



Stock Code: 2233

# **TURVO International Co., Ltd.**

## **2024 Annual Meeting of Shareholders**

### **Handbook**

**MEETING TIME: 13 June 2024**

**PLACE: No. 6, Daguan Rd., Wuqi Dist., Taichung City 435059, Taiwan  
( Meeting Room, Taichung Branch, Bureau of Industrial Parks,  
Ministry of Economic Affairs. )**

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**TURVO International Co., Ltd.**  
**Procedure for the 2024 Annual Meeting**  
**of Shareholders**

I. Call the Meeting to Order

II. Chairperson Remarks

III. Reported Matters

IV. Proposed Resolutions

V. Discussed Resolutions

VI. Extemporaneous Motions

VII. Adjournment

# **TURVO International Co., Ltd.**

## **Agenda of 2024Annual Meeting of Shareholders**

I. Type of Meeting: Physical Shareholders' Meeting

II. Time and Date: 9:00 a.m., 13 June 2024 (Thursday)

III. Place: No. 6, Dagan Rd., Wuqi Dist., Taichung City 435059, Taiwan  
(Meeting Room, Taichung Branch, Bureau of Industrial Parks,  
Ministry of Economic Affairs.)

IV. Chairperson: Chairman, LIU, CHUN-CHANG

V. Call the Meeting to Order (Report the total number of shares represented at the meeting)

VI. Chairperson Remarks

VII. Reported Matters:

(I) 2023 Business Report.

(II) Audit Committee's Review of the 2023 Annual Final Accounting Books and Statements.

(III) Report on 2023 Employees' and Directors' Remuneration.

(IV) 2023 Earnings Distribution of Cash Dividend.

(V) 2023 Directors' Remuneration Report.

(VI) Report on Communication between Audit Committees and Chief Internal Auditors.

VIII. Proposed Resolutions:

(I) Ratification of the 2023 Business Report and Audited Financial Report.

(II) Ratification of the 2023 Earnings Distribution.

IX. Discussed Resolutions:

(I) Discussion of Amendments to the Company's "Articles of Incorporation".

(II) Discussion to Approve the Lifting of Non-Competition Restrictions for Directors and Their Representatives of the Company.

X. Extemporaneous Motions

XI. Adjournment

## Reported Matters

Report No. 1 2023 Business Report.

Explanation: The 2023 Business Report is attached as p. 9-13, Attachment I.

Report No. 2 Audit Committee's Review of the 2023 Annual Final Accounting Books and Statements.

Explanation: Audit Committee's Review of the 2023 Annual Final Accounting Books and Statements is attached as p. 14, Attachment II.

Report No. 3 Report on 2023 Employees' and Directors' Remuneration.

Explanation: 1. According to Article 26 of the Company's Articles of Incorporation, if the Company has earnings after the annual account settlement, 3.5%-7% shall be allocated for employee compensation, and no more than 1.7% shall be allocated for director remuneration.

2. The board of directors has resolved to allocate 3.70% of the profits, amounting to NT\$21,805,411, for employee compensation and 1.70% of the profits, amounting to NT\$10,010,667, for director remuneration, all to be distributed in cash. The amounts allocated for employee compensation and director remuneration as resolved by the board of directors are consistent with the estimated amounts in the financial statements, with no variance.

Report No. 4 2023 Earnings Distribution of Cash Dividend.

Explanation: 1. In accordance with Article 27, Paragraph 2 of the Articles of Incorporation: The company may authorize the board of directors, in accordance with Article 240, Paragraph 5 of the Company Act, to distribute dividends and bonuses in whole or in part to be paid in cash

after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

2. The Company proposed to distribute cash dividends in the amount of NT\$319,526,872 from the 2023 profits. The dividend payout will be NT\$5.3 per share, based on the number of shares held by shareholders as recorded in the shareholders' roster on the ex-dividend date. The board authorizes the chairman to determine the ex-dividend date, payment date, and other relevant matters with his discretion. (Cash dividends will be distributed to the nearest integer for amounts less than NT\$ 1. Any fractional amounts resulting from the calculation are to be recorded as other income).
3. As of 6 March 2024, the total number of shares issued by the Company that are eligible for dividend distribution is 60,288,089 shares. In the event that the number of outstanding shares is affected by a buyback of shares or conversion in connection with convertible corporate bonds or other factors that may lead to a change in the dividend payout ratio, it is proposed to the Shareholders' Meeting for approval that the Chairman of the Board of Directors be authorized to handle the matter at his discretion.

#### Report No. 5 2023 Directors' Remuneration Report.

Explanation: 1. In accordance with Article 23 of the Company's Articles of Incorporation, the remuneration of directors shall be determined by the board of directors based on the level of involvement and contribution to the operations of the company and may be paid at such level as generally adopted by the enterprises of the same industry.

2. In accordance with Article 26 of the Company's Articles of Incorporation,

the Company shall allocate 3.5% to 7% of the profit for the year (i.e., income before tax, less profit-sharing compensation to employees and directors) after deduction of accumulated losses, for the distribution of employee compensation. In addition, no more than 1.7% shall be allocated for director remuneration.

3. The proposed director remuneration, which has been reviewed and approved by the Remuneration Committee and the Board of Directors on 7 March 2024, is to be distributed at 1.7%. The detail on the individual director's remuneration is attached as p.15-16, Attachment III.

Report No. 6 Report on Communication between Audit Committees and Chief Internal Auditors.

Explanation: The Communication between Audit Committee and Internal Audit Supervisor in 2023 is attached as p.17, Attachment IV.

## Proposed Resolutions

1.

**【Proposed by the Board】**

Proposal: Ratification of the 2023 Business Report and Audited Financial Report.

Explanation: 1. The 2023 Business Report is attached as p.9-13, Attachment I.

2. The Company's Parent Only Financial Statements and Consolidated Financial Statements were audited by CPAs, Chen, Ming-Hung and Lo, Wen-Chen of Ernst & Young Taiwan. Please refer to pages 18-40 (Attachment V) for details.

3. The above statements have been reviewed by the Audit Committee and approved by the Board of Directors.

Resolution:

2.

**【Proposed by the Board】**

Proposal: Ratification of the 2023 Earnings Distribution.

Explanation: 1. 2023 net profit after tax is NT\$533,957,916. After setting aside the legal reserve of NT\$ 53,395,792 and special reserve of NT\$32,751,881, in accordance with the regulations and the Company's Articles of Incorporation, and then adding beginning retained earnings of NT\$ 1,206,114,114, the unappropriated retained earnings are NT\$ 1,653,924,357 and the proposed dividend to shareholders is as follows: Cash dividend of NT\$5.3 per share, distributing from retained earnings of NT\$319,526,872. Cash dividends will be distributed to the nearest integer for amounts less than NT\$ 1. Any fractional amounts resulting from the calculation are to be recorded as other income.

2. The 2023 Profit Distribution Table is attached as p. 41, Attachment VI.

Resolution:



## Discussed Resolutions

1.

**【Proposed by the Board】**

Proposal: Discussion of Amendments to the Company's "Articles of Incorporation". Please proceed to discuss.

Explanation: In accordance with the amendments released by the Taiwan Stock Exchange Corporation on August 23, 2023, regarding the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers". The Company hereby proposes to amend the "Articles of Incorporation". Please refer to pages 42 (Attachment VII) for details.

Resolution:

2.

**【Proposed by the Board】**

Proposal: Discussion to Approve the Lifting of Non-Competition Restrictions for Directors and Their Representatives of the Company. Please proceed to discuss.

Explanation: 1. According to Article 209 of the Company Law, directors shall explain the significant contents of their own or others' acts within the scope of the company's business to the shareholders' meeting and obtain permission.

