

Stock Code: 2114

HSIN YUNG CHIEN CO., LTD

2024 Annual Shareholders' Meeting

Meeting Handbook



Time: 9 am on May 15, 2024

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 2024 General Shareholders' Meeting

Time: 9 am on May 15, 2024 (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 2023 business status.

(II) 2023 Audit Report of the Audit Committee.

(III) Report on the 2023 distribution of employees' remuneration and directors' remuneration.

(IV) Report on the 2023 distribution of cash dividends from earnings.

II. Matters for Proposals:

(1) Adoption of the 2023 business report and financial statements.

(2) Adoption of the 2023 earnings distribution proposal.

III. Election matters

Re-election of directors.

IV. Other Motions

Proposal to lift restrictions on competition for newly appointed directors and their representatives.

V. Extempore Motions.

VI. Meeting Adjourned.

One. Matters to Be Reported:

Item 1

Summary: Report on the 2023 business status.

Description: Please refer to pages 5 to 9 of this handbook for the business report.

Item 2

Summary: 2023 Audit Report of the Audit Committee.

Description: Please refer to pages 10 of this handbook for the 2023 Audit Report of the Audit Committee.

Item 3

Summary: Report on the 2023 distribution of employees' remuneration and directors' remuneration.

Description: From the 2023 pre-tax net profit of the Company before the deduction of employees' remuneration and directors' remuneration, 2% or NT\$12,074,269 is appropriated as the employees' remuneration and 1.5% or NT\$9,055,701 is appropriated as the directors' remuneration; both are paid in cash.

Item 4

Summary: Report on the 2023 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 2023 business report and financial statements.

Description: 1. The Company's 2023 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 5 to 9 and pages 11 to 22 of this handbook for the business report and financial statements.

Resolution:

Item 2

Proposed by the board of directors

Summary: Adoption of the 2023 earnings distribution proposal.

Description: Please refer to page 23 of this handbook for the Company's 2023 earnings distribution scheme.

Resolution:

Three. Election matters:

Summary: Re-election of directors.

Proposed by the Board of Directors

Description: 1. The term of office of the 19th Board of Directors of the Company expired on July 6, 2024. It is planned to elect all directors at this year's general meeting.

2. In accordance with the provisions of the Company's Articles of Incorporation, the Company shall elect nine directors, including three independent directors, who shall have a term of office of three years by adopting the candidate nomination system.

3. The directors of the 20th Board of Directors newly elected this time shall be elected at the 2024 general shareholders' meeting for a term of three years from May 15, 2024 to May 14, 2027; the 19th Board of Directors will serve until the completion of the re-election at the annual shareholders' meeting in 2024.

4. The list of candidates for directors (including independent directors) has been reviewed and approved by the board of directors on February 22, 2024. Please refer to page 24 to 25 of this handbook for the list of candidates.

Election results:

Four. Other Motions:

Summary: please kindly discuss the lifting of non-compete restrictions on the newly elected directors and their representatives. Proposed by the Board of Directors

Description: 1. According to Article 209 of the Company Act, directors who do anything for themselves or others that are within the scope of the company's business, shall explain to the shareholders' meeting the important contents of their actions and obtain their permission.

2. Approval of the lifting of non-compete restrictions on the new directors and their representatives without prejudice to the interests of the Company, if the new directors of the Company are under the abovementioned circumstances.

3. For the information on the competition of director candidates and their representatives, please refer to page 26 of this handbook.

FIVE. Extempore motions

SIX. Meeting Adjourned

Hsin Yung Chien Co., Ltd.

Business Report

I. Report on the 2023 business results

(I) Business plan implementation results

The net operating income of the Company in 2023 was NT\$1,558,156 thousand, decreased by 16% compared with NT\$1,845,955 thousand in 2022, and the operating income in 2023 was NT\$525,319 thousand, decreased by 12% compared with NT\$596,811 thousand in 2022.

