

TWSE 5007

 **SAN SHING FASTECH CORP.**

**Handbook for 2022
Annual Shareholders' Meeting**



Meeting Time : 10:00 a.m., June 16 , 2022

Place : No.355, Sec. 3, Zhongshan Rd., Guiren Dist., Tainan City
711, Taiwan (At the Company)

Meeting Type : Physical Shareholders' Meeting

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2022 Annual Shareholders' Meeting Meeting Agenda

Time: 10 a.m. , Thursday, June 16, 2022

Place: The company

Meeting Type: Physical Shareholders' Meeting

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Report Items
 1. 2021 Business Report
 2. Audit Committee's Review Report on the 2021 Financial Statements
 3. Report of the Distribution of Remuneration to Employees and Directors for the year 2021
- IV. Ratification Items
 1. Adoption of The 2021 Business Report and Financial Statements
 2. Adoption of The Proposal for Distribution of 2021 Profits
- V. Discussion Items
 1. The amendment of Articles of Incorporation
 2. The amendment of Procedures for Acquisition or Disposal of Assets
- VI. Extempore Motions
- VII. Adjournment

• Report Items

1. 2021 Business Report.

Explanatory Notes:

2021 business report of the Company is attached, please refer to page 4~5.

2. Audit Committee's Review Report on the 2021 Financial Statements.

Explanatory Notes:

The Audit Committee's review report is attached, please refer to page 6.

3. Report of The Distribution of Remuneration to Employees and Directors For the year 2021.

Explanatory Notes:

1. According to Article 27 of the Articles of Incorporation, if there is profit in any given fiscal year, the Company shall set aside no less than 1.5% as the remuneration for employees, and no more than 1% as the remuneration for Directors.
2. By profit, it means the pre-tax income plus the allocated remuneration for the employees and directors less the accumulated loss.
3. The profit for 2021 was NT\$1,211,115,847. The Board of Directors resolved the distribution of profit for the employees in the form of cash of NT\$18,500,000 (equals approximately 1.5275% of the yearly profit) and NT\$0 for the directors.

• Ratification Items

Proposal No.1: (Proposed by the Board of Directors)

Adoption of the 2021 Business Report and Financial Statements.

Explanatory Notes:

1. The 2021 business report is attached, please refer to page 4~5.
2. The 2021 financial statements were audited by independent auditors Cheng-Chu, Chen and Kuo-Sen Hung of Ernst & Young and reviewed by the Audit Committee. The Financial Statements is attached, please refer to page 7~24.

Resolution:

Proposal No.2: (Proposed by the Board of Directors)

Adoption of The Proposal for Distribution of 2021 profits.

Explanatory Notes:

1. In accordance with the Company Act and Articles of Incorporation, the Profit Distribution Table for 2021 is available for reference and approved by the Board of Directors on March 10, 2022, please refer to page 25.

2. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date, and other relevant issues.
3. The cash dividend distributed to the shareholders is rounded down to the nearest NT dollar (truncate the numbers after decimal place). Fractional amounts will be aggregately recognized as other revenue of the Company.

Resolution:

•Discussion Items

Proposal No.1: (Proposed by the Board of Directors)

The amendment of Articles of Incorporation. Please proceed to discuss.

Explanatory Notes:

1. Parts of the Articles of Incorporation are amended in accordance with the Company Act amended and promulgated by Presidential Decree Hua-Zong-I-Jing No. 10700083291 on August 1, 2018 and No. 111000115851 on December 29, 2021.
2. The comparison table for the amendment of Articles of Incorporation is available, please refer to page 26-27.

Resolutions:

Proposal No.2: (Proposed by the Board of Directors)

The amendment of Procedures for Acquisition or Disposal of Assets. Please proceed to discuss.

Explanatory Notes:

1. Parts of the Regulations Governing the Acquisition and Disposal of Assets are amended in accordance with the Jin-Guan-Zheng-Fa-Zi order No. 1110380465 issued by FSC.
2. The Comparison Table for the amendment of the Procedures for Acquisition or Disposal of Assets is available, please refer to page 28-32.

Resolutions:

Extempore motions

Adjournment

San Shing Fastech Corp.

2021 Business Report

I .Business Plan

In order to elevate the production quality and boost production efficiency, the Company is focusing on the production technology and introduction of automation systems that improves the automated production line. In addition, the Company is also striving to meet the demand of its customers by transforming its equipment and manufacturing capability, expanding its product line, and competing for orders from the higher-end market. The Company will also optimize the cost structure of production, strictly monitor the capital expenditure and manage the cash flow to enhance capital efficiency.

II . Overview of the Implementation

The demand for fastening products has been great throughout 2021 due to the strong global economic recovery. Thus, the Company's revenue and gross profit enjoyed a supercharged growth compared to that of 2020. The recovery could potentially remain strong throughout 2022. To seize this opportunity, the Company will strive to remain competitive in the existing markets, expand into new markets, offer advanced technology and unparalleled manufacturing capability to meet the ever growing demand of the clients as it has always been.

III.Financial Performance

In 2021, the consolidated operating revenue for the Company and its subsidiaries amounted to NT\$7,107,173 thousand, up 40.11% in comparison with 2020, an increase of NT\$2,034,530 thousand from NT\$5,072,643 thousand last year. The consolidated gross profit was NT\$1,746,843 thousand, up 71.18% in comparison with 2020, an increase of NT\$726,401 thousand from NT\$1,020,442 thousand last year. The Company recorded NT\$1,229,756 thousand in consolidated operating income, which was up NT\$572,393 thousand or 87.07% compared to NT\$657,363 thousand in 2020. The consolidated income before income tax amounted to NT\$1,262,269 thousand which was up NT\$502,452 thousand or 66.13% compared to NT\$759,817 thousand in 2020.

IV.Operating revenue and Expenditure and the Status of Budget Performance

1. Operating Revenue and Expenditure:

(1) Revenues: Annual consolidated operating revenue in 2021 is NT\$7,107,173

thousand. Annual non-operating income and expenses in 2021 is NT\$32,513 thousand.

(2) Expenditures: Annual consolidated operating costs in 2021 is NT\$5,360,330 thousand. Annual consolidated operating expenses in 2021 is NT\$517,087 thousand.

(3) Profits: Annual consolidated income before income tax, income tax expenses and net income in 2021 are NT\$1,262,269 thousand, NT\$257,077 and NT\$1,005,192 thousand respectively.

2. The Company did not disclose its consolidated financial forecasts for 2021, hence the budget performance is omitted.

V. Profitability Analysis

1. Return on Total Assets: 12.48%
2. Return on Stockholders Equity: 15.05%
3. Net Margin: 14.14%
4. Earnings Per Share (NT\$): 3.33

VI. The Current Status of Research and Development

The R&D expense for San Shing and its subsidiaries in 2021 is NT\$44,257 thousand, an increase of 62.61% as compared to NT\$27,216 thousand in 2020. Some of successfully developed products or technology are as follows:

1. Tapping machine with servo control
2. New transfer finger system on parts former
3. Improved precision for hot forging nut former
4. Integration of bolt forming and CNC machining process.

Under the supervision of the Board and the relentless collaboration of all the employees, the Company was able to stay profitable in terms of operating revenue, gross profit and income before income tax in 2021. The Company is looking forward to expanding into new markets, developing new products and business, seeking stable and continuous profitability, and therefore maximizing the profits for the shareholders in 2022.

Chairman: Ko, Chi-Yuan

President: Chen, Hsin-Chih

Chief Accounting Officer: Lu, Wen Ping

Audit Committee's Review Report

The Board of Directors has prepared and submitted to us the Company's 2021 Business Report, Financial Statements and proposal for earnings distribution. Financial Statements were audited by Ernst & Young and they issued an audited report accordingly. We, as the Audit Committee of the Company, have reviewed the Business Report, Financial Statements, and proposal for earnings distribution and do not find any discrepancies. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To:

2022 Annual General Shareholders' Meeting

SAN SHING FASTECH CORP.

Convener of the Audit Committee

Chien, Kuo Jong

March 10, 2022

Independent Auditors' Report

To San Shing Fastech Corp.

