



**Gallant Precision Machining Co., Ltd.**

2025 Annual Shareholder's Meeting

**Meeting Agenda**  
(Translation)

**Date : June 3, 2025**

# Table of Contents

	<u>Page</u>
Meeting Procedure	2
Meeting Agenda	3
1.Report Items	4
2.Recognition Items	6
3.Discussion Items	7
4.Special Motions	11
Attachment 1: 2024 Business Report	12
Attachment 2: Comparison Table for the Regulations of first buyback share transfer to employee in 2020	21
Attachment 3: Regulations of first buyback share transfer to employee in 2024	23
Attachment 4: Independent Auditors' Report and Individual Financial Statements	26
Independent Auditors' Report and Consolidated Financial Statements	37
Attachment 5: Comparison Table for the Amended Provisions of Procedures for Acquisition or Disposal of Assets	48
Attachment 6: Amendment Comparison Table of Articles of Association	50
Attachment 7: Employee Restricted Stock Rewards Issuance Regulations 2025	52
Attachment 8: Proposal for the Removal of the Restrictions on Non-Competition against Directors and Their Representatives	55
Appendix 1: Rules and Procedures of Shareholders' Meeting	56
Appendix 2: Articles of Incorporation (Before the Amendments)	62
Appendix 3: Impact of Stock Dividend Distribution on the Company's Busi- ness Performance and Earnings per Share and on the Sharehold- ers' Return on Investment	70
Appendix 4: Shareholding of Directors	70



## **Gallant Precision Machining Co., Ltd.**

### **2025 Annual Shareholder's Meeting Procedure**

I. Call Meeting to Order

II. Chairman's Address

III. Report Items

IV. Recognition Items

V. Discussion Items

VI. Special Motions

**VII. Meeting Adjourn**

# **Gallant Precision Machining Co., Ltd.**

## **2025 Annual General Shareholders' Meeting Agenda**

**Time : 09:00a.m., June 3, 2025, Tuesday.**

**Shareholders meeting will be held by means of : Physical shareholders meeting**

**Place: No.1, Gongye E. 2nd Rd., East Dist., Science-Based Industrial Park, Hsinchu,  
30075, Taiwan.( Einstein Hall, HSP Link)**

### **I. Report Items :**

- (1) To report on the business of the Company in 2024.
- (2) Audit committee's review report for 2024.
- (3) To report on the distribution of employees' and directors' remuneration for 2024.
- (4) Report on the cash dividends distributed from earnings and the capital reserve in 2024.
- (5) Report on amendments to the Regulations of buyback share transfer to employee.
- (6) Report on the implementation of the treasury share buyback program.

### **II. Recognition Items :**

- (1)To accept the 2024 Business Report and Financial Statements.
- (2)To approve the proposal for the distribution of 2024 earnings.

### **III. Discussion Items:**

- (1) Proposal for the amendments to the "Procedures for the Acquisition or Disposal of Assets" of the Company, submitted for determination.
- (2) Proposal for the amendments to the "Articles of Incorporation" of the Company, submitted for determination.
- (3) Proposal for Issuance of Restricted Stock Rewards to Employees.
- (4) Removal of the Restrictions on Non-Competition against Directors and Their Representatives.

### **IV. Special Motions**

### **V.Meeting Adjourned**

## **Report Items**

### **1. To report on the business of the Company in 2024.**

Explanation :

The 2024 Business Report is attached hereto as Attachment 1(pages 12).

### **2. Audit committee's review report for 2024.**

Explanation :

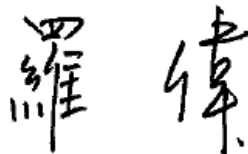
- (1) The Company's 2024 annual account was certified by Wu, Wei- Hao and Chiang, Tsai-Yen, Certified Public Accountants of PWC and reviewed by the Audit Committee, and the auditor's report and Audit Committee's review report were issued, respectively.
- (2) For your approval.

### **Audit Committee's Review Report**

The Board of Directors has prepared the Company's Business Report, Financial Statements, and Earning Distribution Proposal for the year of 2024. Wu, Wei- Hao and Chiang, Tsai-Yen, Certified Public Accountants of PWC, have audited the Financial Statements. The 2024 Business Report, Financial Statements, and Earning Distribution Proposal have been reviewed and determined to be correct and accurate by the Audit Committee of Gallant Precision Machining Co., Ltd., as the Chair of the Audit Committee, hereby submit this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law.

Gallant Precision Machining Co., Ltd.

Chairman of the Audit Committee :



February 26, 2025

### **3. To report on the distribution of employees' and directors' remuneration for 2024.**

#### Explanation :

As a result of the resolution of the Board of Directors, the Company shall distribute an employee's bonus of NT\$22,682,647 and directors' remuneration of NT\$6,557,935 in cash which are within the limits stipulated in the Articles of Association. The amount of the aforesaid remuneration proposed to be distributed is the same as the amount of the book.

