

Stock Code: 2114

HSIN YUNG CHIEN CO., LTD

2025 Annual Shareholders' Meeting

Meeting Handbook



Time: 9 am on May 22, 2025

Venue: No. 294, Nan Kang 3rd Road, Nan Kang Industrial Zone, Nantou City (the Company's conference room)

Convening method: Physical shareholders' meeting

Hsin Yung Chien Co., Ltd.

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Hsin Yung Chien Co., Ltd.
Agenda of the 2025 General Shareholders' Meeting

Time: 9 am on May 22, 2025 (Wednesday)

Venue: No. 294, Nan Kang 3rd Road, Nan Kang Industrial Zone, Nantou City (the Company's conference room)

Convening method: Physical shareholders' meeting

(Report the number of shares present) Call the meeting to order

Address by the Chairman:

I. Matters to Be Reported

(I) Report on the 2024 business status.

(II) 2024 Audit Report of the Audit Committee.

(III) Report on the 2024 distribution of employees' remuneration and directors' remuneration.

(IV) Report on the 2024 distribution of cash dividends from earnings.

II. Matters for Proposals:

(1) Adoption of the 2024 business report and financial statements.

(2) Adoption of the 2024 earnings distribution proposal.

III. Discussion matters

To revise the company's partial provisions for articles of incorporation

IV. Extempore Motions.

V. Meeting Adjourned.

One. Matters to Be Reported:

Item 1

Summary: Report on the 2024 business status.

Description: Please refer to pages 4 to 8 of this handbook for the business report.

Item 2

Summary: 2024 Audit Report of the Audit Committee.

Description: Please refer to pages 9 of this handbook for the 2024 Audit Report of the Audit Committee.

Item 3

Summary: Report on the 2024 distribution of employees' remuneration and directors' remuneration.

Description: From the 2024 pre-tax net profit of the Company before the deduction of employees' remuneration and directors' remuneration, 3% or NT\$15,583,530 is appropriated as the employees' remuneration and 1.5% or NT\$7,791,764 is appropriated as the directors' remuneration; both are paid in cash.

Item 4

Summary: Report on the 2024 cash dividend distribution.

Description: 1. In accordance with Article 24-1 of the Articles of Association, the Company shall distribute dividends in cash by a resolution of more than half of the directors present at a board meeting attended by more than two-thirds of the directors, and report to the shareholders' meeting.

2. The board meeting decided to distribute a cash dividend of NT\$389,958,535 this time, at NT\$5 per share; the dividends shall be calculated to NT\$1, and the decimals shall be rounded off; the total amount of amounts less than NT\$1 will be included in the other income of the Company.

3. The Chairman is authorized to separately set an ex-dividend date, payment date and other relevant matters. If the number of outstanding shares is affected by a change of the Company's share capital, and the dividend distribution rate of shareholders therefore changes accordingly, the Chairman is fully authorized to deal with it at his discretion.

Two. Matters for Proposals:

Item 1

Proposed by the board of directors

Summary: Adoption of the 2024 business report and financial statements.

Description: 1. The Company's 2024 financial statements have been audited by CPAs Wu, Sung-Yuan and Hung, Shu-Hua of PricewaterhouseCoopers Taiwan, and the financial statements together with the business report have been reviewed by the Audit Committee; please recognize them.

2. Please refer to pages 4 to 8 and pages 10 to 23 of this handbook for the business report and financial statements.

Resolution:

Item 2

Proposed by the board of directors

Summary: Adoption of the 2024 earnings distribution proposal.

Description: Please refer to page 24 of this handbook for the Company's 2024 earnings distribution scheme.

Resolution:

Three. Discussion matters:

Proposed by the Board of Directors

Summary: To revise the company's partial provisions for articles of incorporation

Description: To accommodate the law and actual needs, the Company's "Articles of Incorporation" is proposed to be amended. Please refer to page 25 in the handbook for the comparison table of the amendments.

Resolution:

Four. Extempore motions

FIVE. Meeting Adjourned

Hsin Yung Chien Co., Ltd.

Business Report

I. Report on the 2024 business results

(I) Business plan implementation results

The net operating income of the Company in 2024 was NT\$1,466,396 thousand, decreased by 6% compared with NT\$1,558,156 thousand in 2023, and the operating income in 2024 was NT\$444,086 thousand, decreased by 15% compared with NT\$525,319 thousand in 2023.

This year's revenue decreased by 6% compared to the same period last year due to weaker market demand. Both gross profit margin and operating profit margin also declined, primarily due to changes in product mix and increased costs from depreciation and property tax, as the newly constructed plant began incurring such expenses at the end of 2023. In addition, the Red Sea crisis triggered by the Middle East situation led to higher shipping costs compared to last year, further impacting the operating profit margin.

Unit: NT\$ thousands

| Item \ Year | 2024 | 2023 | Increase (decrease) rate |
|---------------------------------|------------|------------|--------------------------------|
| Net operating income | 1,466,396 | 1,558,156 | (6%) |
| Operating costs | (877,128) | (898,864) | (2%) |
| Gross operating profit | 589,268 | 659,292 | (11%) |
| Operating expenses | (145,182) | (133,973) | 8% |
| Net operating income | 444,086 | 525,319 | (15%) |
| Non-operating income (expenses) | 52,750 | 58,002 | (9%) |
| Income (loss) before income tax | 496,836 | 583,321 | (15%) |
| Income tax expense | (98,609) | (114,136) | (14%) |
| Profit | 398,227 | 469,185 | (15%) |
| EPS after tax | 5.11 | 6.02 | |

(II) Budget implementation status:

According to current laws and regulations, the Company did not publicly disclose financial forecast data in 2024, and the actual overall operating situation and actual performance are roughly equivalent to those in the internal business plan formulated by the Company.

(III) Analysis of financial revenue and expenditure and profitability:

| Item | | 2024 | 2023 |
|-------------------------|---------------------------|------|------|
| Financial structure (%) | Debt to asset ratio | 17 | 19 |
| Solvency (%) | Current ratio | 707 | 649 |
| | Quick ratio | 643 | 593 |
| Profitability (%) | Return on assets | 11 | 13 |
| | Return on equity | 13 | 15 |
| | Net profit margin (%) | 27 | 30 |
| | Earnings per share (NT\$) | 5.11 | 6.02 |

(IV) Research and development status:

1. **Rubber products**

In the future, the focus of our research and development will still be on the improvement of materials, structures and manufacturing processes. In addition to continuing to research and develop more specifications for existing products, the Company also focuses on mold improvement and innovation. In the area of chemical fiber cloth raw material, the Company is cooperating with domestic manufacturers to develop high-strength fabrics, which are suitable for high-impact products and have the advantage of replacing multi-layer fiber fabrics. As for rubber, it is in line with the current trend towards green energy conveyor belts, energy-saving conveyor belts, super heat-resistant and oil resistant conveyor belts, wear-resistant and flame resistant conveyor belts and other special rubber types, allowing customers to have a more diversified selection of products. Recently, the main direction of R&D is to cooperate with customers to jointly develop special products such as rubber dams and wave power sheet for hydropower, to create products with higher added value.

2. **Composite material products**

Newsheet participated in Taipei Cycle and Taichung Bike Week in 2024 for the promotion of environment friendly and recyclable composite materials and gained recognition and appreciation from many brands and customers to provide a better material choice for those who have long used non-recyclable and not environmentally friendly thermally stable carbon fiber composite materials in the motor bike industry.

