

# I-CHIUN PRECISION INDUSTRY CO., LTD.

## 2023 Annual Meeting of Shareholders Meeting Agenda Handbook

May 30, 2023

**I-CHIUN PRECISION INDUSTRY CO., LTD.**  
**Handbook for the 2023 Annual Meeting of Shareholders**  
**Table of Contents**

I.	Meeting Procedure .....	1
II.	Meeting Agenda .....	2
III.	Management Presentation (Company Reports) .....	3
IV.	Proposals .....	6
V.	Discussions.....	8
VI.	Questions and Motions.....	9
VII.	Adjournment .....	9
VIII.	Attachment.....	10
	1. Business Report.....	10
	2. Audit Committee’s Review Report .....	15
	3. Auditor’s Audit Report and Financial Report .....	16
	4. Rules and Procedures of Board Meetings Amendment Comparison Table .....	37
	5. List of Candidates for Directors (Including Independent Directors) .....	45
	6. Contents of Non-compete for director candidates .....	51
IX	Appendices.....	52
	1. Articles of Incorporation.....	52
	2. Rules of Procedure for Shareholder Meetings .....	60
	3. Rules and Procedures of Board Meetings(Before Amendment) .....	68
	4. Rules for Election of Directors .....	75
	5. Information on Directors and Ownership .....	77

I-CHIUN PRECISION INDUSTRY CO., LTD.  
Procedure for the 2023 Annual Meeting of Shareholders

- I. Call the Meeting to Order (with a report of the number of shares represented by the participants)
- II. Chairperson Remarks
- III. Management Presentation (Company Reports)
- IV. Proposals
- V. Election and Discussions
- VI. Questions and Motions
- VII. Adjournment

# I-CHIUN PRECISION INDUSTRY CO., LTD.

## Agenda of Annual Meeting of Shareholders of Year 2023

Method of Convening: Physical Shareholders' Meeting

Time: 9:00 a.m. on Tuesday, May 30, 2023

Place: 3F, No. 95, Wugong Rd., Xinzhuang Dist., New Taipei City, Taiwan (R.O.C.) (auditorium on the 3rd floor of the Service Center, New Taipei Industrial Park)

### Meeting Procedure:

- I. Call the Meeting to Order (announce the total number of shares that should be present and the total number of shares that are present at the annual meeting of shareholders)
- II. Chairperson Remarks
- III. Management Presentation (Company Reports)
  - (I) 2022 Business Report
  - (II) 2022 Audit Committee's Review Report
  - (III) 2022 Annual Employee Wage and Director Remuneration Distribution Report
  - (IV) Report on surplus distribution and Cash Dividend Status Report
  - (V) Amendment to the "Rules and Procedures of Board Meetings"
  - (VI) Report on the Company's repurchase of treasury stocks
  - (VII) Report on the implementation of the company's cash capital increase and sound operation plan from 2021
- IV. Proposals
  - (I) Proposal for Recognition of the 2022 Financial Statements
  - (II) Proposal for Recognition of the 2022 Surplus Distribution
- V. Election and Discussions
  - (I) Comprehensive re-election of directors
  - (II) Removal of restrictions on directors' non-competition
- VI. Questions and Motions
- VII. Adjournment

## **Management Presentation (Company Reports)**

Report No. 1 (Proposed by the Board)

Proposal: 2022 Business Reports

Explanation: See pages 10 of the Meeting Agenda Handbook for the 2022 Business Report.

Report No. 2 (Proposed by the Board)

Proposal: 2022 Audit Committee's Review Report

Explanation: (I) The Company's 2022 Business Report, surplus distribution proposal, and financial statements audited by certified public accountants (C.P.A.s) have been reviewed by the Audit Committee, which has issued a review report.

(II) Audit Committee's Review Report, please refer to Appendix 2 on page 15 of the Meeting Agenda Handbook

Report No. 3 (Proposed by the Board)

Proposal: The 2022 Annual Employee Wage and Director Remuneration Distribution Report is hereby submitted for recognition.

Explanation: (I) According to the Company's Articles of Incorporation, the Company shall deduct the distribution of the remuneration of employees and the remuneration of directors from the income before tax of the current fiscal year first, followed by compensating the accumulated loss amount. Where there is any remaining amount after such deduction, no less than 10% of such amount shall be appropriated as the remuneration of employees and no more than 3% of such amount shall be appropriated as the remuneration of Directors.

(II) The proposal for 2022 employee wage and director remuneration was approved by the Company's Remuneration Committee and Board of Directors. The employee wages will be distributed in cash at NT\$15,147,300 and the remuneration for directors will be distributed in cash at NT\$4,544,189.

(III) There is no difference between the above amount and the annual estimated amount of recognized expenses.

#### Report No. 4 (Proposed by the Board)

Proposal: Report on surplus distribution and Cash Dividend Status Report is hereby submitted for resolution.

Explanation: (I) As per the provisions of the Company's Articles of Incorporation, the Board of Directors was authorized to resolve and approve that the Company's 2022 surplus distribution to shareholders in cash dividends is NT\$87,183,432. According to the shares held by the shareholders recorded in the shareholder register on the distribution base date, each share will be allocated NT\$0.4. The distributed cash dividend was calculated to NT\$1 (rounded down any number below NT\$1), and any allotment less than NT\$1 would be stated in other income of the company.

(II) The proposal was approved by the resolution of the Board of Directors and the Chairman was authorized to determine the ex-dividend base date, distribution date and other related matters. If there is any change in the Company's share capital, which affects the number of outstanding stocks and thereby resulting in a change in the payout ratio, the Chairman shall be authorized to handle relevant matters in accordance with the Company Act or relevant laws and regulations.

#### Report No. 5 (Proposed by the Board)

Proposal: The Amendment to the "Rules and Procedures of Board Meetings" is hereby submitted for resolution.

Explanation: The "Rules and Procedures of Board Meetings of Public Offering Companies" is amended in response to the amendment of the "Board of Directors Standards of Procedure". A comparison table of the amended please refer to Appendix 4 on page 37.

#### Report No. 6 (Proposed by the Board)

Proposal: The "Report on the Company's repurchase of treasury stocks" is hereby submitted for recognition.

Explanation: (I) The company was approved by the board of directors on November 9, 2022. According to relevant regulations, from November 10, 2022 to January 9, 2023, it is expected to buy back 4,000,000 shares of the company and transfer them to employees of the company. Accounted for 1.80% of the company's total issued shares at that time.

- (II) The company has repurchased 4,000,000 shares of the company from December 14, 2022 to January 9, 2023, with a total repurchase amount of NT\$ 90,027,683. No letter approved, as of April 1, 2023, it has not been transferred.

Report No. 7 (Proposed by the Board)

Proposal: Report on the implementation of the company's cash capital increase and sound operation plan from 2021.

Explanation: (I) The company's cash capital increase in 2021 due to losses for two consecutive years has put forward a sound business plan in accordance with regulations.

- (II) According to the sound business plan, the company's in 2021 estimated consolidated profit and loss statement is as follows:

Unit: NT\$ Thousands

year	2021 (Cnsolided)				
Item	Q1	Q2	Q3	Q4	Total
Operating income	1,310,413	1,317,870	1,367,322	1,399,161	5,394,766
Operating profit	232,023	226,055	239,549	244,051	941,678
Operating expenses	115,587	119,562	122,400	122,713	480,262
Business interest	116,436	106,493	117,149	121,338	461,416
Outside income and expenditure	1,079	(4,016)	(3,512)	(3,116)	(9,565)
Net profit before tax	117,515	102,477	113,637	118,222	451,851
Net profit after tax	89,159	79,420	88,069	91,622	348,270

- (III) As of 2021, the implementation status is as follows:

year	2021 (Cnsolided)			
Item	2021 actual number	2021 annual estimates	Increase (decrease) number	Achievement rate
Operating income	5,988,398	5,394,766	593,632	111.00%
Operating profit	1,168,610	941,678	226,932	124.10%
Operating expenses	634,232	480,262	153,970	132.06%
Business interest	534,378	461,416	72,962	115.81%
Outside income and expenditure	(80,992)	(9,565)	(71,427)	(846.75%)
Net profit before tax	453,386	451,851	1,535	100.34%
Nt profit after tax	383,466	348,270	35,196	110.11%

## **Proposals**

Proposals 1 (Proposed by the Board )

Proposal: 2022 Financial Statements

Explanation: (I) The Company's 2022 standalone financial statements and consolidated financial statements, which have been audited and certified by the C.P.A.s Min-Chuan Feng and Ya-Hui Lin of PwC Taiwan, and the Business Report has been reviewed by the Audit Committee. Please proceed to ratify them.

(II) See page 10 and pages 16-36 of the Meeting Agenda Handbook for the 2022 Business Report, C.P.A.s' audit report, the balance sheets, statements of comprehensive income, statements of changes in equity, and statements of cash flows, for the years ended December 31, 2023.

Resolution:



Proposals 2 (Proposed by the Board )

Proposal: The Proposal for Recognition of the 2022 Surplus Distribution of the Company is hereby submitted for recognition.

Explanation: The Company's 2022 after-tax profit is NT\$103,288,320 based on the financial statements reviewed and certified by CPAs. The proposed surplus distribution table is as follows, please recognize.

I-CHIUN PRECISION INDUSTRY CO., LTD.

Table for Surplus Distribution

2022

Unit: NTD

Undistributed surplus – at the beginning of the year		7,387,580
Add: Net profit after tax	103,288,320	
Add: Adjustment to retained earnings (actuarial pension calculations)	2,800,044	
Less: Changes in ownership interests in subsidiaries	<u>(1,793,656)</u>	
The net profit after tax of the current period is added to the amount included in the undistributed profit of the year		104,294,708
Less: Allocation of 10% for legal reserve		(10,429,471)
Less: Allocation for special reserve- Deduction of shareholders equities		<u>(7,387,580)</u>
Distributable surplus		93,865,237
Less: Dividend (Per Share NTD0.4)		<u>(87,183,432)</u>
Tax on unappropriated retained earnings at the end of the year		<u>6,681,805</u>

Chairman: Zhou Wanshun General Manager: Zhou Wanshun Accounting Supervisor: Yang Borong

Resolution:

## **Election and Discussions**

### Election (Proposed by the Board)

Proposal: Discussion on the Amendment to the “Comprehensive re-election of directors” is hereby submitted for election.

- Explanation:
- (I) The term of office of the current directors of the company will expire on June 30, 2023, and a re-election will be proposed at the shareholders' general meeting of this year.
  - (II) According to Article 12 of the company's articles of association, 8 directors (including 4 independent directors) are to be re-elected this time. The term of office of the new directors is from May 30, 2023 to May 29, 2026. The term of office is three years. The term of office of a director shall be automatically dismissed after the new director takes office.
  - (III) For the list of director candidates approved by the company's Board of Directors resolution on March 2, 2023, please refer to Appendix V on page 45 of the Proceedings Manual.
  - (IV) Here by submit for Election.

Election Result:

## Discussion (Proposed by the Board)

Proposal: Removal of restrictions on directors' non-competition is hereby submitted for resolution.

Explanation: (I) According to Article 209 of the Company Law, directors should explain the important content of their actions to the shareholders' meeting and obtain their permission for actions that fall within the scope of the company's business for themselves or others.

(II) The company's directors may invest or operate other companies with the same business scope as the company or similar to the company's "Articles of Association", the amended provisions are as follows, and the company's new directors are required to submit an agreement to lift the company's new directors. Article 209 of the company law prohibits competition.

(III) Please refer to Appendix 6 on page 51 of the Proceedings Manual for details of the non-compete content of director candidates approved by the Board of Directors resolution on March 2, 2012.

Resolution:

## **Questions and Motions**

## **Adjournment**

## 2022 Business Report

In the past year, the world was still affected by the epidemic of Covid-19, and the mainland region implemented blockade and control. The war between Russia and Ukraine led to rising prices of energy and bulk materials, which exacerbated inflation. The global economy was weak and market demand decreased. As a result, the company's main product, LED Orders for lead frames and IC lead frames have declined, but for Taiwan, there are still emerging applications such as 5G, AI, Internet of Things, and automotive electronics that drive the stable growth of the semiconductor industry for a long time, and the overall semiconductor industry is still performing well. Thermal film (semiconductor) products, due to the active development of new application products and customers and the increase in market demand, increased operating income, offsetting part of the decrease in overall operating income. On the whole, despite the poor economic environment in 2011, it still maintained profitability thanks to the efforts of all employees.

Looking forward to 2023, the epidemic situation is gradually slowing down, various places are gradually unblocking, and the global economy is gradually recovering. However, regional political conflicts and inflation continue, and there are variables in the industrial environment. For the overall electronics industry, there was a serious shortage of workers and materials in the past, making the downstream stock preparation increase, resulting in the pressure of destocking. It is expected that the destocking will be smoothly adjusted in the first half of this year. The company will continue to work hard to fully cooperate with customers, strive to develop new generation products, build automated production equipment, and improve Production efficiency and effectiveness, accumulating operational energy, all employees work together to show positive ambitions, invest high-quality human and financial resources, strive to exceed expected goals, and enhance shareholder rights and interests.

The company adheres to the business philosophy of being honest, respectful, and consistent in words and deeds, in response to changes in the international market and industries to meet customer needs, enhance the flexibility of product supply, and achieve the benefits of international division of labor. Under the business philosophy, the sustainable operation of the company is established.