This year's revenue decreased by 16% from the same period last year, mainly due to the continued increase in interest rates by major countries in Europe and the United States to curb inflation and the significant slowdown of manufacturing activities in every country with the ongoing Russo-Ukrainian War, resulting in a decrease in demand, which in turn affected the revenue and income. Despite the decrease in revenue, the Company's gross profit margin is still good as it continues to optimize the product portfolio. Due to the proper control of expenses and the significant decrease in export sea freight, there is growth in operating margin compared to the same period last year.

In 2022, the Company's non-industry investment in marine shares had fallen sharply due to the significant drop in market price, resulting in unrealized valuation losses. In 2022, the Company's non-industry investment had been fully disposed, so the non-industry investment as a whole was still a net investment gain; there was no such non-industry investment in 2023.

Unit: NT\$ thousands

Item \ Year	2023	2022	Increase (decrease) rate
Net operating income	1,558,156	1,845,955	(16%)
Operating costs	(898,864)	(1,004,048)	(10%)
Gross operating profit	659,292	841,907	(22%)
Operating expenses	(133,973)	(245,096)	(45%)
Net operating income	525,319	596,811	(12%)
Non-operating income (expenses)	58,002	(81,048)	172%
Income (loss) before income tax	583,321	515,763	13%
Income tax expense	(114,136)	(123,792)	(8%)
Profit	469,185	391,971	20%
EPS after tax	6.02	Operating 6.07- non-operating 1.04 =5.03	

(II) Budget implementation status:

According to current laws and regulations, the Company did not publicly disclose financial forecast data in 2023, 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		2023	2022
Financial structure (%)	Debt to asset ratio	19	16
Solvency (%)	Current ratio	649	567
	Quick ratio	593	499
Profitability (%)	Return on assets	13	11
	Return on equity	15	13
	Net profit margin (%)	30	21
	Earnings per share (NT\$)	6.02	5.03

(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's environment friendly and recyclable composite materials participated in the 2023 Paris JEC composite material exhibition, the Eurobike Show and Taichung Week Bicycle Show 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.

In the post-pandemic era, the global economy has declined and the outbreak of wars in Ukraine and the Middle East have rendered the global economy no prospect of recovery. In the main markets such as Europe and the United States, the inventory levels of various brands of bicycles take more than half a year to clear the inventory or even longer.

How to boost the economy and stimulate the recovery of the consumer market has become a top priority for all countries or brand operators. At the same time, Newsheet must also prepare for mass production of new products during this period, coupled with the training of process equipment and personnel, we want to be optimally prepared in this sluggish economy. The first time the economy recovers, it will be able to increase the proportion of revenue and contribute to the Company's overall revenue. The following is a description of the progress of product development and promotion:

A. Electric bicycle frames:

In 2023, the production lines were gradually completed and the development of electric mountain climbing bicycle frames together with a famous American bicycle brand entered the final verification stage, waiting to be completed. However, the inventory level of the brand's old models is still high, and the launch of the brand will be postponed.

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 not be launched until the second or third quarter of 2024.

In the 2024 exhibition plan, we will participate in the Taipei Bicycle Show to promote exposure and cooperate with foreign trade associations around the world to develop more bicycle customers and generate more revenue.

B. Thermoplastic carbon fiber composite bicycle wheel rims In 2024, machines, equipment and production lines were gradually completed and product validation and related safety tests of thermoplastic carbon fiber composite bicycle wheel rims are expected to be completed in the second quarter and samples will be sent to relevant customers. If all goes well, the company can begin taking orders and mass-producing. The production capacity can be expanded to meet the customer's needs according to the customer's business promotion time.

II. 2024 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 2023 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 2024 General Shareholders' Meeting of Hsin Yung Chien Co., Ltd.

Hsin Yung Chien Co., Ltd.