The followings are the descriptions of the progress of product development and promotion:

A. Electric bicycle frames and bicycle wheel rims:

The Company participated in the Taichung Bike Show in September 2024. All brands expressed that the inventory level was still high. The priority was to consume the inventory. The brand operators' business issues are how to stimulate the consumer market's recovery and eliminate the inventory. It is a well-known European bicycle brand. The cooperation of new product plans has been postponed due to excessive inventory and the new product development plan will possibly be launched until the fourth quarter of 2025. As part of this year's exhibition plan, the Company will participate in the JEC Show (world composite materials exhibition) in Paris and collaborate with foreign trade associations from various European countries to enhance exposure, expand the development of bicycle industry clients, and contribute to increased revenue.

B. Development of hydrogen vessels for fuel cells

Unlike traditional hydrogen vessels made with non-environmentally friendly thermoset composite materials, Newsheet uses thermoplastic carbon fiber composites to produce hydrogen vessels for fuel cells. A prototype of a 700-bar, 50L Type 3 hydrogen vessels has been completed, and related manufacturing processes and quality verifications are currently underway. The Company is waiting for the certification of the original Type 3 hydrogen vessels and the development and setup of Type 4 storage hydrogen vessels for mass production. The Company is also cooperating with the related customers in the development of the project, which is mainly used in the industries of buses, transportation vehicles and drones.

C. Development of fuel cells related components

Focusing on thermoplastic carbon fiber composites, the Company is collaborating with a national university to develop bipolar plates for fuel cells in order to replace traditional graphite and metal bipolar plates with advantages such as simplified manufacturing processes, improved corrosion resistance, and a lighter, thinner design. The Company also signed the "NSTC 2025 Net Zero Carbon Emission" research project cooperation letter of intent with customers to develop fuel battery components.

D. EV component development project

In 2024, the Company engaged in component development with a

Taiwanese electric bus manufacturer. Now the prototype samples are completed. Moving forward, the Company will target other electric vehicle manufacturers with varying specifications to promote and expand its product applications.

II. 2025 Business Plan Overview

(I) Business policy:

1. Actively develop the polymer composite product market
Accelerate the mass production schedule of new product lines, and actively develop the domestic and export markets.
2. Upgrade brand awareness
Upgrade product quality, establish brand awareness and Upgrade customer satisfaction.
3. Product improvement
Create product diversification and differentiation, and improve product added value.
4. Strengthen the cultivation of human resources
The Company is growing day by day, actively cultivating and establishing its talent pool, conducting employee training, implementing employee performance appraisal and evaluation, and improving employee satisfaction.
5. Carbon Reduction
Achieving net zero carbon emissions is not only the international trend, but also an important way to enhance the green competitiveness of enterprise
HYC will reduce carbon emissions by sustainable design, raw material procurement and green manufacturing. Get ahead of our customers.

(II) Expected sales volume and its basis:

The sales volume is determined according to the market demand and development trend, customer operation profile and the current order receiving situation of the Company, taking the output capacity of the Company into account. The target sales volume is 10,000 thousand kg.

(III) Important production and marketing policies:

1. Sales policy: Actively develop new product for markets and customer promotion, create product diversification and differentiation, and improve product added value.
2. Production policy: Comply with customers' delivery dates, reserve capacity for quick order, and increase the adaptability of machines.

(IV) Future development strategy:

In addition to actively promoting product optimization and increasing the number of high value-added products, the Company focuses on its core business to differentiate rubber products and avoid low price competition. Among its composite material products, the Company combined 50 years of process technology and rubber research and development in its electronic grade heat-resistant cushioning pads, and developed environment-friendly cushioning pads that are stable with the capability of automated production and barcode management, and can be applied in the electronic industry. The thermoplastic composite material the Company developed has the characteristic of high temperature resistance up to 330°C, high strength that can be used to replace metals, environment-friendliness, recyclability and lightweight, and can be widely used in fields such as daily life and automobiles, and is expected to bring revenue in the future.

Chairman: Lin, Chi-Chin General Manager: Lin, Chi-Uo Accounting Manager: Lin, Chiu-Hung

Hsin Yung Chien Co., Ltd.
Audit Committee's Audit Report

The board meeting has submitted the Company's business report and earnings distribution scheme for 2024 and the financial report audited and certified by CPAs Sung-Yuan Wu and Shu-Hua Hung of PricewaterhouseCoopers Taiwan. The Audit Committee has reviewed them and found no discrepancies. Therefore, the Audit Report is prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your review and approval.

To

The 2025 General Shareholders' Meeting of Hsin Yung Chien Co., Ltd.

Hsin Yung Chien Co., Ltd.

Convener of the Audit Committee:

Lin,Ching-An

February 26, 2025

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 24003599

To the Board of Directors and Shareholders of Hsin Yung Chien Co., Ltd.

Opinion

We have audited the accompanying individual balance sheets of Hsin Yung Chien Co., Ltd. (the “Company”) as at December 31, 2024 and 2023, and the related individual statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, 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 and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 judgement, were of most significance in our audit of the Company's 2024 individual financial statements. These matters were addressed in the context of our audit of the 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 2024 individual financial statements are stated as follows:

1. Timing of sales revenue recognition

Description

Refer to Note 4(24) for accounting policies on sales revenue and Note 6(16) for details of sales revenue. The Company is primarily engaged in manufacturing, processing, and sales of various types of rubber products. Sales revenues are recognised when the control of goods is transferred upon the goods arriving at the destination port in accordance with the contract terms. At the end of the month, manually check whether the transaction date is consistent with the actual arrival date, and the revenue is recognised. The process of revenue recognition involves numerous manual judgement and procedures, which may result in improper timing of sales revenue recognition, thus we consider the cut-off of sales revenue as a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

- A. Obtained an understanding and assessed the process of sales transactions and internal controls, and then tested these controls to assess the effectiveness of sales revenue recognition timing determined by management.
- B. Checked transaction documents to ensure that the sales transaction for a certain period before and after the balance sheet date is recorded in the proper time.

2. Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(10) for accounting policy on inventory valuation, Note 5 for uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(4) for details of allowance for inventory valuation losses. As of December 31, 2024, the Company's inventories and allowance for inventory valuation losses amounted to \$198,470 thousand and \$18,453 thousand, respectively.

The Company is primarily engaged in manufacturing and sales of various types of rubber products. For inventory that is over a certain age and individually identified for impairment, the impairment is measured at the lower of cost and net realisable value, and provides allowance for inventory valuation losses based on individually identified reasonable net realisable value and usable condition of obsolete or slow-moving inventories. Considering that the Company's allowance for inventory valuation losses were material to its financial statements, and the determination of the net realisable value at balance sheet date involved judgements and estimates, we identified the allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

- A. Assessed the reasonableness of provision policies on allowance for inventory valuation losses based on our understanding of the Company's operation and the characteristics of its industry.
- B. Reviewed the Company's annual physical inventory count plan and participated in the annual inventory count event in order to assess the classification of obsolete inventory and effectiveness of obsolete inventory internal control.

- C. Obtained valuation statement of net realisable value of inventory, assessed whether the estimation policy was consistently applied, tested the estimation basis of the net realisable value with relevant information, including verifying the sales and purchase prices with supporting evidence, and recalculated and evaluated the reasonableness of the inventory valuation.
- D. Obtained the Company's inventory aging report and verified dates of movements with supporting documents. Ensured the proper categorisation of inventory aging report and recalculated inventory aging range to confirm that the report information was consistent with its policies.