I. The overview of the Company's business in 2022 is as follows:

(I) Implementation results of the 2022 business plan (consolidated financial statements):

1. Comparative analysis of business results

Unit: NTD thousand

	2022	2021	increase (decrease) by monetary amount	Change in Percentage (%)
Net operating income	5,195,927	5,988,398	(792,471)	(13.23%)
Operating costs	4,617,647	4,819,788	(202,141)	(4.19%)
Gross profit	578,280	1,168,610	(590,330)	(50.52%)
Operating expense	579,770	634,232	(54,462)	(8.59%)
Operating profit	(1,490)	534,378	(553,868)	(100.28%)
Non-operating revenues and expenses	131,802	(80,992)	212,794	(262.73%)
Pre-tax profit	130,312	453,386	(323,074)	(71.26%)
Income tax expense	38,356	69,920	(31,564)	(45.14%)
Current net profit	91,956	383,466	(291,510)	(76.02%)
Non-controlling equity	11,332	(7,699)	19,031	247.19%
Net profit or loss	103,288	375,767	(272,479)	(72.51%)

The company's products include LED lead frames, direct-lit TV backlight modules, heat spreaders (semiconductors) and IC lead frames. The operating income in 2022 was RMB 5,195,927,000, a decrease of RMB 792,471,000 or 13.23% compared with RMB 5,988,398,000 in 2021. Weakness has reduced the market demand for the company's main products, LED lead frame and IC lead frame, and the operating income has decreased by 23.37% and 44.70% respectively, which has the greatest impact. However, another product, the heat spreader (semiconductor), is actively developing new customers and new application products. Moreover, the market demand also increased, so that the operating income increased by 17.35%, offsetting part of the decrease in the overall operating income.

The decline in operating gross profit and operating profit is not only due to the decline in operating income, but the main product lead frame is due to the decline in capacity utilization, the increase in fixed costs caused by corresponding idling, and the increase in inventory sluggish losses, but due to the sharp appreciation of the US dollar in 2022, resulting in a substantial increase in the benefits of foreign currency exchange, resulting in the maintenance of profit in the current period.

(II) Budget execution in 2022: The company did not disclose financial forecasts in 2022

through product development.

(III) Analysis of financial balance and profitability.

Item		Year	
		2022	2021
financial balance	Operating income (thousands)	5,195,927	5,988,398
	Operating gross profit (loss) (thousands)	578,280	1,168,610
	Net profit (loss) after tax (thousands)	91,956	383,466
Profitability Analysis	Return on assets (%)	1.74	5.72
	Return on shareholders' equity (%)	2.17	10.72
	Ratio of net profit before tax to paid-in capital (%)	5.87	20.43
	Profit rate (%)	1.77	6.40
	Earnings (loss) per share (yuan)	0.47	1.79

(IV) Research and Development Status

1. The company will continue to develop new products to respond, so that the LED lead frame, heat spreader (semiconductor) and IC lead frame business will maintain the growth trend and continue to transform, and use new technologies and core competitiveness to promote new product development to achieve sustainability develop.
2. Create competitiveness through continuous improvement, face the future with new knowledge, and promote the creation of competitiveness.
3. The company will continue to develop the following new products
  - (1) Development and mass production of 5G mobile phone (3030) radio frequency brackets.
  - (2) Develop ultra-high power MOSFET bracket (TO-3P).
  - (3) Develop thin-film heat sinks and IGBT heat dissipation substrates produced by automatic multi-point production.
  - (4) Water-cooled cooling module

II. Business operating plan for 2023

(I) Business policy

1. Key points

- (1) Persistence: Cultivation of talents, development of new products, rapid improvement, and a growth rate of more than 20%.
- (2) With the above four pillars, we form our responsibilities for long-term development, and adopt refined management as the way of sustainable development for corporate governance and management.
- (3) With refining, we focus on strategies to create core values in which from a macro perspective, we shall think about how to achieve company goals.

- (4) Select the topics, measure the value created, and conduct business activities.
  - (5) Focus on specific research areas, so that urgency and importance can be determined consistently. Achieve a balance between long-term and short-term goals. Lead decision-making, and reach the achievement of the overall goals.
2. Operation strategy
    - (1) Keep abreast of market trends
    - (2) Become a partner for customers
    - (3) Take innovative applications as the vision
    - (4) Train new core competencies
    - (5) Increase process efficiency to increase added value
    - (6) Provide sincere services, protect customers' interests, strive for reciprocity and sharing, and create a sustainable future together
  3. Business philosophy
    - (1) Honesty: the beginning and the end
    - (2) Integrity: the process
    - (3) Consistency: the results

Follow the way of conscience, achieve what we say to fulfill the concept of honesty.

Honesty is the foundation of trust, and trust is the foundation of all actions.

Honest people who "fully aware of the right way" will be assisted by God to reach a full and complete life.

#### Expected sales volume

The expected sales volume is based on the current existing orders and the status of customer orders to be contacted in the future, referring to the new product development plan and progress, and at the same time making an estimate based on the future production capacity planning, based on the current international situation and economic conditions, plus past experience , 112 annual sales should have a certain growth.

#### (II) Key production and marketing policies

##### 1. Production policy

- (1) Target-based management system to improve production capacity.
- (2) Performance accountability system to meet quality requirements.
- (3) Budget-based Cost system to effectively reduce costs.
- (4) Research and develop low-cost, high-value-added, and competitive products.

##### 2. Sales policy

- (1) Develop new products and develop new customers.
- (2) Expand the share of existing customers.
- (3) Develop new products, improve products, reduce costs, and create benefits.
- (4) Train talents and internationalize marketing
  - (A) Implement education and training based on the knowledge and skills required by job duties.
  - (B) Pay attention to customer services, keep abreast of information, and expand the

market.

(C) Train competent talents.

(D) Train talents with organizational leadership, promotion of growth, and planning.

### III. Future development strategy

The Covid-19 epidemic has gradually unblocked globally, and the inventories of electronics industry manufacturers have gradually been depleted. Therefore, the overall electronics industry should recover gradually this year. In the coming year, we will strengthen our understanding of product market trends, communicate with customers more deeply, and cut into the core of customer needs, strengthen product design, improve production efficiency and ensure stable quality, and develop towards niche and high value-added products.

Electronic products continue to emphasize high performance and miniaturization. Therefore, when electronic components are moving toward smaller volumes and greater power efficiency, only by solving the heat dissipation problem within a limited volume can the reliability of the product be stabilized and the service life extended. The heat spreader is In order to mainly solve the problem of heat dissipation of electronic components, its applications cover servers, communication base stations, vehicles, game consoles, PCs, etc. Deepen the application, therefore, continue to improve the production technology, continue to optimize the automation equipment, and cooperate strategically with international manufacturers to develop new products to strengthen production advantages and quality.

### IV. Impact of external competition environment, legal environment, and overall business environment

As the threat of the epidemic is gradually lifted and global business exchanges are increasingly recovering, the world is still affected by the political instability and inflation in many regions brought about by the Russia-Ukraine War, which threatens global economic growth. However, the demand for 5G applications, the Internet of Things, and artificial intelligence It will continue to grow. In the face of changes in various laws and regulations and the requirements of environmental protection regulations for net zero emission and carbon reduction, governments of various countries have set schedules and require the industry to complete according to the process. Competitors in the same industry at home and abroad are facing challenges. The company responds to various challenges through continuous new product development and process capability, efficiency improvement and cost reduction.

Chairman: Wan-Shun Chou

President: Wan-Shun Chou

Accounting Officer: Pai-Jung, Yang



I-CHIUN PRECISION INDUSTRY CO., LTD.

Audit Committee's Review Report

The Board prepared the Company's 2022 Business Report, financial statements (including consolidated financial statements), and surplus distribution proposal, of which the financial statements (including consolidated financial statements) have been audited by C.P.A.s Min-Chuan Feng and Ya-Hui Lin of PwC Taiwan with an audit report issued. We have reviewed the above-mentioned Business Report, the financial statements (including consolidated financial statements), and the surplus distribution proposal and found them legitimate. Therefore, we are presenting them for your review in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely,

2023 Annual Meeting of Shareholders

I-CHIUN PRECISION INDUSTRY CO., LTD.

Audit Committee Convener: KUO, CHUNG-CHIEN

March 2, 2023

## Independent Auditor's Audit Report

(2023) Cai-Shen-Bao No. 22004386

To the Board of Directors and Shareholders of I-CHIUN PRECISION INDUSTRY CO., LTD.

### **Audit opinion**

We have reviewed the accompanying consolidated balance sheets of I-CHIUN PRECISION INDUSTRY CO., LTD. and its subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, based on our audit results and other accountants' audit reports (see the "other matters" paragraph), present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) as endorsed and issued into effect by the Financial Supervisory Commission (FSC).

### **Basis for opinion**

The CPA engaged to audit and attest financial statements shall do so in accordance with the Standards on Auditing (TWSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audit results and other accountants' audit reports, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in the Group's audit of the consolidated financial statements of 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for 2022 is stated as follows:

#### **Assessment of allowance for inventory valuation losses**

##### Description

For accounting policies for inventories, please refer to Note 4(13) of the consolidated financial statements; for the uncertainty of accounting estimates and assumptions in evaluation of inventories, please refer to Note 5(2) of the consolidated financial statements; for the description of allowance for inventory valuation losses, please refer to Note 6(5) of the

consolidated financial statements. The Group's inventories and allowance for inventory valuation losses on December 31, 2022 were NT\$1,504,079,000 and NT\$176,634,000, respectively.

The Group's evaluation of inventories is based on the cost or net realizable value, whichever is lower. Considering the rapid changes in the technological environment, its measurement is based on the judgment and estimation that there is a higher risk in inventories due to obsolete products or no market value. The Group's inventories are measured at cost or net realizable value, whichever is lower; for inventories exceeding a certain period of age and individually identified obsolete and outdated inventories, the net realizable value is calculated based on historical information on the selling rate of inventories and the extent of the discount.

Because the Group's inventories and its allowance for inventory valuation losses has a significant impact on the consolidated financial statements, and the net realizable value adopted in the evaluation of outdated and obsolete inventories often involves subjective judgments of whether there is still market sales value in the future, there is a high degree of estimation uncertainty. Therefore, we have listed the assessment of allowance for inventory valuation losses as a key audit matter.

#### Corresponding audit procedures

Our audit procedures performed in respect of the key audit matter above included the following:

1. Assess the reasonableness of the policies and procedures used in the allowance for inventory valuation losses based on our understanding of the Group and the nature of the industry, including the inventory classification used to determine the net realizable value and the judgment of obsolete inventory items.
2. Understand the Group's inventory management process, review its annual inventory plan, and participate in the annual inventory taking to evaluate the effectiveness of distinguishing and controlling obsolete and outdated inventories by the management.
3. The methods for verifying the accounting estimates are appropriate and adopted consistently, including the Group's procedures, methods, and assumptions regarding the identification of net realizable value, obsolete inventories, and outdated or damaged items, which are consistent with the previous period.
4. Randomly check the source information on selling prices used for the serial number of individual inventory items, compare the allowance for valuation losses in the previous period, and consider events taking place after the balance sheet, to assess the reasonableness of the allowance for valuation loss provided by the Group.

#### **Other matters – reference to the audit or review of other accountants**

For subsidiaries that are included in the group consolidated financial statements, the audit of financial statements involves other auditors in the audit of financial statements that are not group financial statements. Therefore, for the auditor's opinion on the above-mentioned consolidated financial statements, the subsidiaries' financial statement amounts are based on the reports of other auditors. As of December 31, 2022 and 2021, the subsidiaries' total assets of NT\$114,111,000 and NT\$158,441,000 accounted for 1% and 2% of the total consolidated assets, respectively, while the subsidiaries' 2022 and 2021 operating revenue of NT\$15,853,000 and NT\$0 accounted for 0% of consolidated net operating revenue for both years.

## **Other matter – parent company only financial reports**

We have audited and expressed an unqualified opinion on the parent company only financial statements of I-CHIUN PRECISION INDUSTRY CO., LTD. for 2022 and 2021.

## **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, and the regulations of IFRS and IAS as well as IFRIC and SIC interpretations as endorsed and issued into effect by the FSC to maintain necessary internal control associated with the preparation in order to ensure that the financial statements are free from material misstatement arising from fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Group 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 Group’s financial reporting process.

## **Auditor’s 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 auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit of consolidated financial statements conducted in accordance with TWSA will always detect a material misstatement when it exists. Misstatements can arise from error or fraud and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of an audit in accordance with TWSA, we exercise professional judgment and maintain 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 Group’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the Group. 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 (including relevant protective measures).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Group's consolidated financial statements of 2022 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.