Convener of the Audit Committee:

Lin, Ching-An

February 22, 2024

Attachment 3

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR23003336

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, 2023 and 2022, 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 significant 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, 2023 and 2022, 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 Auditing and Attestation of Financial Statements by 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 judgment, were of most significance in our audit of the Company's 2023 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 2023 individual financial statements are stated as follows:

1. Timing of sales revenue recognition

Description

Refer to Note 4(25) for accounting policies on sales revenue and Note 6(17) 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(11) for accounting policy on inventory valuation, Note 5 for uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(5) for details of allowance for inventory valuation losses. As of December 31, 2023, the Company's inventories and allowance for inventory valuation losses amounted to \$213,433 thousand and \$16,683 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. Considered 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 judgment 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 22, 2024

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 723,078	19	\$ 1,185,269	33
1136	Current financial assets at amortised cost, net	6(3) and 8	1,112,778	30	529,225	15
1150	Notes receivable, net	6(4)	8,896	-	8,529	-
1170	Accounts receivable, net	6(4)	198,496	5	150,568	4
1200	Other receivables		6,553	-	6,447	-
130X	Inventories	6(5)	196,750	5	237,345	7
1470	Other current assets	6(6)	21,662	1	20,214	1
11XX	Current Assets		<u>2,268,213</u>	<u>60</u>	<u>2,137,597</u>	<u>60</u>
Non-current assets						
1600	Property, plant and equipment	6(7) and 8	1,324,291	35	1,265,940	35
1780	Intangible assets		1,654	-	3,638	-
1840	Deferred income tax assets	6(23)	20,819	-	23,527	1
1900	Other non-current assets	6(8)(12)	189,645	5	137,845	4
15XX	Non-current assets		<u>1,536,409</u>	<u>40</u>	<u>1,430,950</u>	<u>40</u>
1XXX	Total assets		<u>\$ 3,804,622</u>	<u>100</u>	<u>\$ 3,568,547</u>	<u>100</u>

(Continued)

HSIN YUNG CHIEN CO., LTD.
INDIVIDUAL BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2130	Current contract liabilities	6(17)	\$ 17,055	1	\$ 47,104	1
2150	Notes payable		15,350	-	29,916	1
2160	Notes payable - related parties	7(2)	46,765	1	54,846	2
2170	Accounts payable		17,823	1	24,579	1
2180	Accounts payable - related parties	7(2)	16,486	-	15,028	1
2200	Other payables	6(9)	101,862	3	77,973	2
2230	Current income tax liabilities	6(23)	48,825	1	78,757	2
2250	Provisions for liabilities - current	6(10)	7,447	-	3,227	-
2320	Long-term liabilities, current portion	6(11)	76,786	2	44,333	1
2399	Other current liabilities, others	6(17)	1,148	-	1,000	-
21XX	Current Liabilities		<u>349,547</u>	<u>9</u>	<u>376,763</u>	<u>11</u>
Non-current liabilities						
2540	Non-current portion of non-current borrowings	6(11)	335,595	9	155,667	4
2570	Deferred income tax liabilities	6(23)	30,787	1	33,195	1
2600	Other non-current liabilities		100	-	100	-
25XX	Non-current liabilities		<u>366,482</u>	<u>10</u>	<u>188,962</u>	<u>5</u>
2XXX	Total Liabilities		<u>716,029</u>	<u>19</u>	<u>565,725</u>	<u>16</u>
Equity						
Equity attributable to owners of parent						
	Share capital	6(14)				
3110	Share capital - common stock		779,918	20	779,918	22
	Capital surplus	6(15)				
3200	Capital surplus		254,929	7	248,381	6
	Retained earnings	6(16)				
3310	Legal reserve		696,315	18	656,668	19
3350	Unappropriated retained earnings		1,357,431	36	1,317,855	37
3XXX	Total equity		<u>3,088,593</u>	<u>81</u>	<u>3,002,822</u>	<u>84</u>
	Significant contingent liabilities and unrecognized contract commitments	9				
3X2X	Total liabilities and equity		<u>\$ 3,804,622</u>	<u>100</u>	<u>\$ 3,568,547</u>	<u>100</u>