Opinion

We have audited the accompanying consolidated balance sheets of San Shing Fastech Corp. and its subsidiaries (“the Group”) as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and notes to the consolidated financial statements, including the summary of significant accounting policies (collectively “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and their consolidated financial performance and cash flows for the years ended December 31, 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Loss Allowance of Accounts Receivable

As of December 31, 2021, the Group's net accounts receivable amounted to NT\$1,286,439 thousand, representing 16% of the total consolidated assets which is significant for the consolidated financial statements. Since the loss allowance of accounts receivable is measured by the expected credit loss for the duration of the accounts receivable, the measurement of expected credit loss involves making judgement, analysis and estimates, and the result will affect net accounts receivable. Therefore, we considered this a key audit matter.

Our audit procedures included, but are not limited to, assessing the appropriateness of expected credit loss for accounts receivable; understanding and testing the effectiveness of the internal control over accounts receivable collection established by management; sampling customers to perform confirmation and reviewing the collection in subsequent period to evaluate recoverability; testing the accuracy of aging and analyzing changes in aging to assess reasonableness; testing the relevant statistical information of loss rate calculated by rolling rate; considering the rationality of the prospective information and assessing the appropriateness of expected credit loss. Please refer to Note 5 and 6 in notes to the consolidated financial statements.

2. Inventory Valuation

As of December 31, 2021, the Group's net inventories amounted to NT\$2,293,617 thousand, representing 27% of the total consolidated assets which is significant for the consolidated financial statements. Due to a high degree of customization for main finished goods and work in progress, obsolete and slow-moving inventory valuation requires significant judgement of management. Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the effectiveness of the internal control over inventory valuation which includes management of the inventory aging; evaluating the appropriateness of accounting policies for obsolete and slow-moving inventory; evaluating the physical inventory stock take plan provided by the management and choosing the significant location to perform the observation and inspect the status for any write-downs or write-offs of inventory; testing the correctness of aging intervals in inventory aging schedule and the appropriateness of the movement and assessing the inventory reserve percentage to confirm the reasonableness of management's determination of the provisions to reduce the valuation of inventory to net realizable value. Please refer to Note 5 and 6 in notes to the consolidated financial statements.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2021 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended December 31, 2021 and 2020.

/s/ Chen, Cheng-Chu

/s/ Hung, Kuo-Sen

Ernst & Young, Taiwan

March 10, 2022

Notice to Readers

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

SAN SHING FASITECH CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2021	%	December 31, 2020	%
Current assets					
Cash and cash equivalents	4/6.(1)	\$1,467,728	18	\$1,637,006	22
Financial assets at fair value through profit or loss, current	4/6.(2)	27,357	-	5,261	-
Financial assets measured at amortized cost, current	4/6.(3)	26,517	-	167,939	2
Notes receivable, net	4/6.(4)&(15)	7,793	-	9,577	-
Accounts receivable, net	4/6.(5)&(15)	1,277,785	16	1,186,402	16
Accounts receivable - related parties, net	4/6.(5)&(15)/7	8,654	-	11,236	-
Other receivables		33,514	-	20,437	-
Inventories, net	4/6.(6)	2,293,617	27	1,319,878	17
Prepayments		13,695	-	37,587	-
Total current assets		5,156,660	61	4,395,323	57
Non-current assets					
Financial assets measured at amortized cost, non-current	4/6.(3)/8	34,810	-	6,496	-
Property, plant and equipment	4/6.(7)/7/8	2,989,151	36	3,085,691	40
Intangible assets	4/6.(8)&(9)	126,436	2	135,383	2
Deferred tax assets	4/6.(20)	66,092	1	71,002	1
Other non-current assets		12,761	-	27,009	-
Total non-current assets		3,229,250	39	3,325,581	43
Total assets		\$8,385,910	100	\$7,720,904	100

Liabilities and Equity	Notes	December 31, 2021	%	December 31, 2020	%
Current liabilities					
Short-term loans	4/6.(10)	\$797	-	\$23	-
Financial liabilities at fair value through profit or loss, current	4/6.(11)	188	-	9,801	-
Contract liabilities, current	4/6.(14)/7	63,695	1	32,414	-
Notes payable		325,659	4	156,782	2
Accounts payable		138,029	2	152,612	2
Accounts payable - related parties	7	2,154	-	1,319	-
Other payables		392,256	4	359,634	5
Other payables - related parties	7	1,111	-	-	-
Current tax liabilities	4	222,585	3	123,830	2
Other current liabilities		2,018	-	1,473	-
Total current liabilities		1,148,492	14	837,888	11
Non-current liabilities					
Deferred tax liabilities	4/6.(20)	230,961	3	230,183	3
Other non-current liabilities	7	39,774	-	45,222	-
Net defined benefit liabilities, non-current	4/6.(12)	94,138	1	129,970	2
Total non-current liabilities		364,873	4	405,375	5
Total liabilities		1,513,365	18	1,243,263	16
Equity attributable to the parent company					
Capital					
Common stock		2,949,401	35	2,949,401	38
Additional paid-in capital		429,132	5	479,341	6
Retained earnings					
Legal reserve		1,271,053	15	1,211,261	16
Special reserve		259,309	3	259,309	3
Unappropriated earnings		1,812,351	22	1,424,621	18
Total retained earnings		3,342,713	40	2,895,191	37
Other components of equity		(53,782)	-	(41,967)	-
Total equity attributable to the parent company		6,667,464	80	6,281,966	81
Non-controlling interests	6.(13)	205,081	2	195,675	3
Total equity		6,872,545	82	6,477,641	84
Total liabilities and equity		\$8,385,910	100	\$7,720,904	100

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

SAN SHING FASITECH CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Accounting	Notes	For the years ended December 31			
		2021	%	2020	%
Operating revenues	4/6.(14)/7	\$7,107,173	100	\$5,072,643	100
Operating costs	4/6.(6)&(16)&(17)/7	(5,360,330)	(75)	(4,052,201)	(80)
Gross profit		1,746,843	25	1,020,442	20
Operating expenses	4/6.(16)&(17)				
Sales and marketing expenses		(303,479)	(4)	(178,403)	(4)
General and administrative expenses		(167,864)	(3)	(157,166)	(3)
Research and development expenses		(44,257)	(1)	(27,216)	-
Expected credit losses		(1,487)	-	(294)	-
Subtotal		(517,087)	(8)	(363,079)	(7)
Operating income		1,229,756	17	657,363	13
Non-operating income and expenses	4/6.(18)				
Interest income		4,406	-	8,816	-
Other income		37,402	1	99,661	2
Other gains and losses		(8,787)	-	(4,864)	-
Finance costs		(508)	-	(1,159)	-
Subtotal		32,513	1	102,454	2
Income from continuing operations before income tax		1,262,269	18	759,817	15
Income tax expense	4/6.(20)	(257,077)	(4)	(144,161)	(3)
Profit from continuing operations		1,005,192	14	615,656	12
Net income		1,005,192	14	615,656	12
Other comprehensive income (loss)	6.(19)				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit pension plans		5,394	-	(4,525)	-
Income tax related to items that will not be reclassified subsequently		(1,079)	-	905	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		(25,508)	-	(14,523)	-
Income tax related to items that may be reclassified subsequently		2,954	-	1,682	-
Total other comprehensive income (loss), net of tax		(18,239)	-	(16,461)	-
Total comprehensive income		\$986,953	14	\$599,195	12
Net income attributable to:					
Stockholders of the parent		\$982,947	14	\$601,536	12
Non-controlling interests		22,245	-	14,120	-
		\$1,005,192	14	\$615,656	12
Comprehensive income attributable to:					
Stockholders of the parent		\$975,447	14	\$591,186	12
Non-controlling interests		11,506	-	8,009	-
		\$986,953	14	\$599,195	12
Earnings per share (NTD)	6.(21)				
Earnings per share-Basic		\$3.33		\$2.04	
Earnings per share-Diluted		\$3.33		\$2.04	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