PRICEWATERHOUSECOOPERS TAIWAN

FENG,MIN-CHUAN

Certified Public Accountant

LIN,YA-HUI

Securities and Futures Bureau, Former Financial Supervisory  
Commission, Executive Yuan

Approval Document No.: Jin-Guan-Zheng-Six No. 0960038033  
Financial Supervisory Commission

Approval Document No.: Jin-Guan-Zheng-Shen No. 1070323061

March 8, 2023

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES  
Consolidated Balance Sheet  
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand

	Asset	Notes	2022/12/31		2021/12/31	
			Amount	%	Amount	%
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 1,312,308	17	\$ 1,148,776	13
1110	Financial assets at fair value through profit and loss - current	6(2)	124,680	2	5,520	-
1136	Financial assets at amortized cost - current	6(3) and 8	82,175	1	14,775	-
1150	Notes receivable, net	6(4), 8 and 12(2)	141,949	2	175,470	2
1170	Accounts receivable, net	6(4) and 12(2)	1,758,132	22	2,283,629	27
1200	Other receivables		38,863	-	51,402	1
1220	Current income tax assets		94	-	256	-
130X	Inventories	6(5)	1,327,445	17	1,549,180	18
1479	Other current assets - others		<u>59,361</u>	<u>1</u>	<u>130,200</u>	<u>2</u>
11XX	<b>Total current assets</b>		<u>4,845,007</u>	<u>62</u>	<u>5,359,208</u>	<u>63</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit and loss - non-current	6(2)	-	-	-	-
1535	Financial assets at amortized cost - non-current	6(3) and 8	28,000	-	24,000	-
1600	Property, plant and equipment	6(6) and 8	1,955,703	25	1,982,479	23
1755	Right-of-use assets	6(7) and 8	449,142	6	508,759	6
1760	Investment property, net	6(9) and 8	212,422	3	227,347	3
1780	Intangible assets		19,948	-	14,507	-
1840	Deferred income tax assets	6(24)	116,379	2	163,057	2
1900	Other non-current assets		<u>166,826</u>	<u>2</u>	<u>208,460</u>	<u>3</u>
15XX	<b>Total non-current assets</b>		<u>2,948,420</u>	<u>38</u>	<u>3,128,609</u>	<u>37</u>
1XXX	<b>Total assets</b>		<u>\$ 7,793,427</u>	<u>100</u>	<u>\$ 8,487,817</u>	<u>100</u>

(Continued)

**I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES**  
**Consolidated Balance Sheet**  
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand

Liabilities and Equity	Notes	2022/12/31		2021/12/31		
		Amount	%	Amount	%	
<b>Liability</b>						
<b>Current liabilities</b>						
2100	Short-term borrowings	6(10) and 8	\$ 697,991	9	\$ 811,290	10
2120	Financial liabilities at fair value through profit and loss - current	6(11)	-	-	-	-
2130	Contract liabilities - current	6(19)	14,943	-	31,324	-
2150	Notes payable		4,786	-	11,109	-
2170	Accounts payable	7	475,981	6	745,156	9
2200	Other payables	6(12) (16)	323,635	4	508,383	6
2230	Current income tax liabilities		11,426	-	7,584	-
2280	Lease liabilities - current		52,754	1	52,128	1
2320	Long-term borrowings (including due within one year or one operating cycle)	6(13) and 8	261,667	4	25,000	-
2399	Other current liabilities - others		5,790	-	6,720	-
21XX	<b>Total current liabilities</b>		<u>1,848,973</u>	<u>24</u>	<u>2,198,694</u>	<u>26</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(13) and 8	977,083	13	1,220,000	14
2570	Deferred income tax liabilities	6(24)	299,658	4	308,242	4
2580	Lease liabilities - non-current		340,042	4	392,101	5
2600	Other non-current liabilities		106,875	1	119,476	1
25XX	<b>Total non-current liabilities</b>		<u>1,723,658</u>	<u>22</u>	<u>2,039,819</u>	<u>24</u>
2XXX	<b>Total liabilities</b>		<u>3,572,631</u>	<u>46</u>	<u>4,238,513</u>	<u>50</u>
<b>Equity</b>						
<b>Equity attributable to owners of the parent</b>						
Share capital						
3110	Share capital - common stock	6(16)	2,219,586	29	2,219,586	26
Capital surplus						
3200	Capital surplus	6(17)	1,814,424	23	1,847,718	22
Retained earnings						
3310	Legal reserve	6(18)	22,267	-	-	-
3320	Special reserve		115,330	2	-	-
3350	Retained earnings		111,683	1	222,670	3
Other equity						
3400	Other equity		( 179,509)	( 2)	( 217,748)	( 3)
3500	Treasury stock	6(16)	( 60,702)	( 1)	-	-
31XX	<b>Total equity attributable to owners of the parent</b>		<u>4,043,079</u>	<u>52</u>	<u>4,072,226</u>	<u>48</u>
36XX	<b>Non-controlling equity</b>	6(26)	<u>177,717</u>	<u>2</u>	<u>177,078</u>	<u>2</u>
3XXX	<b>Total equity</b>		<u>4,220,796</u>	<u>54</u>	<u>4,249,304</u>	<u>50</u>
Significant Contingent Liabilities and Unrecognized Contract Commitments						
Significant Events after the Balance Sheet Date						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 7,793,427</u>	<u>100</u>	<u>\$ 8,487,817</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements, and shall be read together.

Chairman: CHOU, WAN-SHUN

Manager: CHOU, WAN-SHUN

Accounting Officer: YANG, PAI-JUNG

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES  
Consolidated Statements of Comprehensive Income  
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand  
(except for earnings per share which is in NTD)

Items	Notes	2022		2021	
		Amount	%	Amount	%
4000 Operating revenue	6(19)	\$ 5,195,927	100	\$ 5,988,398	100
5000 Operating costs	6(5) (9) (23) and 7	( 4,617,647)	( 89)	( 4,819,788)	( 80)
5900 Gross profit		<u>578,280</u>	<u>11</u>	<u>1,168,610</u>	<u>20</u>
Operating expense	6(23)				
6100 Selling expenses		( 174,810)	( 3)	( 176,433)	( 3)
6200 Administrative expenses		( 247,608)	( 5)	( 325,384)	( 5)
6300 Research and development expenses		( 98,450)	( 2)	( 97,639)	( 2)
6450 Expected credit impairment loss	12(2)	( 58,902)	( 1)	( 34,776)	( 1)
6000 Total operating expenses		( 579,770)	( 11)	( 634,232)	( 11)
6900 Operating (loss) profit		( 1,490)	-	534,378	9
Non-operating revenues and expenses					
7100 Interest revenue		13,191	-	8,117	-
7010 Other revenue	6(20)	40,336	1	18,381	1
7020 Other gains and losses	6(21)	140,608	3	( 66,174)	( 1)
7050 Finance costs	6(22)	( 62,333)	( 1)	( 41,316)	( 1)
7000 Total non-operating income and expenses		<u>131,802</u>	<u>3</u>	( 80,992)	( 1)
7900 <b>Net profit before tax</b>		130,312	3	453,386	8
7950 Income tax expense	6(24)	( 38,356)	( 1)	( 69,920)	( 1)
8200 <b>Current net profit</b>		<u>\$ 91,956</u>	<u>2</u>	<u>\$ 383,466</u>	<u>7</u>

(Continued)



I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES  
Consolidated Statements of Comprehensive Income  
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand  
(except for earnings per share which is in NTD)

Items	Notes	2022		2021		
		Amount	%	Amount	%	
<b>Items that will not be reclassified to profit or loss</b>						
8311	Remeasurements of defined benefit plans	6(14)	\$ 3,500	-	\$ 1,693	-
8349	Income tax related to items that will not be reclassified to profit or loss	6(24)	( 700)	-	( 339)	-
8310	Total of items that will not be reclassified to profit or loss		<u>2,800</u>	-	<u>1,354</u>	-
<b>Items that may be reclassified to profit or loss</b>						
8361	Financial statements translation differences of foreign operations		47,799	1	( 50,914)	( 1)
8399	Income tax relating to the items that may be reclassified to profit or loss	6(24)	( 9,560)	-	10,183	-
8360	Sum of items that may be reclassified to profit or loss		<u>38,239</u>	1	( 40,731)	( 1)
8300	<b>Other comprehensive income (net), net</b>		<u>\$ 41,039</u>	1	<u>(\$ 39,377)</u>	( 1)
8500	<b>Total comprehensive income for current period</b>		<u>\$ 132,995</u>	3	<u>\$ 344,089</u>	6
Net income (loss) attributable to:						
8610	Owners of the parent		\$ 103,288	2	\$ 375,767	7
8620	Non-controlling equity		( 11,332)	-	7,699	-
			<u>\$ 91,956</u>	2	<u>\$ 383,466</u>	7
Total comprehensive income attributable to:						
8710	Owners of the parent		\$ 144,327	3	\$ 336,390	6
8720	Non-controlling equity		( 11,332)	-	7,699	-
			<u>\$ 132,995</u>	3	<u>\$ 344,089</u>	6
Earnings per share (EPS) 6(25)						
9750	Basic earnings per share		<u>\$ 0.47</u>		<u>\$ 1.79</u>	
9850	Diluted earnings per share		<u>\$ 0.46</u>		<u>\$ 1.79</u>	

The accompanying notes are an integral part of the consolidated financial statements, and shall be read together.

Chairman: CHOU, WAN-SHUN

Manager: CHOU, WAN-SHUN

Accounting Officer: YANG, PAI-JUNG

**I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
**For the Years Ended December 31, 2022 and 2021**

Unit: NTD thousand

Notes	Equity attributable to owners of the parent								Non-controlling equity	Total equity
	Share capital - common stock	Capital surplus	Retained earnings			Other equity		Total		
			Legal reserve	Special reserve	Undistributed earnings (deficit to be compensated)	Financial statements translation differences of foreign operations	Treasury stock			
<b>2021</b>										
Balance at January 1, 2021	\$ 2,019,586	\$ 1,156,598	\$ -	\$ -	(\$ 154,040)	(\$ 177,017)	\$ -	\$ 2,845,127	\$ 57,455	\$ 2,902,582
Current net profit	-	-	-	-	375,767	-	-	375,767	7,699	383,466
Other comprehensive income for current period	-	-	-	-	1,354	(40,731)	-	(39,377)	-	(39,377)
Total comprehensive income for current period	-	-	-	-	377,121	(40,731)	-	336,390	7,699	344,089
Capital increase in cash	6(16) (17) 200,000	660,000	-	-	-	-	-	860,000	-	860,000
Cost of share-based payment	6(15) (17) -	31,120	-	-	-	-	-	31,120	-	31,120
Controlling interest in the subsidiary	6(26) (27) -	-	-	-	-	-	-	-	71,317	71,317
Changes in ownership interests in subsidiaries	6(26) -	-	-	-	(411)	-	-	(411)	8,841	8,430
Capital increase in cash by subsidiary and advance receipts for ordinary share	6(26) -	-	-	-	-	-	-	-	31,766	31,766
Balance at December 31, 2021	\$ 2,219,586	\$ 1,847,718	\$ -	\$ -	\$ 222,670	(\$ 217,748)	\$ -	\$ 4,072,226	\$ 177,078	\$ 4,249,304
<b>2022</b>										
Balance at January 1, 2022	\$ 2,219,586	\$ 1,847,718	\$ -	\$ -	\$ 222,670	(\$ 217,748)	\$ -	\$ 4,072,226	\$ 177,078	\$ 4,249,304
Current net profit	-	-	-	-	103,288	-	-	103,288	(11,332)	91,956
Other comprehensive income for current period	-	-	-	-	2,800	38,239	-	41,039	-	41,039
Total comprehensive income for current period	-	-	-	-	106,088	38,239	-	144,327	(11,332)	132,995
Earnings appropriation and distribution for 2021:	6(18)									
Allocation for Legal reserve	-	-	22,267	-	(22,267)	-	-	-	-	-
Allocation for Special reserve	-	-	-	115,330	(115,330)	-	-	-	-	-
Cash dividend paid out	-	-	-	-	(77,686)	-	-	(77,686)	-	(77,686)
Cash dividend paid out from capital surplus	6(17) (18) -	(33,294)	-	-	-	-	-	(33,294)	-	(33,294)
Changes in ownership interests in subsidiaries	6(26) -	-	-	-	(1,792)	-	-	(1,792)	(5,259)	(7,051)
Capital increase in cash by subsidiary	6(26) -	-	-	-	-	-	-	-	20,986	20,986
Cash dividend paid out by subsidiary	6(26) -	-	-	-	-	-	-	-	(3,756)	(3,756)
Treasury shares repurchased	6(16) -	-	-	-	-	-	(60,702)	(60,702)	-	(60,702)
Balance at December 31, 2022	\$ 2,219,586	\$ 1,814,424	\$ 22,267	\$ 115,330	\$ 111,683	(\$ 179,509)	(\$ 60,702)	\$ 4,043,079	\$ 177,717	\$ 4,220,796

he accompanying notes are an integral part of the consolidated financial statements, and shall be read together.

Chairman: CHOU, WAN-SHUN

Manager: CHOU, WAN-SHUN

Accounting Officer: YANG, PAI-JUNG

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand

	<u>Notes</u>	<u>2022/1/1~2022/12/31</u>	<u>2021/1/1~2021/12/31</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Current net profit before tax		\$ 130,312	\$ 453,386
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expenses	6(6) (7) (9) (23)	476,185	475,413
Amortization expenses	6(23)	4,345	4,098
Expected credit impairment loss	12(2)	58,906	34,776
Net losses on financial assets at fair value through profit and loss	6(21)	20,302	330
Interest expenses	6(22)	62,333	41,316
Interest revenue		( 13,191 )	( 8,117 )
Dividend revenue	6(20)	( 750 )	( 390 )
Cost of share-based payment	6(15)	-	33,960
Losses (gains) on disposal of property, plant and equipment	6(21)	( 4,411 )	934
Gains arising from lease changes	6(7)	-	( 1,257 )
Impairment loss	6(21)	-	34,015
Gains from disposal of investments	6(21)	( 30,173 )	-
Changes in operating assets and liabilities			
Net changes in operating assets			
Notes receivable		33,521	( 123,170 )
Accounts receivable		465,805	( 843,931 )
Other receivables		12,539	6,862
Inventories		221,735	( 801,832 )
Other current assets		70,837	( 54,590 )
Other non-current assets		( 13,637 )	( 16,039 )
Net changes in operating liabilities			
Contract liabilities - current		( 16,381 )	( 3,986 )
Notes payable		( 6,323 )	( 10,263 )
Accounts payable		( 269,175 )	189,815
Other payables		( 116,404 )	206,461
Other current liabilities		( 930 )	( 9,610 )
Other non-current liabilities		( 2,033 )	( 6,652 )
Cash inflow (outflow) generated from operations		1,083,412	( 398,471 )
Interest received		13,191	8,117
Dividends received		750	390
Interest paid	6(28)	( 61,882 )	( 41,206 )
Income tax paid		( 6,804 )	-
Net cash inflow (outflow) from operating activities		<u>1,028,667</u>	<u>( 431,170 )</u>

(Continued)