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

Management is responsible for the preparation and fair presentation of the 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 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 the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

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

- A. Identify and assess the risks of material misstatement of the 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.
- B. 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.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- D. 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Wu, Sung-Yuan

Hung, Shu-Hua

For and on behalf of PricewaterhouseCoopers, Taiwan

February 26, 2025

The accompanying individual financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying individual financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

HSIN YUNG CHIEN CO., LTD.
INDIVIDUAL BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| Assets | | Notes | December 31, 2024 | | December 31, 2023 | |
|--------------------|---|------------|-------------------|-----|-------------------|-----|
| | | | AMOUNT | % | AMOUNT | % |
| Current assets | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 713,641 | 19 | \$ 723,078 | 19 |
| 1136 | Current financial assets at amortised cost, net | 6(2) and 8 | 1,066,186 | 29 | 1,112,778 | 30 |
| 1150 | Notes receivable, net | 6(3) | 15,889 | - | 8,896 | - |
| 1170 | Accounts receivable, net | 6(3) | 204,469 | 5 | 198,496 | 5 |
| 1200 | Other receivables | | 5,314 | - | 6,553 | - |
| 130X | Inventories | 6(4) | 180,017 | 5 | 196,750 | 5 |
| 1470 | Other current assets | 6(5) | 21,616 | 1 | 21,662 | 1 |
| 11XX | Current Assets | | 2,207,132 | 59 | 2,268,213 | 60 |
| Non-current assets | | | | | | |
| 1600 | Property, plant and equipment | 6(6) and 8 | 1,404,671 | 38 | 1,324,291 | 35 |
| 1780 | Intangible assets | | 939 | - | 1,654 | - |
| 1840 | Deferred income tax assets | 6(22) | 18,486 | - | 20,819 | - |
| 1900 | Other non-current assets | 6(7)(11) | 94,921 | 3 | 189,645 | 5 |
| 15XX | Non-current assets | | 1,519,017 | 41 | 1,536,409 | 40 |
| 1XXX | Total assets | | \$ 3,726,149 | 100 | \$ 3,804,622 | 100 |

(Continued)

HSIN YUNG CHIEN CO., LTD.
INDIVIDUAL BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| Liabilities and Equity | | Notes | December 31, 2024 | | December 31, 2023 | | | |
|---|--|-------|-------------------|-----------|-------------------|----|-----------|-----|
| | | | AMOUNT | % | AMOUNT | % | | |
| Current liabilities | | | | | | | | |
| 2130 | Current contract liabilities | 6(16) | \$ | 24,171 | 1 | \$ | 17,055 | 1 |
| 2150 | Notes payable | | | 23,092 | 1 | | 15,350 | - |
| 2160 | Notes payable - related parties | 7(2) | | 50,342 | 1 | | 46,765 | 1 |
| 2170 | Accounts payable | | | 20,577 | 1 | | 17,823 | 1 |
| 2180 | Accounts payable - related parties | 7(2) | | 19,528 | - | | 16,486 | - |
| 2200 | Other payables | 6(8) | | 63,679 | 2 | | 101,862 | 3 |
| 2230 | Current income tax liabilities | 6(22) | | 37,262 | 1 | | 48,825 | 1 |
| 2250 | Provisions for liabilities - current | 6(9) | | 3,587 | - | | 7,447 | - |
| 2320 | Long-term liabilities, current portion | 6(10) | | 66,254 | 2 | | 76,786 | 2 |
| 2399 | Other current liabilities, others | 6(16) | | 3,481 | - | | 1,148 | - |
| 21XX | Current Liabilities | | | 311,973 | 9 | | 349,547 | 9 |
| Non-current liabilities | | | | | | | | |
| 2540 | Non-current borrowings | 6(10) | | 277,650 | 7 | | 335,595 | 9 |
| 2570 | Deferred income tax liabilities | 6(22) | | 31,250 | 1 | | 30,787 | 1 |
| 2600 | Other non-current liabilities | | | - | - | | 100 | - |
| 25XX | Non-current liabilities | | | 308,900 | 8 | | 366,482 | 10 |
| 2XXX | Total Liabilities | | | 620,873 | 17 | | 716,029 | 19 |
| Equity | | | | | | | | |
| Equity attributable to owners of parent | | | | | | | | |
| | Share capital | 6(13) | | | | | | |
| 3110 | Share capital - common stock | | | 779,918 | 21 | | 779,918 | 20 |
| | Capital surplus | 6(14) | | | | | | |
| 3200 | Capital surplus | | | 261,493 | 7 | | 254,929 | 7 |
| | Retained earnings | 6(15) | | | | | | |
| 3310 | Legal reserve | | | 743,233 | 20 | | 696,315 | 18 |
| 3350 | Unappropriated retained earnings | | | 1,320,632 | 35 | | 1,357,431 | 36 |
| 3XXX | Total equity | | | 3,105,276 | 83 | | 3,088,593 | 81 |
| | Significant contingent liabilities and unrecognized contract commitments | 9 | | | | | | |
| 3X2X | Total liabilities and equity | | \$ | 3,726,149 | 100 | \$ | 3,804,622 | 100 |

The accompanying notes are an integral part of these individual financial statements.

HSIN YUNG CHIEN CO., LTD.
INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Year ended December 31

| | Items | Notes | 2024 | | 2023 | |
|------|--|--------------------------|-------------------|-----------|-------------------|-----------|
| | | | AMOUNT | % | AMOUNT | % |
| 4000 | Operating revenue | 6(16) | \$ 1,466,396 | 100 | \$ 1,558,156 | 100 |
| 5000 | Operating costs | 6(4)(20)(21) and 7(2) | (877,128) | (60) | (898,864) | (58) |
| 5900 | Net operating margin | | 589,268 | 40 | 659,292 | 42 |
| | Operating expenses | 6(20)(21) | | | | |
| 6100 | Selling expenses | | (84,762) | (6) | (69,097) | (5) |
| 6200 | General and administrative expenses | | (46,660) | (3) | (46,329) | (3) |
| 6300 | Research and development expenses | | (13,760) | (1) | (18,547) | (1) |
| 6000 | Total operating expenses | | (145,182) | (10) | (133,973) | (9) |
| 6900 | Operating profit | | 444,086 | 30 | 525,319 | 33 |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest income | 6(17) | 26,873 | 2 | 24,643 | 2 |
| 7010 | Other income | 6(18) | 15,015 | 1 | 27,087 | 2 |
| 7020 | Other gains and losses | 6(19) | 13,537 | 1 | 7,940 | - |
| 7050 | Finance costs | | (2,675) | - | (1,668) | - |
| 7000 | Total non-operating income and expenses | | 52,750 | 4 | 58,002 | 4 |
| 7900 | Profit before income tax | | 496,836 | 34 | 583,321 | 37 |
| 7950 | Income tax expense | 6(22) | (98,609) | (7) | (114,136) | (7) |
| 8200 | Profit for the year | | <u>\$ 398,227</u> | <u>27</u> | <u>\$ 469,185</u> | <u>30</u> |
| 8311 | Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans | 6(11)(22) | \$ 2,315 | - (\$ 3) | - | - |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | | (463) | - | 1 | - |
| 8300 | Total other comprehensive income (loss) for the year | | <u>\$ 1,852</u> | <u>-</u> | <u>(\$ 2)</u> | <u>-</u> |
| 8500 | Total comprehensive income for the year | | <u>\$ 400,079</u> | <u>27</u> | <u>\$ 469,183</u> | <u>30</u> |
| | Basic earnings per share | 6(23) | | | | |
| 9750 | Total basic earnings per share | | <u>\$ 5.11</u> | | <u>\$ 6.02</u> | |
| | Diluted earnings per share | 6(23) | | | | |
| 9850 | Total diluted earnings per share | | <u>\$ 5.08</u> | | <u>\$ 5.99</u> | |