### **4. Report on the cash dividends distributed from earnings and the capital reserve in 2024.**

#### Explanation :

- (1)The report is submitted to the shareholders' meeting according to Article 31-1 of the Articles of Incorporation.
- (2)The Board resolved to approve the distribution of a cash dividend of NT\$1.8 per share on April 10, 2025, with a total amount of NT\$289,244,059. The Board is authorized to make arrangements for the ex-dividend base day and other unaddressed matters at its full discretion.
- (3)The Company intends to distribute NT\$0.2 in cash per share from the capital re-serve received from the premium arising from the issuance of stocks at an amount exceeding the par value according to Article 241 of the Company Act. After calculating based on the number of issued common shares of 160,691,144 shares (with 4,445,000 treasury shares deducted), NT\$32,138,229 is available for the distribution of cash dividends. The Board is authorized to determine the base day for the distribution of cash from the capital reserve at its full discretion.
- (4)The distribution of cash bonuses is rounded to NT\$1 (rounded down to NT\$1), and the sum of fragment amounts less than NT\$1 is accounted for as the other income of the Company.
- (5)With the payout rate remaining unchanged, if any adjustment is required for the distribution amount and the closing balance changes accordingly as the number of shares entitled to participate in the distribution changes subsequently, the Board authorizes the Chairman to handle and adjust at his/her full discretion.

### **5. Report on amendments to the Regulations of buyback share transfer to employee.**

#### Explanation :

- (1)The Board of Directors approved the amendments to the Regulations for the First Repurchase of Shares for the Transfer to Employees in 2020 on December 19, 2024 and February 26, 2025.
- (2)According to the operational requirements of the Company, Article 4 and Article 7 of the Regulations for the First Repurchase of Shares for the Transfer to Employees in 2020 were amended.
- (3)For the comparison table for the amendments, please refer to Attachment 2 on page 21 of the Handbook.

## 6. Report on the implementation of the treasury share buyback program.

### Explanation :

- (1) According to Article 28-2 of the Securities and Exchange Act.
- (2) The Board of Directors resolved to approve the repurchase of the Company's shares on November 7, 2024, and the content of the resolution and the implementation status are as follows:

Instance	14 <sup>th</sup> Batch
Purpose	Transfer to employee
Buyback Period	2024/11/08~2024/12/27
Price Range(NT\$)	NT \$114.16~133.69
Type and Volume (shares) of the Repurchased shares	Common Stock 3,668,000 shares
Amounts of the Repurchased share (NT\$ thousands)	462,609
The ratio of the Repurchased Shares to the Planned Buyback Shares (%)	85
Cancelled and Transferred Shares	Common Stock 0 shares
Cumulated holding Volume (shares)	Common Stock 4,445,000 shares
The ratio of the Cumulated holding Volume to the total issued	2.69

- (3) For the regulations of first buyback share transfer to employee in 2024, please refer to Attachment 3 on page 23 of the Handbook.

## **Recognition Items**

### **1. To accept the 2024 Business Report and Financial Statements. (proposed by the Board of Directors)**

#### Explanation :

- (1) The 2024 financial statements of the Company were approved by the Board of Directors on February 26, 2025 and audited by the accountants, Wu, Wei-Hao and Chiang, Tsai-Yen of PWC Taiwan, and were sent to the Audit Committee, and an audit report was issued accordingly.
- (2) For the 2024 Business Report, Independent Auditor's Report, and the 2024 Financial Statements, please refer to Attachments 1 and 4 (pages 12 and pages 26~47).

#### Resolution :

### **2. To approve the proposal for the distribution of 2024 earnings. (proposed by the Board of Directors)**

#### Explanation :

- (1) Earnings Distribution Proposal:

Amount in NT\$	
Items	Amount
Unappropriated retained earnings from previous years	113,314,477
Less: Number of changes in ownership of subsidiaries	(31,412,673)
Plus: change of remeasurements on defined benefit plan	6,230,678
Plus: The right to dispose of the right to measure fair value through other comprehensive profit and loss	6,500,000
Plus: Net Income of 2024	296,748,632
Less: 10% Legal Reserve	(27,806,664)
Retained Earnings Available for Distribution as of December 31, 2024	363,574,450
Distribution Item:	
Cash Dividends to Common Share Holders (NT\$1.8 per share)	(289,244,059)
Stock Dividends to Common Share Holders	0
Unappropriated Retained Earnings	74,330,391

(2)The total amount of cash dividends paid to each shareholder shall be rounded to NT dollars and the fractional part less than NT 1 dollar will not be counted. The total amount of round-off shall be included in other income of the Company.

(3) The payout rate of the proposal for earning distribution is calculated based on the number of shares entitled to participate in the distribution as of April 2, 2025. With the payout rate of NT\$1.8 per share remaining unchanged, if any adjustment is required for the distribution amount and the closing balance changes accordingly as the number of shares entitled to participate in the distribution changes subsequently, the Board authorizes the Chairman for handling and adjusting at his/her full discretion.

**Resolution :**

**Discussion Items**

**1. Proposal for the amendments to the “Procedures for the Acquisition or Disposal of Assets” of the Company, submitted for determination (Propose by the Board).**

**Explanation :**

(1)The Procedures were amended according to the operating status of the Company.

(2)Regarding the comparison table for the amendments to the “Procedures for the Acquisition or Disposal of Assets,” please refer to Attachment 5 on page 48 of the Handbook.

**Resolution :**

**2. Proposal for the amendments to the “Articles of Incorporation” of the Company, submitted for determination (Propose by the Board).**

Explanation :

(1)According to the operational requirements of the Company and paragraph 6, Article 14 of the Securities and Exchange Act, the Company shall specify the appropriation of a certain ratio of annual earnings for the salary adjustment of remuneration distribution of non-executive employees, and the Company intends to amend its “Articles of Incorporation.”

(2)Regarding the comparison table for the amendments to the “Articles of Incorporation,” please refer to Attachment 6 on page 50 of the Handbook.