2. The directors and their representatives of this company may have investments in or engage in the operation of other companies within the same or similar business scope as this company, or undertake other business activities, in order to leverage the expertise and relevant experience of the directors and their representatives. Therefore, in accordance with the law, we request the shareholders' meeting to agree to lift the restrictions on competitive activities for the directors and their representatives as listed below:

Title	Name	Holding positions in other companies and their respective titles.
Director	Zeng Hsing Industrial Co., Ltd. Representative: TSAI, CHUNG-TING	Director, Canxin Investment Co., Ltd. Vice President, Marketing Business Department, Zeng Hsing Industrial Co., Ltd.

Resolution:

## **Extemporaneous Motions**

## **Adjournment**

## **TURVO International Co., Ltd.**

### **2023 Business Report**

The 2023 Business Report is as follows:

#### **I. 2023 Operating Results**

##### **(I) The results of the implementation of the business plan for 2023**

Dear shareholders, in 2023, global economic growth slowed due to international inflation and rising interest rate pressures. Although affected by customer industry inventory adjustments, the consolidated revenue for the fiscal year 2023 reached NTD 3,337,485 thousand, representing a decrease of only 0.38% compared to fiscal year 2022. Despite the economic challenges this year, the Company courageously pursued the expansion of its precision metal parts and TUF ONE planetary reducer businesses. It continued to invest in research and development resources. As a result, sales and R&D expenses increased compared to the fiscal year 2022. However, the consolidated operating net profit for the fiscal year 2023 decreased by 2.39% compared to the fiscal year 2022. Non-operating income was affected by the fluctuation of the New Taiwan Dollar against the US Dollar, resulting in decreased foreign exchange gains. As a result, the consolidated net profit after tax was NTD 529,930 million, a decrease of 13.63% compared to 2022. The earnings per share for 2023 were NTD 8.86.

Looking ahead to 2024, the Company anticipate challenges due to global geopolitical uncertainties and inevitable risks such as inflation. However, with challenges come opportunities. Our company and all employees will continue to work together diligently. We hope to create impressive results with the support and encouragement of our shareholders.

Unit: NT\$ thousands

Item	2022	2023	Change %
Net Operating Revenue	3,350,323	3,337,485	-0.38%
Gross Profit	1,103,636	1,091,194	-1.13%
Operating Income	544,806	531,808	-2.39%
Income Before Tax	774,813	571,240	-26.27%
Net Income	613,553	529,930	-13.63%

##### **(II) Budget Implementation**

In accordance with current regulations, the Company has not publicly disclosed the financial forecast for 2023. However, the overall actual operating conditions and

performance are consistent with the business plan developed internally by the Company.

### (III) Analysis of Receipts, Expenditures, and Profitability

Item		2022	2023
Financial Structure	Debt to assets ratio %	30.80%	30.65%
	Fixed assets to long term funds ratio %	258.95%	215.90%
Insolvency	Current ratio%	277.73%	299.12%
	Quick ratio%	185.81%	215.78%
Profitability	Return on assets%	12.50%	10.49%
	Return on equity%	18.63%	15.07%
	Net profit margin %	18.31%	15.88%
	Earnings per share (NT\$) (Note)	10.32	8.86

Note: The calculation is based on the weighted average number of outstanding shares during the year, retroactively adjusted to reflect any increase in the weighted average number of outstanding shares in connection with a capital increase out of earnings in previous years.

### (IV) Research and Development Work

As the demand for upgrading automation in global factory production lines continues to increase, leveraging our years of expertise in precision metal component processing and integration capabilities, our company has launched our proprietary brand, TUF ONE planetary reducer. The Company are formally moving towards product design and manufacturing. the Company is committed to creating new value in the field of gear reducers and AVG for precise positioning in processing machines and automation systems, helping customers to reduce production costs and move towards a sustainable and smart manufacturing market worldwide.

The Company is a professional precision metal component manufacturer, specializing in CNC lathes, CNC Swiss-type turning machine, milling machine, precision grinder, precision measurement and product process improvement. The developed technologies can be applied to various metal processing industries, such as gasoline vehicles, bicycle/E-Bike parts, electric vehicle/hydrogen-powered vehicle components, industrial sensor components, orthopedic surgical medical equipment components, and more. The Company's research and development is focused on the process design of new products, process improvement of existing products, design and development of special purpose machine and inspection equipment, as well as the development and research of new processing techniques to increase the breadth and depth of services to customers and enhance profitability.

The Company maintains a stable income and is committed to continuous research and

development to enhance its machine machining technology, creating a virtuous cycle of growth. The Company aims to become a “modular solutions provider” by extending the services to various fields of mechanical machining, including automation, forging, and heat treatment, with the aim of creating unique value through differentiation and uniqueness.

The Company is currently focusing on the development of new products, the upgrading of existing technologies, the enhancement of existing product performance and the development of new products, assisting customers in the development of customized products, the integration of product development capabilities, and the provision of one-stop shopping services, which play a key role in the field of precision metal processing.

## II. Summary of the Business Plan for 2024

### (I) Business Policy

1. Focusing on existing customers and continuously exploring new customers, while paying attention to the development trends of new markets and products.
2. Continuously expanding the production capacity of parent and subsidiary to meet customer demand and enhance revenue and profitability.
3. The completion of the new factory construction and its operation has led to an increase in production capacity, thereby driving operational growth.
4. Strictly enforcing cost management and expense control, continuously optimizing operational performance.
5. Introducing automated production and inspection to improve production efficiency and process technology capabilities to achieve the Company's objective of sustainable development.
6. Introducing AI, big data, and intelligent management of production factories to enhance process and quality capabilities.
7. Expanding the well-being of employees, caring for vulnerable groups and safeguarding environmental resources.
8. Promoting and implementing ESG (Environmental, Social, and Governance) sustainable development strategies.

### (II) Sales Volume Forecast and the Basis Thereof

The expected shipment volume of the Company and its subsidiaries is expected to significantly increase in 2024 with the injection of new production capacity. The estimated increase in shipment volume in 2024 is based on the overall production capacity status of

the year and the projected growth of contract and existing orders from customers.

### (III) Important Production and Sales Policies

1. Production Policies: The completion of the new factory has increased production capacity to meet customer order demands, continuous research and development and optimization of manufacturing technology, rapid introduction of production and inspection automation, supplemented by the MES manufacturing management system and enhancing efficiency and reducing costs.
2. Sales Policies: Expanding into new markets to enhance the brand awareness of TUF ONE planetary reducer. Maintaining long-term relationships with the customers, actively exploring new customers, and keeping abreast of the latest market developments, combining the company's core competencies and process technologies to accurately grasp customer demands and market trends and continuing to improve turnover and profitability.

### III. Outlook of the Company

The company is transitioning from OEM to establishing our own brand, TUF ONE planetary reducer, to be promoted worldwide. In the face of rapid changes and challenges in the future market environment, The Company and its subsidiaries have always upheld a commitment to technological development and manufacturing quality. The Company will continue to strengthen innovation and research and development efforts in technology, improve operational performance, maintain high-quality performance, implement quality policies, streamline costs and increase production efficiency, actively explore new customers and new market areas, and strive to make higher profits.

This year, the Company and its subsidiaries' development strategy revolves around deepening our presence in the precision metal component processing sector while actively expanding into and establishing our footprint in the gear reducer market. the Company aim to enhance brand recognition and will continue to focus on providing integrated services in automation, forging, heat treatment, and multi-axis machining. Through a differentiated operational strategy, The Company will drive intelligent manufacturing and create additional value, aiming to become the industry leader and create the highest value and profit for the shareholders.

### IV. The effect of external competition, the legal environment and the overall business environment

While global economic inflation is gradually slowing down and central banks' interest rate hike policies are nearing completion, geopolitical risks remain high, leading to a sluggish momentum in global economic growth. The Company will continue to pay close attention to the sustained rise in global raw material prices and the impact of climate change. In addition to

continuing to integrate various resources and assisting subsidiaries in sustainable business development, the Company will also comply with regulations established by regulatory authorities, collaborate with policy initiatives, prioritize employee talent development, and actively promote sustainable development in existing businesses, new products, and new ventures, based on the corporate philosophy of “environmental protection, social responsibility, and corporate governance”.