The accompanying notes are an integral part of these individual financial statements

HSIN YUNG CHIEN CO., LTD.
INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| | | Share capital – common stock | Capital surplus | Retained Earnings | | |
|--|-----------|---------------------------------|-----------------|-------------------|-------------------------------------|--------------|
| | Notes | | | Legal reserve | Unappropriated retained earnings | Total equity |
| <u>Year ended December 31, 2023</u> | | | | | | |
| Balance at January 1, 2023 | | \$ 779,918 | \$ 248,381 | \$ 656,668 | \$ 1,317,855 | \$ 3,002,822 |
| Profit for the year | | - | - | - | 469,185 | 469,185 |
| Other comprehensive loss for the year | | - | - | - | (2) | (2) |
| Total comprehensive income | | - | - | - | 469,183 | 469,183 |
| Appropriation and distribution of 2022 earnings: | 6(15) | | | | | |
| Legal reserve appropriated | | - | - | 39,647 | (39,647) | - |
| Cash dividends of ordinary share | | - | - | - | (389,960) | (389,960) |
| Dividends not received by shareholders | 6(14) | - | 163 | - | - | 163 |
| Share-based payments | 6(12)(14) | - | 6,385 | - | - | 6,385 |
| Balance at December 31, 2023 | | \$ 779,918 | \$ 254,929 | \$ 696,315 | \$ 1,357,431 | \$ 3,088,593 |
| <u>Year ended December 31, 2024</u> | | | | | | |
| Balance at January 1, 2024 | | \$ 779,918 | \$ 254,929 | \$ 696,315 | \$ 1,357,431 | \$ 3,088,593 |
| Profit for the year | | - | - | - | 398,227 | 398,227 |
| Other comprehensive income for the year | | - | - | - | 1,852 | 1,852 |
| Total comprehensive income | | - | - | - | 400,079 | 400,079 |
| Appropriation and distribution of 2023 earnings: | 6(15) | | | | | |
| Legal reserve appropriated | | - | - | 46,918 | (46,918) | - |
| Cash dividends of ordinary share | | - | - | - | (389,960) | (389,960) |
| Dividends not received by shareholders | 6(14) | - | 162 | - | - | 162 |
| Share-based payments | 6(12)(14) | - | 6,402 | - | - | 6,402 |
| Balance at December 31, 2024 | | \$ 779,918 | \$ 261,493 | \$ 743,233 | \$ 1,320,632 | \$ 3,105,276 |

The accompanying notes are an integral part of these individual financial statements

HSIN YUNG CHIEN CO., LTD.
INDIVIDUAL STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| | | Year ended December 31 | |
|---|-----------|------------------------|-------------|
| | Notes | 2024 | 2023 |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | |
| Profit before tax | | \$ 496,836 | \$ 583,321 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Depreciation expense | 6(20) | 91,988 | 74,040 |
| Amortization expense | 6(20) | 6,937 | 10,694 |
| Loss on disposal of property and equipment | 6(19) | 447 | 76 |
| Interest income | 6(17) | (26,873) | (24,643) |
| Interest expense | | 2,675 | 1,668 |
| Share-based payments | 6(12)(14) | 6,402 | 6,385 |
| Unrealized foreign exchange (gain) loss | (| 2,979) | (13,091) |
| Provision for sales returns and discounts | 6(9) | (3,860) | 4,220 |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Notes receivable, net | (| 6,993) | (367) |
| Accounts receivable, net | (| 2,112) | (66,090) |
| Other receivables | | 1,239 | (106) |
| Inventories | | 16,733 | 40,595 |
| Other current assets | (| 147) | (1,522) |
| Changes in operating liabilities | | | |
| Contract liabilities | | 2,253 | (5,093) |
| Notes payable | | 7,742 | (14,566) |
| Notes payable - related parties | | 3,577 | (8,081) |
| Accounts payable | | 3,023 | (6,945) |
| Accounts payable - related parties | | 3,042 | 1,458 |
| Other payables | | 985 | (10,840) |
| Other current liabilities | | 2,333 | 147 |
| Net defined benefit liability | (| 4,531) | (707) |
| Cash inflow generated from operations | | 598,717 | 570,553 |
| Interest received | 6(17) | 26,873 | 24,643 |
| Interest paid | (| 2,558) | (1,560) |
| Income taxes paid | (| 107,838) | (143,768) |
| Net cash flows from operating activities | | 515,194 | 449,868 |

(Continues)

HSIN YUNG CHIEN CO., LTD.
INDIVIDUAL STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| | Notes | Year ended December 31 2024 | 2023 |
|--|-----------|--------------------------------|---------------|
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| Acquisition of financial assets at amortised cost | | (\$ 597,656) | (\$ 658,709) |
| Proceeds from repayments of financial assets at amortised cost | | 644,248 | 77,671 |
| Acquisition of property and equipment | 6(24) | (114,622) | (153,069) |
| Proceeds from disposal of property, plant and equipment | | 84 | 371 |
| (Increase) decrease in refundable deposits | 6(7) | (1,494) | 3,321 |
| Acquisition of intangible assets | | (271) | (243) |
| Increase in other operating assets | | 210 | (7,337) |
| Net cash flows used in investing activities | | (69,501) | (737,995) |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | |
| Proceeds from long-term debt | 6(24) | 27,000 | 261,000 |
| Repayments of long-term borrowings | 6(24) | (95,477) | (48,619) |
| Decrease in guarantee deposits received | 6(24) | (100) | - |
| Cash dividends paid | 6(15)(24) | (389,960) | (389,960) |
| Dividends not received by shareholders | 6(14) | 162 | 163 |
| Net cash flows used in financing activities | | (458,375) | (177,416) |
| Effect of exchange rate changes on cash and cash equivalents | | 3,245 | 3,352 |
| Net decrease in cash and cash equivalents | | (9,437) | (462,191) |
| Cash and cash equivalents at beginning of year | | 723,078 | 1,185,269 |
| Cash and cash equivalents at end of year | | \$ 713,641 | \$ 723,078 |

The accompanying notes are an integral part of these individual financial statements

Attachment 4

Hsin Yung Chien Co., Ltd.
Earnings Distribution Table
2024

Unit: NT\$

| <u>Item</u> | <u>Amount</u> |
|---|-----------------------|
| 2024 profit after-tax | 398,225,266 |
| increase : remeasurement of the defined benefit plan in the current year | <u>1,851,685</u> |
| Total 2024 profit after-tax | 400,076,951 |
| Less: provision of legal reserve | <u>(40,007,695)</u> |
| Distributable earnings in the current year | 360,069,256 |
| Add: undistributed earnings at the beginning of the period | <u>920,555,455</u> |
| Distributable earnings at the end of 2024 | 1,280,624,711 |
| Dividend distribution to shareholders is as follows: | |
| Cash dividend (NT\$5 per share) | <u>(389,958,535)</u> |
| Accumulated undistributed earnings at the end of the period | <u>890,666,176</u> |

Chairman: Lin, Chi-Chin General Manager: Lin, Chi-Uo Accounting Manager: Lin, Chiu-Hung