Resolution :

**3. Proposal for Issuance of Restricted Stock Rewards to Employees (Propose in the Board meeting)**

Explanation :

- I. The company aims to attract and retain key talents by linking their rewards to shareholder interests as well as environmental, social, and governance (ESG) performance, thereby enhancing the company's competitiveness and creating maximum benefits for both the company and shareholders. It intends to issue restricted stock rewards in accordance with relevant regulations.
- II. The proposed content of the restricted stock rewards to be issued is as follows:
  - (I) Total issuance: Not exceeding 1,000,000 common shares, with a par value of NT\$10 per share. The actual number of shares to be issued will be decided separately by the Board of Directors after approval by the shareholders' meeting and the competent authority regarding the issuance of restricted stock rewards.
  - (II) Issuance period: Within two years from the effective date of notification from the competent authority, issuance may occur at once or in installments as deemed necessary. The Chairman will determine the actual issuance date and related operational matters from the authorization of the Board of Directors.
  - (III)Qualifications and allocation of shares for employees:
    1. The eligible participants of this incentive are restricted to employees of this company and its domestic and foreign subsidiaries who are in full-time employment, in formal positions, and have achieved certain performance criteria as of the date of the grant of the restricted stock rewards. The term "subsidiaries" is defined according to the standards set forth in Letter C.K.C.F.T. No. 1070121068, which is based on Article 369-2, Article 369-3, Article 369-9(2), and Article 369-11 of the Company Act.
    2. The actual recipients and the number of restricted stock rewards to be granted will be determined based on factors such as seniority, job title, performance, overall contributions, special achievements, or other management considerations. The determination will be made by the Chairman and submitted for approval by the Board of Directors. However, employees holding positions as Directors or Managers of the company must first be reviewed by the Compensation Committee, while

employees without such positions must first be approved by the Audit Committee.

3. The company is subject to Article 56-1, Paragraph 1 of the "Regulations Governing the Offering and Issuance of Securities by Issuers," which stipulates that the cumulative number of shares that may be subscribed by a single subscriber of employee stock options, plus the cumulative number of restricted employee shares acquired by the same subscriber, shall not exceed three-thousandth of the total number of issued shares. Additionally, according to Article 56, Paragraph 1 of the same regulations, the cumulative number of shares that may be subscribed by a single subscriber of employee stock options shall not exceed one percent of the total number of issued shares.

(IV) Issuance Qualifications:

1. Expected Issuance Price: Free of charge, with an issuance price of NT\$0 per share.
2. Vesting Conditions:

Employees who have served continuously for one year from the granting date shall vest 100% of the shares.
3. Type of shares issued: Ordinary new shares of the Company.
4. When employees do not meet the vesting conditions or in case of inheritance, they shall be handled as follows:
  - (1) Employees who voluntarily resign, are terminated, dismissed, retire, pass away due to non-occupational accidents, or are placed on unpaid leave within one year from the vesting date, the company shall reclaim their unvested shares at no cost to the employees.
  - (2) Stock dividends and rights issues received during the vesting period: Provided to employees at no cost by the Company.
  - (3) Before meeting the vesting conditions, if an employee violates the provisions of Article 7 or Article 8 by terminating the Company's proxy authorization, the Company shall reclaim at no cost to the employees.

When the following reasons occur, the unvested restricted stock rewards are handled as follows: (including handling methods when inheritance occurs)

- (1) In the event that an employee is unable to continue employment due to disability resulting from occupational injury, the unvested restricted stock rewards are forfeited by the company without compensation, effective from the date of resignation.
- (2) In the unfortunate event of an employee's death due to occupational injury, any unvested restricted stock rewards shall be considered fully vested at the time of the employee's passing. The designated heirs may apply to receive the shares or exercise the rights of disposal associated with the inherited stock after completing the necessary legal procedures and providing relevant documentation.
- (3) For employees who have been granted restricted stock rewards, if they commit serious violations of labor contracts or workplace rules, or voluntarily renounce the restricted stock rewards

in writing, the company reserves the right to reclaim the unvested restricted employee stock at no cost and proceed with cancellation. Upon reclaiming such stock, the company will cancel it accordingly.

The Company will cancel any restrictive stock rewards reclaimed at no cost.

Restrictions on share rights before meeting the vesting conditions:

- (1) During the vesting period, employees are not allowed to sell, pledge, transfer, gift, assign, or otherwise dispose of the restricted stock rewards.
  - (2) During the vesting period, the restricted stock rewards are still eligible to participate in rights offerings, dividends, and cash capital increases.
  - (3) After the issuance of restricted stock rewards, they shall be immediately entrusted to a trustee, and employees shall not, under any circumstances or pretext, request the return of the restricted stock rewards from the trustee until the vesting conditions are met.
  - (4) Before meeting the vesting conditions, the attendance, proposals, speeches, voting rights, and other matters related to shareholder rights at the company's shareholders' meeting are all entrusted to the trustee/custodian institution for execution.
- (V) The necessary reasons for creating the restricted stock awards are to attract and retain the company's professional personnel, elevate employees' team spirit and sense of belonging, and generate interest for the company and its shareholders.
- (VI) The expensable amount, dilution of the company's earnings per share, and other matters affecting the stakeholder rights:

Based on the issuance of restricted stock rewards not exceeding 1,000,000 ordinary shares and assuming a total cost of NT\$76,800,000 over the designated one-year period, calculated at the closing price of NT\$76.8 per share on April 1, 2025 (the trading day preceding the notice date of the board meeting), and considering the total issued shares of 165,136,144 as of that date, the estimated dilution of earnings per share after cost allocation would be approximately NT\$0.4651 per share. Given the anticipated continued growth trend in the Company's operations over the next few years, the overall assessment suggests that the dilution impact on future earnings per share is expected to be limited, and there should be no significant impact on existing shareholder equity.