Finally, a big thank you to all shareholders, ladies and gentlemen, and to the dedicated colleagues for their long-standing support and encouragement, and to all the best regards! And wishing all

Good Health and Happiness

Chairman: Liu, Chun-Chang    President: Tsai, Ming-Tung    Accounting Supervisor: Wu, Hsiao-Jui

## **TURVO INTERNATIONAL CO., LTD. Audit Committee's Review Report**

The Board of Directors of this Company has prepared the 2023 business report, financial statements and profit distribution table and have been audited and certified by CPAs Chen, Ming-Hung and Lo, Wen-Chen of Ernst of Young Taiwan and an audit report has been prepared by them in this regard. The aforesaid business report, financial statements and profit distribution table have been audited and determined to be accurate by the Audit Committee. According to Securities and Exchange Act and the Company Act, we hereby submit this report for your review.

For the 2024 Annual Meeting of Shareholder

TURVO INTERNATIONAL CO., LTD.

TURVO INTERNATIONAL CO., LTD.

Convener of Audit Committee: HUANG, LI-HEN

7 March 2024



## 2023 Receipt of Individual Directors' Remuneration

Unit: NT\$ Thousands; Share

Title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman	Zeng Hsing Industrial Co., Ltd. Representative: LIU, CHUN-CHANG	—	—	—	—	2,007	2,007	25	25	2,032	2,032	2,097	8,553	—	—	570	—	570	—	4,699 0.88%	11,155 2.09%	NA
Director	Zeng Hsing Industrial Co., Ltd. Representative: LIN, CHIH-CHENG	—	—	—	—	1,003	1,003	25	25	1,028	1,028	—	—	—	—	—	—	—	—	1,028 0.19%	1,028 0.19%	
Director	Zeng Hsing Industrial Co., Ltd. Representative: WU, CHIH-SHENG (Note1)	—	—	—	—	223	223	10	10	233	233	—	—	—	—	—	—	—	—	233 0.04%	233 0.04%	
Director	Zeng Hsing Industrial Co., Ltd. Representative: SZU, CHING-HSING	—	—	—	—	1,003	1,003	20	20	1,023	1,023	—	—	—	—	—	—	—	—	1,023 0.19%	1,023 0.19%	
Director	Zeng Hsing Industrial Co., Ltd. Representative: LIU, TUNG-LIANG	—	—	—	—	1,003	1,003	25	25	1,028	1,028	—	—	—	—	—	—	—	—	1,028 0.19%	1,028 0.19%	
Director	Zeng Hsing Industrial Co., Ltd. Representative: TSAI, CHUNG-TING (Note2)	—	—	—	—	759	759	15	15	774	774	—	—	—	—	—	—	—	—	774 0.14%	774 0.14%	

Title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
Director	Hongjhu Investment Co., Ltd. Representative: YANG, TE-HWA	—	—	—	—	1,003	1,003	20	20	1,023	1,023	—	—	—	—	—	—	—	—	1,023 0.19%	1,023 0.19%	NA
Independent Director	HUANG, LI-HEN	—	—	—	—	1,003	1,003	25	25	1,028	1,028	—	—	—	—	—	—	—	—	1,028 0.19%	1,028 0.19%	NA
Independent Director	LO, SHIH-MIN	—	—	—	—	1,003	1,003	25	25	1,028	1,028	—	—	—	—	—	—	—	—	1,028 0.19%	1,028 0.19%	
Independent Director	I, CHANG-YUN	—	—	—	—	1,003	1,003	25	25	1,028	1,028	—	—	—	—	—	—	—	—	1,028 0.19%	1,028 0.19%	
<p>1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid:</p> <p>(1) According to the Company's articles of incorporation, after deducting accumulated losses based on the annual profit (and profits before tax deduction for employee compensation and director remuneration), if there is a remaining balance, the balance shall be allocated for director remuneration for no more than 1.7%</p> <p>(2) The remuneration of the Company's independent directors is based on the results of the annual performance evaluation of the Board of Directors in accordance with the Rules of Performance Evaluation of the Board of Directors. In addition, in accordance with the provisions of the Company's Articles of Incorporation and the Rules Governing the Remuneration of Directors, the Remuneration Committee evaluates the value of all directors' level of involvement and contribution to the operations of the Company, considers the reasonableness and fairness of performance risks in relation to the remuneration received, and makes recommendations to the Board of Directors for resolution after taking into account the pay level as generally adopted by the enterprises of the same industry.</p> <p>(3) The Remuneration Committee of the Company shall determine and regularly review the level of remuneration of the directors, supervisors and managers of the Company and make recommendations to the Board of Directors for its decision. The remuneration of directors and supervisors, including compensation, travel expenses and expenses and perquisites, is specified in the Regulations Governing the Remuneration of Independent Directors, Directors and Managers.</p> <p>2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): None.</p>																						

Note 1. The representative of Zeng Hsing Industrial Co., Ltd., WU, CHIH-SHENG, has resigned on 23 March 2023.

Note 2. The representative of Zeng Hsing Industrial Co., Ltd., TSAI, CHUNG-TING, has appointed 31 March 2023.

## **The Communication between Audit Committee and Internal Audit Supervisor in 2023**

### **I. Communication policy between the Audit Committee and the Internal Audit Supervisor**

The internal audit unit submits monthly internal audit reports and quarterly improvement of deficiency in internal control tracking list to the independent directors. In addition, the audit supervisor regularly briefs the independent directors on the audit activities, audit results, and the follow-up information at least once a quarter during the Audit Committee meeting.

### **II. The Communication between Audit Committee and Internal Audit Supervisor**

<b>Date</b>	<b>Meeting</b>	<b>Communication items</b>	<b>Communication results</b>
12 January 2023	Audit Committee	I. Internal Audit Report.	The audit committee has no adverse opinion and has reported to the board of directors.
09 March 2023	Audit Committee	I. Internal Audit Report. II. 2022 “Statement of internal control”.	The Audit Committee has no adverse opinion and has reported to the Board of Directors. The application will be filed in accordance with the regulations upon approved of the Board.
04 May 2023	Audit Committee	I. Internal Audit Report.	The audit committee has no adverse opinion and has reported to the board of directors.
07 August 2023	Audit Committee	I. Internal Audit Report.	The audit committee has no adverse opinion and has reported to the board of directors.
06 November 2023	Audit Committee	I. Internal Audit Report. II. 2024 audit plan.	The Audit Committee has no adverse opinion and has reported to the Board of Directors. The application will be filed in accordance with the regulations upon approved of the Board.

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

To TURVO INTERNATIONAL CO., LTD.

### **Opinion**

We have audited the accompanying parent company only balance sheets of TURVO INTERNATIONAL CO., LTD. (the “Company”) as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, the parent company only changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including the summary of significant accounting policies.

In our opinion, based on our audits, the accompanying parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and the parent company only financial performance and the parent company only cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, 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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements in 2023. 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.

### **Impairment of accounts receivable**

As of December 31, 2023, the Company's accounts receivable and allowance for doubtful accounts amounted to NTD 283,451 thousand and NTD 3,547 thousand, respectively. Net accounts receivable represented 6% of the parent company only total assets and have significant impacts on the Company. Due to a higher proportion of accounts receivable from the main clients accounted for the Company's accounts receivable, the recoverability of accounts receivable is the key matter of the Company. The amount of loss allowance on accounts receivable was measured based on expected credit loss of the continued period, and divided the corresponding accounts receivable into groups accordingly, during the measurement process. In addition, make judgement, analyze, and estimate the application of related assumption on measurement process, including certain accounts aging interval, loss rate between different aging range, and consideration of forward-looking information. The measurement result affects the net of accounts receivable and involve material judgment of management, we therefore, determine this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the effectiveness of internal control over accounts receivable; assessing the reasonableness of loss allowance policy, including understanding related information to evaluate expected credit loss ratio; investigating accounts receivable details at end of the period, recalculating the reasonableness of loss allowance based on the expected credit loss ratio of each Group; evaluating the reasonableness of the allowance for doubtful accounts based on individual customers with significant overdue accounts or longer aging, reviewing the collection in subsequent period; analyzing the receivable turnover to evaluate recoverability based on individual customers with significant sales amount.