SAN SHING FASITECH CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Accounting	Equity Attributable to the Parent Company						Non-Controlling Interests	Total Equity	
	Common Stock	Additional Paid-in Capital	Retained Earnings			Other Components of Equity			Total
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations			
Balance as of January 1, 2020	\$2,949,401	\$479,270	\$1,130,975	\$259,309	\$1,496,871	(\$35,237)	\$6,280,589	\$214,384	\$6,494,973
Appropriation and distribution of 2019 retained earnings:									
Legal reserve	-	-	80,286	-	(80,286)	-	-	-	-
Cash dividends	-	-	-	-	(589,880)	-	(589,880)	-	(589,880)
Other changes in capital surplus	-	71	-	-	-	-	71	-	71
Net income for the year ended December 31, 2020	-	-	-	-	601,536	-	601,536	14,120	615,656
Other comprehensive income (loss), net of tax for the year ended December 31, 2020	-	-	-	-	(3,620)	(6,730)	(10,350)	(6,111)	(16,461)
Total comprehensive income (loss)	-	-	-	-	597,916	(6,730)	591,186	8,009	599,195
Changes in non-controlling interests	-	-	-	-	-	-	-	(26,718)	(26,718)
Balance as of December 31, 2020	\$2,949,401	\$479,341	\$1,211,261	\$259,309	\$1,424,621	(\$41,967)	\$6,281,966	\$195,675	\$6,477,641
Balance as of January 1, 2021	\$2,949,401	\$479,341	\$1,211,261	\$259,309	\$1,424,621	(\$41,967)	\$6,281,966	\$195,675	\$6,477,641
Appropriation and distribution of 2020 retained earnings:									
Legal reserve	-	-	59,792	-	(59,792)	-	-	-	-
Cash dividends	-	(50,140)	-	-	(539,740)	-	(589,880)	-	(589,880)
Other changes in capital surplus	-	(69)	-	-	-	-	(69)	-	(69)
Net income for the year ended December 31, 2021	-	-	-	-	982,947	-	982,947	22,245	1,005,192
Other comprehensive income (loss), net of tax for the year ended December 31, 2021	-	-	-	-	4,315	(11,815)	(7,500)	(10,739)	(18,239)
Total comprehensive income (loss)	-	-	-	-	987,262	(11,815)	975,447	11,506	986,953
Changes in non-controlling interests	-	-	-	-	-	-	-	(2,100)	(2,100)
Balance as of December 31, 2021	\$2,949,401	\$429,132	\$1,271,053	\$259,309	\$1,812,351	(\$53,782)	\$6,667,464	\$205,081	\$6,872,545

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SAN SHING FASSTECH CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Accounting	For the years ended December 31		Accounting	For the years ended December 31	
	2021	2020		2021	2020
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$1,262,269	\$759,817	Acquisition of financial assets measured at amortized cost	-	(89,085)
Adjustments to reconcile net income before tax to net cash provided by operating activities:			Disposal of financial assets measured at amortized cost	102,318	-
Depreciation	210,123	231,608	Acquisition of property, plant and equipment	(94,589)	(40,651)
Amortization	8,947	9,151	Proceeds from disposal of property, plant and equipment	4	136
Expected credit losses	1,487	294	Increase in other non-current assets	(8,986)	(25,027)
Net gain of financial assets and liabilities at fair value through profit or loss	(78,749)	(5,004)	Interest received	4,406	8,816
Interest expense	508	1,159	Net cash provided by (used in) investing activities	3,153	(145,811)
Interest income	(4,406)	(8,816)			
Losses (Gains) on disposal and abandonment of property, plant and equipment	12	(130)			
Others	(10,000)	11,000			
Changes in operating assets and liabilities:			Cash flows from financing activities:		
Mandatorily financial assets at fair value through profit or loss	47,040	12,454	Increase in short-term loans	774	-
Notes receivable	1,784	2,698	Decrease in short-term loans	-	(171,238)
Notes receivable - related parties	-	9,242	Decrease in other non-current liabilities	(5,448)	(2,649)
Accounts receivable	(92,715)	(37,454)	Cash dividends	(589,880)	(589,880)
Accounts receivable - related parties	2,582	2,610	Interest paid	(508)	(1,465)
Other receivables	(13,077)	3,254	Changes in non-controlling interests	(2,100)	(3,000)
Inventories	(963,739)	282,124	Others	(69)	71
Prepayments	23,892	(9,809)	Net cash used in financing activities	(597,231)	(768,161)
Contract liabilities	31,281	8,831			
Notes payable	168,877	(14,239)			
Accounts payable	(14,583)	18,276	Effect of exchange rate changes on cash and cash equivalents	(10,649)	(9,209)
Accounts payable - related parties	835	819	Net (decrease) increase in cash and cash equivalents	(169,278)	225,283
Other payables	32,622	(26,010)	Cash and cash equivalents at beginning of period	1,637,006	1,411,723
Other payables - related parties	1,111	(1,051)	Cash and cash equivalents at end of period	\$1,467,728	\$1,637,006
Other current liabilities	545	(1,091)			
Net defined benefit liabilities	(30,438)	(32,023)			
Cash generated from operations	586,208	1,217,710			
Income tax paid	(150,759)	(69,246)			
Net cash provided by operating activities	435,449	1,148,464			

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

Independent Auditors' Report

To San Shing Fastech Corp.

Opinion

We have audited the accompanying parent company only balance sheets of San Shing Fastech Corp. (“the Company”) as of December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and notes to the parent company only financial statements, including the summary of significant accounting policies (collectively “the parent company only financial statements”).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and cash flows for the years ended December 31, 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Parent Company only Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 2021 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Loss Allowance of Accounts receivable

As of December 31, 2021, the Company's net accounts receivable amounted to NT\$1,140,863 thousand, representing 14% of the parent company only total assets which is significant for the financial statements. Since the loss allowance of accounts receivable is measured by the expected credit loss for the duration of the accounts receivable, the measurement of expected credit loss involves making judgement, analysis and estimates, and the result will affect net accounts receivable. Therefore, we considered this a key audit matter.

Our audit procedures included, but are not limited to, assessing the appropriateness of expected credit loss for accounts receivable; understanding and testing the effectiveness of the internal control over accounts receivable collection established by management; sampling customers to perform confirmation and reviewing the collection in subsequent period to evaluate recoverability; testing the accuracy of aging and analyzing changes in aging to assess reasonableness; testing the relevant statistical information of loss rate calculated by rolling rate; considering the rationality of the prospective information and assessing the appropriateness of expected credit loss. Please refer to Note 5 and 6 in notes to the parent company only financial statements.

2. Inventory Valuation

As of December 31, 2021, the Company's net inventories amounted to NT\$1,982,358 thousand, representing 25% of the parent company only total assets which is significant for the financial statements. Due to a high degree of customization for main finished goods and work in progress, obsolete and slow-moving inventory valuation requires significant judgement of management. Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the effectiveness of the internal control over inventory valuation which includes management of the inventory aging; evaluating the appropriateness of accounting policies for obsolete and slow-moving inventory; evaluating the physical inventory stock take plan provided by the management and choosing the significant location to perform the observation and inspect the status for any write-downs or write-offs of inventory; testing the correctness of aging intervals in inventory aging schedule and the appropriateness of the movement and assessing the inventory reserve percentage to confirm the reasonableness of management's determination of the provisions to reduce the valuation of inventory to net realizable value. Please refer to Note 5 and 6 in notes to the parent company only financial statements.

Responsibilities of Management and Those Charged with Governance for the Parent Company only Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Parent Company only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in 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 the parent company only financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2021 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

/s/ Chen, Cheng-Chu

/s/ Hung, Kuo-Sen

Ernst & Young, Taiwan

March 10, 2022

Notice to Readers

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

SAN SHING FASTECH CORP.

PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2021	%	December 31, 2020	%
Current assets					
Cash and cash equivalents	4/6.(1)	\$1,088,098	14	\$1,321,230	18
Financial assets at fair value through profit or loss, current	4/6.(2)	27,190	-	5,064	-
Financial assets measured at amortized cost, current	4/6.(3)	-	-	3,901	-
Notes receivable, net	4/6.(4)&(14)	3,494	-	3,947	-
Notes receivable - related parties, net	4/6.(4)&(14)/7	6,262	-	2,902	-
Accounts receivable, net	4/6.(5)&(14)	1,110,271	14	1,073,159	15
Accounts receivable - related parties, net	4/6.(5)&(14)/7	30,592	-	22,143	-
Other receivables		32,675	-	20,384	-
Other receivables - related parties	7	1,389	-	33,662	-
Inventories, net	4/6.(6)	1,982,358	25	1,088,066	15
Prepayments		5,507	-	19,011	-
Total current assets		4,287,836	53	3,593,469	48
Non-current assets					
Financial assets measured at amortised cost, non-current	4/6.(3)/8	34,542	-	6,214	-
Investments accounted for using the equity method	4/6.(7)	792,331	10	732,872	10
Property, plant and equipment	4/6.(8)/8	2,913,391	36	3,010,310	41
Intangible assets	4/6.(9)	-	-	63	-
Deferred tax assets	4/6.(19)	63,410	1	68,059	1
Other non-current assets		10,849	-	26,777	-
Total non-current assets		3,814,523	47	3,844,295	52
Total assets		\$8,102,359	100	\$7,437,764	100
Liabilities and Equity					
Current liabilities					
Financial liabilities at fair value through profit or loss, current	4/6.(10)	\$188	-	\$9,754	-
Contract liabilities, current	4/6.(13)/7	58,108	1	28,068	-
Notes payable		269,211	4	131,459	2
Notes payable - related parties	7	90,871	1	48,644	-
Accounts payable		102,114	1	107,981	2
Accounts payable - related parties	7	23,578	-	34,014	-
Other payables		336,301	4	285,590	4
Other payables - related parties	7	1,169	-	81	-
Current tax liabilities	4	193,620	2	111,374	2
Other current liabilities		1,327	-	932	-
Total current liabilities		1,076,487	13	757,897	10
Non-current liabilities					
Deferred tax liabilities	4/6.(19)	229,317	3	228,585	3
Other non-current liabilities	7	39,795	-	45,287	-
Net defined benefit liabilities, non-current	4/6.(11)	89,296	1	124,029	2
Total non-current liabilities		358,408	4	397,901	5
Total liabilities		1,434,895	17	1,155,798	15
Equity	4/6.(12)				
Capital					
Common stock		2,949,401	37	2,949,401	40
Additional paid-in capital		429,132	5	479,341	6
Retained earnings					
Legal reserve		1,271,053	16	1,211,261	16
Special reserve		259,309	3	259,309	4
Unappropriated earnings		1,812,351	22	1,424,621	19
Total retained earnings		3,342,713	41	2,895,191	39
Other components of equity		(53,782)	-	(41,967)	-
Total equity		6,667,464	83	6,281,966	85
Total liabilities and equity		\$8,102,359	100	\$7,437,764	100

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

SAN SHING FASTECH CORP.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Accounting	Notes	For the years ended December 31			
		2021	%	2020	%
Operating revenues	4/6.(13)/7	\$6,396,299	100	\$4,511,457	100
Operating costs	4/6.(6)&(15)&(16)/7	(4,947,270)	(77)	(3,674,658)	(81)
Gross profit		1,449,029	23	836,799	19
Unrealized gross profit on sales		(6,093)	-	(6,161)	-
Realized gross profit on sales		6,161	-	5,690	-
Gross profit, net		1,449,097	23	836,328	19
Operating expenses	4/6.(15)&(16)				
Sales and marketing expenses		(256,443)	(4)	(155,383)	(3)
General and administrative expenses		(132,685)	(2)	(124,292)	(3)
Research and development expenses		(44,257)	(1)	(27,216)	(1)
Expected credit losses	6.(14)	(1,487)	-	-	-
Subtotal		(434,872)	(7)	(306,891)	(7)
Operating income		1,014,225	16	529,437	12
Non-operating income and expenses	4/6.(17)				
Interest income		1,352	-	2,407	-
Other income		37,124	-	90,631	2
Other gains and losses		(14,835)	-	(5,175)	-
Finance costs		(8)	-	(560)	-
Investment income or loss from investments accounted for using equity method	6.(7)	154,758	2	99,237	2
Subtotal		178,391	2	186,540	4
Income from continuing operations before income tax		1,192,616	18	715,977	16
Income tax expense	4/6.(19)	(209,669)	(3)	(114,441)	(3)
Profit from continuing operations		982,947	15	601,536	13
Net income		982,947	15	601,536	13
Other comprehensive income (loss)	6.(18)				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit pension plans		5,394	-	(4,525)	-
Income tax related to items that will not be reclassified subsequently		(1,079)	-	905	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		(14,769)	-	(8,412)	-
Income tax related to items that may be reclassified subsequently		2,954	-	1,682	-
Total other comprehensive income (loss), net of tax		(7,500)	-	(10,350)	-
Total comprehensive income		\$975,447	15	\$591,186	13
Earnings per share (NTD)	6.(20)				
Earnings per share-Basic		\$3.33		\$2.04	
Earnings per share-Diluted		\$3.33		\$2.04	

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

English Translation of Financial Statements Originally Issued in Chinese

SAN SHING FASITECH CORP.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Accounting	Common Stock	Additional Paid-in Capital	Retained Earnings			Other Components of Equity	Total
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	
Balance as of January 1, 2020	\$2,949,401	\$479,270	\$1,130,975	\$259,309	\$1,496,871	(\$35,237)	\$6,280,589
Appropriation and distribution of 2019 retained earnings							
Legal reserve	-	-	80,286	-	(80,286)	-	-
Cash dividends	-	-	-	-	(589,880)	-	(589,880)
Other changes in capital surplus	-	71	-	-	-	-	71
Net income for the year ended December 31, 2020	-	-	-	-	601,536	-	601,536
Other comprehensive income (loss), net of tax for the year ended December 31, 2020	-	-	-	-	(3,620)	(6,730)	(10,350)
Total comprehensive income (loss)	-	-	-	-	597,916	(6,730)	591,186
Balance as of December 31, 2020	\$2,949,401	\$479,341	\$1,211,261	\$259,309	\$1,424,621	(\$41,967)	\$6,281,966
Balance as of January 1, 2021	\$2,949,401	\$479,341	\$1,211,261	\$259,309	\$1,424,621	(\$41,967)	\$6,281,966
Appropriation and distribution of 2020 retained earnings							
Legal reserve	-	-	59,792	-	(59,792)	-	-
Cash dividends	-	(50,140)	-	-	(539,740)	-	(589,880)
Other changes in capital surplus	-	(69)	-	-	-	-	(69)
Net income for the year ended December 31, 2021	-	-	-	-	982,947	-	982,947
Other comprehensive income (loss), net of tax for the year ended December 31, 2021	-	-	-	-	4,315	(11,815)	(7,500)
Total comprehensive income (loss)	-	-	-	-	987,262	(11,815)	975,447
Balance as of December 31, 2021	\$2,949,401	\$429,132	\$1,271,053	\$259,309	\$1,812,351	(\$53,782)	\$6,667,464