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, 2023 AND 2022

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

Year ended December 31

	Items	Notes	2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(17)	\$ 1,558,156	100	\$ 1,845,955	100
5000	Operating costs	6(5)(21)(22) and 7(2)	(898,864)	(58)	(1,004,048)	(55)
5900	Net operating margin		<u>659,292</u>	<u>42</u>	<u>841,907</u>	<u>45</u>
	Operating expenses	6(21)(22)				
6100	Selling expenses		(69,097)	(5)	(193,512)	(11)
6200	General and administrative expenses		(46,329)	(3)	(44,827)	(2)
6300	Research and development expenses		(18,547)	(1)	(7,757)	-
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	-	-	1,000	-
6000	Total operating expenses		(133,973)	(9)	(245,096)	(13)
6900	Operating profit		<u>525,319</u>	<u>33</u>	<u>596,811</u>	<u>32</u>
	Non-operating income and expenses					
7100	Interest income	6(18)	24,643	2	9,971	1
7010	Other income	6(19)	27,087	2	71,841	4
7020	Other gains and losses	6(20)	7,940	-	(162,608)	(9)
7050	Finance costs		(1,668)	-	(252)	-
7000	Total non-operating income and expenses		<u>58,002</u>	<u>4</u>	<u>(81,048)</u>	<u>(4)</u>
7900	Profit before income tax		<u>583,321</u>	<u>37</u>	<u>515,763</u>	<u>28</u>
7950	Income tax expense	6(23)	(114,136)	(7)	(123,792)	(7)
8200	Profit for the year		<u>\$ 469,185</u>	<u>30</u>	<u>\$ 391,971</u>	<u>21</u>
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(12)(23)	(\$ 3)	-	\$ 5,629	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		<u>1</u>	<u>-</u>	<u>(1,126)</u>	<u>-</u>
8300	Total other comprehensive income for the year		<u>(\$ 2)</u>	<u>-</u>	<u>\$ 4,503</u>	<u>-</u>
8500	Total comprehensive income for the year		<u>\$ 469,183</u>	<u>30</u>	<u>\$ 396,474</u>	<u>21</u>
	Basic earnings per share	6(24)				
9750	Total basic earnings per share		<u>\$ 6.02</u>	<u>\$ 5.03</u>		
	Diluted earnings per share	6(24)				
9850	Total diluted earnings per share		<u>\$ 5.99</u>	<u>\$ 5.00</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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Capital surplus	Retained Earnings		Total equity
				Legal reserve	Unappropriated retained earnings	
<u>Year ended December 31, 2022</u>						
Balance at January 1, 2022		\$ 779,918	\$ 241,826	\$ 559,813	\$ 1,564,178	\$ 3,145,735
Profit for the year		-	-	-	391,971	391,971
Other comprehensive income for the year		-	-	-	4,503	4,503
Total comprehensive income		-	-	-	396,474	396,474
Appropriation and distribution of 2021 earnings:	6(16)					
Legal reserve appropriated		-	-	96,855	(96,855)	-
Cash dividends of ordinary share		-	-	-	(545,942)	(545,942)
Dividends not received by shareholders	6(15)	-	170	-	-	170
Share-based payments	6(13)(15)	-	6,385	-	-	6,385
Balance at December 31, 2022		\$ 779,918	\$ 248,381	\$ 656,668	\$ 1,317,855	\$ 3,002,822
<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 income for the year		-	-	-	(2)	(2)
Total comprehensive income		-	-	-	469,183	469,183
Appropriation and distribution of 2022 earnings:	6(16)					
Legal reserve appropriated		-	-	39,647	(39,647)	-
Cash dividends of ordinary share		-	-	-	(389,960)	(389,960)
Dividends not received by shareholders	6(15)	-	163	-	-	163
Share-based payments	6(13)(15)	-	6,385	-	-	6,385
Balance at December 31, 2023		\$ 779,918	\$ 254,929	\$ 696,315	\$ 1,357,431	\$ 3,088,593