Hsin Yung Chien Co., Ltd
articles of incorporation

Attachment 5

| Provisions | Amendment to the provisions | Current provisions | Reasons for amendment |
|--------------|---|---|--|
| Article 13-1 | The number of independent directors in the preceding paragraph may not be less than three, and may not be less than one-third of the number of directors. | In accordance with Article 14-2 of the Securities and Exchange Act, the number of independent directors in the preceding paragraph may not be less than three, and may not be less than one-fifth of the number of directors. | In compliance with the revised regulations for independent directors. |
| Article 24 | Based on the Company's pre-tax profit before the deduction of employees' and directors' remuneration, and after making up losses, no less than 2% shall be allocated as employees' remuneration of which at least 1% shall be distributed to grassroots employees, and no more than 3% shall be allocated as directors' remuneration. Employees' remuneration may be in stock or cash, and may be paid to employees of affiliated companies who meet certain conditions. For the distribution of employees' remuneration and directors' remuneration, the resolution shall be adopted by more than two-thirds of the directors present in the board meeting, and approved by more than half of the directors present, and shall be reported to the shareholders' meeting. | From the current pre-tax net profit of the Company before the deduction of employees' remuneration and directors' remuneration, the Company shall first make up losses. If there is any balance, no less than 2% shall be allocated as the employees' remuneration, and no more than 3% as the directors' remuneration. Employees' remuneration may be in stock or cash, and may be paid to employees of affiliated companies who meet certain conditions. For the distribution of employees' remuneration and directors' remuneration, the resolution shall be adopted by more than two-thirds of the directors present in the board meeting, and approved by more than half of the directors present, and shall be reported to the shareholders' meeting. | Amended in accordance with Article 14, Paragraph 6 of the Securities and Exchange Act. |
| Article 28 | accordance with the Company Act and other laws and regulations. The Articles of Association were established on August 8, 1969; | accordance with the Company Act and other laws and regulations. The Articles of Association | Add the date of this amendment to the Articles of |

| Provisions | Amendment to the provisions | Current provisions | Reasons for amendment |
|------------|--|---|-----------------------|
| | the 1st amendment was made on September 19, 1978; the 2nd amendment was made on November 9, 1978; the 3rd amendment was made on June 24, 1980; the 4th amendment was made on August 24, 1981; the 5th amendment was made on August 28, 1982; the 6th amendment was made on January 8, 1991; the 7th amendment was made on November 2, 1993; the 8th amendment was made on November 27, 1995; the 9th amendment was made on December 7, 1996; the 10th amendment was made on December 23, 1997; the 11th amendment was made on December 1, 1999; the 12th amendment was made on January 7, 2000; the 13th amendment was made on April 24, 2000; the 14th amendment was made on June 28, 2002; the 15th amendment was made on August 7, 2002, the 16th amendment was made on November 13, 2002; the 17th amendment was made on June 26, 2003; the 18th amendment was made on June 17, 2004; the 19th amendment was made on June 17, 2004; the 20th amendment was made on June 17, 2005; the 21st amendment was made on June 17, 2005; the 22nd amendment was made on April 28, 2006; the 23rd amendment was made on June 14, 2007; the 24th amendment was made on June 13, 2008; the 25th amendment was made on May 26, 2010; the 26th amendment was made on June 27, 2012; the 27th amendment was | were established on August 8, 1969; the 1st amendment was made on September 19, 1978; the 2nd amendment was made on November 9, 1978; the 3rd amendment was made on June 24, 1980; the 4th amendment was made on August 24, 1981; the 5th amendment was made on August 28, 1982; the 6th amendment was made on January 8, 1991; the 7th amendment was made on November 2, 1993; the 8th amendment was made on November 27, 1995; the 9th amendment was made on December 7, 1996; the 10th amendment was made on December 23, 1997; the 11th amendment was made on December 1, 1999; the 12th amendment was made on January 7, 2000; the 13th amendment was made on April 24, 2000; the 14th amendment was made on June 28, 2002; the 15th amendment was made on August 7, 2002, the 16th amendment was made on November 13, 2002; the 17th amendment was made on June 26, 2003; the 18th amendment was made on June 17, 2004; the 19th amendment was made on June 17, 2004; the 20th amendment was made on June 17, 2005; the 21st amendment was made on June 17, 2005; the 22nd amendment was made on April 28, 2006; the 23rd amendment was made on June 14, 2007; the 24th amendment was | Incorporation. |

| Provisions | Amendment to the provisions | Current provisions | Reasons for amendment |
|------------|--|--|-----------------------|
| | made on June 24, 2015; the 28th amendment was made on June 27, 2016; the 29th amendment was made on June 25, 2019; the 30th amendment was made on June 22, 2020; the 31st amendment was made on July 7, 2021; the 32nd amendment was made on June 22, 2022. the 33nd amendment was made on May 22, 2025. | made on June 13, 2008; the 25th amendment was made on May 26, 2010; the 26th amendment was made on June 27, 2012; the 27th amendment was made on June 24, 2015; the 28th amendment was made on June 27, 2016; the 29th amendment was made on June 25, 2019; the 30th amendment was made on June 22, 2020; the 31st amendment was made on July 7, 2021; the 32nd amendment was made on June 22, 2022. | |

Articles of Association of Hsin Yung Chien Co., Ltd.

Chapter I General Provisions

- Article 1 : The Company is organized in accordance with the provisions of the Company Act on companies limited by shares, and is named Hsin Yung Chien Co., Ltd.
- Article 2 : The Company's business scope is as follows:
1. C804020 Industrial Rubber Products Manufacturing.
 2. C804990 Other Rubber Products Manufacturing.
 3. F401010 International Trade.
 4. C801060 Synthetic Rubber Manufacturing.
 5. C805050 Industrial Plastic Products Manufacturing.
 6. C805070 Reinforced Plastic Products Manufacturing.
 7. C805990 Other Plastic Products Manufacturing.
 8. CB01030 Pollution Controlling Equipment Manufacturing.
 9. CI01010 Rope, Cable and Net Manufacturing.
 10. CI01020 Rug and Felt Manufacturing.
 11. CH01010 Sporting Goods Manufacturing.
 12. F109070 Wholesale of Culture and Education, Musical Instruments, and Educational Entertainment Supplies.
 13. F209060 Retail Sale of Culture and Education, Musical Instruments, and Educational Entertainment Supplies.
 14. CB01010 Mechanical Equipment Manufacturing.
 15. C302010 Weaving of Textiles.
 16. F107200 Wholesale of Chemical Feedstock.
 17. F207200 Retail Sale of Chemical Feedstock.
 18. F107990 Wholesale of Other Chemical Products.
 19. F207990 Retail Sale of Other Chemical Products
 20. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories.
 21. F204110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories.
 22. F113010 Wholesale of Machinery.
 23. F213080 Retail Sale of Other Machinery and Equipment.
 24. F113100 Wholesale of Pollution Controlling Equipment.
 25. F213100 Retail Sale of Pollution Controlling Equipment.
 26. E604010 Machinery Installation.
 27. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 : The total amount of the Company's external reinvestment is not restricted by Article 13 of the Company Act that relevant reinvestment may not exceed the limit of 40% of the paid-in capital.
- Article 4 : The Company has its head office in Nantou County. If necessary, it may establish branches at home or abroad by resolution of the board

of directors.

Chapter II Shares

- Article 5 : The total capital of the Company is set at NT\$1 billion, divided into 100 million shares at NT\$10 per share; the board of directors is authorized to issue them in installments. Of the total capital referred to in the preceding paragraph, NT\$30 million is reserved for the issuance of employee stock options for a total of 3 million shares at NT\$10 per share; the board of directors may resolve to issue them in installments. The shares of the Company shall be in registered form and free from the printing of physical certificates, but shall be registered with the Taiwan Depository and Clearing Corporation.
- Article 6 : The Company's stock affairs shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority and relevant laws and regulations.
- Article 7 : The name change and transfer of shares shall be suspended 60 days before the general shareholders' meeting, 30 days before the extraordinary shareholders' meeting, or 5 days before the ex-date of the Company's decision to distribute dividends, bonuses or other benefits.