In addition, we also considered the adequacy of the disclosures related to accounts receivable in Notes 5 and 6 to the parent company only financial statements.

### **Valuation for inventories (including investments accounted for under the equity method-inventory of subsidiaries)**

As of December 31, 2023, inventories of the Company and the investees accounted for under the equity method that could have significant impacts on the financial statements The Company produce and sale automobile parts, the raw materials are mainly steel etc. Due to diversity of products and uncertainty arising from rapid changes in products, causing the complexity of net present value on inventory, we therefore, determined the issue as a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the effectiveness of internal control system with respect to obsolete and slow-moving inventory; testing management level to evaluate the correctness of the net present value on inventories; observe and evaluate the planning and performing of inventory check on management to confirm the numbers and conditions of inventories; acquiring the inventory aging correctness of inventory aging sheet and testing the correctness of stock in or stock out.

In addition, we also considered the adequacy of the disclosures related to inventory in Notes 5 and 6 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 the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing 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 2023 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.

Chen, Ming Hung  
Lo, Wen Chen  
Ernst & Young, Taiwan  
March 7, 2024

**Notice to Readers :**

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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



TURVO INTERNATIONAL CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
31 December 2023 and 2022  
(Expressed in Thousand New Taiwan Dollars)

Assets	Notes	As of	
		31 December 2023	31 December 2022
Current Assets			
Cash and cash equivalents	4, 6(1)	\$389,023	\$807,447
Financial assets measured at amortized cost, current	4, 6(2), 8	1,224	1,023
Notes receivable	6(13)	127	3,186
Accounts receivable, net	4, 6(3), 6(13), 7	283,451	278,296
Other receivables		81	269
Accounts receivable-related parties, net	7	38,901	61,858
Inventories, net	4, 6(4)	158,879	237,600
Prepayment		76,286	39,441
Other current assets		27,497	5,174
Total current assets		975,469	1,434,294
Non-current assets			
Investments accounted for under the equity method	4, 6(5)	2,546,136	2,175,608
Property, plant and equipment	4, 6(6), 8	1,140,833	562,990
Right of use assets	4, 6(14)	18,452	26,395
Intangible assets	4	9,866	7,715
Deferred tax assets	4, 6(18)	5,302	4,743
Other non-current assets	4, 6(7)	207,540	456,456
Total non-current assets		3,928,129	3,233,907
Total assets		\$4,903,598	\$4,668,201

(The accompanying notes are an integral part of the parent company only financial statements)  
(continued)

TURVO INTERNATIONAL CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
31 December 2023 and 2022  
(Expressed in Thousand New Taiwan Dollars)

Liabilities and Equity	Notes	As of	
		31 December 2023	31 December 2022
Current liabilities			
Contract liabilities, current	4, 6(12)	\$300	\$941
Notes payable	4	132,047	98,233
Accounts payable	4	52,456	43,305
Other payables	6(8)	111,692	146,907
Accounts payable-related parties	6(8), 7	199,479	163,343
Current tax liabilities	6(18)	70,236	158,062
Current lease liabilities	4, 6(14)	8,044	10,437
Other current liabilities		56,918	11,551
Long-term borrowings (including current portion with maturity less than 1 year)	4, 6(9)	108,525	128,454
Total current liabilities		<u>739,697</u>	<u>761,233</u>
Non-current liabilities			
Long-term loans	4, 6(9)	531,702	397,905
Deferred tax liabilities	4, 6(18)	48,358	57,969
Non-current lease liabilities	4, 6(14)	10,652	16,070
Other non-current liabilities		-	1,312
Total non-current liabilities		<u>590,712</u>	<u>473,256</u>
Total liabilities		<u>1,330,409</u>	<u>1,234,489</u>
Equity attributable to the parent company	6(11)		
Capital			
Common stock		602,881	602,881
Additional paid-in capital		818,217	818,217
Retained earnings			
Legal reserve		444,771	382,536
Special reserve		137,354	157,901
Retained earnings		1,740,072	1,609,531
Total Retained earnings		<u>2,322,197</u>	<u>2,149,968</u>
Other components of equity			
Exchange differences on translation of foreign operations - the parent company		(170,106)	(137,354)
Treasury stock		-	-
Total equity		<u>3,573,189</u>	<u>3,433,712</u>
Total liabilities and equity		<u>\$4,903,598</u>	<u>\$4,668,201</u>

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

TURVO INTERNATIONAL CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
For the Years Ended 31 December 2023 and 2022  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the Years Ended 31 December	
		2023	2022
Net Sales	4, 6(12), 7	\$1,578,873	\$1,806,149
Cost of Sales	6(4), 6(10), 6(15), 7	(1,159,868)	(1,254,956)
Gross Profit		419,005	551,193
Unrealized intercompany profit		(21,626)	(13,295)
Realized intercompany profit		24,354	19,807
Gross Profit, net		421,733	557,705
Operating Expenses	6(10), 6(15)		
Selling and marketing		(42,514)	(24,743)
Management and administrative		(151,232)	(201,808)
Research and development		(107,702)	(88,154)
Expected credit (losses) gains	6(13)	(778)	(213)
Total Operating Expenses		(302,226)	(314,918)
Operating Income		119,507	242,787
Non-operating income and expenses			
Other income	6(16)	20,372	23,321
Other gain and loss	6(16)	11,590	126,142
Financial costs	4, 6(16)	(651)	(2,974)
Share of profit or loss of associates and joint ventures accounted for using equity method	4, 6(5)	407,840	319,139
Total non-operating income and expenses		439,151	465,628
Income from continuing operations before income tax		558,658	708,415
Income tax expense	4, 6(18)	(24,700)	(86,069)
Net income		533,958	622,346
Other comprehensive income (loss)	6(17)		
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	6(5)	(40,940)	25,683
Income tax related to items that may be reclassified subsequently		8,188	(5,136)
Total other comprehensive income, net of tax		(32,752)	20,547
Total comprehensive income		\$501,206	\$642,893
Earnings per share	6(19)		
Earnings per share-basic (NTD)		\$8.86	\$10.32
Earnings per share-diluted (NTD)		\$8.83	\$10.28

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

TURVO INTERNATIONAL CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
For the Years Ended 31 December 2023 and 2022  
(Expressed in Thousands of New Taiwan Dollars)

	Notes	Common Stock	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Total Equity
Balance as of 1 January 2022		\$602,881	\$962,908	\$328,260	\$146,683	\$1,233,543	\$(157,901)	\$3,116,374
Appropriations of earnings, 2021								
Legal reserve				54,276		(54,276)		-
Special reserve					11,218	(11,218)		-
Cash dividends						(180,864)		(180,864)
Cash dividends distributed by additional paid-in capital			(144,691)					(144,691)
Net income for the year ended 31 December 2022						622,346		622,346
Other comprehensive income (loss), net of tax for the year ended								
Total comprehensive income (loss)							20,547	20,547
Balance as of 31 December 2022	6(17)	\$602,881	\$818,217	\$382,536	\$157,901	\$1,609,531	\$(137,354)	\$3,433,712
Balance as of 1 January 2023		\$602,881	\$818,217	\$382,536	\$157,901	\$1,609,531	\$(137,354)	\$3,433,712
Appropriations of earnings, 2022								
Legal reserve				62,235		(62,235)		-
Reversal of special reserve					(20,547)	20,547		-
Cash dividends						(361,729)		(361,729)
Net income for the year ended 31 December 2023						533,958		533,958
Other comprehensive income (loss), net of tax for the years ended								
Total comprehensive income (loss)	6(17)						(32,752)	(32,752)
Balance as of 31 December 2023		\$602,881	\$818,217	\$444,771	\$137,354	\$1,740,072	\$(170,106)	\$3,573,189

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

TURVO INTERNATIONAL CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
For the Years Ended 31 December 2023 and 2022  
(Expressed in Thousand New Taiwan Dollars)