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand

	<u>Notes</u>	<u>2022/1/1~2022/12/31</u>	<u>2021/1/1~2021/12/31</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Decrease (increase) in financial assets at amortized cost		(\$ 71,400 )	\$ 8,412
Acquisition of financial assets at fair value through profit and loss		( 267,241 )	-
Disposal of financial assets at fair value through profit and loss		157,952	-
Price of purchase of property, plant and equipment	6(28)	( 410,559 )	( 472,308 )
Proceeds from disposal of property, plant and equipment		25,156	21,417
Price of purchase of intangible assets		( 9,786 )	( 10,248 )
Increase (decrease) in other non-current assets		6,169	( 3,056 )
Acquisition of subsidiary (excluding cash flows used)	6(28)	<u>-</u>	<u>79</u>
Cash outflow from investing activities		<u>( 569,709 )</u>	<u>( 455,704 )</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase (decrease) in Short-term borrowings	6(29)	( 113,299 )	427,141
New long-term borrowings	6(29)	40,000	1,230,000
Repayment of long-term borrowings	6(29)	( 46,250 )	( 1,451,996 )
Repayment of lease principal	6(29)	( 52,168 )	( 49,220 )
Increase (decrease) in other non-current liabilities		976	( 6,782 )
Cash dividend paid out	6(18)	( 110,980 )	-
Capital increase in cash	6(16)	-	860,000
Cash dividend paid out by subsidiary	6(26)	( 3,756 )	-
Cash capital increase by subsidiary - non-controlling interests	6(26)	20,986	31,766
Stock options executed by subsidiary employees		-	4,120
Repurchased treasury shares	6(28)	<u>( 49,661 )</u>	<u>-</u>
Net cash inflow (outflow) from financing activities		<u>( 314,152 )</u>	<u>1,045,029</u>
Effect of exchange rate changes on cash and cash equivalents		<u>18,726</u>	<u>( 47,896 )</u>
Net increase in cash and cash equivalents of the current period		163,532	110,259
Balance of cash and cash equivalents, beginning of period		<u>1,148,776</u>	<u>1,038,517</u>
Balance of cash and cash equivalents, end of period		<u>\$ 1,312,308</u>	<u>\$ 1,148,776</u>

The accompanying notes are an integral part of the consolidated financial statements, and shall be read together.

Chairman: CHOU, WAN-SHUN

Manager: CHOU, WAN-SHUN

Accounting Officer: YANG, PAI-JUNG

## Independent Auditor’s Audit Report

(2023) Cai-Shen-Bao No. 22004400

To the Board of Directors and Shareholders of I-CHIUN PRECISION INDUSTRY CO., LTD.

### **Audit opinion**

We have reviewed the accompanying parent company only balance sheets of I-CHIUN PRECISION INDUSTRY CO., LTD. (the “Company”) for the years ended December 31, 2022 and 2021 and the relevant parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements, based on our audit results and other accountants’ audit reports (see the “other matters” paragraph), present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for opinion**

The CPA engaged to audit and attest financial statements shall do so in accordance with the Standards on Auditing (TWSA). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audit results and other accountants’ audit reports, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in the Company’s audit of the parent company only financial statements of 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company’s parent company only financial statements for 2022 is stated as follows:

#### **Assessment of allowance for inventory valuation losses**

##### Description

For accounting policies for inventories, please refer to Note 4(11) of the parent company only financial statements; for the uncertainty of accounting estimates and assumptions in evaluation of inventories, please refer to Note 5(2) of the parent company only financial statements; for the description of allowance for inventory valuation losses, please refer to Note

6(5) of the parent company only financial statements. The Company's inventories and allowance for inventory valuation losses on December 31, 2022 were NT\$990,623,000 and NT\$139,542,000, respectively.

The Company's evaluation of inventories is based on the cost or net realizable value, whichever is lower. Considering the rapid changes in the technological environment, its measurement is based on the judgment and estimation that there is a higher risk in inventories due to obsolete products or no market value. The Company's inventories are measured at cost or net realizable value, whichever is lower; for inventories exceeding a certain period of age and individually identified obsolete and outdated inventories, the net realizable value is calculated based on historical information on the selling rate of inventories and the extent of discount.

Because the Company's inventories and its allowance for inventory valuation losses has a significant impact on the financial statements, and the net realizable value adopted in the evaluation of outdated and obsolete inventories often involves subjective judgments of whether there is still market sales value in the future, there is a high degree of estimation uncertainty. Therefore, we have listed the assessment of allowance for inventory valuation losses as a key audit matter.

#### Corresponding audit procedures

Our audit procedures performed in respect of the key audit matter above included the following:

1. Assess the reasonableness of the policies and procedures used in the allowance for inventory valuation losses based on our understanding of the Company and the nature of the industry, including the inventory classification used to determine the net realizable value and the judgment of obsolete inventory items.
2. Understand the Company's inventory management process, review its annual inventory plan, and participate in the annual inventory taking to evaluate the effectiveness of distinguishing and controlling obsolete and outdated inventories by the management.
3. The methods for verifying the accounting estimates are appropriate and adopted consistently, including the Company's procedures, methods, and assumptions regarding the identification of net realizable value, obsolete inventories, and outdated or damaged items, which are consistent with the previous period.
4. Randomly check the source information on selling prices used for the serial number of individual inventory items, compare the allowance for valuation losses in the previous period, and consider events taking place after the balance sheet, to assess the reasonableness of the allowance for valuation loss provided by the Company.

#### **Other matters – reference to the audit or review of other accountants**

Since the Company's investments accounted for under equity method are included in the parent company only financial statements, the financial statements were audited by another auditor. Therefore, for the auditor's opinion on the above-mentioned parent company only financial statements, the financial statement amounts are based on the reports of other auditors. As of December 31, 2022 and 2021, the investments accounted for under equity method was NT\$61,143,000 and NT\$86,333,000, respectively, representing 1% of the total assets. The comprehensive income recognized for the aforementioned investments in 2022 and 2021 was (NT\$25,190,000) and (NT\$4,652,000), accounting for (17%) and (1%) of the Company's total comprehensive income, 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 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 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate 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 Company's financial reporting process.

## **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit of parent company only financial statements conducted in accordance with TWSA will always detect a material misstatement when it exists. Misstatements can arise from error or fraud and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the parent company only financial statements.

As part of an audit in accordance with TWSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

5. 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.
6. 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 Company's internal control.
7. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
8. 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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.

9. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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 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 (including relevant protective measures).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Company's parent company only financial statements of 2022 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.

PRICEWATERHOUSECOOPERS TAIWAN

FENG,MIN-CHUAN

Certified Public Accountant

LIN,YA-HUI

Securities and Futures Bureau, Former Financial Supervisory  
Commission, Executive Yuan

Approval Document No.: Jin-Guan-Zheng-Six No. 0960038033

Financial Supervisory Commission

Approval Document No.: Jin-Guan-Zheng-Shen No. 1070323061

March 8, 2023



I-CHIUN PRECISION INDUSTRY CO., LTD.  
Parent Company Only Balance Sheets  
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand

Asset	Notes	2022/12/31		2021/12/31		
		Amount	%	Amount	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 519,503	8	\$ 343,281	5
1110	Financial assets at fair value through profit and loss - current	6(2)	124,680	2	5,520	-
1170	Accounts receivable, net	6(4) and 12(2)	881,579	13	1,166,754	17
1180	Accounts receivable - related parties, net	6(4) 7 and 12(2)	75,188	1	77,084	1
1200	Other receivables		32,837	1	41,755	1
1210	Other receivables - related parties	7	44,563	1	78,897	1
1220	Current income tax assets		52	-	254	-
130X	Inventories	6(5)	851,081	13	984,760	14
1479	Other current assets - others		<u>24,310</u>	-	<u>58,616</u>	<u>1</u>
11XX	<b>Total current assets</b>		<u>2,553,793</u>	<u>39</u>	<u>2,756,921</u>	<u>40</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit and loss - non-current	6(2)	-	-	-	-
1535	Financial assets at amortized cost - non-current	6(3) and 8	28,000	-	24,000	-
1550	Investments accounted for under equity method	6(6)	2,651,628	40	2,554,910	37
1600	Property, plant and equipment	6(7) and 8	884,031	13	873,614	13
1755	Right-of-use assets	6(8)	320,683	5	363,809	5
1780	Intangible assets		16,790	-	14,170	-
1840	Deferred income tax assets	6(22)	67,549	1	107,228	2
1900	Other non-current assets	6(6) (24)	<u>99,340</u>	<u>2</u>	<u>214,955</u>	<u>3</u>
15XX	<b>Total non-current assets</b>		<u>4,068,021</u>	<u>61</u>	<u>4,152,686</u>	<u>60</u>
1XXX	<b>Total assets</b>		<u>\$ 6,621,814</u>	<u>100</u>	<u>\$ 6,909,607</u>	<u>100</u>

(Continued)

I-CHIUN PRECISION INDUSTRY CO., LTD.  
Parent Company Only Balance Sheets  
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand

Liabilities and shareholders' equity	Notes	2022/12/31		2021/12/31		
		Amount	%	Amount	%	
<b>Liability</b>						
<b>Current liabilities</b>						
2100	Short-term borrowings	6(9)	\$ 260,000	4	\$ 130,000	2
2130	Contract liabilities - current	6(17)	13,029	-	28,804	-
2170	Accounts payable	7	219,482	3	402,995	6
2200	Other payables	6(10)	150,047	2	296,207	4
2230	Current income tax liabilities		7,399	-	-	-
2280	Lease liabilities - current		37,322	1	36,926	1
2320	Long-term borrowings (including due within one year or one operating cycle)	6(11) and 8	240,000	4	-	-
2399	Other current liabilities - others		5,021	-	5,160	-
21XX	<b>Total current liabilities</b>		<u>932,300</u>	<u>14</u>	<u>900,092</u>	<u>13</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(11) and 8	960,000	14	1,200,000	17
2570	Deferred income tax liabilities	6(7) (22)	299,658	5	308,086	5
2580	Lease liabilities - non-current		301,780	5	338,406	5
2600	Other non-current liabilities	6(12)	84,997	1	90,797	1
25XX	<b>Total non-current liabilities</b>		<u>1,646,435</u>	<u>25</u>	<u>1,937,289</u>	<u>28</u>
2XXX	<b>Total liabilities</b>		<u>2,578,735</u>	<u>39</u>	<u>2,837,381</u>	<u>41</u>
<b>Equity</b>						
Share capital						
3110	Share capital - common stock	6(14)	2,219,586	34	2,219,586	32
Capital surplus						
3200	Capital surplus	6(15)	1,814,424	27	1,847,718	27
Retained earnings						
3310	Legal reserve	6(16)	22,267	-	-	-
3320	Special reserve		115,330	2	-	-
3350	Undistributed earnings		111,683	2	222,670	3
Other equity						
3400	Other equity		( 179,509)	( 3)	( 217,748)	( 3)
3500	Treasury stock	6(14)	( 60,702)	( 1)	-	-
3XXX	<b>Total equity</b>		<u>4,043,079</u>	<u>61</u>	<u>4,072,226</u>	<u>59</u>
Significant Contingent Liabilities and Unrecognized Contract Commitments						
Significant Events after the Balance Sheet Date						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 6,621,814</u>	<u>100</u>	<u>\$ 6,909,607</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements, and shall be read together.

Chairman: CHOU, WAN-SHUN

Manager: CHOU, WAN-SHUN

Accounting Officer: YANG, PAI-JUNG

I-CHIUN PRECISION INDUSTRY CO., LTD.  
Parent Company Only Statements of Comprehensive Income  
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand  
(except for earnings per share which is in NTD)

	Items	Notes	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	6(17) and 7	\$ 2,725,404	100	\$ 3,009,589	100
5000	Operating costs	6(5) (21) and 7	( 2,422,592)	( 89)	( 2,514,844)	( 84)
5900	Gross profit		302,812	11	494,745	16
5910	Unrealized loss (profit) from sales		4,181	-	( 2,656)	-
5950	Net operating margin		306,993	11	492,089	16
	Operating expense	6(21) and 7				
6100	Selling expenses		( 77,911)	( 3)	( 78,002)	( 2)
6200	Administrative expenses		( 114,289)	( 4)	( 201,037)	( 7)
6300	Research and development expenses		( 39,654)	( 1)	( 48,607)	( 2)
6450	Expected credit impairment profit (loss)	12(2)	8,511	-	( 14,978)	-
6000	Total operating expenses		( 223,343)	( 8)	( 342,624)	( 11)
6900	Operating profit		83,650	3	149,465	5
	Non-operating revenues and expenses					
7100	Interest revenue		1,378	-	685	-
7010	Other revenue	6(18)	6,915	-	7,161	-
7020	Other gains and losses	6(19)	127,196	5	( 28,833)	( 1)
7050	Finance costs	6(20)	( 39,334)	( 1)	( 27,041)	( 1)
7070	Share of profit or loss on associates and joint ventures accounted for under equity method	6(6)	( 48,024)	( 2)	341,729	11
7000	Total non-operating income and expenses		48,131	2	293,701	9
7900	<b>Net profit before tax</b>		131,781	5	443,166	14
7950	Income tax expense	6(22)	( 28,493)	( 1)	( 67,399)	( 2)
8200	<b>Current net profit</b>		\$ 103,288	4	\$ 375,767	12
	<b>Other comprehensive income (net), net</b>					
	<b>Items that will not be reclassified to profit or loss</b>					
8311	Remeasurements of defined benefit plans	6(12)	\$ 3,500	-	\$ 1,693	-
8349	Income tax related to items that will not be reclassified to profit or loss	6(22)	( 700)	-	( 339)	-
8310	Total of items that will not be reclassified to profit or loss		2,800	-	1,354	-
	<b>Items that may be reclassified to profit or loss</b>					
8361	Financial statements translation differences of foreign operations		47,799	2	( 50,914)	( 2)
8399	Income tax relating to the items that may be reclassified to profit or loss	6(22)	( 9,560)	( 1)	10,183	1
8360	Sum of items that may be reclassified to profit or loss		38,239	1	( 40,731)	( 1)
8300	<b>Other comprehensive income (net), net</b>		\$ 41,039	1	( \$ 39,377)	( 1)
8500	<b>Total comprehensive income for current period</b>		\$ 144,327	5	\$ 336,390	11
	Earnings per share (EPS)	6(23)				
9750	Basic earnings per share		\$	0.47	\$	1.79
9850	Diluted earnings per share		\$	0.46	\$	1.79

The accompanying notes are an integral part of the parent company only financial statements, and shall be read together.