Chapter III Shareholders' Meeting

- Article 8 : The Company's shareholders' meeting is divided into two types as on the left:
1. The general shareholders' meeting is held within six months after the end of each fiscal year.
 2. The extraordinary shareholders' meeting is held in accordance with the law when necessary.
- Article 8-1 : The shareholders' meeting of the Company may be held by video conference or other means announced by the central competent authority. If the competent authority has otherwise stipulated conditions, operating procedures, and other matters that the shareholders' meeting by video conference should follow, such provisions shall prevail.
- Article 9 : If a shareholder is unable to attend the shareholders' meeting for any reason, they may issue a power of attorney specifying the scope of authorization, and sign and seal it to entrust a proxy to attend. In addition to the provisions of Article 177 of the Company Act, the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority shall apply for the shareholder's appointment of a proxy to attend the shareholders' meeting.
- Article 10 : The Chairperson shall preside over the shareholders' meeting. When the Chairperson asks for a leave or is unable to exercise their powers for some reason, they shall appoint a director to act as their proxy. If

- the Chairperson has not appointed a proxy, the directors shall appoint one among them to act as proxy.
- Article 11 : Unless otherwise provided in relevant laws and regulations, the proposals of a shareholders' meeting shall be adopted by a majority vote of the shareholders or proxies present, who represent more than half of the total number of voting shares.
- Article 12 : The resolutions of the shareholders' meeting shall be recorded into minutes and signed or stamped by the chair, and distributed to the shareholders within 20 days after the meeting.
The Company may distribute the minutes in the preceding paragraph by electronic means or public announcement.
- Article 12-1 : When the Company intends to cancel the public offering of its shares, it shall list it as a special resolution of the shareholders' meeting, and this provision shall not be changed during the period of TWSE or TPEx listing.

Chapter IV Directors, Audit Committee and Managers

- Article 13 : The Company has seven to eleven directors with a term of office of three years. The candidate nomination system is adopted for the election of directors in accordance with Article 192-1 of the Company Act, and the directors are elected by the shareholders' meeting from the list of candidates. Re-election is allowed. The total number of shares held by all the directors may not be less than a certain percentage of the total number of shares issued by the Company, and the percentage shall be specified by the competent authority.
When there is an election of directors at the shareholders' meeting, each share has the same voting rights as the number of persons to be elected. The shareholders may elect just one person by centralizing the voting rights or several persons by distributing the voting rights, and the candidates winning more election rights will be elected.
The Company has an Audit Committee, which shall be composed of all independent directors. The Audit Committee or the members of the Audit Committee are responsible for the implementation of the functions and powers of supervisors prescribed by the Company Act, the Securities and Exchange Act and other laws and regulations.
- Article 13-1 : In accordance with Article 14-2 of the Securities and Exchange Act, the number of independent directors in the preceding paragraph may not be less than three, and may not be less than one-fifth of the number of directors.
- Article 14 : When the number of directors is less than one-third, the board of directors shall convene a shareholders' meeting within 60 days for a by-election.
- Article 15 : When the term of office of the directors expires but a re-election cannot be held in time, their execution of duties shall be extended until the re-elected directors take office.
- Article 16 : For the election of the Chairperson, the board meeting shall be attended by more than two-thirds of the directors, and a majority of the

directors present shall elect one among them as the Chairperson. The Chairperson represents the Company externally.

- Article 17 : Unless otherwise provided by the Company Act, the board meeting shall be convened by the Chairperson. Unless otherwise provided by relevant laws and regulations, a resolution of the board meeting shall be adopted with the consent of more than half of the directors present.
- Article 17-1 : For the convening of a board meeting, the reasons shall be specified and all directors shall be notified seven days in advance. However, in case of emergency, the meeting may be convened at any time. The convening notice referred to in the preceding paragraph may be sent in writing or by fax or e-mail.
- Article 18 : The chair of the board meeting shall be the Chairperson. When the Chairperson asks for a leave or is unable to exercise their powers for some reason, they shall appoint a director to act as their proxy. If the Chairperson has not appointed a proxy, the directors shall appoint one among them to act as proxy. Directors shall attend the board meeting in person. If a director is unable to attend the meeting for any reason, they may entrust another director to act as their proxy. The proxy referred to above shall be appointed by no more than one person. The board meeting may be held by video conference. If the directors participate in the meeting by video conference, they shall be deemed to be present in person.
- Article 19 : The resolutions of the shareholders' meeting shall be recorded in minutes and signed or stamped by the chair, and distributed to the shareholders within 20 days after the meeting. The minutes of the meeting shall be kept together with the signature book of the directors attending the meeting and the powers of attorney for attending the meeting.
- Article 20 : The composition, powers, rules of procedure and other matters to be followed by the Audit Committee shall be handled in accordance with the relevant provisions of the competent authority of securities.
- Article 21 : The remuneration of the directors of the Company shall be determined by the board of directors according to the general level of the industry.
- Article 21-1 : The Company may purchase liability insurance for directors to reduce the risk of directors being sued by shareholders or other related parties due to their lawful performance of duties.
- Article 22 : The Company may appoint managers, whose appointment, removal and remuneration shall be in accordance with the provisions of the Company Act. The retirement of the appointed manager shall be handled in accordance with the Company's retirement measures for appointed managers.

Chapter V Accounting

- Article 23 : The Company shall, after the end of each accounting year, prepare the following books and records, and submit them to the general shareholders' meeting for recognition in accordance with the law.

1. Business report.
 2. Financial statements.
 3. Proposal for earnings distribution or loss compensation.
- Article 24 : From the current pre-tax net profit of the Company before the deduction of employees' remuneration and directors' remuneration, the Company shall first make up losses. If there is any balance, no less than 2% shall be allocated as the employees' remuneration, and no more than 3% as the directors' remuneration. Employees' remuneration may be in stock or cash, and may be paid to employees of affiliated companies who meet certain conditions. For the distribution of employees' remuneration and directors' remuneration, the resolution shall be adopted by more than two-thirds of the directors present in the board meeting, and approved by more than half of the directors present, and shall be reported to the shareholders' meeting.
- Article 24-1 : If there is any surplus in the annual final accounts of the Company, the profit-seeking enterprise income tax shall be paid first and the losses of previous years shall be made up. If there is still a balance remaining, 10% shall be set aside as the legal reserve in accordance with law, and a special reserve shall be set aside or reversed in accordance with law; if there is still a balance, the board of directors shall prepare an earnings distribution proposal based on the balance and the accumulated undistributed surplus, and submit it to the shareholders' meeting for resolution to distribute dividends to shareholders. As the Company is in a stable growth stage, considering the shareholders' equity, the Company's financial structure and long-term development, the total amount of shareholders' dividends should be more than 20% of the accumulated undistributed earnings, and the cash dividends should not be less than 10% of the total amount of shareholders' dividends. Based on the resolution of the Company's board meeting with the presence of more than two-thirds of the directors and the approval of more than half of the directors present, all or part of the dividends and bonuses shall be distributed in cash, and it shall be reported to the shareholders' meeting.

