shares from convertible bond</b>			7,506	-
<b>Capital surplus</b>	4 and 6		3,247,601	2,211,537
<b>Retained earnings</b>				
Legal reserve			2,252,645	2,013,994
Special reserve			582,078	421,540
Unappropriated retained earnings			7,483,535	5,758,438
Total retained earnings			10,318,258	8,193,972
<b>Other components of equity</b>	4			
Exchange differences on translation of foreign operations			(266,902)	(582,078)
Total equity attributable to stockholders of the parent			14,673,045	11,149,166
Non-controlling interests	6		2,023,357	1,282,232
<b>Total equity</b>			<b>16,696,402</b>	<b>12,431,398</b>
<b>Total liabilities and equity</b>			<b>\$26,165,894</b>	<b>\$20,002,854</b>

The accompanying notes are an integral part of the consolidated financial statements.



English Translation of Consolidated Financial Statement Originally Issued in Chinese  
FUSHENG PRECISION CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
For the years ended December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

Accounting Items	Notes	For the years ended December 31,	
		2024	2023
<b>Operating revenues</b>	4, 6 and 7	\$28,369,692	\$24,381,370
<b>Operating costs</b>	4, 6 and 7	(20,806,315)	(18,731,741)
<b>Gross profit from operations</b>		<u>7,563,377</u>	<u>5,649,629</u>
<b>Operating expense</b>	4, 6 and 7		
Selling expenses		(456,052)	(404,992)
Administrative expenses		(1,546,294)	(1,487,824)
Research and development expenses		(828,295)	(715,170)
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		(74,802)	(585)
Total operating expenses		<u>(2,905,443)</u>	<u>(2,608,571)</u>
<b>Net operating income</b>		<u>4,657,934</u>	<u>3,041,058</u>
<b>Non-operating income and expenses</b>	4, 6 and 7		
Interest income		208,770	148,035
Other income		113,371	158,078
Other gains and losses, net		259,614	24,283
Finance costs, net		(96,945)	(62,838)
Total non-operating income and expenses		<u>484,810</u>	<u>267,558</u>
<b>Profit from continuing operations before tax</b>		5,142,744	3,308,616
<b>Total tax expense</b>	4 and 6	(1,083,340)	(765,108)
<b>Profit</b>		<u>4,059,404</u>	<u>2,543,508</u>
<b>Other comprehensive income, net</b>	4 and 6		
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>			
Gains (losses) on remeasurements of defined benefit plans		(17,887)	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		-	(17,790)
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>			
Exchange differences on translation		344,897	(177,476)
<b>Other comprehensive income, net</b>		<u>327,010</u>	<u>(195,266)</u>
<b>Total comprehensive income</b>		<u>\$4,386,414</u>	<u>\$2,348,242</u>
<b>Profit, attributable to:</b>			
Profit, attributable to owners of parent		\$3,795,669	\$2,404,300
Profit, attributable to non-controlling interests		263,735	139,208
		<u>\$4,059,404</u>	<u>\$2,543,508</u>
<b>Comprehensive income attributable to:</b>			
Comprehensive income, attributable to owners of parent		\$4,099,165	\$2,225,972
Comprehensive income, attributable to non-controlling interests		287,249	122,270
		<u>\$4,386,414</u>	<u>\$2,348,242</u>
<b>Earnings per share(NT\$):</b>	6		
Basic earnings per share		\$28.17	\$18.18
Diluted earnings per share		<u>\$27.19</u>	<u>\$17.39</u>