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 583,321	\$ 515,763
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(21)	74,040	78,159
Amortization expense	6(21)	10,694	6,021
Reversal of provision for bad debt expense	12(2)	-	(1,000)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(20)	-	257,800
(Gain) loss on disposal of property and equipment	6(20)	76	(39,995)
Interest income	6(18)	(24,643)	(9,971)
Dividend income	6(19)	-	(65,259)
Interest expense		1,668	252
Share-based payments	6(13)(15)	6,385	6,385
Unrealized foreign exchange (gain) loss		(13,091)	(28,161)
Provision for sales returns and discounts	6(5)(10)	4,220	-
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		(367)	6,350
Accounts receivable, net		(66,090)	134,870
Other receivables		(106)	22,630
Inventories		40,595	61,013
Other current assets		(1,522)	48,561
Changes in operating liabilities			
Contract liabilities		(5,093)	10,135
Notes payable		(14,566)	(78,903)
Notes payable - related parties		(8,081)	4,139
Accounts payable		(6,945)	(27,067)
Accounts payable - related parties		1,458	(876)
Other payables		(10,840)	(51,991)
Other current liabilities		147	(5,112)
Net defined benefit liability		(707)	(654)
Cash inflow generated from operations		570,553	843,089
Interest received	6(18)	24,643	9,971
Dividends received	6(19)	-	65,259
Interest paid		(1,560)	(212)
Income taxes paid		(143,768)	(93,875)
Net cash flows from operating activities		449,868	824,232

(Continues)

HSIN YUNG CHIEN CO., LTD.
INDIVIDUAL STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		(\$ 658,709)	(\$ 524,080)
Proceeds from repayments of financial assets at amortised cost		77,671	46,681
Acquisition of financial assets at fair value through profit or loss		-	(30,307)
Proceeds from disposal of financial assets at fair value through profit or loss	6(2)	-	859,036
Acquisition of property and equipment	6(25)	(153,069)	(359,933)
Proceeds from disposal of property, plant and equipment		371	110,829
Decrease in refundable deposits	6(8)	3,321	9,256
Acquisition of intangible assets		(243)	(960)
Increase in other operating assets		(7,337)	(3,986)
Net cash flows (used in) from investing activities		(737,995)	106,536
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from long-term debt	6(25)	261,000	200,000
Repayments of long-term borrowings	6(25)	(48,619)	-
Cash dividends paid	6(16)	(389,960)	(545,942)
Ddividends not received by shareholders	6(15)	163	170
Net cash flows used in financing activities		(177,416)	(345,772)
Effect of exchange rate changes on cash and cash equivalents		3,352	13,083
Net (decrease) increase in cash and cash equivalents		(462,191)	598,079
Cash and cash equivalents at beginning of year		1,185,269	587,190
Cash and cash equivalents at end of year		\$ 723,078	\$ 1,185,269

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

Attachment 4

Hsin Yung Chien Co., Ltd.
Earnings Distribution Table
2023

Unit: NT\$

<u>Item</u>	<u>Amount</u>
2023 profit after-tax	469,185,349
Less: remeasurement of the defined benefit plan in the current year	<u>(2,253)</u>
Total 2023 profit after-tax	469,183,096
Less: provision of legal reserve	<u>(46,918,310)</u>
Distributable earnings in the current year	422,264,786
Add: undistributed earnings at the beginning of the period	<u>888,249,204</u>
Distributable earnings at the end of 2023	1,310,513,990
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>920,555,455</u>

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

Hsin Yung Chien Co., Ltd
List of candidates for directors
(including independent directors)