Chapter VI Supplementary Provisions

- Article 25 : The Company may handle guarantees in accordance with government regulations.
- Article 26 : The Company's organizational rules and rules of procedure shall be separately prescribed by the board of directors.
- Article 27 : Matters not stipulated in the Articles of Association shall be handled in accordance with the Company Act and other laws and regulations.
- Article 28 : The Articles of Association were established on August 8, 1969; the 1st amendment was made on September 19, 1978; the 2nd amendment was made on November 9, 1978; the 3rd amendment was made on June 24, 1980; the 4th amendment was made on August 24, 1981; the

5th amendment was made on August 28, 1982; the 6th amendment was made on January 8, 1991; the 7th amendment was made on November 2, 1993; the 8th amendment was made on November 27, 1995; the 9th amendment was made on December 7, 1996; the 10th amendment was made on December 23, 1997; the 11th amendment was made on December 1, 1999; the 12th amendment was made on January 7, 2000; the 13th amendment was made on April 24, 2000; the 14th amendment was made on June 28, 2002; the 15th amendment was made on August 7, 2002, the 16th amendment was made on November 13, 2002; the 17th amendment was made on June 26, 2003; the 18th amendment was made on June 17, 2004; the 19th amendment was made on June 17, 2004; the 20th amendment was made on June 17, 2005; the 21st amendment was made on June 17, 2005; the 22nd amendment was made on April 28, 2006; the 23rd amendment was made on June 14, 2007; the 24th amendment was made on June 13, 2008; the 25th amendment was made on May 26, 2010; the 26th amendment was made on June 27, 2012; the 27th amendment was made on June 24, 2015; the 28th amendment was made on June 27, 2016; the 29th amendment was made on June 25, 2019; the 30th amendment was made on June 22, 2020; the 31st amendment was made on July 7, 2021; the 32nd amendment was made on June 22, 2022.

Hsin Yung Chien Co., Ltd.

Chairman: Lin, Chi-Chin

Appendix 2

| Document name | Rules of Procedure of Shareholders' Meetings | No. | TM-01 |
|------------------------|---|--------------------------------|---------------|
| | | Establishment (amendment) date | June 22, 2022 |
| Applicable departments | The entire company | Version number | Version 5 |
| Document grade | <input type="checkbox"/> Controlled <input checked="" type="checkbox"/> Non-controlled | Page | Page 4 of 1 |
| Article 1: | The shareholders' meeting of the Company shall be conducted in accordance with the Rules of Procedure. | | |
| Article 2: | Shareholders (or proxies) attending the meeting shall wear their attendance cards and hand in their attendance cards to sign in. If the shareholders' meeting is held by video conference, and shareholders wish to attend by video, they shall register with the Company two days before the shareholders' meeting. | | |
| Article 2-1: | <p>When the Company holds a shareholders' meeting by video conference, the following items shall be specified in the convening notice of the shareholders' meeting:</p> <ol style="list-style-type: none"> 1. Methods for shareholders' participation in the video conference and the exercise of their rights. 2. The handling of dealing with obstacles caused by natural disasters, incidents or other force majeure events to the video conference platform or participation in the video conference shall at least include the following: <ol style="list-style-type: none"> (1) The time of the postponed or resumed meeting due to the continuation of the aforementioned obstacles which cannot be eliminated, and the date of the meeting to be postponed or resumed if necessary. (2) Shareholders who have not registered to participate in the original shareholders' meeting by video conference may not participate in the postponed or resumed meeting. (3) If a video-assisted shareholders' meeting cannot be resumed, the shareholders' meeting shall be continued if the total number of shares present at the shareholders' meeting reaches the quorum of the shareholders' meeting after deducting the number of shares present at the shareholders' meeting by video conference. The number of shares present at the shareholders' meeting by video conference shall be counted into the total number of shareholders' shares present, and all proposals of the shareholders' meeting shall be deemed to have been waived. (4) The handling method in the event that all motions have been announced, but no extempore motions have been made. 3. If the shareholders' meeting is held by video conference, the appropriate alternative measures shall be specified for the shareholders who have difficulty in participating in the shareholders' meeting by video conference. | | |
| Article 3: | Attendance at shareholders' meetings shall be calculated based on the number of shares. The number of attending shares is calculated based on the number of shares registered in the signature book, on the sign-in cards and on the video conference platform, plus the number of shares of shareholders exercising their voting rights in writing or electronically. | | |
| Article 4: | <p>The place of the shareholders' meeting shall be the county or city where the Company is located, or a place convenient for shareholders to attend; the meeting start time shall be between 9 am and 3 pm. When the Company holds a shareholders' meeting by video conference, the restrictions on the place of the meeting referred to above shall not apply. When the Company holds a shareholders' meeting by video conference, the chair and the minute taker shall be at the same place in Taiwan, and the chair shall announce the address of the place at the time of the meeting.</p> <p>Changes of the convening method of the Company's shareholders' meeting shall be decided by the board of directors, and shall be made at the latest before the notice of the shareholders' meeting is sent.</p> <p>When the Company convenes a shareholders' meeting by video conference, it shall provide appropriate alternative measures for shareholders who have difficulty in attending the shareholders' meeting by video conference.</p> | | |
| Article 5: | Unless otherwise provided by the Company Act, the Chairperson shall be the chair of the shareholders' meeting. If the Chairperson asks for a leave or is unable to exercise their powers for some reason, the Deputy Chairperson shall act as their proxy. If there | | |

| | | | |
|------------------------|--|--------------------------------|---------------|
| Document name | Rules of Procedure of Shareholders' Meetings | No. | TM-01 |
| | | Establishment (amendment) date | June 22, 2022 |
| Applicable departments | The entire company | Version number | Version 5 |
| Document grade | <input type="checkbox"/> Controlled <input checked="" type="checkbox"/> Non-controlled | Page | Page 4 of 2 |

| | |
|--|---|
| <p>is no Deputy Chairperson or the Deputy Chairperson also asks for a leave or is unable to exercise their powers for some reason, the Chairperson shall appoint a director to act as their proxy. If the Chairperson has not appointed a proxy, the directors shall appoint one among them to act as proxy.</p> | |
| Article 6: | The Company may appoint its appointed lawyers, accountants or relevant personnel to attend the shareholders' meeting as nonvoting delegates. |
| Article 7: | <p>The Company shall make audio or video recordings of the whole process of the shareholders' meeting and keep the recordings for at least one year.</p> <p>If the shareholders' meeting is held by video conference, the Company shall record and save the shareholders' registration, sign-in, reporting, questioning, voting and the Company's vote counting results, and make continuous audio and video recordings of the whole process of the video conference meeting.</p> <p>The Company shall properly preserve the data and audio and video recordings referred to in the preceding paragraph for the duration of its existence, and provide the audio and video recordings to those entrusted with the handling of video conference affairs for preservation.</p> <p>Where the shareholders' meeting is held by video conference, the Company shall make audio and video recordings of the backend operating interface of the video conference platform.</p> |
| Article 8: | <p>When the shareholders' meeting is attended by shareholders (or proxies) representing more than half of the total number of issued shares, the chair shall call the meeting to order. If it is past the meeting start time but the quorum is not met, the chair may declare the meeting to be postponed. The number of postponements is limited to two, and the total postponement time may not exceed one hour. If the quorum is still not met after the second postponement but shareholders (or proxies) representing more than one-third of the total number of issued shares are present, tentative resolutions may be adopted with the consent of more than half of the voting rights of the shareholders present.</p> <p>After the adoption of tentative resolutions referred to in the preceding paragraph, if the number of shares represented by the shareholders (or proxies) present has reached the quorum, the chair may submit the tentative resolutions made to the general meeting for ratification.</p> |
| Article 9: | <p>The agenda of the shareholders' meeting shall be set by the board of directors; the meeting shall be conducted in accordance with the scheduled agenda, which may not be changed without a resolution.</p> <p>The chair may not declare the meeting adjourned prior to completion of the meeting agenda (including extempore motions) referred to in the preceding paragraph. After the meeting is adjourned by resolution, the shareholders may not elect another chair to continue the meeting at the original address or another place.</p> |
| Article 9-1: | <p>When the shareholders' meeting is convened by video conference, the chair shall, at the time of calling the meeting to order, announce that, unless the meeting does not need to be postponed or resumed as prescribed in Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies. If there is an obstacle to the video conference platform or participation by video conference for more than 30 minutes due to natural disasters, incidents or other events of force majeure before the chair announces the adjournment of the meeting, the meeting shall be postponed or resumed within five days, and the provisions of Article 182 of the Company Act shall not apply.</p> <p>In the event of a postponed or resumed meeting referred to in the preceding paragraph, shareholders who have not registered to participate in the original shareholders' meeting by video conference may not participate in the postponed or resumed meeting.</p> <p>If the shareholders who have registered to participate in the original shareholders' meeting by video conference and have completed the registration in accordance with</p> |