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statement Originally Issued in Chinese  
FUSHENG PRECISION CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGE IN STOCKHOLDERS' EQUITY  
For the years ended December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
	Capital			Retained earnings			Other Components of Equity		Non-controlling	
	Common stock	Certificate of entitlement of new shares from convertible bond	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign operations	Total	interests	Total equity
Balance as of January 1, 2023	\$1,310,300	\$314	\$1,932,929	\$1,530,772	\$630,454	\$6,562,732	\$(421,540)	\$11,545,961	\$1,212,375	\$12,758,336
Appropriation and distribution of 2022 retained earnings										
Legal reserve appropriated	-	-	-	483,222	-	(483,222)	-	-	-	-
Reversal of special reserve	-	-	-	-	(208,914)	208,914	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(2,916,496)	-	(2,916,496)	-	(2,916,496)
Due to recognition of equity component of convertible bonds issued	-	-	(45,031)	-	-	-	-	(45,031)	-	(45,031)
Profit (loss) in 2023	-	-	-	-	-	2,404,300	-	2,404,300	139,208	2,543,508
Other comprehensive income in 2023	-	-	-	-	-	(17,790)	(160,538)	(178,328)	(16,938)	(195,266)
Total comprehensive income	-	-	-	-	-	2,386,510	(160,538)	2,225,972	122,270	2,348,242
Conversion of convertible bonds	-	15,121	319,924	-	-	-	-	335,045	-	335,045
Conversion of certificates of bonds-to-share	15,435	(15,435)	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	3,715	-	-	-	-	3,715	19,261	22,976
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(71,674)	(71,674)
Balance as of December 31, 2023	\$1,325,735	\$-	\$2,211,537	\$2,013,994	\$421,540	\$5,758,438	\$(582,078)	\$11,149,166	\$1,282,232	\$12,431,398
Balance as of January 1, 2024	\$1,325,735	\$-	\$2,211,537	\$2,013,994	\$421,540	\$5,758,438	\$(582,078)	\$11,149,166	\$1,282,232	\$12,431,398
Appropriation and distribution of 2023 retained earnings										
Legal reserve appropriated	-	-	-	238,651	-	(238,651)	-	-	-	-
Special reserve appropriated	-	-	-	-	160,538	(160,538)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(1,659,703)	-	(1,659,703)	-	(1,659,703)
Due to recognition of equity component of convertible bonds issued	-	-	(133,907)	-	-	-	-	(133,907)	-	(133,907)
Profit (loss) in 2024	-	-	-	-	-	3,795,669	-	3,795,669	263,735	4,059,404
Other comprehensive income in 2024	-	-	-	-	-	(11,680)	315,176	303,496	23,514	327,010
Total comprehensive income	-	-	-	-	-	3,783,989	315,176	4,099,165	287,249	4,386,414
Conversion of convertible bonds	-	48,353	918,058	-	-	-	-	966,411	-	966,411
Conversion of certificates of bonds-to-share	40,847	(40,847)	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	195,037	-	-	-	-	195,037	-	195,037
Changes in ownership interests in subsidiaries	-	-	56,425	-	-	-	-	56,425	339,047	395,472
Share-based payments	-	-	451	-	-	-	-	451	-	451
Changes in non-controlling interests	-	-	-	-	-	-	-	-	114,829	114,829
Balance as of December 31, 2024	\$1,366,582	\$7,506	\$3,247,601	\$2,252,645	\$582,078	\$7,483,535	\$(266,902)	\$14,673,045	\$2,023,357	\$16,696,402

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statement Originally Issued in Chinese

FUSHENG PRECISION CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended in December 31,	
	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$5,142,744	\$3,308,616
Adjustments:		
Income and expense that not affecting cash flow:		
Depreciation expense	849,733	832,323
Amortization expense	47,955	39,679
Expected credit loss (gain) for bad debt expense	74,802	585
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(3,890)	(7,685)
Interest expense	96,945	62,838
Interest income	(208,770)	(148,035)
Investment income	(6,171)	(6,141)
Share-based payments	63,811	19,905
Loss (gain) on disposal of property, plan and equipment	10,704	(4,233)
Impairment loss on non-financial assets	-	53,346
Gains on lease modification	(120)	(39)
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	(5,889)	(4,652)
Decrease (increase) in accounts receivable	(448,426)	1,182,490
Decrease (increase) in other receivable	(121,742)	(23,132)
Decrease (increase) in inventories	(865,634)	1,265,611
Decrease (increase) in prepayments	10,626	131,778
Decrease (increase) in other current assets	5,524	9,245
Increase (decrease) in contract liabilities	(44,022)	(125,818)
Increase (decrease) in notes payable	-	(217)
Increase (decrease) in accounts payable	549,308	(752,190)
Increase (decrease) in other payable	206,212	(125,521)
Increase (decrease) in provisions	(11,786)	(1,128)
Increase (decrease) in other current liabilities	195,791	312,128
Increase (decrease) in net defined benefit liability	8,232	(21,960)
Cash inflow (outflow) generated from operations	5,545,937	5,997,793
Interest received	208,770	148,035
Interest paid	(77,209)	(39,984)
Income tax paid	(844,083)	(1,140,672)
Net cash flows from (used in) operating activities	4,833,415	4,965,172

(Continued)

English Translation of Consolidated Financial Statement Originally Issued in Chinese