Chairman: CHOU,WAN-SHUN

Manager: CHOU,WAN-SHUN

Accounting Officer: YANG,PAI-JUNG

I-CHIUN PRECISION INDUSTRY CO., LTD.  
Parent Company Only Statements of Comprehensive Income  
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand  
(except for earnings per share which is in NTD)

2021

Balance at January 1, 2021		\$ 2,019,586	\$ 1,156,598	\$ -	\$ -	(\$ 154,040 )	(\$ 177,017 )	\$ -	\$ 2,845,127
Current net profit		-	-	-	-	375,767	-	-	375,767
Other comprehensive income for current period		-	-	-	-	1,354	( 40,731 )	-	( 39,377 )
Total comprehensive income for current period		-	-	-	-	377,121	( 40,731 )	-	336,390
Capital increase in cash	6(14) (15)	200,000	660,000	-	-	-	-	-	860,000
Cost of share-based payment	6(13) (15)	-	31,120	-	-	-	-	-	31,120
Changes in ownership interests in subsidiaries		-	-	-	-	( 411 )	-	-	( 411 )
Balance at December 31, 2021		<u>\$ 2,219,586</u>	<u>\$ 1,847,718</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222,670</u>	<u>(\$ 217,748 )</u>	<u>\$ -</u>	<u>\$ 4,072,226</u>

2022

Balance at January 1, 2022		\$ 2,219,586	\$ 1,847,718	\$ -	\$ -	\$ 222,670	(\$ 217,748 )	\$ -	\$ 4,072,226
Current net profit		-	-	-	-	103,288	-	-	103,288
Other comprehensive income for current period		-	-	-	-	2,800	38,239	-	41,039
Total comprehensive income for current period		-	-	-	-	106,088	38,239	-	144,327
Earnings appropriation and distribution for 2021:	6(16)								
Allocation for Legal reserve		-	-	22,267	-	( 22,267 )	-	-	-
Allocation for Special reserve		-	-	-	115,330	( 115,330 )	-	-	-
Cash dividend paid out		-	-	-	-	( 77,686 )	-	-	( 77,686 )
Cash dividend paid out from capital surplus	6(15) (16)	-	( 33,294 )	-	-	-	-	-	( 33,294 )
Changes in ownership interests in subsidiaries		-	-	-	-	( 1,792 )	-	-	( 1,792 )
Treasury shares repurchased	6(19)	-	-	-	-	-	-	( 60,702 )	( 60,702 )
Balance at December 31, 2022		<u>\$ 2,219,586</u>	<u>\$ 1,814,424</u>	<u>\$ 22,267</u>	<u>\$ 115,330</u>	<u>\$ 111,683</u>	<u>(\$ 179,509 )</u>	<u>(\$ 60,702 )</u>	<u>\$ 4,043,079</u>

The accompanying notes are an integral part of the parent company only financial statements, and shall be read together.

Chairman: CHOU,WAN-SHUN

Manager: CHOU,WAN-SHUN

Accounting Officer: YANG,PAI-JUNG

I-CHIUN PRECISION INDUSTRY CO., LTD.  
Parent Company Only Statements of Cash Flows  
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand

	Notes	2022/1/1 ~ 2022/12/31	2021/1/1 ~ 2021/12/31
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Current net profit before tax		\$ 131,781	\$ 443,166
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expenses	6(7) (8) (21)	190,101	217,072
Amortization expenses	6(21)	3,394	2,998
Expected credit impairment loss (profit)	12(2)	( 8,511 )	14,978
Net losses on financial assets at fair value through profit and loss	6(19)	20,302	330
Interest expenses	6(20)	39,334	27,041
Interest revenue		( 1,378 )	( 685 )
Dividend revenue	6(18)	( 180 )	( 180 )
Cost of share-based payment	6(13)	-	31,120
Share of profit or loss on subsidiaries using equity method	6(6)	48,024	( 341,729 )
Gains from disposal of investments	6(19)	( 30,173 )	-
Gains on disposal of property, plant and equipment	6(19)	( 6,945 )	( 4,815 )
Impairment loss	6(6) (19)	-	34,015
Gains arising from lease changes	6(19)	-	( 1,257 )
Unrealized gains with associates		( 6,357 )	( 12,013 )
Unrealized loss (profit) from sales		( 4,181 )	2,656
Changes in operating assets and liabilities			
Net changes in operating assets			
Notes receivable		-	22
Accounts receivable (including related parties)		294,987	( 656,464 )
Other receivables - (including related parties)		52,996	2,552
Inventories		133,679	( 508,051 )
Other current assets		34,307	( 38,379 )
Other non-current assets		( 382 )	( 1,239 )
Net changes in operating liabilities			
Contract liabilities - current		( 15,775 )	( 3,080 )
Accounts payable		( 183,513 )	127,723
Other payables		( 102,435 )	139,814
Other current liabilities		( 140 )	698
Other non-current liabilities		( 2,033 )	( 6,652 )
Cash inflow (outflow) generated from operations		586,902	( 530,359 )
Interest received		1,378	685
Dividends received		180	180
Interest paid	6(24)	( 38,927 )	( 27,229 )
Net cash inflow (outflow) from operating activities		549,533	( 556,723 )

(Continued)

CASH FLOWS FROM INVESTING ACTIVITIES

Decrease (increase) in financial assets at amortized cost		( \$ 4,000 )	\$ 8,000
Price of acquisition of investments accounted for under equity method	6(6)	-	( 125,000 )
Acquisition of financial assets at fair value through profit and loss		( 267,241 )	-
Disposal of financial assets at fair value through profit and loss		157,952	-
Price of purchase of property, plant and equipment	6(24)	( 213,044 )	( 204,094 )
Proceeds from disposal of property, plant and equipment		20,617	23,422
Price of acquisition of intangible assets		( 6,014 )	( 10,183 )
Increase in prepayments for investments	6(6)	-	( 97,249 )
Increase (decrease) in other non-current assets		<u>6,025</u>	<u>( 7,200 )</u>
Cash outflow from investing activities		<u>( 305,705 )</u>	<u>( 412,304 )</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Increase in Short-term borrowings	6(25)	130,000	130,000
New long-term borrowings	6(25)	-	1,200,000
Repayment of long-term borrowings	6(25)	-	( 1,441,996 )
Cash dividend paid out	6(16)	( 110,980 )	-
Repurchased treasury shares	6(24)	( 49,661 )	-
Repayment of lease principal	6(25)	( 36,965 )	( 34,893 )
Capital increase in cash	6(14)	<u>-</u>	<u>860,000</u>
Net cash inflow (outflow) from financing activities		<u>( 67,606 )</u>	<u>713,111</u>
Net increase (decrease) in cash and cash equivalents of the current period		176,222	( 255,916 )
Balance of cash and cash equivalents, beginning of period		<u>343,281</u>	<u>599,197</u>
Balance of cash and cash equivalents, end of period		<u>\$ 519,503</u>	<u>\$ 343,281</u>

The accompanying notes are an integral part of the parent company only financial statements, and shall be read together.

Chairman: CHOU,WAN-SHUN

Manager: CHOU,WAN-SHUN

Accounting Officer: YANG,PAI-JUNG

# I-CHIUN PRECISION INDUSTRY CO., LTD.

## Rules and Procedures of Board Meetings Amendment Comparison Table

Article Revision description	After revision	Before revision	Revision description
Article 3	<p>The board of directors shall meet at least quarterly. A notice of the reasons for convening a board meeting shall be given to each director before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.</p> <p>The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.</p> <p>All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion.</p>	<p>The board of directors shall meet at least quarterly. A notice of the reasons for convening a board meeting shall be given to each director before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.</p> <p>The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.</p> <p>All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion <u>except in the case of an emergency or for other legitimate reason.</u></p>	Cooperate with the revision of the procedures of the board of directors
Article 12	<p>The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:</p> <ol style="list-style-type: none"> <li>1. The Company's business plan.</li> <li>2. Annual financial report and semi-annual financial report.</li> </ol> <p>However, the semi-annual financial report does not need</p>	<p>The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:</p> <ol style="list-style-type: none"> <li>1. The Company's business plan.</li> <li>2. Annual financial report and semi-annual financial report.</li> </ol> <p>However, the semi-annual financial report does not need</p>	Paragraph 6 of the first item is added in line with the amendment to the procedure of the board of directors,

Article Revision description	After revision	Before revision	Revision description
	<p>to be audited and certified by an accountant according to laws and regulations, this restriction does not apply.</p> <p>3. Establish or amend the internal control system and evaluate the effectiveness of the internal control system in accordance with Article 14-1 of <u>Securities and Exchange Act</u>.</p> <p>4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.</p> <p>5. The offering, issuance, or private placement of equity-type securities.</p> <p>6. <u>If the board of directors does not have a managing director, the chairman shall be elected or dismissed.</u></p> <p>7. Appointment and dismissal of financial, accounting or internal audit supervisors.</p> <p>8. Donations to related parties or major donations to non-related parties. However, public welfare donations for emergency relief due to major</p>	<p>to be audited and certified by an accountant according to laws and regulations, this restriction does not apply.</p> <p>3. Establish or amend the internal control system and evaluate the effectiveness of the internal control system in accordance with Article 14-1 of this <u>Act</u>.</p> <p>4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.</p> <p>5. The offering, issuance, or private placement of equity-type securities.</p> <p>6. Appointment and dismissal of financial, accounting or internal audit supervisors.</p> <p>7. Donations to related parties or major donations to non-related parties. However, public welfare donations for emergency relief due to major natural disasters may be submitted to the next board of directors for ratification.</p> <p>8. Any matter that, under Article 14-3 of the Securities and</p>	<p>And cooperate to move the sixth to the eighth paragraphs as the seventh to the ninth paragraphs. The second item is amended to match the paragraphs involved in the first item</p>



Article Revision description	After revision	Before revision	Revision description
	<p>natural disasters may be submitted to the next board of directors for ratification.</p> <p>9. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph <u>8</u> of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of</p>	<p>Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph <u>7</u> of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p>	

Article Revision description	After revision	Before revision	Revision description
	<p>directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation. At least one independent director shall attend the board meeting in person; for the first item that should be brought up for resolution by the board of directors, all independent directors shall attend the board meeting. If independent directors have objections or reserved opinions, they shall be stated in the minutes of the board meeting; if independent directors cannot express their objections or reserved opinions in person at the board meeting, unless there are legitimate reasons, they shall issue written opinions in advance and state them in the minutes of the board meeting .</p>	<p>At least one independent director shall attend the board meeting in person; for the first item that should be brought up for resolution by the board of directors, all independent directors shall attend the board meeting. If independent directors have objections or reserved opinions, they shall be stated in the minutes of the board meeting; if independent directors cannot express their objections or reserved opinions in person at the board meeting, unless there are legitimate reasons, they shall issue written opinions in advance and state them in the minutes of the board meeting .</p>	
Article 15	<p>If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and</p>	<p>If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and</p>	Amendment to cite company law items

Article Revision description	After revision	Before revision	Revision description
	<p>voting on that item and may not act as another director's proxy to exercise voting rights on that matter.</p> <p>Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.</p> <p>The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph <u>4</u> of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding paragraphs from exercising voting rights.</p>	<p>voting on that item and may not act as another director's proxy to exercise voting rights on that matter.</p> <p>Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.</p> <p>The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph <u>2</u> of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding paragraphs from exercising voting rights.</p>	
Article 16	<p>Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:</p> <ol style="list-style-type: none"> <li>1.The meeting session (or year) and the time and place of the meeting.</li> <li>2.The name of the chair.</li> <li>3.The directors' attendance at the meeting, including the names and the number of directors in</li> </ol>	<p>Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:</p> <ol style="list-style-type: none"> <li>1.The meeting session (or year) and the time and place of the meeting.</li> <li>2.The name of the chair.</li> <li>3.The directors' attendance at the meeting, including the names and the number of directors in</li> </ol>	<p>In line with the director's meeting procedures, some articles were revised as appropriate Paragraph 7 of Paragraph 1 Amendments to Article Number Items</p>

Article Revision description	After revision	Before revision	Revision description
	<p>attendance, excused, and absent.</p> <p>4.The names and titles of those attending the meeting as non-voting participants. 5.The name of the minute taker.</p> <p>6.The matters reported at the meeting.</p> <p>7.Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in <u>paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal</u>;opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.</p> <p>8.Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, expert, or other person; the name of any director that is an interested party as <u>referred to in paragraph 1 of the preceding</u></p>	<p>attendance, excused, and absent.</p> <p>4.The names and titles of those attending the meeting as non-voting participants. 5.The name of the minute taker.</p> <p>6.The matters reported at the meeting.</p> <p>7.Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.</p> <p>8.Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, expert, or other person; the name of any director that is an interested party as; and their objections or reservations and any recorded or written statements.</p> <p>9.Other matters required to be recorded.</p> <p>The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker,</p>	