- III. Please refer to Attachment 7 on page 52 of this manual for the issuance regulations of restricted stock rewards in 2025. In the event of any necessary revisions or adjustments due to directives from competent authorities or amendments to relevant laws and regulations, it is proposed to authorize the board of directors or their authorized representatives to handle such matters fully at the shareholders' meeting.

**Resolution :**

**4. Removal of the Restrictions on Non-Competition against Directors and Their Representatives. (proposed by the Board of Directors)**

**Explanation** :

- (1) In accordance with the relevant provisions of Article 209 of the Company Act, where the director acts for himself or on behalf of others within the business scope of the Company, shareholders shall explain the important content of his/her conduct to the shareholders' meeting and obtain its approval.
- (2) The directors of the Company acts for himself or on behalf of others within the business scope of the Company, so the directors and their representatives shall be subject to the approval at the meeting of shareholders in accordance with the law.
- (3) For the competitive situation of the directors of the company, please refer to Attachment 8 on page 55.

**Resolution** :

**Special Motions**

**Meeting Adjourns**

**Attachment 1 :**

**Gallant Precision Machining Co., Ltd.**

**2024 Business Report**

In 2024, the parent company only operating income of GPM was NT\$1,854,131 thousand, representing an increase of 2.39% from the preceding year. In terms of profits, the parent company only net profit after tax of GPM was NT\$296,749 thousand, representing an increase of 45.68% from the preceding year; the profit margin was reduced by 8.96% from the preceding year; net profit per share was NT\$1.82.

(1) Summary of the Company's financial income and expense and profitability

Financial analysis data		For 2024
Debt to asset ratio (%)	(%)	35.73
Long-term funds to fixed assets ratio	(%)	826.18
Return on total assets	(%)	3.96
Return on shareholders' equity	(%)	5.97
Percentage to paid-in capital (%)	Operating profit	-9.05
	Pre-tax net profit	18.07
Net profit margin	(%)	16.00
Earnings per Share	(NTD)	1.82

(2) Products that have been developed by the Company in 2024 :

R&D Item (Processing Technology)	Names of machine developed
	● Wafer 2D+3D AOI
	● Wafer Inner defect Inspection
	● Strip Grinder
	● μ-LED G4.5 Reattachment laminating Equipment
	● Intelligent AMR Dispatch Management & Simulation System

**II. 2025 Business Plan Summary**

A. Annual Operating Policy

1 Business Aspect

- Refine, combine, focus and innovate semiconductor industry.
- Differentiation, diversification, expansion next generation display industry.
- Extend, promote and branding intelligent automation industry.

(1)The Company adopts “ethics” as its core and adheres to the corporate culture of

“teamwork, innovation, responsibility, and learning” to focus on the automated optical testing, measurement, grinding, polishing, and other core technologies in the long run with the attitude of constant advances and continuous innovations so as to provide advanced packaging and recycled wafer smart solutions for the semiconductor industry and provide high-quality equipment and excellent services with customer-first as the philosophy in order to create values for customers.

- (2) We focus on core semiconductor technology, innovation and connection of international research and development resources. We understand Taiwan semiconductor market and provide customers with process solutions. Quality is the priority to us. We improve the overall competitiveness and grasp the market trends in order to improve customer competitiveness and differentiation.
- (3) To provide high-quality equipment and services to customers and improve the information security protection ability of tools, we introduced the SEMI E187 compliance development in the stage of product design. In 2023, we successfully passed the certification by Bureau Veritas, a third-party notarization department, and expanded the applications to equipment related to semiconductors. In 2023, we were commended by the Administration for Digital Industries, and we promoted information security awareness within the supply chain of the industry through benchmark learning.
- (4) Through technology introduction/cooperation and the connection to the requirements of partners and customers, we forcefully entered the advanced testing technology development and innovation in the front end of the semiconductor industry and developed the testing, measurement, grinding, polishing, and other procedure equipment in the mid-to-back-end packing procedures to improve the product performance in the existing advanced packaging, wafer recycling, and IC substrate fields so as to focus on the product lines and expand customer group.
- (5) The foundation of the company is the research and development technology of the existing display equipment. The foreign technical cooperation, focus and deeply development of FPD next generation high value-added equipment drive the company to diversify and manage in a sustainable way in order to expand the future in the display industry innovation and progress.
- (6) Continue to allow the differentiation of existing products (i.e., the introduction of AI and energy conservation technologies) and optimize cost strategies to improve product competitiveness and profits. Continue to upgrade the existing core technologies and expand into the next-generation display market (i.e., Micro/Mini-LED) to extend the niche in the next-generation display market.
- (7) We take profit as the priority and master the current key advanced technology. Based on our electromechanical and software integration technology and QDTCSS, the

intelligent production management system is the backbone to build a quality production system in the smart factory, intelligent logistics and intelligent dynamic process equipment. We continue to expand the results of intelligent automation, and pool our resources to provide strategic partners and key industry representative customers with intelligent automation integration solutions to help them achieve their smart manufacturing goals.