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

English Translation of Financial Statements Originally Issued in Chinese
SAN SHING FASITECH CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Accounting	For the years ended December 31		Accounting	For the years ended December 31	
	2021	2020		2021	2020
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$1,192,616	\$715,977	Acquisition of financial assets measured at amortized cost	(24,427)	(3,912)
Adjustments to reconcile net income before tax to net cash provided by operating activities:			Acquisition of property, plant and equipment	(76,374)	(35,868)
Depreciation	196,519	217,606	Proceeds from disposal of property, plant and equipment	-	130
Amortization	63	173	Increase in other non-current assets	(7,306)	(25,030)
Expected credit losses	1,487	-	Interest received	1,352	2,407
Net gain of financial assets and liabilities at fair value through profit or loss	(78,026)	(3,648)	Dividends received	113,210	102,067
Interest expense	8	560	Net cash provided by investing activities	6,455	39,794
Interest income	(1,352)	(2,407)			
Investment income from investments accounted for using equity method	(154,758)	(99,237)	Cash flows from financing activities:		
Losses (Gains) on disposal and abandonment of property, plant and equipment	8	(130)	Decrease in short-term loans	-	(168,745)
Others	(10,068)	11,471	Decrease in other non-current liabilities	(5,492)	(2,633)
Changes in operating assets and liabilities:			Cash dividends	(589,880)	(589,880)
Mandatorily financial assets at fair value through profit or loss	46,334	10,976	Interest paid	(8)	(866)
Notes receivable	453	5,227	Others	(69)	71
Notes receivable - related parties	(3,360)	9,531	Net cash used in financing activities	(595,449)	(762,053)
Accounts receivable	(38,599)	(27,070)			
Accounts receivable - related parties	(8,449)	3,097			
Other receivables	(12,291)	3,192			
Other receivables - related parties	(339)	(35)			
Inventories	(884,292)	284,438			
Prepayments	13,504	3,109			
Contract liabilities	30,040	4,943			
Notes payable	137,752	(8,156)			
Notes payable - related parties	42,227	(3,728)			
Accounts payable	(5,867)	5,250			
Accounts payable - related parties	(10,436)	8,278			
Other payables	50,711	(26,783)			
Other payables - related parties	1,088	(1,033)			
Other current liabilities	395	(33)			
Net defined benefit liabilities	(29,339)	(30,960)			
Cash generated from operations	476,029	1,080,608	Net (decrease) increase in cash and cash equivalents	(233,132)	318,207
Income tax paid	(120,167)	(40,142)	Cash and cash equivalents at beginning of period	1,321,230	1,003,023
Net cash provided by operating activities	355,862	1,040,466	Cash and cash equivalents at end of period	\$1,088,098	\$1,321,230

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

San Shing Fastech Corporation Profit Distribution Table of 2021

Unit: NT\$

Item	Amounts		Remark
	Subtotal	Sum	
Undistributed earnings at the beginning of the period		825,088,301	In accordance with the Article 27-1 of the Articles of Incorporation of the Company: Should there be any profit by the end of the fiscal year, it will first be used for the allocation of the payment for taxes, the coverage of accumulated losses, setting aside ten percent of such profits as a legal reserve and then the allocation or reversal of a special reserve as required by the law. If there are remaining profits along with the undistributed profit, the Company may distribute profits in accordance with a proposal for distribution of profits prepared by the Board and approved by the shareholders at the Shareholder's Meeting. However, when the legal reserve amounts to the total paid-in capital, this shall not apply. In considering the needed funds for the Company and its financial wellness for sustainable development, the Company may set aside no less than 10% of the distributable dividends for shareholders. However when the accumulated dividends is less than 2% of the paid in capital, the Company is exempted from distributing dividends. The distributions of profits shall be made preferably by way of cash dividend then stock dividends. The amount of cash dividend shall not be less than 50% of the total dividend payable to the shareholders.
Other Comprehensive Income (defined benefit plan being calculated for 2021)	4,315,080		
Net income after tax	982,947,180		
Undistributed earnings of the period		987,262,260	
Set aside items :			
Legal reserve to be set aside -10% (Note1)	(98,726,226)		
Distributable dividends		1,713,624,335	
Dividend items (Note2)			
(1)Dividends paid to shareholders(Cash Dividends NT\$3.00 per share)	(884,820,462)		
(2)Dividends paid to shareholders(Stock Dividends NT\$0.00 per share)	0		
Total distributed amount		(884,820,462)	
Undistributed earnings at the end of the period		828,803,873	

[Note1] The amount and ratio of legal reserve to be set aside - $987,262,260 \times 10\% = 98,726,226$

[Note2] Under the dividend policy as set forth in the Articles of Incorporation, details as in the remarks, dividends are calculated as follows,

(1) Cash dividends - NT\$3.00 (dividend per share) * 294,940,154 shares = 884,820,462

(2) Stock dividends - NT\$0 (dividend per share) * 294,940,154 shares = 0

Chairman: Ko, Chi-Yuan

ManaChen,Hsin-Chih

Accounting Director:Lu,Wen Ping

San Shing Fastech Corp.

Comparison Table for the Amendment of Articles of Incorporation

2022.06.16 The 42nd Amendment

Before Amendment	After Amendment	Explanation
	<p><u>Article 9.1</u> <u>The shareholders' meeting can be held by means of a visual communication network or other methods promulgated by the central competent authority.</u></p>	A new article was added to the Articles of Incorporation in compliance with the Company Act.
<p>Article 27.1 Should there be any profit by the end of the fiscal year, it will first be used for the allocation of the payment for taxes, the coverage of accumulated losses, setting aside ten percent of such profits as a legal reserve and then the allocation or reversal of a special reserve as required by the law.</p> <p><u>If there are remaining profits along with the undistributed profit, the Company may distribute profits in accordance with a proposal for distribution of profits prepared by the Board and approved by the shareholders at the Shareholder's Meeting.</u> However, when the legal reserve amounts to the total paid-in capital, this shall not apply.</p> <p>In considering the needed funds for the Company and its financial wellness for sustainable development, the Company may set aside no less than 10% of the distributable dividends for shareholders. However when the accumulated dividends is less than 2% of the paid in capital, the Company is exempted from distributing dividends. The distributions of profits shall be made preferably by way of cash dividend then stock dividends. The amount of cash dividend shall not be less than 50% of the total dividend payable to the shareholders.</p>	<p>Article 27.1 Should there be any profit by the end of the fiscal year, it will first be used for the allocation of the payment for taxes, the coverage of accumulated losses, setting aside ten percent of such profits as a legal reserve and then the allocation or reversal of a special reserve as required by the law.</p> <p><u>If any remaining profits along with the undistributed profit that shall be entirely or partially distributed as dividends and bonuses in the form of newly issued shares by the Company, it shall be in compliance with the proposal for distribution of profits prepared by the Board and approved by the shareholders.</u> However, when the legal reserve amounts to the total paid-in capital, this shall not apply.</p> <p><u>The Company may distribute share dividend, legal reserve or additional paid-in capital in the form of cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.</u></p> <p>In considering the needed funds for the Company and its financial wellness for sustainable development, the Company may set aside no less than 10% of the distributable dividends for shareholders. However when the accumulated dividends is less than 2% of the paid in capital, the Company is exempted from distributing dividends. The distributions of profits shall be made preferably by way of cash dividend then stock dividends. The</p>	<p>The amendment to the annual distribution of profit was done in compliance with Article 240 of the Company Act, and the amendment to the distribution of legal reserve and additional paid-in capital in the form of cash and subject to the approval of the Board was done in compliance with Article 241 of the Company Act.</p>

	amount of cash dividend shall not be less than 50% of the total dividend payable to the shareholders.	
<p>Article 31 The Articles of Incorporation were agreed to and signed on May 11, 1965. The first amendment was made on...The thirty-eighth amendment was made on June 2, 2017. The thirty-ninth amendment was made on June 14, 2018. The fortieth amendment was made on June 11, 2020. The forty-first amendment was made on August 25, 2021.</p>	<p>Article 31 The Articles of Incorporation were agreed to and signed on May 11, 1965. The first amendment was made on...The thirty-eighth amendment was made on June 2, 2017. The thirty-ninth amendment was made on June 14, 2018. The fortieth amendment was made on June 11, 2020. The forty-first amendment was made on August 25, 2021. <u>The forty-second amendment was made on June 16th, 2022.</u></p>	<p>The amendment date was added.</p>

San Shing Fastech Corp.