Article Revision description	After revision	Before revision	Revision description
	<p><u>article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.</u></p> <p>9. Other matters required to be recorded.</p> <p><u>The resolutions of the board of directors, in case of any of the following circumstances, shall not only be stated in the meeting minutes, but shall also be announced and declared on the information reporting website designated by the competent authority within two days from the date of the board meeting:</u></p> <p><u>(1) Independent directors have objections or reservations and there are records or written statements.</u></p> <p><u>(2) For a company that has an audit committee, the approval has not been approved by the audit committee but has been approved by more than two-thirds of all directors.</u></p> <p>The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director within</p>	<p>and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.</p> <p>The meeting minutes of paragraph 1 may produce and distributed in electronic form.</p>	

Article Revision description	After revision	Before revision	Revision description
	<p>20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.</p> <p>The meeting minutes of paragraph 1 may produce and distributed in electronic form.</p>		
Remark	<p>Date of Amendment: 7/28/2017 (approved by shareholders on 6/5/2018)</p> <p>Date of Amendment: 11/8/2017 (approved by the shareholders meeting on 6/5/2018)</p> <p>Date of Amendment: 3/23/2020 (approved by shareholders on 6/10/2020)</p> <p><u>Date of Amendment: 11/9/2022</u> <u>(approved by shareholders on 5/30/2023)</u></p>	<p>Date of Amendment: 7/28/2017 (approved by shareholders on 6/5/2018)</p> <p>Date of Amendment: 11/8/2017 (approved by the shareholders meeting on 6/5/2018)</p> <p>Date of Amendment: 3/23/2020 (approved by shareholders on 6/10/2020)</p>	Add Amendment date

## List of Candidates for Directors (Including Independent Directors)

Nominee categories	Nominee's name	Education background	Experience	Present	Amount of shares held (unit: share)	Represented government or legal person name
Chairman	Wan-Shun Chou	Pacific Western University Doctor of Business Administration	I-Chiun Precision Industry Co., Ltd Chairman  Ecocera Optronics Co.,Ltd. Chairman  Aimcore Technology Co., Ltd. Supervisor	I-Chiun Precision Industry Co., Ltd Chairman  Ecocera Optronics Co.,Ltd. Chairman  Advance Venture Corporation Chairman  Aimcore Technology Co., Ltd. Chairman	21,575,157	None
Director	Chung-Yi Li	National Chengchi University EMBA	I-Chiun Precision Industry Co., Ltd Vice Chairman  I-Chiun Precision Industry Co., Ltd General Manager  Ecocera Optronics Co.,Ltd. Director	I-Chiun Precision Industry Co., Ltd Vice Chairman  Ecocera Optronics Co.,Ltd. Vice Chairman, General Manager  Advance Venture Corporation Director	16,007,705	None
Director	Wu-Chun Lin	National Taiwan University Department of Political Science,	Metaltech Industrial Co., Ltd. Director  Phonic Corporation Director  Taiwan Provincial Consultative Council Tainan City Government Bureau Of Social Affairs Director  Tainan Normal University Adjunct Associate Professor  Xixi University Adjunct Associate Professor	I-Chiun Precision Industry Co., Ltd Director  Ensure Global Corp., Ltd. Director  Sfi Electronics Technology Inc. Director  Uni-president corporate Social Welfare Charity Foundation Director	516,693	None

Nominee categories	Nominee's name	Education background	Experience	Present	Amount of shares held (unit: share)	Represented government or legal person name
Director	Chwei-Chien Yeh	Stevens Institute of Technology Master	Chairman Corporation Director Zhong Fu Tong Group Co.,ltd. Chairman Zhongyuan International Venture Capital Co., Ltd. Chairman Ritdisplay Corporation Chairman Prorit Corporation Director Aimcore Technology Co., Ltd. Chairman Ritedia Corporation Chairman Ritfast Corporation Chairman	Ritek Corporation Chairman U-tech Media Corporation. Chairman Zhong Fu Tong Group Co.,ltd. Chairman Centaline International Venture Capital Chairman Cairns Investment Co., Ltd. Director Aimcore Technology Co., Ltd. Chairman Pvnext Corporation Chairman Ritdisplay Corporation chairman Ritfast Corporation chairman Ritedia Corporation chairman Ritwin Corporation chairman Yusheng Investment	0	None



Nominee categories	Nominee's name	Education background	Experience	Present	Amount of shares held (unit: share)	Represented government or legal person name
				Development Co., Ltd. Director Welltech Energy Inc. Director  Infinit Co., Ltd. Director  I-Chiun Precision Industry Co., Ltd Director		
Independent Director	Jih-Chien Li	Chinese Culture University Doctor of Business, Master of International Business Administration,  Chinese Culture University Institute of International Business Administration,	Chinese Culture University Lecturer, Department Of International Business Administration  Ming Yuan Certified public Accountants Assistant Manager	Assistant Professor, Chinese Culture University  Highlight Tech International Corp. Director  Ming Yang Enterprise Management Consulting Co., Ltd. Director  Far East Commerce Co., Ltd. Director  Mingyuan Enterprise Management Consulting Co., Ltd. Director  I-Chiun Precision Industry Co., Ltd Independentdirector	500,000	NA

Nominee categories	Nominee's name	Education background	Experience	Present	Amount of shares held (unit: share)	Represented government or legal person name
Independent Director	Chung-Chien Kuo	Chinese Culture University Master of Business Administration Tatung University Department of Business Administration/Bachelor	Deputy Convener Of The Disciplinary Committee Of The Securities Association Of The Republic Of China  Executive Director Of Taipei Securities Investment Trust And Consulting Business Association  Adjunct Assistant Professor-level Professional And Technical Personnel In The Finance Department Of Central University  Aimcore Technology Co., Ltd. Supervisor  Innopharmax Inc. Supervisor  Ecocera Optronics Co.,ltd. Independent Director  Human Cultural Enterprise Co., Ltd.	I-Chiun Precision Industry Co., Ltd Independent Director  Jin Yuan San Automobile Co., Ltd. Director  Member Of The Research And Development Committee Of The Securities Association Of The Republic Of China  Fu Lu Shou Park Co., Ltd. Director  Sanjin Integrated Marketing Co., Ltd. Director	0	NA

Nominee categories	Nominee's name	Education background	Experience	Present	Amount of shares held (unit: share)	Represented government or legal person name
			Director  Joyin Co., Ltd. Independent Director  Zhifu Car Rental Co., Ltd. Supervisor			
Independent Director	Hsien-Sung Chang	Dongfang High School of Industry and Commerce	Song Lei Precision Industries Co., Ltd.chairman  Ecocera Optronics Co.,ltd. Independentdirector	Song Lei Precision Industries Co., Ltd. Chairman  I-Chiun Precision Industry Co., Ltd Independent Director	107,922	NA
Independent Director	Shun-Ching ,Hung	Northwestern University PhD in Marketing  National Chengchi University Master of Business Administration  National Chengchi University Bachelor of Statistics	Aimcore Technology Co., Ltd. Independent Director  Le Young Construction Co., Ltd. Independent Director  E-life Mall Corporation Independent Director  ZS Associates,inc. Senior Marketing Scientist	U-TECH Media Corporation. Independent Director	0	NA

Nominee categories	Nominee's name	Education background	Experience	Present	Amount of shares held (unit: share)	Represented government or legal person name
			<p>National Chengchi University  Professor, Dean And Director Of The Institute Of Business Administration</p> <p>Associate Professor, Institute Of Enterprise Management, National Sun Yat-sen University</p>			

## Contents of Non-compete for director candidates

Job Title	Name	Concurrent Company Name	Concurrent Post Title
Director	Wan-Shun Chou	Ecocera Optronics Co.,Ltd. Advance Venture Corporation Aimcore Technology Co., Ltd. I-zou Hi-tech (szn) co., Ltd. Chiun Precision Electric Industry (china) co., Ltd. I-chiun Precision Electric (nanjing) co., Ltd. I-chiun Technology (China) Co., Ltd. More Fortune Profits Limited I-chiun (Cayman) Precision Industry Co., Ltd. I-chiun Technology Co., Ltd.	Director Director Director Director Director Director Director Director Director Director
Director	Chung-Yi Li	Ecocera Optronics Co.,Ltd. Advance Venture Corporation I-zou Hi-tech (szn) co., Ltd. I-chiun Precision Electric (nanjing) co., Ltd. I-chiun Technology (China) Co., Ltd.	Director Director Director Director Director
Director	Wu-Chun Lin	Ensure Global Corp., Ltd. Sfi Electronics Technology Inc.	Director Director
Director	Chwei-Chien Yeh	Ritek Corporation U-tech Media Corporation. Zhong Fu Tong Group Co.,Ltd. Centaline International Venture Capital Cairns Investment Co., Ltd. Aimcore Technology Co., Ltd. Pvnext Corporation Ritdisplay Corporation Ritfast Corporation Ritedia Corporation Ritwin Corporation Yusheng Investment Development Co., Ltd. Welltech Energy Inc. Infinit Co., Ltd.	Director Director Director Director Director Director Director Director Director Director Director Director Director Director
Independent Director	Jih-Chien Li	Ming Yuan Enterprise co., ltd. Ming Yang Enterprise Management Consulting Co., Ltd. Far East Commerce co., ltd. Mingyuan Enterprise Management Consulting Co., Ltd.	Director Director Director Director
Independent Director	Chung-Chien Kuo	Jin Yuan San Automobile Co., Ltd. Fu Lu Shou Park Co., Ltd. Sanjin Integrated Marketing Co., Ltd.	Director Director Director
Independent Director	Hsien-Sung Chang	Song Lei Precision Industries Co., Ltd.	Director
Independent Director	Shun-Ching ,Hung	U-TECH Media Corporation.	Director

# I-CHIUN PRECISION INDUSTRY CO., LTD.

## Articles of Incorporation

### Chapter 1: General Rules

- Article 1           The Company shall be incorporated under the Company Act, and its name shall be I-CHIUN PRECISION INDUSTRY CO., LTD.
- Article 2           The business items of the Company are as follows:
1.   CB01010   Mechanical Equipment Manufacturing
  2.   CB01020   Affairs Machine Manufacturing
  3.   CB01030   Pollution Controlling Equipment Manufacturing
  4.   CC01030   Electrical Appliances and Audiovisual Electronic Products Manufacturing
  5.   CC01040   Lighting Equipment Manufacturing
  6.   CC01060   Wired Communication Mechanical Equipment Manufacturing
  7.   CC01070   Wireless Communication Mechanical Equipment Manufacturing
  8.   CC01080   Electronics Components Manufacturing
  9.   CC01110   Computer and Peripheral Equipment Manufacturing
  10.  CQ01010   Mold and Die Manufacturing
  11.  F106030   Wholesale of Molds
  12.  F107190   Wholesale of Plastic Films and Bags
  13.  F113010   Wholesale of Machinery
  14.  F113020   Wholesale of Electrical Appliances
  15.  F113050   Wholesale of Computers and Clerical Machinery Equipment
  16.  F113070   Wholesale of Telecommunication Apparatus
  17.  F113100   Wholesale of Pollution Controlling Equipments
  18.  F119010   Wholesale of Electronic Materials
  19.  F206030   Retail Sale of Molds
  20.  F213010   Retail Sale of Electrical Appliances
  21.  F213030   Retail Sale of Computers and Clerical Machinery Equipment
  22.  F213060   Retail Sale of Telecommunication Apparatus
  23.  F213080   Retail Sale of Machinery and Tools
  24.  F213100   Retail Sale of Pollution Controlling Equipments
  25.  F219010   Retail Sale of Electronic Materials
  26.  F401010   International Trade
  27.  F601010   Intellectual Property Rights
  28.  ZZ99999   All business items that are not prohibited or restricted by law, except those that are subject to special approval.

- Article 2-1 The Company may conduct reinvestment(s) in other businesses, and the reinvestment ratio may not be subject to the limitation prescribed in Article 13 of the Company Act stating that the reinvestment total amount shall not exceed 40% of its paid-in capital.
- Article 3 The Company shall have its head office in New Taipei City, and when it is determined to be necessary, upon the resolution of the Board of Directors, branch offices may be established domestically or overseas.
- Article 4 The Company's announcements shall be made in accordance with Article 28 of the Company Act.

## Chapter 2: Shares

- Article 5 The total capital of the Company shall be NT\$3,000,000,000, divided into 300,000,000 shares, at a par value of NT\$10, and the Board of Directors is authorized to perform share issuance at discrete times depending upon the business needs of the Company.
- The Company may issue employee stock option certificates, and 5,000,000 shares of the total number of shares described in the preceding paragraph may be reserved as shares for the issuance of the employee stock option certificates.
- For the employee stock option certificates issued by the Company, the price of such employee stock option certificates may be lower than the Company's common share price closed on the date of issuance; however, the issuance of such employee stock option certificates shall only be made based on the consents of attending shareholders representing more than two-thirds of the total voting rights in a shareholders' meeting attended by shareholders representing a majority of the total issued shares. In addition, declaration at discrete times may be made within one year after the date of resolution of the shareholders' meeting.
- Article 5-1 Regarding the employees for the transfer of treasury stock repurchased according to the Company Act, employees for the issuance of employee stock option certificates, employees for subscription of shares during the issuance of new shares or for the issuance of restricted stock for employees, the aforementioned employees may include employees of parent or subsidiaries of the Company meeting certain specific requirements.
- Article 6 The shares of the Company shall be in registered form, shall be signed or sealed by the Director representing the Company, and shall be issued after certification by the competent authority or its approved issuance registration institution. The Company may be exempted from the printing of share certificates; however, the shares of the Company shall be registered with or under the custody of a centralized securities depository enterprise.
- Article 7 Registration of assignment/transfer of shares shall not be made within sixty days prior to the convening date of an ordinary shareholders' meeting, or within thirty days prior to the convening date of an extraordinary shareholders' meeting, or within five days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits.
- I. Shareholders of the Company shall submit the seal cards to the stock affairs agency of the Company for preservation, and the same requirements shall be

applied to any changes of the seal cards. When shareholders are collecting dividends and bonuses or are contacting the Company in writing or are exercising other rights, the seals identical to the seal cards submitted shall be used for verification.