- (8) For smart logistics, improve developing potential customers and promote to customers for their other requirements. Strengthen the promotion of AI system products for various industries, introduce key industrial equipment, and provide AOI + AI service solutions to improve our brand image and customer value.
- (9) We have passed the ISO 9001 (Quality Management System), ISO 45001 (Occupational Health and Safety Management Systems), ISO 27001 (Information Security Management System) and ISO 14064 (greenhouse gas management system) certifications to accurately comply with international management procedures and standards, protect customers' interests with a higher level of standard for the quality management, overall safety and occupational management of plants, and information security management, regulate employees' behaviors and execution capacity, and provide for the overall quality of suppliers.
- (10) We use the company's professional manufacturing brand image and popularity, and through effective management, to develop OEM/ODM services, win international orders, reduce the impact of industrial cycle, promote customer alliance to other industrial areas and expand revenue sources.
- (11) We make good use of the existing after-sales service mechanism, deepen the relationship with customers, help improve the production efficiency of the factory, achieve long-term business opportunities with value-added services, and seek a win-win strategy for customers and companies.
- (12) Continue to expand and have cross-industry alliances with top-notch companies worldwide to become their long-term cooperation partners, accelerate the R&D of new products, assist the customers in the fast launches and entrance into new markets of new products, and build a long-term, stable, and profitable system.
- (13) For our sustainable development, we make arrangements in three major aspects of environmental, social, and governance. GPM adheres to the sustainable operating philosophy and aims at realizing sustainable corporate operations, long-term partnerships with customers and communities, and the performance of responsibilities as a corporate citizen. We established solar power generation systems, made use of green energy for energy saving and carbon dioxide reduction, and applied for the ISO 14064 (Greenhouse Gases Management System) to further align ourselves with the goal of "Carbon Neutral & Net Zero Emission." Meanwhile, we established the Corporate

Sustainability Committee in charge of the promotion of matters related to corporate social responsibility (CSR) and ethical corporate management. GPM will continue focusing on sustainable operations and implementing its responsibilities as a corporate citizen and grow together with its employees by emphasizing people-oriented ideas to jointly create maximum value for the Company, customers, and shareholders.

(14)The company has strengthened internal information security by establishing a cybersecurity committee to promote and implement security operations. Additionally, it has obtained ISO 27001 international information security certification and SEMI E187 cybersecurity certification. These measures effectively mitigate the risks of external intrusion and internal data breaches, safeguarding the interests of all employees and protecting R&D confidentiality.

## 2 R&D Aspect

Develop the in-depth core technologies (equipment & procedures), including (1) automated optical testing technology, (2) automated optical measuring technology, (3) grinding technology, (4) polishing technology, (5) smart automation technology, and (6) AI technology and other core technologies.

Expand the core technologies into the integrated applications and development of cross-field products and their value-added applications in the fields of semiconductor procedure and testing equipment, IC substrate, next-generation display procedure equipment, smart factories, and smart logistics.

The Company's plans to develop following products in 2025:

R&D Item (Processing Technology)	Names of machine to be developed
	● High Speed 3D Metrology for Advanced Package
	● Panel Polisher
	● Glass Substrate Grinder
	● Intelligent Quality Prediction System for Grinder Process Control

B. The Company's forecast on sales volume and its basis for 2025:

Unit: set

Main products	2025 Budget
Semiconductor processing equipment	162
Display processing equipment	32
Intelligent automation equipment	-

Note: The forecast is based on the customers' forecast, taking into account the market conditions.

C. Important production and marketing policies

- (1) Integrating operations, talent, and resources across the Taiwan Strait, we aim to strengthen customer management, sales, and efficiency integration to maximize overall effectiveness and expand into markets in mainland China, the United States, Japan, and Southeast Asia.
- (2) Conduct strategic alliance with industry-university-research units and end customers, continuously improve system integration capability and develop new products and technologies in new fields such as display, semiconductor and intelligent automation, to improve marketing efficiency and achieve differentiated niche.
- (3) Strengthen product cost control mechanism, together with design improvement, efficiency improvement and supply chain management, increase orders of high-gross margin products, and ensure reasonable profit of products.
- (4) Continuously promote the intelligence, modularization and standardization of major products, simplify the manufacturing process, improve product function and reliability, and reduce costs.
- (5) Collecting the Company's various real-time production data, analyzing and integrating it with the internal system, and providing information to the decision-making supervisors as a reference for performance.
- (6) To meet the customer demand for fast delivery, effectively control quantity and amount of raw materials and inventory, reduce inventory turnover days and reduce loss on inventory falling price.
- (7) Accelerate installation and acceptance efficiency, improve after-sales service quality to ensure customer satisfaction, establish a win-win service system with customers and continuously strengthen accounts receivable and cash flow management.
- (8) We introduced energy policies related to green energy and carbon emission reduction. We built a solar farm in our plant to sell the power generated to Taipower and establish the energy-saving and environmental image of the Company, making contributions to the sustainability and renewal of the earth.

### **III. Future Development Strategy:**

- Adopt innovation transformation, market extension, sustainable development as the guiding principle of development strategy.
- Business Aspect
  - Deepen promotion of development of the Semiconductor industry, display industry and intelligent automation industry.
  - Extend related products to other foreign markets for business promotion.
  - Enhancing the business opportunities of Taiwanese businessmen returning and decentralized production by international manufacturers.
  - Deeply cultivate the after-sales service market of equipment and components, and grow together with customers.
- Product Aspect
  - Deeply develop core technologies (equipment & processes).

-Extend core technology for cross-industrial product integration application development.