Comparison Table for the Amendment of the Procedures for Acquisition or Disposal of Assets

111.06.16 The 9th Amendment

Before Amendment	After Amendment	Explanation
<p>Article 5</p> <p>(The preceding content is omitted)</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following provisions:</p> <p>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>2. When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy</u>, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable <u>and accurate</u>, and that they have complied with applicable laws and regulations.</p>	<p>Article 5</p> <p>(The preceding content is omitted)</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply <u>with the self-regulatory rules of the industry associations to which they belong and</u> with the following provisions:</p> <p>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>2. When <u>conducting</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and reasonable</u>, and that they have complied with applicable laws and regulations.</p>	<p>The amendment was made in accordance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”</p>
<p>Article 8 The Evaluation and Operational Procedure of acquiring or disposing of securities</p> <p>(The preceding content is omitted)</p>	<p>Article 8 The Evaluation and Operational Procedure of acquiring or disposing of securities</p> <p>(The preceding content is omitted)</p>	<p>Amendment was made in accordance with “Regulations Governing the Acquisition and Disposal of Assets by</p>

<p>2. Professional Appraisal Reports</p> <p>The dollar amount of any acquisition or disposal of securities is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>Where the company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>(The subsequent content is omitted)</p>	<p>2. Professional Appraisal Reports</p> <p>The dollar amount of any acquisition or disposal of securities is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>Where the company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>(The subsequent content is omitted)</p>	<p>Public Companies”</p>
<p>Article 9 The Evaluation and Operational Procedure of the Acquisition and Disposal of Real Property, Equipment, or Right-of-Use Assets</p> <p>(The preceding content is omitted)</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to <u>perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and</u> render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1). The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2). The discrepancy between the appraisal results of two or more professional</p>	<p>Article 9 The Evaluation and Operational Procedure of the Acquisition and Disposal of Real Property, Equipment, or Right-of-Use Assets</p> <p>(The preceding content is omitted)</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1). The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2). The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(The subsequent content is omitted)</p>	<p>Amendment was made in accordance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”</p>

<p>appraisers is 10 percent or more of the transaction amount.</p> <p>(The subsequent content is omitted)</p>		
<p>Article 10 The Evaluation and Operational Procedure of Related Party Transactions</p> <p>(The preceding content is omitted)</p> <p>Where the position of independent director has been created, when a matter is submitted for discussion by the Board of Directors, it shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p>(The subsequent content is omitted)</p>	<p>Article 10 The Evaluation and Operational Procedure of Related Party Transactions</p> <p>(The preceding content is omitted)</p> <p>Where the position of independent director has been created, when a matter is submitted for discussion by the Board of Directors, it shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p><u>If the company or a subsidiary thereof that is not a domestic public company will have a transaction set out in subsection 1 and the transaction amount will reach 10 percent or more of the company's total assets, the company shall submit all the materials listed in subsection 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the company and its parent company or subsidiaries or between its subsidiaries.</u></p> <p><u>The calculation of the transaction amounts referred to in subsection 1 and the preceding paragraph shall be made in accordance with Article 15, section 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and have been approved by the shareholders meeting or board of directors need not be counted toward the transaction amount.</u></p> <p>(The subsequent content is omitted)</p>	<p>Amendment was made in accordance with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"</p>
<p>Article 11 The Evaluation and Operational Procedure of acquiring or disposing intangible assets or right-of-use assets thereof or membership</p>	<p>Article 11 The Evaluation and Operational Procedure of acquiring or disposing intangible assets or right-of-use assets thereof or membership</p>	<p>Amendment was made in accordance with "Regulations Governing the Acquisition and</p>

<p>(The preceding content is omitted)</p> <p>2. Where a public company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p> <p>(The subsequent content is omitted)</p>	<p>(The preceding content is omitted)</p> <p>2. Where a public company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>(The subsequent content is omitted)</p>	<p>Disposal of Assets by Public Companies”</p>
<p>Article 15 Announcement and reporting procedures</p> <p>(The preceding content is omitted)</p> <p>7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1). Trading of domestic government bonds.</p> <p>(2). Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3). Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p>	<p>Article 15 Announcement and reporting procedures</p> <p>(The preceding content is omitted)</p> <p>7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1). Trading of domestic government bonds <u>or foreign government bonds with a credit rating that is not lower than the sovereign rating of Taiwan.</u></p> <p>(2). Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription <u>of foreign government bonds ,or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes ,or</u> subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p>	<p>Amendment was made in accordance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”</p>

(The subsequent content is omitted)	(3). Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (The subsequent content is omitted)	
<p>Article 20 Amendment Dates</p> <p>The first amendment was made on May 25th, 2005. The second amendment was made on June 22nd, 2007. The third amendment was made on June 22nd, 2012. The fourth amendment was made on June 11th, 2013. The fifth amendment was made on June 18th, 2014. The sixth amendment was made on June 2nd, 2017. The seventh amendment was made on June 14th, 2018. The eighth amendment was made on May 30th, 2019.</p>	<p>Article 20 Amendment Dates</p> <p>The first amendment was made on May 25th, 2005. The second amendment was made on June 22nd, 2007. The third amendment was made on June 22nd, 2012. The fourth amendment was made on June 11th, 2013. The fifth amendment was made on June 18th, 2014. The sixth amendment was made on June 2nd, 2017. The seventh amendment was made on June 14th, 2018. The eighth amendment was made on May 30th, 2019. <u>The ninth amendment was made on June 16th, 2022.</u></p>	<p>Amendment dates added.</p>

San Shing Fastech Corp.
Rules of Procedures for Shareholders' Meetings

- Article 1 The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 2 Shareholders attending the Meeting shall sign the attendance book or submit the attendance card for the purpose of signing in. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the attendance book or the attendance cards submitted by the shareholders. Attendance and the voting at shareholders meetings shall be calculated based on numbers of shares.
- Article 3 The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. The shareholder attendance registration shall be at least 30 minutes prior to the time the meeting commences.
- Article 4 The Chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. If, for any reason, the Chairman of the Board of Directors cannot preside at the Meeting, the Vice Chairman of the Board of Directors shall preside at the Meeting. If, for any reason, the Vice Chairman cannot preside at the Meeting or the post is vacant, the Chairman shall appoint one of the Directors to preside at the Meeting. If none of the mentioned above can preside at the Meeting, the Board of Directors shall appoint one of the members among themselves to preside at the Meeting.
- If the Meeting is convened by any other person entitled to convene the Meeting, such a person shall be the chairman to preside at the Meeting.
- Article 5 The Company may appoint designated counsel, CPA or other relevant individuals to attend the Meeting.
- Article 6 Persons handling affairs of the Meeting shall wear identification cards or badges.

Article 7 This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year.

Article 8 The Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one - third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Law of the Republic of China. The aforesaid tentative resolutions shall be executed in accordance with relevant provisions of the Company Law of the Republic of China. If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Law of the Republic of China.

Article 9 The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda. The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved.

The shareholders cannot designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned. However, in the event that the Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by

a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.

Article 10 During the Meeting, the chairman may, at his discretion, set time for intermission.

Article 11 When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with a summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman.

If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such a shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.

Article 12 Each speech shall not exceed the time limit of 5 minutes; unless otherwise permitted by the chairman, it may extend for another 3 minutes.

If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item. After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond.

Article 13 Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times.

Article 14 The discussion shall proceed according to the order of the scheduled agenda. In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder. Once a shareholder finishes his/her speech, the chairman shall or appoint the corresponding personnel to reply to such shareholder.

Article 15 The chairman may stop a discussion when deemed appropriate, or to abort the discussion when necessary.

Article 16 Except otherwise specified in the Company Law of the Republic of China or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the chairman.

If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary. The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s). The result of voting shall be announced at the Meeting and placed on record.

Article 17 The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

Article 18 These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

Article 19 The Rules of Procedure were agreed to and signed at the shareholders meeting on June 18, 2002. The first amendment was made on June 11, 2013.

San Shing Fastech Corp.
Articles of Incorporation

Chapter 1 General Provision

- Article 1 The Company shall be incorporated as a company limited by shares, under the Company Act of the Republic of China. The name of the Company shall be San Shing Fastech Corp..
- Article 2 The scope of business of the Company shall be,
1. CA01060 Steel Wires and Cables Manufacturing
 2. CA02030 Screw, Nut and Rivet Manufacturing
 3. CA02090 Metal Wire Products Manufacturing
 4. CA02990 Other Metal Products Manufacturing
 5. CA04010 Surface Treatments
 6. CB01010 Mechanical Equipment Manufacturing
 7. CB01990 Other Machinery Manufacturing
 8. CD01030 Motor Vehicles and Parts Manufacturing
 9. CP01010 Hand Tools Manufacturing
 - 10.CQ01010 Mold and Die Manufacturing
 - 11.C801010 Basic Chemical Industrial
 - 12.C801990 Other Chemical Materials Manufacturing
 - 13.F107200 Wholesale of Chemical Feedstock
 - 14.F207200 Retail Sale of Chemical Feedstock
 - 15.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company shall have its registered head office in Tainan, Taiwan, Republic of China and shall, where necessary and with a resolution to do so by the Board of Directors (“Board”), set up branch offices either within or outside the territory of the Republic of China.
- Article 4 Any and all public announcements to be made by the Company shall be published in the ways regulated in the Company Act Article 28.