FUSHENG PRECISION CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended in December, 31	
	2024	2023
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortised cost	(3,873)	(158,198)
Proceeds from disposal of financial assets at amortised cost	57,878	298,897
Acquisition of financial assets at fair value through profit or loss	(16,705)	(196,096)
Proceeds from disposal of financial assets at fair value through profit or loss	458	151,702
Net cash flow from acquisition of subsidiaries	17,144	-
Acquisition of property, plant and equipment	(1,130,040)	(1,009,196)
Proceeds from disposal of property, plant and equipment	84,397	118,203
Increase in refundable deposits	-	(87,753)
Decrease in refundable deposits	57,119	-
Acquisition of intangible assets	(3,790)	(3,347)
Acquisition of use-of-right assets	(58,157)	-
Decrease in other non-current assets	87,485	120,614
Increase in prepayments for business facilities	(32,774)	-
Decrease in prepayments for business facilities	-	46,452
Dividends received	6,171	6,141
Net cash flows from (used in) investing activities	(934,687)	(712,581)
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,568,830	1,207,750
Decrease in short-term loans	(1,499,844)	(1,962,283)
Proceeds from long-term debt	-	40,800
Repayments of long-term debt	(32,366)	(19,720)
Decrease in guarantee deposits received	(2,937)	(2,534)
Payments of lease liabilities	(76,522)	(68,773)
Decrease in other non-current liabilities	(173,006)	(11)
Cash dividends paid	(1,659,703)	(2,916,496)
Disposal of ownership interests in subsidiaries (without losing control)	551,160	-
Changes in non-controlling interests	(292,907)	(68,603)
Net cash flows from (used in) financing activities	(1,617,295)	(3,789,870)
Effects of exchange rate changes on cash and cash equivalents	261,666	(116,340)
Net increase (decrease) in cash and cash equivalents	2,543,099	346,381
Cash and cash equivalents at beginning of period	4,854,475	4,508,094
Cash and cash equivalents at end of period	<u>\$7,397,574</u>	<u>\$4,854,475</u>

The accompanying notes are an integral part of the consolidated financial statements.

**FuSheng Precision Co., Ltd.**  
**Earnings Distribution Table**  
**2024**

Unit: NT\$'000

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, 2023	7,420,312,121
Distribution Item:	
<b>Cash Dividends to Common Share Holders</b> <b>(NT\$19.7 per share) (Note 2)</b>	<b>(2,738,837,199)</b>
Unappropriated Retained Earnings	\$ 4,681,474,922

Note 1: The 2024 earnings will be subject to distribution on a priority basis.

Note 2: The distribution ratio is temporarily calculated based on the number of outstanding shares, 139,027,269 shares, on March 6, 2025. The actual distribution amount per share is calculated based on the actual number of outstanding shares on the ex-dividend date.

**FuSheng Precision Co., Ltd.**  
**Comparison of Amendments to the**  
**“Rules of Procedure for Shareholders’ Meeting”**  
**(Translation)**

<b>After the Revision</b>	<b>Before the Revision</b>	<b>Reason for Amendment</b>
<p>E. Procedure  Article 1  Unless otherwise provided by law or regulation, this Corporation's Shareholders’ Meetings shall be convened by the board of directors.</p> <p><u><b>Unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, a company that will convene a Shareholders’ Meeting with video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its board of directors. Furthermore, convening of a virtual-only Shareholders’ Meeting shall require a resolution adopted by a majority vote at a meeting of the board of directors attended by at least two-thirds of the total number of directors.</b></u></p> <p>(Omitted)</p>	<p>E. Procedure  Article 1  Unless otherwise provided by law or regulation, this Corporation's Shareholders’ Meetings shall be convened by the board of directors.</p> <p>(Omitted)</p>	<p>Amended in accordance with laws and regulations.</p>
<p>E. Procedure  Article 1  (Omitted)</p> <p>This Corporation shall prepare electronic versions of the Shareholders’ Meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System</p>	<p>E. Procedure  Article 1  (Omitted)</p> <p>This Corporation shall prepare electronic versions of the Shareholders’ Meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System</p>	<p>Amended in accordance with laws and regulations.</p>