- Internationalization strategy of diverse talents cultivation.
- GPM formed a G2C business strategic alliance with its partners, C. Sun and GMM, to provide one-stop services for smart production. By integrating the human resources, material resources, and technical resources of multiple companies, we established a robust supply chain system and customer service system that connect all production equipment from upstream to downstream to assist customers in creating maximum value, and in turn, achieving the common belief of price fortification by securing costs, joint creation through mutual efforts, harmony and sharing, and long-term partnerships.

#### **IV. The Impact from the External Competitive Environment, the Regulatory Environment and the Overall Business Environment:**

##### 1. The impact of the external competitive environment

However, the rapidly changing industrial operating environment, influenced by factors such as the war in Ukraine, conflicts in the Middle East, US-China trade tensions, the COVID-19 pandemic, and geopolitical shifts, has led to diverse changes in market and product application trends. Facing the global display industry's expansion slowdown, intensified external competition, and China's promotion of domestic equipment manufacturing, our company's traditional mainstay, the display industry, is facing increasingly fierce competition and challenges, testing the adaptability of our team. GPM will continue to strengthen its proprietary product technology, complemented by the introduction of advanced foreign technologies, to enhance product functionality, quality, and sophistication, thereby moving away from price-based competition. Additionally, we will explore opportunities in industries such as semiconductors, Micro/Mini LED, and smart manufacturing, while expanding into international markets. In response to changes in the industry and operating environment, we will demonstrate stability, precision, and rapid response capabilities, while establishing a diversified business layout and development goals for the industry.

##### 2. Regulatory Environment:

Integrity is deep rooted in the Company's core culture. As a result, the Company has been complying with legal norms, honest, and self-disciplined in its business. In addition to collecting information concerning external regulatory changes at any time for the management's reference, the Company is establishing, reviewing, updating and adjusting its internal management and operational rules and regulations in order to actively respond to various changes in the regulatory environment.

##### 3. Overall Business Environment:

- (1) The machinery industry in Taiwan secured a seat in the global semiconductor

equipment market. In recent years, emerging drivers have been brought by the rapid development of smart robots, drones, Digital Twin, and generative AI technologies. According to IEK, ITRI, regarding the semiconductor equipment industry, the global semiconductor market is likely to record booming results for two consecutive years with the uprising requirements for AI computing, HBM, and equipment in Mainland China. According to the estimates of SEMI, the global semiconductor market in 2024 is estimated to grow by 3%, with a production value breaking through USD billions. It will continue to grow by 16.5% in 2025 to US\$127 billion. As governments of different countries encourage chip autonomy and have been building fabs, 185 wafers commenced the operation or construction worldwide from 2022 to 2024, and over 50% of them are in Mainland China, Taiwan, and the U.S.. In particular, Mainland China expands investment in mature procedures while facing the restriction of export control for advanced equipment; the changes in the policy for trade between the U.S. and Mainland China in the following are closely related to the development of the equipment market.

According to IEK, ITRI, AI will be the main pushing force for the growth in the semi-conductor market in the following decade, and relevant applications will bring about the heterogeneous integration of the front-end wafer manufacturing and the back end (i.e., CoWoS procedures, TSV, RDL, and other equipment requirements for advanced packaging). It is estimated that the advanced packaging market will achieve US\$786 billion by 2028. The silicon photon technology with high speed and low energy consumption will start to develop, which will also bring challenges to manufacturing and packaging. The Company will keep abreast of relevant equipment requirements, grasp relevant business opportunities, and allow diversified business order-taking and flexible manufacturing speed to welcome the challenges through the combination of its forceful internal production and marketing functions and the long-term external supplier chain system so as to create a greater future.

- (2) According to the “2025 Economic Outlook of Taiwan” of the Taiwan Research Institute, the economic growth in countries worldwide recorded different trends, with the differentiated trends offset mutually, and the global economic growth showed a slow recovery due to lacking main momentum. With the reinitiation of unilateralism and the policy for inward-looking industry by the Trump government, it is estimated that the global trade, investment, and supply chain will have enormous fluctuations in 2025. The professional-ism and the continuous geopolitical situations will cause spillover effects on the global economy; the global economic growth in 2025 is estimated to be full of variables and challenges. Benefiting from the global AI trend and the robust demand for cybersecurity products, the export recorded performance more favorable than expected regarding the economic performance in Taiwan in 2024. In terms of domestic demand, AI business opportunities were feverish worldwide; companies increased their

investments in the expansion of production capacity, private investment recovered, and the overall economic environment improved as compared to that in June 2024. The Taiwan Research Institute made an upward adjustment of 0.64% to the economic growth rate throughout 2024 to 4.21%.

Looking into 2025, the consumption in terms of domestic demand recovered to the normal standard, and the private investment momentum is likely to continue. The international AI business opportunities are booming with prosperous export sales, and the growth in the international commodity trade is recovering; however, the risk of uncertainties for the new policies of Trump is relatively high. The Taiwan Research Institute estimates that the economic growth in Taiwan in 2025 shall be viewed with caution, and it is estimated that the economic growth throughout 2025 will be 3.16%. In recent years, GPM has constantly and actively been investing in R&D and joint creations with partners, and it is expected to make achievements in the semiconductor industry, display industry, and smart auto industry. The waves of changes are expected to facilitate the growth and development of GPM's high technology equipment and make it an important role in the equipment supply chain of customers.