Chapter 2 Capital Stock

Article 5 The total registered capital stock of the Company shall be Three Billion New Taiwan Dollars (NT\$ 3,000,000,000), divided into Three Hundred Million (300,000,000) shares with a par value of Ten New Taiwan Dollars (NT\$10) per share. One Hundred Million Dollars of the above total capital is divided into Ten Million Shares with a par value of Ten New Taiwan Dollars (NT\$10) per share shall be retained for the issuance of employee stock options, which may be issued from time to time upon the approval of the Board.

Article 6 The share certificates of the Corporation shall all be name-bearing share certificates, affixed with the signatures or personal seals of the Directors representing the Company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws. The Company may be exempted from printing any share certificate for the shares issued, and the Company shall register the issued shares with a centralized securities depository enterprise.

Article 7 All transfer of stocks, loss, succession, merger and reissuance by shareholders of the Corporation shall follow the Company Act or relevant law and regulations.

Article 8 Share transfer registration should be suspended within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of an extraordinary shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.

Chapter 3 Shareholders' Meetings

Article 9 Shareholders' meeting shall be of the following two kinds:

1. Regular shareholders' meeting : to be held at least once every year. It shall be convened within six months after close of each fiscal year
2. Extraordinary shareholders' meeting: to be held when necessary.

- Article 10 A shareholder who is unable to attend the shareholders meeting, may appoint a proxy to attend by executing a power of attorney printed by the company, stating the scope of power authorized by the proxy. Except for trust enterprises or stock agencies approved by the competent authority. When a person acts as proxy for two or more shareholders concurrently, the number of voting rights represented by him/her shall not exceed 3% of the total number of voting shares of the company; otherwise, the portion of excessive voting power shall not be counted. The rules on the use of proxies should be made, unless otherwise provided in the Company Act, in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholders Meetings of Public Companies.
- Article 11 A shareholder shall have one voting power in respect of each share in his/her/its possession, except in the circumstances stipulated in Article 179 of the Company Act the shares shall have no voting power.
- Article 12 The shareholders meeting should be convened by the Board of Directors unless otherwise regulated in the Company Act. The chairman of the meeting shall be appointed in accordance with the provisions of Article 182-1 and Article 208-3 of the Company Act.
- Article 13 Resolutions at a shareholders' meeting shall, unless otherwise provided for in Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.
- Article 13.1 If the company intends to cancel the public offering in the future, it must first be approved by the shareholders meeting. This provision will not be changed during the period when the stock is listed.
- Article 14 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The minutes of shareholders' meeting shall record the date and place of

the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the company.

Chapter 4 Directors and Audit Committee

Article 15. There shall be 7 to 11 Directors of the Company, and there shall be no less than 3 independent Directors among them or no less than one-fifth ($\frac{1}{5}$) of the number of the Directors. The number of Directors to be elected is determined in the Board of Directors meeting. The tenure of the offices of the Directors shall be 3 years and the Directors shall be eligible for re-elections. The percentage of shareholdings of all the directors is subject to the provisions separately prescribed by the competent authority in charge of securities affairs; such provisions shall prevail.

Article 15.1 The Company adopts the candidate nomination system for the election of Directors. The Directors shall be elected by shareholders from the candidate list in the shareholders meeting.
Regarding the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be regulated in accordance with the Securities and Exchange Act.

Article 15.2 The Company may establish an audit committee and committees of various functionalities. The membership of the Committee consists of all of the independent Directors of the Company. It shall not be fewer than three persons in number, one of whom shall be committee convenor, and at least one of whom shall have accounting or financial expertise. The responsibility, organization charter, exercising authority and other protocols of the Committee are dealt with pursuant to the relevant laws or the articles of incorporation.

Article 16 If one third of the offices of the Directors become vacant, the Board shall

convene an extraordinary meeting of the shareholders within 60 days to re-elect and re-appoint Directors to fill the vacancies.

Article 17 If any new Directors are not elected in time before the expiration of the tenure of the relevant existing offices of the Directors, the tenure of the existing offices shall be extended until such time when the new Directors duly elected to assume their offices. However, the competent authority may, ex officio, order the company to elect new directors within a given time limit; and if no re-election is effected after expiry of the given time limit, the out-going directors shall be discharged ipso facto from such expiration date.

Article 18 The Directors shall elect from among themselves a Chairman of the Board of Directors, and may elect a Vice Chairman of the Board of Directors, by a majority in a meeting attended by over two-thirds of the Directors. The Chairman of the Board of Directors shall have the authority to run the affairs of the Company in pursuant to the laws, the Articles of Incorporation and the resolutions of the Board of Directors.

Article 18.1 The Company's Board meetings shall be convened at least once every quarter. A notice specifying the reason for convening a Board meeting shall be sent to all Directors seven (7) days before the scheduled meeting day; provided, however, that a Board meeting may be convened on short notice in the event of emergency. Upon the consent of each Director, such notice may be delivered in written notice, by e-mail or fax.

Article 19 The authority and responsibility of the Board are as follows:

1. Calling for the shareholders meeting and reviewing business report
2. Executing the resolutions of Shareholders' Meetings
3. Revising and discussing Articles of Incorporation
4. Discussing and deciding the Corporate Charter and the rules of core businesses
5. Oversees guideline of management and mid & long-term development plans
6. Reviewing the capital increase or reduction plan
7. Reviewing the profit distribution or loss off-setting plan

8. Reviewing and supervising the implementation of the annual business plan
9. Approving budget and reviewing financial statement
10. Approving major capital expenditure
11. Reviewing and approving important external contracts
12. Agreeing on the establishment, reorganization or closure of branches.
13. Approving domestic and foreign investment.
14. Reviewing the issues proposed by the President
15. Dealing with businesses that shall be handled in accordance with the law.

The first board of director meeting of each session shall be convened according to Article 203 of the Company Act. Other meetings shall be convened and presided over by the Chairman. In case the Chairman is on leave or absent or cannot exercise his power and authority for any cause, he or she shall designate a deputy to act on his or her behalf in accordance with the Article 208 of the Company Act.

Article 20 Unless otherwise provided for in the Company Act, all resolutions of the Board shall be passed by a simple majority of the Directors present at the Board meetings attended by at least 50% of all the Directors. If a Director is unable to attend the meeting, he shall be entitled to authorize another Director to represent him at the meeting by executing a power of attorney stating therein the scope of authorization with respect to each matter proposed to be dealt with at the meeting, however, a Director attending the meeting shall not be authorized to represent more than one absent Directors at the meeting. If any Director attends the Board meeting by video conference, it is deemed that such Director has participated in person.

Article 21 All proceedings at a Board meeting shall be recorded in a meeting minute signed by or affixed with the personal seal of the chairman of the meeting. The meeting minute shall be distributed to all Directors of the Company within 20 days after the Board meeting. Meeting minutes may be made and distributed in electronic format.
Meeting minutes along with the attendance book of Board meetings and the proxies shall be stored in the Company.

Article 22 The Board is authorized to decide the remuneration of each Director (including Independent Directors) and the salary of the Chairman and Vice Chairman, based on the pay level of their counterparts in the same industry and in other publicly listed companies. Other allowances of the Chairman and Vice Chairman will be paid in accordance with the relevant regulations of the salary of employees.

The Company may purchase liability insurance at its discretion for Directors (including Independent Directors) based on their duties and terms. The cost, coverage, rate and other related content of the liability insurance and renewals shall be submitted to the most recent Board Meeting.

Chapter 5 Managers and Officers

Article 23 There shall be one President who shall be nominated by the Board; and his/her appointment or removal shall be approved by more than 50% of the Directors. The Company may, by resolution of the Board, retain consultants.