Attachment 5

Job title category	Name	Education level	Experience	Current position	Reasons for Nomination of Independent Directors Who Have Served Three Terms
Director	Ji Wng Cheng Co., Ltd. Representative : Lin, Chi-Chi	Dominican University, U.S.A. Master of Management	Chairman, Hsin Yung Chien Co., Ltd.	Chairman, Hsin Yung Chien Co., Ltd.	
Director	You Zhen Co., Ltd. Representative: Lin, Chi-Uo	Department of Business Administration, Da-Yeh University Graduate school	President of Yung Chien Co., Ltd.	President of Yung Chien Co., Ltd.	
Director	Huang, Kuo-Chen	Graduated from Chien Kuo Commercial College, Department of International Trade	Yuanlin Credit Cooperative Supervisor and Chairman		
Director	Chen, Chin-Yi	Graduated from Department of Economics, Tunghai University	Director, Audit Division, Chang Hwa Bank		
Director	Chen, Chao-Kuo	Graduated from Chiayang High School	Chairman, KONG CHOU CONSTRUCTION CO., LTD.	KONG CHOU CONSTRUCTION CO., LTD. Chairman	
Director	Chiu, Po-Ta	Graduated from Feng Chia University, Department of Business Administration	Chairman, LIH HSIN INDUSTRIAL & TRADING CO., LTD.	Chairman, LIH HSIN INDUSTRIAL & TRADING CO., LTD.	

Independent Director	Lin, Chen-Chih	Master of Philosophy, Tunghai University	General Manager of ODI Enterprise Development Co., Ltd.	General Manager of ODI Enterprise Development Co., Ltd.	He has the corporate governance expertise and experience, which will be of obvious benefit to the Company.
Independent Director	Lin, Ching-An	Graduated from Fengyuan Senior Commercial Vocational School	Manager, Changhua Bank Nantou and Changhua Branch		
Independent Director	Lin, Shu-Hui	Master of Financial Management, College of Management, National Chung Hsing University	1. Assistant Manager, TAIWAN INTERNATIONAL SECURITIES CO.,LTD. 2. Hsin Yung Chien Co., Ltd. Accounting Manager 3. Financial and Accounting Consultant, Pets Mall Co., Ltd.	Financial and Accounting Consultant, Pets Mall Co., Ltd.	

Hsin Yung Chien Co., Ltd
 For the information on the competition of
 director candidates and their representatives

Attachment 6

Job title category	Name	Positions concurrently held at other companies
Director	Ji Wng Cheng Co., Ltd. Representative: Lin, Chi-Chi	Hong Chuan Industrial Co., Ltd. Director
Director	You Zhen Co., Ltd. Representative: Lin, Chi-Uo	Hong Chuan Industrial Co., Ltd. Director

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, 2023.

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>Article 6:</p> <p>Article 7:</p> <p>Article 8:</p> <p>Article 9:</p> <p>Article 9-1:</p>	<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> <p>The Company may appoint its appointed lawyers, accountants or relevant personnel to attend the shareholders' meeting as nonvoting delegates.</p> <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. 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. 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. 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> <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. 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> <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. 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> <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. 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. 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
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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:	<p>When a legal person is entrusted to attend the shareholders' meeting, the legal person may appoint only one representative to attend.</p> <p>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.</p>
Article 13:	<p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>
Article 14:	<p>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.</p>
Article 15:	<p>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.</p>
Article 16:	<p>During the meeting, the chair may announce a break period at their discretion.</p>
Article 17:	<p>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.</p>
Article 17-1:	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
Article 18:	<p>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.</p>
Article 19:	<p>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".</p>
Article 20:	<p>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.</p>
Article 21:	<p>The Rules shall come into force after being approved by the shareholders' meeting, and the same shall apply to amendments.</p>

Appendix 3

Document name	Procedures for Election of Directors	No.	TM-02
		Establishment (amendment) date	June 24, 2021
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Article 1: Purpose and Source of Law

To ensure a fair, just and open election of directors, these Procedures are established in accordance with Articles 21 and 41 of the "Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies."

Article 2: Scope

Except as otherwise provided by law and regulations or by the Company's Articles of Incorporation, elections of directors shall be governed by these Procedures.