- (3) Geopolitics and the US-China trade war made partial enterprises in Mainland China move out, return to Taiwan, or choose to establish plants in Southeast Asian countries to separate risks. However, Southeast Asian countries have insufficient technicians and rising labor costs have become inevitable in the region. With the requirements of local manufacturing plants for constant improvement in the overall quality, smart auto systems and equipment are required in place of labor production. Leveraging the long-term development in the equipment manufacturing field and the advantageous position of Taiwan in the wave of supply chain readjustment, Taiwanese businesses and large-scale international companies will choose GPM as the cooperating partner.
- (4) GPM, C.Sun, and GMM joined hands and formed the G2C alliance in 2020 for joint creation. The companies have their own expertise in the equipment for semiconductor procedures; through technological connection and integration, the alliance becomes a material force to drive the continual advances in wafer production, allowing the outstanding performances recorded by the Company in terms of its operating income.
- (5) In addition, AI, 5G, AR/VR, Metaverse, IoT, and Big Data facilitated a more comprehensive smart auto application. GPM possesses technologies for the solutions of automated equipment application procedures that span across diverse technology industries. In recent years, GPM joined forces with a world-renowned manufacturer in major industries and gained substantial achievements in terms of the integration of smart auto solutions.

- (6) GPM adheres to the spirit of corporate sustainability, gradually entering the ESG field and establishing future sustainability goals for GPM based on the United Nations SDGs in the categories of Environment, Social, and Governance. GPM has completed the ISO14064-1:2018 verification and hopes to collaborate with partners worldwide to address the challenges of climate change, particularly in key areas such as greenhouse gas and carbon management. Looking ahead, with an excellent management team and professional technical capabilities, GPM is confident that it can achieve its goals and attain the best operational results through the concerted efforts of all employees.

Chairman: Cheng-Hsin (Jason), Chen

President: Cheng-Hsin (Jason), Chen & Frank, Liang

Accounting Manager: Sheng-Hung(Michael), Huang

**Attachment 2 :**

**Gallant Precision Machining Co., Ltd**

**Comparison Table for the Regulations of first buyback share transfer to employee in 2020**

No.	Amended Provision	Current Provision	Reason for Amendment
Article 4	<p>(Eligibility requirements for transferees)            All the full-time employees, <u>parttime employees, and consultants</u> of the company and its subsidiaries who are employed on the base date of the subscription (the “subsidiary” refers to subsidiaries at home and abroad who directly or indirectly hold more than 50% of the voting shares of the same invested company) can enjoy the subscription qualification according to the number of subscription shares set in Article 5 of the regulation after being submitted to and approved by the board of directors.  <u>Full-time and part-time are de-fined as follows: Full-time employees: Employees employed by the Company to implement the work handed over by the Company who receive monthly salaries. Part-time employees: Part-time personnel (those who are not re-quired to work for eight hours each day) or employed by the Company or contacting personnel with a fixed term who receive monthly salaries.</u></p>	<p>(Eligibility requirements for transferees)            All the full-time employees of the company and its subsidiaries who are employed on the base date of the subscription (the “subsidiary” refers to subsidiaries at home and abroad who directly or indirectly hold more than 50% of the voting shares of the same invested company) can enjoy the subscription qualification according to the number of subscription shares set in Article 5 of the regulation after being submitted to and approved by the board of directors.</p>	<p>Amended according to the operational requirements.</p>
Article 7	<p>(Agreed transfer price per share)            The transfer of the repurchased shares to the employee <u>shall be reported to the chairman for</u></p>	<p>(Agreed transfer price per share)            The transfer price of the repurchased shares to the employee shall be the average price of the actual purchased</p>	<p>Amended according to the operational requirements.</p>

<p><u>con-sent, and the price shall be:</u></p> <p>(1) <u>The average price of the actual purchased shares (calculated up to NT\$ cents and rounded); or</u></p> <p>(2) <u>70% of the closing price of common shares of the company one business day before the day on which the chairman agreed on the transfer to employees, or the average repurchase price if the 70% of the closing price of common shares of the company one business day before the day on which the chairman agreed on the transfer to employees is lower than the average repurchase price.</u></p> <p>However, before the transfer, if the company's issued common shares increase or decrease, it may be adjusted according to the increase or decrease ratio of issued shares. Alternatively, in accordance with the company's articles of association, the transfer to employees at an average price lower than the actual purchase shall be approved by two-thirds or more of the attending shareholders who represent a majority of the total number of its outstanding shares. It shall be listed in the reasons for the convening of the shareholders' meeting to explain the matters stipulated in Article 10, paragraph 1, of “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” before it is handled.</p>	<p>shares (calculated up to NT\$ cents and rounded). However, before the transfer, if the company's issued common shares increase or decrease, it may be adjusted according to the increase or decrease ratio of issued shares. Alternatively, in accordance with the company's articles of association, the transfer to employees at an average price lower than the actual purchase shall be approved by two-thirds or more of the attending shareholders who represent a majority of the total number of its outstanding shares. It shall be listed in the reasons for the convening of the shareholders' meeting to explain the matters stipulated in Article 10, paragraph 1, of “ Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” before it is handled.</p>	
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### **Attachment 3 :**

#### **Gallant Precision Machining Co., Ltd Regulations of first buyback share transfer to employee in 2024**

##### Article 1

In order to stimulate and enhance the loyalty of our employees, we have formulated the measures for the purchase and transfer of shares of employees in accordance with article 28-2, paragraph 1, paragraph 1 of Securities and Exchange Act and “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” issued by Financial Supervisory Commission. Except in accordance with the relevant laws and regulations, the repurchase and transfer of shares by the company to its employees shall be subject to the provisions of these regulations.