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| Document name | Rules of Procedure of Shareholders' Meetings | No. | TM-01 |
| | | Establishment (amendment) date | June 22, 2022 |
| Applicable departments | The entire company | Version number | Version 5 |
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| <p>the provisions of paragraph 2 above, but have not participated in the postponed or resumed meeting, the number of shares present at the original shareholders' meeting, the voting rights and election rights exercised shall be included in the total number of shares, voting rights and election rights of shareholders present at the postponed or resumed meeting.</p> <p>When postponing or resuming the shareholders' meeting in accordance with the provisions of paragraph 2 above, there is no need to discuss and resolve the proposals for which the voting and counting of votes, and the announcement of the voting results or the list of directors and supervisors elected have been completed.</p> <p>When the Company holds a video-assisted shareholders' meeting, and the video-assisted meeting cannot be resumed in accordance with paragraph 2 above, if the total number of shares present at the shareholders' meeting still reaches the quorum of the shareholders' meeting after deducting the number of shares present at the shareholders' meeting by video conference, the shareholders' meeting shall continue without postponing or resuming the meeting in accordance with paragraph 2 above.</p> <p>In the event that the meeting referred to in the preceding paragraph should continue, the number of shareholders participating in the shareholders' meeting by video conference shall be included in the total number of shares of the shareholders attending the meeting. However, all rights on the proposals of the shareholders' meeting shall be deemed waived.</p> <p>When the Company postpones or resumes a meeting in accordance with the provisions of paragraph 2 above, it shall, in accordance with the provisions set forth in paragraph 7 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, handle the relevant preparatory procedures in accordance with those of the original date of the shareholders' meeting and the provisions of the relevant articles.</p> <p>During the period specified in the latter part of Article 12 and paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, paragraph 2 of Article 44-5, Article 44-15, and paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the date of the shareholders' meeting in accordance with paragraph 2 above.</p> | |
| Article 10: | <p>Before speaking, an attending shareholder (or proxy) must specify on the speaker's slip the subject of the speech, their shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.</p> <p>An attending shareholder (or proxy) 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 confirmed spoken content shall prevail.</p> |
| Article 11: | <p>Except with the consent of the chair, a shareholder (or proxy) may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules above or goes beyond the scope of the proposal, the chair may terminate the speech.</p> <p>Where the shareholders' meeting is held by video conference, the shareholders participating by video conference may ask questions in writing on the video conference platform of the shareholders' meeting after the chair calls the meeting to order and before the announcement of the adjournment of the meeting. The number of questions for each proposal may not exceed twice, and each question shall be limited to 200 words.</p> <p>If the question referred to in the preceding paragraph does not violate the provisions or does not exceed the scope of the proposal, it is advisable to disclose the question on the video conference platform of the shareholders' meeting to let everyone know.</p> |

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| Article 12: | When a legal person is entrusted to attend the shareholders' meeting, the legal person may appoint only one representative to attend. When a legal person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives appointed may speak on the proposals. |
| Article 13: | After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond. |
| Article 14: | When the chair considers that the discussion of a proposal has reached the level of voting, they may, with the consent of the shareholders (or proxies) present, declare to stop the discussion and put it to vote. |
| Article 15: | The staff for monitoring and counting the votes of the proposals shall be appointed by the chair, but the monitoring staff shall have the status of shareholder. The voting results shall be reported on the spot and recorded. A proposal is passed by a majority consent. |
| Article 16: | During the meeting, the chair may announce a break period at their discretion. |
| Article 17: | Unless otherwise provided by the Company Act and the Articles of Association, proposals shall be passed by the consent of more than half of the voting rights of the shareholders (or proxies) present. |
| Article 17-1: | When the Company holds a video shareholders' meeting, after the chairman calls the meeting to order, the shareholders who participate in the shareholders' meeting by video shall vote on various proposals and elections through the video conference platform, and shall complete the voting before the chairman announces the end of the voting. Those who exceed the time limit shall be deemed to have waived from voting. If the shareholders' meeting is held by video conference, the votes shall be counted in one go after the chair announces the end of voting, and the voting and election results shall be announced. When the Company holds a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video conference in accordance with Article 6 but want to attend the physical shareholders' meeting in person shall cancel the registration in the same way that they registered two days before the shareholders' meeting; if the cancellation is overdue, the shareholders' meeting may only be attended by video conference. Those who exercise their voting rights in written or electronic form, have not withdrawn their expression of intention, and have participated in the shareholders' meeting by video conference may not exercise their voting rights on the original motion or propose amendments to the original motion, or exercise their voting rights on the amendments to the original motion, except for extempore motions. If the shareholders' meeting is held by video conference, the Company shall immediately disclose the voting results and election results of various proposals on the video conference platform of the shareholders' meeting in accordance with the regulations after the voting is completed, and shall continue to disclose the results for at least 15 minutes after the chair announces the adjournment of the meeting. |
| Article 18: | When there are amendments or substitutions to the same motion, the chair shall determine the order of voting. If one of the proposals is approved, the other proposals shall be deemed to be rejected and no more voting shall be needed. |
| Article 19: | The chair may direct stewards (or security personnel) to help maintain order at the meeting. When stewards (or security personnel) are present to help maintain order, they should wear armbands with the word "steward". |
| Article 20: | Matters not stipulated in the Rules shall be handled in accordance with the provisions of the Company Act and the Articles of Association of the Company. |
| Article 21: | The Rules shall come into force after being approved by the shareholders' meeting, and the same shall apply to amendments. |

Appendix 3

Hsin Yung Chien Co., Ltd.

Directors' shareholdings

1. The minimum number of shares to be held by all directors and the details of the number of shares held as recorded in the register of shareholders.

| Job title | Number of shares to be held | Number of shares held as recorded in the register of shareholders on March 24, 2025 |
|-----------|-----------------------------|---|
| Director | 6,239,336 | 30,785,800 |

2. Details of directors' shareholdings

| Job title | Name | Shareholding |
|----------------------|--|--------------|
| Chairman | Ji Wng Cheng Co., Ltd. Representative: Lin, Chi-Chi | 15,343,420 |
| Director | You Zhen Co., Ltd. Representative: Lin, Chi-Uo | 14,466,000 |
| Director | Huang, Kuo-Chen | 128,000 |
| Director | Chiu, Po-Ta | 160,000 |
| Director | Chen, Chao-Kuo | 688,380 |
| Director | Chen, Chin-Yi | 0 |
| Independent Director | Lin, Ching-An | 0 |
| Independent Director | Lin, Chen-Chih | 0 |
| Independent Director | Lin, Shu-Hui | 0 |
| Total shareholders | | 30,785,800 |

Note: 1. The number of shares issued by the Company as of March 24, 2025 is 77,991,707.

2. The book-close date is March 24, 2025.