Article 3: The overall composition of the Board of Directors shall be considered in the election of the Company's directors. The composition of the board of directors shall take diversity into account and appropriate policies shall be adopted for diversity in terms of its own operations, business model and development needs. It should include but not be limited to the following two major standards:

1. Basic conditions and values: gender, age, nationality and culture, among others.
 2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills and industry experience.
- Members of the Board of Directors shall generally possess the necessary knowledge, skills and attributes to perform their duties and shall have the following abilities as a whole:
1. Operating judgment.
 2. Accounting and financial analysis ability.
 3. Operations and management ability.
 4. Crisis management capability.
 5. Industry knowledge.
 6. The international market view.
 7. Leadership.
 8. Decision-making ability.

More than half of the directors shall not be a spouse or a relative within the second degree of kinship.

The board of directors of the Company shall consider adjusting the composition of the board of directors based on the results of performance evaluation.

Article 4: The qualifications of the independent directors of the Company shall comply with Articles 2, 3 and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8 and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 24 of "Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies."

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Article 5: Elections of directors of the Company shall be conducted in accordance with the candidate nomination system and procedures stipulated in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, the company shall hold a by-election for director at the next following shareholders meeting. However, when the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a by-election for directors.

If the number of independent directors falls below that specified in the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next following shareholders' meeting. When the independent directors are dismissed, the company shall convene a special shareholders' meeting within 60 days of the occurrence of that fact to hold a by-election for directors.

Article 6: The cumulative voting system shall be adopted for the election of the Company's directors.

Each share will have voting rights in the number equal to the number of directors to be elected and may be cast for a single candidate or split among multiple candidates.

Article 7: The Board shall prepare ballots equivalent to the number of Directors to be elected with the weighting filled in and released to the shareholders in session. The voters may use the number of the attendance pass as their name or title for marking on the ballots for voting.

Article 8: The Company shall, based on the number of seats reserved for Directors and Independent Directors, as stated in the Articles of Incorporation, calculate the votes separately.

Candidates who received the greater majority of the votes will be elected to the seats. If there are 2 or more candidates earning the same number of votes but there is not enough seats for these candidates, they will engage in lot drawing to determine the ultimate winner to the seat. For any of these candidates absent from the session, the Presiding Officer will act on its behalf in the lot drawing.

Article 9: The Presiding Officer shall appoint a certain number of shareholders to act as the scrutineers and tallying clerks to perform related duties before the election. The Board shall prepare the ballot box and the scrutineers shall open the box in public for confirmation.

Article 10: Voters shall fill in the candidate's account name or full name in the candidate column of the ballot. However, when the candidate is a government or institutional shareholder, the name of the government or institution shall be filled in the column for the account name of the candidate. The name of the government or institution and the name of its representative may also be filled in; if there are several representatives, the names of the representatives should be filled in separately.

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Article 11: A ballot is invalid if it has any of the following conditions:

1. The ballot is not prepared by a person with the right to convene.
2. A blank ballot is thrown into the ballot box.
3. The writing on the ballot is blurred that it cannot be identified.
4. The candidate whose name is entered on the ballot does not conform to that on the director candidate list after verification.
5. Wording was marked on the ballot in addition to the weight of votes.

Article 12: The ballot will be counted on the spot after the balloting. The Presiding Officer shall announce the results on the spot, including the list of directors elected and the number of votes they have received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signature of the scrutineers and kept in proper custody for at least one year. However, if a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Act, the records shall be retained until the end of the lawsuit.

Article 13: The Board of Directors of the Company will issue a notice of election to the elected directors.

Article 14: These Procedures shall be implemented after being approved by the shareholders' meeting and shall be amended in the same manner.

Appendix 4

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 17, 2024
Director	6,239,336	9,155,729

2. Details of directors' shareholdings

Job title	Name	Shareholding
Chairman	Lin, Chi-Chin	2,456,000
Director	Ji Uo Investment Co., Ltd. Representative: Lin, Chi-Uo	5,723,349
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	Chen, Chun-Jen	0
Independent Director	Lin, Chen-Chih	0
Independent Director	Lin, Ching-An	0
Total shareholders		9,155,729

Note: 1. The number of shares issued by the Company as of March 17, 2024 is 77,991,707.

2. The book-close date is March 17, 2024.