	Notes	For the Years Ended 31 December 2023	2022
Cash flows from operating activities:			
Net income before tax		\$558,658	\$708,415
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation		88,612	83,671
Amortization		6,395	5,146
Expected credit losses (gains)		778	213
Net (gain) loss of financial assets at fair value through profit or loss		-	(2,517)
Interest cost		651	2,974
Interest income		(6,175)	(7,277)
Share of profit or loss of associates and joint ventures accounted for using equity method		(407,840)	(319,139)
Gain on disposal of property, plant and equipment		253	(2,320)
Realized intercompany (profit)		(2,728)	(6,512)
Inventory falling price losses		2,835	4,378
Changes in operating assets and liabilities:			
Decrease in financial assets at fair value through profit or loss		-	755
Increase in financial assets measured at amortized cost, current		(201)	(8)
Decrease in notes receivable		633	5,653
Increase in accounts receivable		(8,691)	(87,275)
Decrease in other receivables		188	795
(Increase) decrease in accounts receivable-related parties		22,957	(22,594)
(Increase) decrease in inventories, net		73,536	(85,901)
Increase in prepayments		(39,934)	(27,639)
Increase in other current assets		(22,323)	(3,993)
Increase (decrease) in contract liabilities		(641)	676
Increase in notes payable		33,814	11,515
Increase in accounts payable		89,286	30,175
Increase in other payables-related parties		36,136	36,893
Increase (decrease) in other payables		(16,177)	22,971
(Decrease) increase in other current liabilities		45,483	(674)
Decrease in other non- current liabilities		(1,312)	-
Cash generated from operations		454,193	348,381
Income tax paid		(114,507)	(99,328)
Net cash provided by operating activities		339,686	249,053

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

(Continued)

TURVO INTERNATIONAL CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
For the Years Ended 31 December 2023 and 2022  
(Expressed in Thousand New Taiwan Dollars)

	For the Years Ended 31 December	
	2023	2022
(Continued)		
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(43,165)	(79,241)
Proceeds from disposal of property, plant and equipment	12,873	10,102
Acquisition of Investments accounted for under the equity method	(900)	-
Acquisition of intangible assets	(2,923)	(2,054)
Increase in other non-current assets	(467,388)	(317,090)
Interest receive	6,124	6,679
Dividends received	-	417,955
Net cash provided by (used in) investing activities	(495,379)	36,351
Cash flows from financing activities:		
Increase in short-term loans	134,000	834,238
Decrease in short-term loans	(134,000)	(1,267,930)
Increase in long-term loans (including current portion with maturity less than 1 year)	245,655	221,010
Decrease in long-term loans (including current portion with maturity less than 1 year)	(131,787)	(72,050)
Lease principal repayment	(14,553)	(10,957)
Cash dividends	(361,729)	(325,555)
Interest paid	(317)	(2,979)
Net cash used in financing activities	(262,731)	(624,223)
Net decrease in cash and cash equivalents	(418,424)	(338,819)
Cash and cash equivalents at beginning of period	807,447	1,146,266
Cash and cash equivalents at end of period	6(1) 389,023	807,447

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

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

To TURVO INTERNATIONAL CO., LTD.

### **Opinion**

We have audited the accompanying consolidated balance sheets of TURVO INTERNATIONAL CO., LTD. (the “Company”) and its subsidiaries as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2023 and 2022, and their consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022, 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 Company and its subsidiaries 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. Based on our audits, 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 2023 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.

### **Impairment of accounts receivable**

As of December 31, 2023, the Company and its subsidiaries' accounts receivable and allowance for doubtful accounts amounted to NTD 779,001 thousand and NTD 9,110 thousand, respectively. Net accounts receivable represented 15% of the total consolidated assets that could have significant impacts on the the Company and its subsidiaries. Due to a higher proportion of accounts receivable from the main clients accounted for the Company's accounts receivable, the recoverability of accounts receivable is the key matter of the Company. The amount of loss allowance on accounts receivable was measured based on expected credit loss of the continued period, and divided the corresponding accounts receivable into groups accordingly, during the measurement process. In addition, make judgement, analyze, and estimate the application of related assumption on measurement process, including certain accounts aging interval, loss rate between different aging range, and consideration of forward-looking information. The measurement result affects the net of accounts receivable and involve material judgment of management, we therefore, determine this a key audit matter.

We procedures included, but not limited to, understanding and testing the effectiveness of internal control over accounts receivable; assessing the reasonableness of loss allowance policy, including understanding related information to evaluate expected credit loss ratio; investigating accounts receivable details at end of the period, recalculating the reasonableness of loss allowance based on the expected credit loss ratio of each Group; evaluating the reasonableness of the allowance for doubtful accounts based on individual customers with significant overdue accounts or longer aging, reviewing the collection in subsequent period; analyzing the receivable turnover to evaluate recoverability based on individual customers with significant sales amount.

In addition, we considered the adequacy of the disclosures related to accounts receivable in Notes 5 and 6 to the consolidated financial statements.

### **Valuation for inventories**

As of December 31, 2023, the net inventories and allowance for reduction of inventories amounted to NTD 738,615 thousand and NTD 54,127 thousand, respectively. Net inventories represented 14% of the total consolidated assets that could have significant impacts on the the Company and its subsidiaries. The Company produce and sale automobile parts, the raw materials are mainly steel etc. Due to diversity of products and uncertainty arising from rapid changes in products, causing the complexity of net present value on inventory, we therefore, determined the issue a key audit matter.



Our audit procedures included, but not limited to, understanding and testing the effectiveness of internal control system with respect to obsolete and slow-moving inventory; testing management level to evaluate the correctness of the net present value on inventories; observe and evaluate the planning and performing of inventory check on management to confirm the numbers and conditions of inventories; acquiring correctness of the inventory aging on inventory aging sheet and testing the correctness of stock in or stock out.

In addition, we also considered the adequacy of the disclosures related to inventory in Notes 5 and 6 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 Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

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

## **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 the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 Company and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 consolidated financial statements and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

## **Others**

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended December 31, 2023 and 2022.

Chen, Ming Hung

Lo, Wen Chen

Ernst & Young, Taiwan

March 7, 2024

## **Notes to Readers**

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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

TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
31 December 2023 and 2022  
(Expressed in Thousand New Taiwan Dollars)

Assets	Notes	As at	
		31 December 2023	31 December 2022
Current Assets			
Cash and cash equivalents	4, 6(1)	\$1,286,726	\$1,212,776
Financial assets measured at amortized cost, current	4, 6(2),8	1,224	1,023
Notes receivable	6(12)	127	3,186
Accounts receivable, net	7	779,001	677,816
Other receivables		15,671	3,494
Current income tax assets	4	-	608
Inventories, net	4,5, 6(4)	738,615	898,869
Prepayment		81,365	50,814
Other current assets		40,211	20,887
Total current assets		<u>2,942,940</u>	<u>2,869,473</u>
Non-current assets			
Property, plant and equipment	4, 6(5), 8	1,937,581	1,525,264
Right of use assets	4, 6(13)	40,574	89,936
Intangible assets	4	10,311	8,266
Deferred tax assets	4, 6(17)	14,522	15,492
Other non-current assets	6(6)	221,155	474,450
Total non-current assets		<u>2,224,143</u>	<u>2,113,408</u>
Total assets		<u>\$5,167,083</u>	<u>\$4,982,881</u>

(The accompanying notes are an integral part of the consolidated financial statements)  
(continued)

TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
31 December 2023 and 2022  
(Expressed in Thousand New Taiwan Dollars)