- II. For any assignment/transfer of shares of the Company, the assignee/transferee shall submit a share assignment/transfer application signed and endorsed by the original shareholder to the stock affairs agency of the Company, and such assignment/transfer of shares shall be registered in the shareholders roster in order to be set up as a defense against the Company. For request of assignment/transfer of shares due to inheritance, legitimate supporting documents shall be submitted.
- III. In case of any lost or stolen shares, the shareholder or lawful holder of such shares shall report to the public security institution, and the share loss application form shall be filled out and submitted to the Company for verification and registration. In addition, the applicant shall also file petition to the competent district court for public summons according to the litigation and public summons proceeding, and shall also submit a duplicate copy of the petition and photocopy of the court document acceptance receipt to the Company. Where such documents are not submitted within one month, the application for loss of shares shall be revoked.

### Chapter 3: Shareholders' Meeting

Article 8 The shareholders' meeting shall be classified into two types of the ordinary shareholders' meeting and extraordinary shareholders' meeting. The ordinary shareholders' meeting shall be convened once per year, and shall be convened within six months after the close of each fiscal year. The extraordinary shareholders' meeting shall be convened whenever necessary according to relevant laws. For the convention of shareholders' meetings, all shareholders shall be informed of the date, location and reasons of convention thirty days before the convention of an ordinary shareholders' meeting, and fifteen days before the convention of an extraordinary shareholders' meeting.

Article 9 Shareholders' meetings shall be convened by the Board of Directors, and the Chairman of the Board shall act as the Chair of shareholders' meetings. In cases where the Chairman of the Board is on leave or cannot exercise his/her functional duties due to reasons, the Vice Chairman shall act as a proxy thereof. If no Vice Chairman is available or the Vice Chairman is also on leave or cannot exercise his/her functional duties due to reasons, the Chairman of the Board shall designate a Director to act as the proxy. If no Director is designated, the Directors shall elect one Director to act as the proxy. For a Board of Directors Meeting convened by any other person having the convening right, such person having the convening right shall act as the Chair of the meeting provided, however, that if there are two or more persons having the convening right, the Chair of the meeting shall be elected from among themselves. When the shareholders meeting is in session, it may be held via video conference or other means announced by the central competent authority. However, due to natural disasters, accidents, or other force majeure events, the central competent authority may announce that the company may hold meetings by videoconference or announcement within a certain period of time, without being stipulated in the articles of association; Shareholders who participate in the meeting via video conference shall be deemed to have attended the meeting in person. Where a shareholder for any reasons cannot attend the shareholders' meeting in person, he



or she may appoint a proxy to attend a shareholders' meeting on his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy. In addition to Article 177 and Article 177-2 of the Company Act, shareholders' attendance by proxies shall be subject to the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" announced by the competent authority.

Article 10

Each shareholder of the Company shall have one voting power for each share held; however, the shares shall have no voting power under any of the following circumstances:

Where a shareholder appoints a proxy to attend a shareholders' meeting, pursuant to the provision of Article 177 of the Company Act "except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company; otherwise, the portion of excessive voting power shall not be counted."

- I. The share(s) of a company that are held by the issuing company itself in accordance with the laws;
- II. The shares of a holding company that are held by its subordinate company, where the total number of voting shares or total shares equity held by the holding company in such a subordinate company represents more than one half of the total number of voting shares or the total shares equity of such a subordinate company; or
- III. The shares of a holding company and its subordinate company(ies) that are held by another company, where the total number of the shares or total shares equity of that company held by the holding company and its subordinate company(ies) directly or indirectly represents more than one half of the total number of voting shares or the total share equity of such a company.

The Company's shareholders may exercise their voting rights in electronic form, and shareholders exercising their voting rights in electronic form shall be deemed to attend the meeting in person. All relevant matters shall be handled in accordance with the regulations.

Article 11

Resolutions at a shareholders' meeting, unless otherwise specified in the Company Act or relevant laws, shall be adopted by a majority of the shareholders presented in person or by their proxies, who represent more than one-half of the total number of the voting shares. Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting and shall be handled in accordance with the provision of Article 183 of the Company Act.

Chapter 4: Directors and Supervisors

Article 12

The Company shall have seven Directors with the term of office of three years, who shall be elected by the shareholders' meeting from among the persons with disposing capacity and shall be eligible for reelections.

In the roster of Directors described in the preceding paragraph, the number of Independent Directors shall be at least three.

The election of the Directors adopts the candidate nomination system described in Article 192-1 of the Company Act. The relevant matters for the acceptance method and announcement of the Director candidate nomination shall be handled in

accordance with relevant regulatory requirements specified in the Company Act and the Securities and Exchange Act. Independent Directors and Non-independent Directors shall be elected at the same time but on separate ballots.

Article 12-1 The Company establishes an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, and the Audit Committee shall be formed by all of the Independent Directors. The Audit Committee or members of the Audit Committee shall be responsible for the execution of the authorities of Supervisors in accordance with the provisions of the Company Act, Securities and Exchange Act and other laws and regulations.

Article 13 The Board of Directors shall be formed by the Directors. A Chairman of the Board shall be elected by a majority of the Directors present at a meeting of the Board of Directors attended by two-thirds or more of the total number of Directors. In addition, one Director may be elected from among themselves to act as the Vice Chairman depending upon the business needs. The Chairman shall externally represent the Company.

- I. Unless otherwise specified in the Company Act, resolutions of the Board of Directors Meeting shall be executed based on the attendance of a majority of Directors and the consents of a majority of the attending Directors. The meeting minutes shall be signed or sealed by the Chair and shall also be preserved at the Company.
- II. When the number of vacancies of Directors reaches one-third of the total number of Directors, the Board of Directors shall convene an extraordinary shareholders' meeting within sixty days to fill the vacancies, and the term of office thereof shall be limited to fulfill the unexpired term of office of the predecessor.
- III. The Board of Directors, in conducting business, shall act in accordance with laws and ordinances, the Articles of Incorporation, and the resolutions adopted at the meetings of shareholders. Where any resolution adopted by the Board of Directors contravenes the preceding Paragraph, thereby causing loss or damage to the company, all directors taking part in the adoption of such resolution shall be liable to compensate the company for such loss or damage; however, those directors whose disagreement appears on record or is expressed in writing shall be exempted from liability.
- IV. Nevertheless, where a Director for any reasons cannot attend the Board of Directors' Meeting in person, he/she/it may issue a power of attorney, indicating the scope of authorization along with the signature and seal in order to appoint another Director to attend the meeting as a proxy thereof.

Article 13-1 During the convention of the Board of Directors' Meeting, notices indicating the reasons of the convention shall be delivered to all Directors seven days in advance, provided that in case of emergencies, such meeting may be convened at any time.

The notice about convention of Board of Directors' meetings to Directors may be effected by letter, e-mail or fax.

Article 14 In cases where the Chairman of the Board is on leave or cannot exercise his/her functional duties due to reasons, the Vice Chairman shall act as a proxy thereof. If no Vice Chairman is available or the Vice Chairman is also on leave or cannot exercise his/her functional duties due to reasons, his/her proxy shall be handled in

accordance with Article 208 of the Company Act.

- Article 14-1 All Directors and Supervisors of the Company may receive recurring remunerations of transportation allowance and salaries, etc., and the Board of Directors is authorized to determine the amounts of such remunerations based on their participation level and value of contribution to the operation of the Company, and such remunerations shall be paid according to the common standard adopted in the same industry regardless of whether there is operating profit or loss.
- Article 14-2 During the term of office of the Directors, the Company shall purchase liability insurances for the Directors for their indemnification liabilities within the scope of their official services according to the laws.

#### Chapter 5: Managerial Officers

- Article 15 The Company may appoint managers. Appoint, discharge and remuneration of the managers are subject to Article 29 of the Company Act.

#### Chapter 6: Accounting

- Article 16 At the end of each fiscal year of the Company, the Board of Directors shall prepare (1) Business report, (2) Financial statements and (3) Proposal for distribution of profit or covering losses, for submission to the Supervisors for review thirty days prior to the convention of an ordinary shareholder's meeting, and such shall also be submitted to the ordinary shareholders' meeting to request for rectification.
- Starting from the establishment date of the Audit Committee, such reports and statements shall be submitted to the Audit Committee for approval.
- Article 17 The Company shall deduct the distribution of the remuneration of employees and the remuneration of Directors from the income before tax of the current fiscal year first, followed by covering the accumulated loss amount. Where there is any remaining amount after such deduction, no less than 10% of such amount shall be appropriated as the remuneration of employees and no more than 3% of such amount shall be appropriated as the remuneration of Directors. The distribution of the employee remuneration in shares or cash shall be executed in accordance with the resolution of the Board of Directors' Meeting attended by more than two thirds of the Directors and the consents of a majority of the attending Directors. In addition, report to the shareholders' meeting shall also be made. Employees entitled to receive the remuneration of employees distributed in the form of shares or cash, and the subjects may be employees of parent or subsidiaries of the Company meeting certain specific requirements.
- Article 17-1 Where the Company has a net profit in the current period after the settlement of a fiscal year, the accumulated loss shall be covered first, and 10% thereof shall be set aside as the legal reserve; however, when the legal reserve has reached the paid-in capital of the Company, it may be exempted from such appropriation. For the remaining amount, a special reserve shall be set aside or reversed according to the laws or regulations of the competent authority. Subsequently, if there is still a remaining amount, such remaining amount and the accumulated undistributed surplus at the beginning of the same period may be combined with the undistributed earnings as the accumulated distributable earning for shareholders, which is submitted to the Board of Directors for the preparation of an earning distribution proposal, followed by submitting the proposal to the shareholders' meeting for

resolution on the distribution thereof.

The company, in accordance with Paragraph 5 of Article 240 of the Company Act, authorizes the board of directors to pay distributable dividends and bonuses or legal reserve and the capital reserve described in Paragraph 1 of Article 241 of the Company, in whole or in part, in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors and, in addition, thereto a report of such distribution shall be submitted to the shareholders' meeting.

The Company is in the technology industry and the industrial environment change is rapid. With the consideration of the future capital demand and sound financial planning for the sustainable development of the Company, it is preferable to adopt a stable dividend policy. The dividend rate is expected to be above 20%, and cash dividend accounts for more than 20% of the total shareholders' bonus. Nevertheless, when the price per share for the cash dividend is lower than NT\$0.1 (inclusive), no cash dividends are to be issued, but stock dividends are issued instead.

#### Chapter 7: Supplemental Provisions

- Article 18      The Company may offer guarantees to foreign companies for business needs.
- Article 19      Any matters not specified in these Articles of Incorporation shall be handled according to the regulations of the Company Act.
- Article 20      The Articles of Incorporation was established on July 6, 1977.  
The 1st amendment was made on July 27, 1977.  
The 2nd amendment was made on June 1, 1979.  
The 3rd amendment was made on February 9, 1982.  
The 4th amendment was made on July 3, 1982.  
The 5th amendment was made on August 12, 1983.  
The 6th amendment was made on November 1, 1983.  
The 7th amendment was made on December 2, 1987.  
The 8th amendment was made on December 17, 1988.  
The 9th amendment was made on January 29, 1989.  
The 10th amendment was made on June 18, 1990.  
The 11th amendment was made on August 15, 1990.  
The 12th amendment was made on October 13, 1990.  
The 13th amendment was made on February 12, 1991.  
The 14th amendment was made on May 5, 1993.  
The 15th amendment was made on November 23, 1993.  
The 16th amendment was made on July 26, 1994.  
The 17th amendment was made on June 14, 1996.  
The 18th amendment was made on October 2, 1996.  
The 19th amendment was made on January 28, 1997.

The 20th amendment was made on May 31, 1997.  
The 21st amendment was made on May 17, 1999.  
The 22nd amendment was made on July 8, 1999.  
The 23rd amendment was made on March 20, 2000.  
The 24th amendment was made on May 24, 2001.  
The 25th amendment was made on May 24, 2001.  
The 26th amendment was made on May 24, 2001.  
The 27th amendment was made on June 21, 2002.  
The 28th amendment was made on May 30, 2003.  
The 29th amendment was made on June 15, 2004.  
The 30th amendment was made on June 15, 2004.  
The 31st amendment was made on June 16, 2005.  
The 32nd amendment was made on June 6, 2006.  
The 33rd amendment was made on June 13, 2008.  
The 34th amendment was made on June 16, 2009.  
The 35th amendment was made on November 18, 2009.  
The 36th amendment was made on June 19, 2012.  
The 37th amendment was made on June 17, 2016.  
The 38th amendment was made on June 6, 2019.  
The 39th amendment was made on June 1, 2022.

I-CHIUN PRECISION INDUSTRY CO., LTD.

Chairman: WAN-SHUN, CHOU

# I-CHIUN PRECISION INDUSTRY CO., LTD.

## Rules of Procedure for Shareholder Meetings

Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" jointly established by Taiwan Stock Exchange Corporation and Taipei Exchange.

Article 2 The rules of procedures for shareholders meeting of the Company, except as otherwise provided by law, regulation or the articles of incorporation, shall be as provided in these Rules.

Article 3 (Notice of convening of shareholders' meeting)

Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

The Company 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 (MOPS) thirty days before the date of an ordinary shareholders' meeting or fifteen days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the ordinary shareholders' meeting or before 15 days before the date of the extraordinary shareholders' meeting. In addition, fifteen days prior to the date of the shareholders meeting, the Company 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 the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Matters pertaining to election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph 1 of Article 185 hereof shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.