After the Revision	Before the Revision	Reason for Amendment
<p>(MOPS) 30 days before the date of a regular Shareholders' Meeting or 15 days before the date of a special Shareholders' Meeting. This Corporation shall prepare electronic versions of the Shareholders' Meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular Shareholders' Meeting or 15 days before the date of the special Shareholders' Meeting. However, if the Company's paid-in capital reaches <b><u>NT\$2 billion</u></b> or more as of the end of the most recent fiscal year, or if the combined percentage of foreign and mainland ownership as recorded in the shareholders' register reaches 30% or more as of the most recent fiscal year in which the Company held a regular Shareholders' Meeting, the transmission of the previous electronic file shall be completed 30 days prior to the date of the regular Shareholders' Meeting.</p> <p>In addition, 15 days before the date of the Shareholders' Meeting, this Corporation shall also have prepared the Shareholders' Meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.</p> <p>(Omitted)</p>	<p>(MOPS) 30 days before the date of a regular Shareholders' Meeting or 15 days before the date of a special Shareholders' Meeting. This Corporation shall prepare electronic versions of the Shareholders' Meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular Shareholders' Meeting or 15 days before the date of the special Shareholders' Meeting. However, if the Company's paid-in capital reaches <b><u>NT\$10 billion</u></b> or more as of the end of the most recent fiscal year, or if the combined percentage of foreign and mainland ownership as recorded in the shareholders' register reaches 30% or more as of the most recent fiscal year in which the Company held a regular Shareholders' Meeting, the transmission of the previous electronic file shall be completed 30 days prior to the date of the regular Shareholders' Meeting.</p> <p>In addition, 15 days before the date of the Shareholders' Meeting, this Corporation shall also have prepared the Shareholders' Meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.</p> <p>(Omitted)</p>	

After the Revision	Before the Revision	Reason for Amendment
<p>E. Procedure Article 4-1 To convene a virtual Shareholders' Meeting, this Corporation shall include the follow particulars in the Shareholders' Meeting notice: (Omitted)</p> <p>3. To convene a virtual-only Shareholders' Meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual Shareholders' Meeting online shall be specified. <u>Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the shareholders shall at least be provided with connection facilities and necessary assistance, and the period during which shareholders may apply to the company and other related matters requiring attention shall be specified.</u></p>	<p>E. Procedure Article 4-1 To convene a virtual Shareholders' Meeting, this Corporation shall include the follow particulars in the Shareholders' Meeting notice: (Omitted)</p> <p>3. To convene a virtual-only Shareholders' Meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual Shareholders' Meeting online shall be specified.</p>	<p>Amended in accordance with laws and regulations.</p>
<p>E. Procedure Article 20 When convening a virtual-only Shareholders' Meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual Shareholders' Meeting online. <u>Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the shareholders shall at least be provided with connection facilities and necessary assistance, and the period during which shareholders may apply to the company and other related matters requiring attention shall be specified.</u></p>	<p>E. Procedure Article 20 When convening a virtual-only Shareholders' Meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual Shareholders' Meeting online.</p>	<p>Amended in accordance with laws and regulations.</p>



**FuSheng Precision Co., Ltd.**  
**Comparison of Amendments to the**  
**“Articles of Incorporation”**  
**(Translation)**

After the Revision	Before the Revision	Reason for Amendment
<p>Article 27</p> <p>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, <b><u>of which no less than 0.36% shall be compensation to grassroots employee</u></b>, 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.</p> <p><b><u>Definition of grassroots employee,: National employees whose average monthly recurring salary for full-time employees, monthly recurring salary for part-time employees, or daily (hourly) salary does not exceed NT\$63,000, and who have entered into an indefinite contract with the Company.</u></b></p> <p>(Omitted)</p>	<p>Article 27</p> <p>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.</p> <p>(Omitted)</p>	<p>Amended in accordance with laws and regulations.</p>

After the Revision	Before the Revision	Reason for Amendment
<p>Article 29</p> <p>The Articles of Incorporation were entered into on Sep.6, 2010, and were amended the first time on September 14, 2010, the second time on December 1, 2011, the third time on May 17, 2012, the fourth time on March 5, 2014, the fifth time on March 29, 2016, the sixth time on June 29, 2016, the seventh time on June 29, 2017, the eighth time on January 24, 2018, the ninth time on June 27, 2018 the tenth time on June 21, 2022 <b><u>the eleventh time on June 19, 2025</u></b></p>	<p>Article 29</p> <p>The Articles of Incorporation were entered into on Sep.6, 2010, and were amended the first time on September 14, 2010, the second time on December 1, 2011, the third time on May 17, 2012, the fourth time on March 5, 2014, the fifth time on March 29, 2016, the sixth time on June 29, 2016, the seventh time on June 29, 2017, the eighth time on January 24, 2018, the ninth time on June 27, 2018 the tenth time on June 21, 2022</p>	<p>The date of the amendment</p>