Liabilities and Equity	Notes	As at	
		31 December 2023	31 December 2021
Current liabilities			
Contract liabilities, current	4、6(11)	\$300	\$941
Notes payable	4	132,047	98,233
Accounts payable	4	321,105	240,335
Other payables	6(7)	254,591	303,447
Current tax liabilities	4, 6(17)	85,890	194,174
Current lease liabilities	4, 6(13)	19,122	48,028
Other current liabilities		62,285	19,582
Long-term borrowings (including current portion with maturity less than 1 year)	4, 6(8)	108,525	128,454
Total current liabilities		<u>983,865</u>	<u>1,033,194</u>
Non-current liabilities			
Long-term loans	4, 6(8)	531,702	397,905
Deferred tax liabilities	4, 6(17)	48,358	57,970
Non-current lease liabilities	4, 6(13)	19,320	44,492
Other non-current liabilities		260	1,311
Total non-current liabilities		<u>599,640</u>	<u>501,678</u>
Total liabilities		<u>1,583,505</u>	<u>1,534,872</u>
Equity attributable to the parent company	6(10)		
Capital			
Common stock		602,881	602,881
Additional paid-in capital		818,217	818,217
Retained earnings			
Legal reserve		444,771	382,536
Special reserve		137,354	157,901
Retained earnings		1,740,072	1,609,531
Total Retained earnings		<u>2,322,197</u>	<u>2,149,968</u>
Other components of equity			
Exchange differences on translation of foreign operations - the parent company		(170,106)	(137,354)
Equity attributable to owners of the parent		<u>3,573,189</u>	<u>3,433,712</u>
Non-controlling interests		10,389	14,297
Total equity		<u>3,583,578</u>	<u>3,448,009</u>
Total liabilities and equity		<u>\$5,167,083</u>	<u>\$4,982,881</u>

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

TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
For the years ended 31 December 2023 and 2022  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the years ended 31 December	
		2023	2022
Net Sales	4, 6(11)	\$3,337,485	\$3,350,323
Cost of Sales	6(4), 6(9), 6(14)	(2,246,291)	(2,246,687)
Gross Profit		1,091,194	1,103,636
Operating Expenses	6(9), 6(14)		
Selling and marketing		(57,472)	(39,659)
Management and administrative		(276,687)	(332,172)
Research and development		(224,708)	(185,235)
Expected credit (losses) gains	6(12)	(519)	(1,764)
Total Operating Expenses		(559,386)	(558,830)
Operating Income		531,808	544,806
Non-operating income and expenses			
Other income	6(15)	47,706	49,442
Other gain and loss	6(15)	(5,371)	187,983
Financial costs	4,6(15)	(2,903)	(7,418)
Total non-operating income and expenses		39,432	230,007
Income from continuing operations before income tax		571,240	774,813
Income tax expense	4, 6(17)	(41,310)	(161,260)
Net income		529,930	613,553
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(40,820)	26,899
Income tax related to items that may be reclassified subsequently		8,188	(5,136)
Total other comprehensive income (loss), net of tax		(32,632)	21,763
Total comprehensive income	6(16)	\$497,298	\$635,316
Net income attributable to:			
Stockholders of the parent		\$533,958	\$622,346
Non-controlling interests		(4,028)	(8,793)
		\$529,930	\$613,553
Comprehensive income attributable to:			
Stockholder of the parent		\$501,206	\$642,893
Non-controlling interests		(3,908)	(7,577)
		\$497,298	\$635,316
Earnings per share	6(18)		
Earnings per share-basic (NTD)		\$8.86	\$10.32
Earnings per share-diluted (NTD)		\$8.83	\$10.28

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

TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
For the years ended 31 December 2023 and 2022  
(Expressed in Thousands of New Taiwan Dollars)

	Notes	Common Stock	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Total	Non- Controlling Interests	Total Equity
Balance as of 1 January 2022		\$602,881	\$962,908	\$328,260	\$146,683	\$1,233,543	\$(157,901)	\$3,116,374	\$21,874	\$3,138,248
Appropriations of earnings, 2021										
Legal reserve				54,276		(54,276)		-		-
Special reserve					11,218	(11,218)		-		-
Cash dividends						(180,864)		(180,864)		(180,864)
Cash dividends distributed by additional paid-in capital			(144,691)					(144,691)		(144,691)
Net income for the year ended 31 December 2022						622,346		622,346	(8,793)	613,553
Other comprehensive income (loss), net of tax for the year ended 31 December 2022	6(16)						20,547	20,547	1,216	21,763
Total comprehensive income (loss)						622,346	20,547	642,893	(7,577)	635,316
Balance as of 31 December 2021		\$602,881	\$818,217	\$382,536	\$157,901	\$1,609,531	\$(137,354)	\$3,433,712	\$14,297	\$3,448,009
Balance as of 1 January 2023		\$602,881	\$818,217	\$382,536	\$157,901	\$1,609,531	\$(137,354)	\$3,433,712	\$14,297	\$3,448,009
Appropriations of earnings, 2022										
Legal reserve				62,235		(62,235)		-		-
Reversal of special reserve					(20,547)	20,547		-		-
Cash dividends						(361,729)		(361,729)		(361,729)
Cash dividends						533,958		533,958	(4,028)	529,930
Net income for the year ended 31 December 2023										
Other comprehensive income (loss), net of tax for the year ended 31 December 2023	6(16)						(32,752)	(32,752)	120	(32,632)
Total comprehensive income (loss)						533,958	(32,752)	501,206	(3,908)	497,298
Balance as of 31 December 2023		\$602,881	\$818,217	\$444,771	\$137,354	\$1,740,072	\$(170,106)	\$3,573,189	\$10,389	\$3,583,578

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



TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended 31 December 2023 and 2022  
(Expressed in Thousand New Taiwan Dollars)

	For the years ended 31 December	
Notes	2023	2022
Cash flows from operating activities:		
Net income before tax	\$571,240	\$774,813
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	311,183	314,618
Amortization	6,701	5,572
Expected credit losses	519	1,764
Net loss (gain) of financial assets at fair value through profit or loss	-	(2,517)
Interest cost	2,903	7,418
Interest income	(17,294)	(12,984)
Gain on disposal of property, plant and equipment	(1,749)	(3,982)
(Gains from price recovery) losses on price reduction of inventory	(17,386)	15,387
Changes in operating assets and liabilities:		
Decrease in financial assets at fair value through profit or loss	-	755
Increase in Financial assets measured at amortized cost, current	(201)	(8)
Decrease in notes receivable	633	5,653
Decrease in accounts receivable	(112,814)	(105,119)
Decrease (increase) in other receivables	(12,177)	10,955
Decrease (increase) in inventories, net	157,620	(203,621)
Increase in prepayments	(32,104)	(19,468)
Increase in other current assets	(19,324)	(12,773)
Increase (decrease) in contract liabilities	(641)	676
Increase in notes payable	113,949	25,815
Increase in accounts payable	88,805	26,418
Decrease (increase) in other payables	(38,972)	29,399
(Decrease) increase in other current liabilities	42,819	(133)
Decrease in other non- current liabilities	(1,051)	-
Cash generated from operations	1,042,659	858,638
Income tax paid	(148,006)	(148,335)
Net cash provided by operating activities	894,653	710,303

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

(continued)

TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended 31 December 2023 and 2022  
(Expressed in Thousand New Taiwan Dollars)

(Continued)	For the years ended 31 December	
	2023	2022
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(48,450)	(175,979)
Proceeds from disposal of property, plant and equipment	22,374	13,668
Acquisition of intangible assets	(3,129)	(2,054)
Increase in other non-current assets	(483,658)	(289,550)
Interest receive	17,242	12,386
Net cash used in investing activities	(495,621)	(441,529)
Cash flows from financing activities:		
Increase in short-term loans	134,000	834,238
Decrease in short-term loans	(134,000)	(1,267,930)
Increase in long-term loans (including current portion with maturity less than 1 year)	245,655	221,010
Decrease in long-term loans (including current portion with maturity less than 1 year)	(131,787)	(72,050)
Lease principal repayment	(60,663)	(55,256)
Cash dividends	(361,729)	(325,555)
Interest paid	(2,823)	(7,423)
Net cash used in financing activities	(311,347)	(672,966)
Effect of exchange rate changes	(13,735)	(9,948)
Net (decrease) increase in cash and cash equivalents	73,950	(414,140)
Cash and cash equivalents at beginning of period	1,212,776	1,626,916
Cash and cash equivalents at end of period	4,6(1) <u>\$1,286,726</u>	<u>\$1,212,776</u>

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

**TURVO INTERNATIONAL CO., LTD.**  
**2023 Profit Distribution Table**

Unit: NT\$


Item	Amount	
	Subtotal	Total
Beginning balance		1,206,114,114
Add: Net profit after tax for 2023	533,957,916	
Less: Appropriated to legal reserve (10%)	(53,395,792)	
Less: Appropriated to special reserve	(32,751,881)	
Distributable retained earnings		1,653,924,357
Distributable items:		
Dividend to shareholders - Cash dividends (NT\$5.3 per share)		(319,526,872)
Unappropriated retained earnings		1,334,397,485
Note: 1. Distribution of profits is prioritized over the 2023 surplus 2. The cash dividend per share is calculated based on the outstanding shares of 60,288,089 as of 6 March 2024.		