Article 24 The authority of the President is determined by the Board of Directors.

Chapter 6 Accounting

Article 25 The fiscal year of the Company shall begin on 1 January and end on 31 December of each year. The Board shall prepare the following reports after the end of each fiscal year, and submit to the Audit Committee for approval 30 days prior to the General Meeting of Shareholders. The Board then will present to the General Meeting of the Shareholders for their ratifications.

1. Business Report
2. Financial Statements
3. Proposal for distribution of profits to shareholders or recovery of prior year losses.

Article 26 The Corporation shall not pay dividends or bonuses to shareholders when there are no earnings.

Article 27 If there is profit in any given fiscal year, the Company shall set aside no less than 1.5% as the remuneration for employees, and no more than 1% as the remuneration for Directors.
The Remuneration for employees can be distributed in cash or stock, the resolution should be approved by a majority (1/2) vote of the board of directors with more than two-thirds (2/3) of the members attending the meeting. The remuneration can be paid to qualified employees in the subsidiary companies.
However, in case of the accumulated losses, certain profits shall first be reserved to cover them.

Article 27.1 Should there be any profit by the end of the fiscal year, it will first be used for the allocation of the payment for taxes, the coverage of accumulated losses, setting aside ten percent of such profits as a legal reserve and then the allocation or reversal of a special reserve as required by the law.
If there are remaining profits along with the undistributed profit, the Company may distribute profits in accordance with a proposal for distribution of profits prepared by the Board and approved by the shareholders at the Shareholder's Meeting. However, when the legal reserve amounts to the total paid-in capital, this shall not apply.
In considering the needed funds for the Company and its financial wellness for sustainable development, the Company may set aside no less than 10% of the distributable dividends for shareholders. However when the accumulated dividends is less than 2% of the paid in capital, the Company is exempted from distributing dividends. The distributions of profits shall be made preferably by way of cash dividend then stock dividends. The amount of cash dividend shall not be less than 50% of the total dividend payable to the shareholders.

Chapter 7 Supplementary Provisions

Article 28 Matters not specifically provided for in these Articles of Incorporation shall be governed by the Company Act and any other relevant laws.

Article 29 Based on the nature of business strategy and the principles of reciprocity, the Company may make endorsements or guarantees.

Article 30 Should the total amount of the investment exceed forty percent of the

paid-in capital, the Board of Directors are to be authorized to execute it.

Article 31 The Articles of Incorporation were agreed to and signed on May 11, 1965. The first amendment was made on June 20, 1965. The Second amendment was made on July 20, 1967. The Third amendment was made on March 11, 1969. The fourth amendment was made on August 5th, 1969. The fifth amendment was made on November 1, 1972. The sixth amendment was made on Jan 17, 1973. The seventh amendment was made on Jan 4, 1974. The eighth amendment was made on Dec 31, 1975. The ninth amendment was made on June 7, 1978. The tenth amendment was made on September 16, 1978. The eleventh amendment was made on July 13, 1979. The twelfth amendment was made on July 6, 1981. The thirteenth amendment was made on August 6, 1984. The fourteenth amendment was made on November 15, 1984. The fifteenth amendment was made on May 15, 1989. The sixteenth amendment was made on August 4, 1989. The seventeenth amendment was made on June 28, 1991. The eighteenth amendment was made on June 25, 1992. The nineteenth amendment was made on April 28, 1994. The twentieth amendment was made on May 31, 1995. The twenty-first amendment was made on April 18, 1997. The twenty-second amendment was made on April 14, 1998. The twenty-third amendment was made on April 29, 1999. The twenty-fourth amendment was made on May 9, 2000. The twenty-fifth amendment was made on June 18, 2002. The twenty-sixth amendment was made on May 27, 2003. The twenty-seventh amendment was made on May 19, 2004. The twenty-eighth amendment was made on May 25, 2005. The twenty-ninth amendment was made on May 24, 2006. The thirtieth amendment was made on June 22, 2007. The thirty-first amendment was made on June 19, 2009. The thirty-second amendment was made on June 17, 2010. The thirty-third amendment was made on June 15, 2011. The thirty-fourth amendment was made on June 22, 2012. The thirty-fifth amendment was made on June 11, 2013. The thirty-sixth amendment was made on June 18, 2014. The thirty-seventh amendment was made on June 1, 2016. The thirty-eighth amendment was made on June 2, 2017. The thirty-ninth amendment was made on June 14, 2018. The fortieth amendment was made on June 11, 2020. The forty-first amendment was made on August 25, 2021

Shareholdings of Directors

1. In accordance with Article 26 of the Securities and Exchange Act and Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,
- (1) The total registered shares owned by all Directors shall not be less than 12,000,000 issued shares.
- (2) The company has set up an audit committee, the provisions on the minimum percentage requirements for the shareholding of supervisors is not applicable.

2. The number of shares held by the Directors of the Company as registered in the shareholder roster as of the date of transfer suspension is as follows:

Title	Name	Shareholding	Shareholding Ratio
Chairman	Taifas Corporation Representative: Ko, Chi-Yuan	19,483,733	6.60%
Vice Chairman	Taifas Corporation Representative: Chen, I-Chung	19,483,733	6.60%
Director	Taifas Corporation Representative: Yang, Long	19,483,733	6.60%
Director	Wu, Shun-Sheng	3,226,000	1.09%
Director	Lee, Shih-Chia	1,410,804	0.47%
Director	Tsai, Cheng-Dar	4,144,499	1.40%
Independent Director	Jian, Guo-Long	49,759	0.01%
Independent Director	Vincent Lue	232,568	0.07%
Independent Director	Hsiao, Chine-Jine	0	0.00%
Total number of shares held by the Directors		28,547,363	9.67%

Note: The shareholders meeting is held on June 16, 2022. (The transfer suspension period is between April 18, 2022 and June 16, 2022.)

Effect Upon Business Performance and Earnings Per Share of Any Stock Dividend Distribution Proposed or Adopted in this Shareholders' Meeting

There is no issuance of stock dividends in the distribution of profit for 2021, hence it is not applicable.

The Remuneration for the Employees and Directors

1. Percentage or Range of Remuneration to Employees and Directors as Stipulated in the Company's Articles of Incorporation:

Article 27 in the Articles of Incorporation stated the rules of the distribution of remuneration to the employees and directors. The content is as follows:

If there is profit in any given fiscal year, the Company shall set aside no less than 1.5% as the remuneration for employees, and no more than 1% as the remuneration for Directors.

The Remuneration for employees can be distributed in cash or stock, the resolution should be approved by a majority (1/2) vote of the board of directors with more than two-thirds (2/3) of the members attending the meeting.

The remuneration can be paid to qualified employees in the subsidiary companies. However, in case of the accumulated losses, certain profits shall first be reserved to cover them.

2. Distribution of Remuneration Approved by the Board in 2021

(1) The remuneration for the employees is NT\$18,500,000 with no share based remuneration. The remuneration for the director is NT\$0. The amount is the same as the recognized expense of NT\$18,500,000 in 2021.

(2) The amount of any employee compensation distributed in stocks is NT\$0. And the size of that amount as a percentage of the sum of the after-tax net income for the current period and total employee compensation is 0%.

3. Actual Distribution of the Remuneration for the Employees and Directors in 2020

(1) Actual distribution of the remuneration for the employees is NT\$11,000,000.

(No share based remuneration.) It is summarized as follows:

Title	Name	Distributed Amount (NT\$)
President	Lin, Wen-Chieh	268,785
Senior Manager	Yang, Tieh-Chih	
Senior Manager	Chen, Hsin Chih	

Senior Manager	Chao, Pei-Cheng	
Senior Manager	Su, Teng-Kuei	
Spokesman	Hsu, Chun-Hsiao	
Accounting Manager	Lu, Wen-Bin	
Financial Manager	Chen, Chun-Jung	
Other Employees		10,731,215
Total Remuneration Distributed		11,000,000

(2) The remuneration for the director is NT\$0.

(3) The actual distribution of the remuneration to the employees and directors is the same as the recognized expenses in the book.