The reason of convention of shareholders meeting has indicated the re-election of

directors, and the date of assuming the position is also indicated. After the re-election is completed in such session of shareholder meeting, the date of assuming the position shall not be changed through extempore motion or other methods.

Shareholder(s) holding 1% or more of the total number of outstanding shares of a company may put forward to the Company a proposal for discussion at a ordinary shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. Nevertheless, since shareholders' proposals are recommendations made for the purpose of promoting the Company to improve the public interest or to fulfill the corporate social responsibility, the Board of Directors may still list such proposals for meeting discussion. In addition, when the circumstances of any Subparagraph of Paragraph 4 of Article 172-1 of the Company Act applies to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Prior to the date on which share transfer registration is suspended before the convention of a ordinary shareholders' meeting, the company shall give a public notice announcing acceptance of proposal in writing or by way of electronic transmission, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten days.

Shareholder-submitted proposals are limited to 300 words, and for a proposal containing more than 300 words, such proposal is not to be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the ordinary shareholders' meeting and take part in discussion of the proposal.

The company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

Article 4 For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail; unless a declaration is made to cancel the previous proxy appointment.

After the service of the power of attorney of a proxy to the company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission , a proxy rescission notice shall be filed with the company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5 (Principles for shareholders' meeting convention time and venue)

The venue for a shareholders' meeting shall be the premises of the Company, or a

place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6 (Preparation of documents such as the attendance book)

The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least thirty minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7 (The Chair and non-voting participants of a shareholders' meeting)

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman is also on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the Managing Directors to act as chair, or, if there are no Managing Directors, one of the Directors shall be appointed to act as chair. Where the Chairman does not make such a designation, the Managing Directors or the Directors shall select from among themselves one person to serve as chair.

When a Managing Director or a Director serves as chair, as referred to in the preceding paragraph, the Managing Director or Director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman in person and attended by a majority of the Directors, and



at least one member of each functional committee on behalf of the respective committee. The attendance shall be recorded in the meeting minutes.

If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8 (Documentation of a shareholders' meeting by audio or video)

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the meeting minutes involved shall be kept until the legal proceedings of the foregoing lawsuit have been concluded.

Article 9 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10 (Discussion of proposals)

Where a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders'

meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

#### Article 11 (Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chairperson shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

#### Article 12 (Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based on the number of shares.

The shares held by shareholders having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a meeting of shareholders.

A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the interest of the company, shall not vote nor exercise

the voting right on behalf of another shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders. Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

#### Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2 of Article 179 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail; except when a declaration is made to cancel the earlier declaration of intent.

In case a shareholder who has exercised his/her/its voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, he/she/it shall, two days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his/her/its voting power, serve a separate declaration of intention to rescind his/her/its previous declaration of intention made in exercising the voting power under the preceding Paragraph Two. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. In addition, on the same day after the conclusion of the shareholders' meeting, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation Post System (MOPS).

When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed,

the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall have the identity of shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14 (Elections)

The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the meeting minutes involved shall be kept until the legal proceedings of the foregoing lawsuit have been concluded.

Article 15 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty days after the close of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the Market Observation Post System (MOPS).

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of this Company.

Article 16 (Public disclosure)

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

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

Article 17 (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 (Recess and resumption of a shareholders' meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19 These rules will come into force after being approved by the shareholders' meeting, and the same will apply when they are amended.

This rule was established on June 10, 109

This rule was amended on June 1, 111

# I-CHIUN PRECISION INDUSTRY CO., LTD.

## Rules and Procedures of Board Meetings(Before Amendment)

- Article 1 (Basis for this rules)  
To establish a strong governance system and sound supervisory capabilities for the Company's board of directors and to strengthen management capabilities, these Rules are adopted pursuant to Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.
- Article 2 (Scope of this rules)  
With respect to the board of directors' meetings ("board meetings") of the Company, the main agenda items, working procedures, required content of meeting minutes, public announcements, and other compliance requirements shall be handled in accordance with the provisions of these Rules.
- Article 3 (Board call and meeting notice)  
The board of directors shall meet at least quarterly. A notice of the reasons for convening a board meeting shall be given to each director before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice. The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients. All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.
- Article 4 (Meeting notice and meeting materials)  
The financial administrative department is designated to handle the administrative matters relating to the Company's Board meetings. The meeting administrative office is responsible for drafting the agenda for the Board meeting and preparing sufficient meeting materials to be mailed with the notice of the meeting. A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.
- Article 5 (preparation of signature book and other documents and entrustment of directors to attend)  
When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference. Directors shall attend board meetings in person. A director unable to attend in person may

appoint another director to attend the meeting in his or her place in accordance with the Company's articles of incorporation. Attendance by videoconference will be deemed attendance in person. A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting. The proxy referred to in paragraph 2 may be the appointed proxy of only one person.

Article 6 (Principles for the location and time of board meetings)

A board meeting shall be held at the premises and during the business hours of the Company, or at a place and time convenient for all directors to attend and suitable for holding board meetings.

Article 7 (Board Chairman and Proxy)

Board meetings of company shall be convened and chaired by the chairman. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.

When the board of directors is convened by more than half of the directors in accordance with Article 203, paragraph 4 or Article 203(1), paragraph 3 of the Company Law, the directors shall elect one of them as chairman.

When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the chairperson shall appoint one of the managing directors to act. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.

Article 8 (Board reference materials, attendees and board meetings)

When a board meeting is held, the management (or the designated unit responsible for the board meetings) shall furnish the attending directors with relevant materials for ready reference.

As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants.

When necessary, certified public accountants, attorneys, or other professionals retained by the Company may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place. The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the

meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.

The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.

Article 9 (Audio recording or video recording of board meetings)

Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years.

The record may be retained in electronic form. If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.

Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of the Company.

Article 10 (Agenda content)

Agenda items for regular board meetings of the Company shall include at least the following:

I. Matters to be reported:

- (I) Minutes of the last meeting and action taken.
- (II) Important financial and business matters.
- (III) Internal audit activities.
- (IV) Other important matters to be reported.

II. Matters for discussion:

- (I) Items for continued discussion from the last meeting.
- (II) Items for discussion at this meeting. 3.Extraordinary motions.

Article 11 (Proposal Discussion)

A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.

The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.

At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 5 shall apply mutatis mutandis.

Article 12 (Issues to be discussed by the board of directors)

The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:



- I. The Company's business plan.
- II. Annual financial report and semi-annual financial report. However, the semi-annual financial report does not need to be audited and certified by an accountant according to laws and regulations, this restriction does not apply.
- III. Establish or amend the internal control system and evaluate the effectiveness of the internal control system in accordance with Article 14-1 of this Act.
- IV. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
- V. The offering, issuance, or private placement of equity-type securities.
- VI. Appointment and dismissal of financial, accounting or internal audit supervisors.
- VII. Donations to related parties or major donations to non-related parties. However, public welfare donations for emergency relief due to major natural disasters may be submitted to the next board of directors for ratification.
- VIII. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

At least one independent director shall attend the board meeting in person; for the first item that should be brought up for resolution by the board of directors, all independent directors shall attend the board meeting. If independent directors have objections or reserved opinions, they shall be stated in the minutes of the

board meeting; if independent directors cannot express their objections or reserved opinions in person at the board meeting, unless there are legitimate reasons, they shall issue written opinions in advance and state them in the minutes of the board meeting .

Article 13 (First Voting)

When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.

When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.

One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

- I. A show of hands or a vote by voting machine
- II. A roll call vote.
- III. A vote by ballot.
- IV. A vote by a method selected at the Company's discretion.

Article 14 ( Second Voting and scrutiny and counting methods )

Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.

When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If anyone among them is passed, the other proposals shall then be deemed rejected, and no further voting on them shall be required.

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors. Voting results shall be made known on-site immediately and recorded in writing.

Article 15 (Director's interest avoidance system)

If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the Company, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.

Where the spouse of a director, a second blood relative or a company having a controlling affiliation with the director has an interest in the matters of the meeting, the director shall be deemed to have an interest in the matter.

Where a director is prohibited by the exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 4 of the same Act

Article 16 ( Meeting Minutes and Signatures )

Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

- I. The meeting session (or year) and the time and place of the meeting.
- II. The name of the chair.
- III. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
- IV. The names and titles of those attending the meeting as non-voting participants.
- V. The name of the minute taker.
- VI. The matters reported at the meeting.
- VII. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.
- VIII. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, expert, or other person; the name of any director that is an interested party as; and their objections or reservations and any recorded or written statements.
- IX. Other matters required to be recorded.

The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.

The meeting minutes of paragraph 1 may produce and distributed in electronic form.

Article 17 (Principles of Authorization by the Board of Directors)

In addition to matters that should be brought to the board of directors for discussion

in Item 1 of Article 12, during the adjournment of the board of directors, the board of directors of the company may authorize the chairman to exercise the functions and powers of the board of directors in accordance with the company's articles of association. The contents of the authorization are as follows:

- I. Approval of various important contracts.
- II. Approval of real estate mortgage loans and other loans.
- III. Approval of the company's general property and real estate purchase and disposal.
- IV. Appointment of directors and supervisors of the reinvestment company.
- V. Determination of the base date of capital increase or decrease and the base date of cash dividend distribution.

Article 18 (Supplementary Provisions)

The formulation and revision of this procedure shall be approved by the board of directors of the company, and shall be submitted to the shareholders' meeting report.

Date of Amendment: 7/28/2017 (approved by shareholders on 6/5/2018)

Date of Amendment: 11/8/2017 (approved by the shareholders meeting on 6/5/2018)

Date of Amendment: 3/23/2020 (approved by shareholders on 6/10/2020)

# I-CHIUN PRECISION INDUSTRY CO., LTD.

## Rules for Election of Directors

- Article 1 The election of directors of the company shall be handled in accordance with the provisions of these Regulations.
- Article 2 The election of directors of the company, unless otherwise stipulated in the company's articles of association, adopts the single-ballot counter-register cumulative election method. Each share has the same voting rights as the number of directors to be elected. One person can be elected collectively or a number of people can be allocated for election. The registration of voters may be substituted by the shareholder attendance certificate number recorded on the ballot paper.
- Article 2-1 The election of directors of the Company shall adopt a candidate nomination system in accordance with Article 192-1 of the Company Act.
- Article 3 Independent directors and non-independent directors shall be elected together, and the number of elected independent directors and non-independent directors shall be calculated separately. In the election of the directors of the company, according to the quota stipulated in the articles of association of the company, those who have received more votes represent more voting rights shall be elected as directors respectively in turn. Delegates with the same number of votes will be drawn by lot, and those who are not present will be drawn by the chairman.
- Article 4 Ballot papers are issued by the company and should be numbered according to the attendance card number and filled with weights.
- Article 5 Before the election begins, the chairman shall designate a number of scrutineers, tellers, and tellers to perform their respective duties.
- Article 6 The ballot counters (boxes) used for elections are prepared by the company and shall be inspected by the scrutineers in public before voting.
- Article 7 If the electee is a shareholder, the voter must fill in the name of the electee and the shareholder account number in the "Elected Person" column of the ballot; if he is not a shareholder, he should fill in the name of the electee and his ID card No., but when the legal person shareholder is the electee, the name of the legal person and its representative should be filled in the electee column of the ballot paper. At the same time, the number of voting rights of the electees shall be stated.
- Article 8 Ballot papers are invalid under any of the following circumstances:
1. Ballot papers not specified in these regulations.
  2. Put blank ballots into the ballot box.
  3. Those whose handwriting is illegible.
  4. If the person to be elected is a shareholder, the account name and account number of the shareholder do not match the list of shareholders; if the person to be

elected is not a shareholder, the name and identity card number are inconsistent after verification.

5. In addition to filling in the account name (name) of the electee and the account number of the shareholder (unified ID card number), write other characters.
6. If the candidate is a shareholder, only fill in the name of the candidate but not the account number, and there are ballots with the same name and surname in the shareholder list.
7. Ballot papers where the number of candidates filled out exceeds the number of directors to be elected according to the company's articles of association.
8. Ballots with voting rights exceeding the number of weights indicated on the ballot paper.
9. A ballot paper that has been altered in any of the completed names, account numbers, and voting rights of the electees.

Article 9 After the voting is completed, the votes will be counted on the spot, and the result will be announced by the chairman on the spot.

Article 10 The elected directors shall be separately issued by the company with notices to the elected persons.

Article 11 Matters not specified in these Measures shall be handled in accordance with the relevant laws and regulations of the Company Law.

Article 12 These measures shall come into force after being approved by the shareholders' meeting, and the same shall apply when amended.

# I-CHIUN PRECISION INDUSTRY CO., LTD.

## Information on Directors and Ownership

Position	Name	Number of shares held	Shareholding percentage (%)
Chairman	Wan-Shun Chou	21,575,157	9.72%
Vice Chairman	Chung-Yi Li	16,007,705	7.21%
Director	Wu-Chun Lin	516,693	0.23%
Director	Chwei-Chien Yeh	-	-
Subtotal		38,098,511	17.16%
Independent Director	Chung-Chien Kuo	-	-
Independent Director	Jih-Chien Li	500,000	0.23%
Independent Director	Hsien-Sung Chang	107,922	0.05%
Subtotal		263,475	0.28%
Total		38,361,986	17.44%

Note: I. According to Article 26 of the Securities and Exchange Act

The minimum number of shares that all directors of the Company (excluding independent directors) shall hold in total is 12,000,000 shares.

As the Company has established an Audit Committee, the minimum percentage of all supervisors' shareholdings is not applicable.

II. The number of shares listed in the shareholder register as of the book closure date for the shareholders' meeting (April 1, 2023).