Chairman: Liu, Chun-Chang    President: Tsai, Ming-Tung    Accounting Supervisor: Wu, Hsiao-Jui

## TURVO International Co., Ltd.

### Comparison Table Before and After the Amendment to the “Articles of Incorporation”

After amendment of Article V19.3	Current Version of Article V19.2	Explanation
Article 17 The Company shall have 5 to 9 Directors including <b><u>not less than three</u></b> independent directors, and the number of independent directors shall not be less than <b><u>one-third of the total number</u></b> of directors. to be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. All Directors and Supervisor(s) shall be eligible for re-election. In the process of electing directors at a shareholders' meeting, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect.	Article 17 The Company shall have 5 to 9 Directors including <b><u>at least two</u></b> independent directors, and the number of independent directors shall not be less than <b><u>one-fifth of the total number</u></b> of directors. to be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. All Directors and Supervisor(s) shall be eligible for re-election. In the process of electing directors at a shareholders' meeting, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect.	According to the revision of the "Operation Directions for Compliance with the Establishment of Board of Directors by Listed Companies and the Board's Exercise of Powers" by Taiwan Stock Exchange Corporation on 23 August , 2023.
Article 29 (Following is omitted.) The twenty-second amendment was made on 13 June 2024.	Article 29 (Following is omitted.)	Add the date of this revision.

 <b>TURVO INTERNATIONAL CO., LTD.</b>	Management and Internal Control	Document Number	MM-01		
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## Chapter 1 General Provisions

Article 1 The Company shall be incorporated under the Company Act of the Republic of China, and its name shall be TURVO INTERNATIONAL CO., LTD.

Article 2 The Company's business scope includes:

1. CE01030 Optical Instruments Manufacturing.
2. CB01010 Mechanical Equipment Manufacturing.
3. F113010 Wholesale of Machinery.
4. F213080 Retail Sale of Other Machinery and Equipment.
5. CB01990 Other Machinery Manufacturing.
6. F106010 Wholesale of Hardware.
7. F206010 Retail Sale of Ironware.
8. CP01010 Hand Tools Manufacturing.
9. F401010 International Trade.
10. CD01030 Motor Vehicles and Parts Manufacturing.
11. CC01080 Electronics Components Manufacturing.
12. F113030 Wholesale of Precision Instruments.
13. F199990 Other Wholesale Trade.
14. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 The Company shall have its head office in Taichung City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices within or outside the territory of the Republic of China when deemed necessary.


Article 4 Public announcements of the Company shall be made according to Article 28 of the Company Act.

Article 5 The company shall comply with the Operational Procedures for Endorsements/Guarantees when making loans to and endorsements/guarantees for others.

Article 6 The Company may invest in another company as deemed necessary for business purposes and may be a shareholder of unlimited liability in another company. The total amount of such investments shall not be subject to the restrictions set forth in Article 13 of the Company Act.

## Chapter 2 Capital Stock

Article 7 The total capital stock of the Company shall be in the amount of NT\$800 million, divided into 80 million shares, at NT\$ 10 each, to be fully issued. The board of directors is authorized to

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issue the unissued portion of shares in installments, reserving NT\$30 million of shares, divided into 3 million shares at NT\$ 10 each, within the total share capital for the issuance of employee stock options, and may be issued in installments upon the resolution of the Board of Directors.

Article 7-1 The employees of parents or subsidiaries of the company meeting certain specific requirements are entitled to receive the transfer of treasury shares acquired by the Company in accordance with the Company Act. The employees of parents or subsidiaries of the company meeting certain specific requirements are entitled to receive share subscription warrant. The employees of parents or subsidiaries of the company meeting certain specific requirements are entitled to receive shares when the company issues new shares. The employees of parents or subsidiaries of the company meeting certain specific requirements are entitled to receive restricted stock for employees. The board of directors are authorized to determine certain qualification requirements.

Article 8 The company's share certificate shall be affixed with the signatures or personal seals of the director representing the company and shall be duly certified or authenticated by competent authority under the laws before issuance thereof. The issuing company may be exempted from printing any share certificate for the shares issued and shall register the issued shares with a centralized securities depository enterprise and follow the regulations of that enterprise.


Article 9 The share transfer registration shall 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 a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.

Article 10 Except as otherwise provided by laws and regulations governing securities, the handling of the company's stock affairs shall comply with the "Regulations Governing the Administration of Shareholder Services of Public Companies".

### Chapter 3 Shareholders' Meeting

Article 11 Shareholders' meeting shall be of two kinds which are regular meeting of shareholders and special meeting of shareholders. Regular meeting of shareholders shall be held at least once every year and shall be convened within six months after close of each fiscal year. Special meeting of shareholders shall be held when necessary. A shareholders meeting shall, unless otherwise provided for in this Act, be convened by the Board of Directors.

Article 11-1 The shareholders' meeting may be held by means of visual communication network or other methods promulgated by the Ministry of Economic Affairs.

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Article 12 A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy when the shareholder is on leave or for any reason unable to attend the shareholders' meeting. The procedures for proxy attendance shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the competent authority, in addition to the provisions of Article 177 of the Company Act.

Article 13 Except as otherwise provided by laws and regulations, a shareholder shall have one voting power in respect of each share in his/her/its possession. In the event of a shareholder meeting held by the TWSE or TPEx listed Company, the Company shall adopt the electronic transmission as one of the methods for exercising the voting power and shall describe in the shareholders' meeting notice the method of exercising their voting power.

Article 14 Resolutions at a shareholders' meeting shall, unless otherwise provided for by relevant laws and regulations, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.


Article 15 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting.

Article 16 The company shall not proceed with the revocation of public offering without the resolution by the shareholders' meeting. The above provision may not be amended when the company's shares are listed on TWSE or TPEx or the emerging stock market.

#### Chapter 4 Directors and Audit Committee

Article 17 The Company shall have 5 to 9 Directors including at least two independent directors, and the number of independent directors shall not be less than one-fifth of the total number of directors. to be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. All Directors and Supervisor(s) shall be eligible for re-election. In the process of electing directors at a shareholders' meeting, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect.

Article 17-1 The Company has established an audit committee in accordance with Article 14-4 of

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the Securities Exchange Act. The audit committee shall be composed of the entire number of independent directors. Regulations governing exercise by the audit committee and its independent director members of the powers shall be prescribed by the Company Act, the Securities Exchange Act and other applicable laws and regulations.

Article 18 Elections of both directors and independent directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192 of the Company Act. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the Competent Authority.

Article 19 When the number of vacancies in the board of directors of a company equals to one third of the total number of directors, the board of directors shall call, within 60 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies until the expiration of the term of office of the preceding term.


Article 20 The directors shall organize the board of directors. The board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors and may also elect in the same manner a vice chairman of the board. The chairman of the board of directors shall internally preside the shareholders' meeting and the meeting of the board of directors; and shall externally represent the company. All board directors shall attend board meetings in person; if attendance in person is not possible, they may appoint another director to attend a board meeting in his or her place shall in each case give to that director a written proxy stating the scope of authorization with respect to the reasons for meeting. However, a director may accept the appointment to act as proxy of one other director only.

Article 21 In calling a meeting of the board of directors, a notice shall be given to each director no later than 7 days prior to the scheduled meeting date. In the case of emergency, a meeting of the board of directors may be convened at any time. The notice may be effected in writing, e-mail or fax.

Article 22 In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, his/her duties shall be handled by a designation in accordance with Article 208 of the Company Act.

Article 23 The remuneration of directors shall be determined by the board of directors based on the level of involvement and contribution to the operations of the company and may be paid at such level as generally adopted by the enterprises of the same industry.



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## Chapter 5 Managerial Officials

Article 24 The company may have one president. Appointment, discharge and the remuneration of the president shall comply with Article 29 of the Company Act.


## Chapter 6 Accounting

Article 25 At the close of each fiscal year, the board of directors shall prepare and present the various statements and records, in accordance with Article 228 of the Company Act, to the Audit Committee for review thirty days prior to the regular shareholders' meeting, and to the shareholders' meeting for approval.

Article 26 The Company shall allocate 3.5% to 7% of the profit for the year (i.e., income before tax, less profit-sharing compensation to employees and directors) after deduction of accumulated losses, for the distribution of employee compensation. In addition, no more than 1.7% shall be allocated for director remuneration. The distribution of employee compensation and director remuneration shall be approved by a resolution of the board of directors with the attendance of two-thirds or more of the directors and the approval of the majority of the directors present. The resolution shall be reported to the shareholders' meeting. Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, entitled to receive shares or cash.

Article 27 When allocating its surplus profits after having paid all taxes and dues, the company's accumulated losses shall have been covered and the company shall set aside 10 percent of said profits as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. In addition, special reserves shall be set aside or reversed in accordance with the law. The remaining balance, together with the undistributed earnings at the beginning of the period, shall be formulated into a profit distribution proposal by the board of directors. In the case the distribution is to be made by issuing new shares, it shall be submitted to the shareholders' meeting for resolution on the distribution of dividends to shareholders.

The company may, by a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares of the company, in accordance with Article 240 paragraph 5 of the Company Act, authorize the distributable dividends and bonuses in whole or a portion of the legal reserve and capital reserve under Article 241, Paragraph 1 of the Company Act or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and a report of such distribution shall be submitted to the shareholders' meeting.

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The company is currently in a growth stage, and in order to support capital expenditure, business expansion, and ensure sound financial planning for sustainable development, the dividend policy is to allocate at least 20% of the available distributable earnings for the year for dividend distribution. The available distributable earnings for the year refers to the undistributed earnings of the previous year, and dividends will be distributed to shareholders in the form of stock dividends and cash dividends. The cash dividend ratio shall not be less than 30% of the total dividend payable to shareholders. However, the type and ratio of dividend distribution may be adjusted based on the actual profits and financial condition of the current year and will be proposed by the Board of Directors for approval at the shareholders' meeting.

#### Chapter 7 Supplementary Provisions

Article 28 In regard to all matters not provided for in these Articles of Incorporation, the Company Act shall govern.

Article 29 The Articles of Incorporation was established on 18 December 1987.

The first amendment was made on 3 February 1995.

The second amendment was made on 17 June 1999.

The third amendment was made on 18 February 2000.

The fourth amendment was made on 28 October 2003.

The fifth amendment was made on 16 December 2003.

The sixth amendment was made on 28 June 2005.

The seventh amendment was made on 3 November 2005.

The eighth amendment was made on 26 August 2006.

The ninth amendment was made on 29 July 2008.

The tenth amendment was made on 19 June 2009.

The eleventh amendment was made on 12 May 2010.

The twelfth amendment was made on 9 June 2011.

The thirteenth amendment was made on 27 June 2012.

The fourteenth amendment was made on 23 June 2014.

The fifteenth amendment was made on 9 June 2015.

The sixteenth amendment was made on 13 June 2016.


The seventeenth amendment was made on 27 June 2018.

The eighteenth amendment was made on 28 September 2018.

The nineteenth amendment was made on 17 June 2019.

The twentieth amendment was made on 23 June 2020.

The twenty-first amendment was made on 30 June 2022.

 <b>TURVO INTERNATIONAL CO., LTD.</b>	Management and Internal Control	Document Number	MP-01		
	Rules of Procedure for Shareholders Meetings	Edition	V8.0	Pages	1/16


1. The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

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

*Unless otherwise provided by the Regulations Governing the Administration of Shareholder Services of Public Companies, a company convening a shareholder meeting via video conference shall expressly state this in its articles of association, and such action shall be resolved by the board of directors. Additionally, resolutions of the video conference shareholder meeting shall be implemented with the attendance of two-thirds or more of the directors and the consent of the majority of the attending directors as agreed upon by the board of directors.*

Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

The Company shall prepare the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. The Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time.

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The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:


1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

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

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may

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exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.


Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

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

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

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the

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meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

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


The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

5. The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

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

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

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

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


In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

6. To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
  - (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
  - (2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
  - (3) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the



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virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

(4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. *Except for the circumstances specified in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, it furthermore shall at least provide connection equipment and necessary assistance, and specify the period of time available for shareholders to make application to the Company and other matters that should be noted.*


7. Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the directors to act as chair, or, if there are no directors, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair. It is advisable that shareholders meetings convened by the board of directors be chaired by the chairman of the board in person and attended by a majority of the directors and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

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

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

8. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of



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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. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.


The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

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

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

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

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

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shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 5.

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


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

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

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

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

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

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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

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


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

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

12. Voting at a shareholders meeting shall be calculated based the number of shares. With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the

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voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.


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

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

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

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights

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represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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

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


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

When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for

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extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

14. The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.


The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

15. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes by means of a public announcement made through the MOPS.

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

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements

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in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online

16. On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.


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

17. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

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

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

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

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

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

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

19. In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.


20. When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

21. In the event of a virtual shareholders meeting, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the first paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of



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election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the first paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.


When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the first paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the first paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the first paragraph.

22. When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online. *Except for the circumstances specified in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, it furthermore shall at least provide connection equipment and necessary assistance, and specify the*

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*period of time available for shareholders to make application to the Company and other matters that should be noted.*

23. These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

## The Shareholding Status of All Directors as at the Date for Suspension of Share Transfer

Date: 15 April 2024

Title	Name	Appointment date	Term of appointment	Number of shares held at the time of appointment		Number of shares currently held	
				Share	%	Share	%
Chairman	Zeng Hsing Industrial Co., Ltd. Representative: LIU, CHUN-CHANG	31 August 2022	3 years	13,000,000	21.56%	14,444,000	23.96%
Director	Zeng Hsing Industrial Co., Ltd. Representative: LIN, CHIH-CHENG						
Director	Zeng Hsing Industrial Co., Ltd. Representative: SZU, CHING-HSING						
Director	Zeng Hsing Industrial Co., Ltd. Representative: LIU, TUNG-LIANG						
Director	Zeng Hsing Industrial Co., Ltd. Representative: TSAI, CHUNG-TING						
Director	Hongjhu Investment Co., Ltd. Representative: YANG, TE-HWA	31 August 2022	3 years	12,000	0.02%	12,000	0.02%
Independent Director	HUANG, LI-HEN	31 August 2022	3 years	0	0.00%	0	0.00%
Independent Director	I, CHANG-YUN	31 August 2022	3 years	0	0.00%	0	0.00%
Independent Director	LO, SHIH-MIN	31 August 2022	3 years	0	0.00%	0	0.00%
Total				13,012,000		14,456,000	

The statutory number of shares held by all directors of the Company as at 15 April 2024 was 4,823,047 shares and the actual number of shares held by them was 14,456,000 shares, which represents 23.98% of the total number of shares; The Company has established an audit committee and therefore no statutory shareholding of supervisors applies.

**TURVO International Co., Ltd.**

**Chairman      LIU, CHUN-CHANG**