(Type of shares to be transferred, a description of the rights attaching thereto, and any restrictions on such rights)

##### Article 2

The shares transferred to the employee are common shares, and their rights and obligations are the same as those of other common shares outstanding, except as otherwise provided by relevant laws and regulations.

(Transfer period)

##### Article 3

The shares repurchased this time may be transferred to employees one or several times within five years from the date of repurchase of shares in accordance with the regulations.

(Eligibility requirements for transferees)

##### Article 4

All the full-time employees, parttime employees, and consultants of the company and its subsidiaries who are employed on the base date of the subscription (the “subsidiary” refers to subsidiaries at home and abroad who directly or indirectly hold more than 50% of the voting shares of the same invested company) can enjoy the subscription qualification according to the number of subscription shares set in Article 5 of the regulation after being submitted to and approved by the board of directors.

Full-time and part-time are de-fined as follows: Full-time employees: Employees employed by the Company to implement the work handed over by the Company who receive monthly salaries. Part-time employees: Part-time personnel (those who are not re-quired to work for eight hours each day) or employed by the Company or contacting personnel with a fixed term who receive monthly salaries.

(Number of shares available for subscription by employees)

##### Article 5

The company establishes the weights for an employee’s subscription based on the employee’s job grade, year of services, particular contributions to the company and other standards, taking

into account the total number of repurchased shares held by the company and the cap for the number of subscription by a single employee on the base day of subscription; the actual subscription eligibility and subscription amount shall be determined by the board of directors through resolutions. However, subscribers who are also managerial personnel shall be reported to the remuneration committee for discussion and submitted to the board of directors for resolution; those who are not managerial personnel shall be reported to the audit committee for discussion and submitted to the board of directors for resolution.

(Procedures for transfer of shares)

#### Article 6

Procedures for the transfer of the repurchased shares to the employee:

1. In accordance with the resolution of the board of directors, we announce, declare and buy back the company's shares within the execution period.
2. The board of directors shall, in accordance with these regulations, determine and publish the operation items such as the base date of share subscription, the standard for the number of shares to be subscribed, the period of subscription and payment, the content of rights and restrictions.
3. Count the number of shares actually subscribed for payment, and register the transfer of shares.

(Agreed transfer price per share)

#### Article 7

The transfer of the repurchased shares to the employee shall be reported to the chairman for consent, and the price shall be:

- (1) The average price of the actual purchased shares (calculated up to NT\$ cents and rounded); or
- (2) 70% of the closing price of common shares of the company one business day before the day on which the chairman agreed on the transfer to employees, or the average repurchase price if the 70% of the closing price of common shares of the company one business day before the day on which the chairman agreed on the transfer to employees is lower than the average repurchase price.

However, before the transfer, if the company's issued common shares increase or decrease, it may be adjusted according to the increase or decrease ratio of issued shares. Alternatively, in accordance with the company's articles of association, the transfer to employees at an average price lower than the actual purchase shall be approved by two-thirds or more of the attending shareholders who represent a majority of the total number of its outstanding shares. It shall be listed in the reasons for the convening of the shareholders' meeting to explain the matters stipulated in Article 10, paragraph 1, of "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies" before it is handled.

#### Article 7-1

Transfer price adjustment formula: Adjusted transfer price = average price of actual shares repurchased x total number of common shares issued when the shares were declared for repurchase / total number of common shares issued before the transfer of shares bought back to employees (rights and obligations subsequent to execution of the transfer).

(Rights and obligations subsequent to execution of the transfer)

#### Article 8

After the share repurchase is transferred to the employees and the transfer registration is completed, the rights and obligations are the same as the original shares unless otherwise specified.

(Others)

#### Article 9

Other rights and obligations related to the company and its employees: the chairperson is authorized to check and handle the implementation details of the repurchase of the company's shares.

#### Article 10

The company shall transfer all the shares within five years from the date of the repurchase. The portion not transferred within the time limit shall be deemed as the company's unissued shares and shall be registered to eliminate share changing in accordance with the law.

#### Article 11

These regulations shall take effect after being approved by the board of directors, and may be reported to the board of directors for revision.

#### Article 12

These regulations were established on November 07, 2024.

## **Attachment 4 :**

### **- Independent Auditors' Report and Individual Financial Statements**

#### **REPORT OF INDEPENDENT ACCOUNTANTS**

To Gallant Precision Machining Co., Ltd.

### **Opinion**

We have audited the accompanying parent company only financial statements of Gallant Precision Machining Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years ended December 31, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the independent auditors' responsibilities for the audit of 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 in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. 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. Key audit matters for the parent company only financial statements in the current period are stated as follow:

### **Evaluation of inventories**

### Description

Gallant Precision Machining Co., Ltd is primarily engaged in the manufacture and sale of flat panel display testing equipment, semiconductor assembly equipment, intelligent automated equipment, and related parts. Inventories are stated at the lower of cost and net realizable value and regarding the accounting policy on the evaluation of inventories are disclosed in Note 4(12) of the parent company only financial statements. The uncertainty of accounting estimations and assumptions for valuation of inventories are disclosed in Note 5(2) of the parent company only financial statements. The inventory cost and the balance of inventory valuation loss allowance amounting to NT543,485 thousand and NT352,297 thousand as of December 31, 2024 are disclosed in Note 6(5) of the parent company only financial statements.

As the amount of inventory is significant, and the estimation of net realizable value of inventories for exceeded specific age, and individually identified out of date or damaged inventories are subject to management's judgement, the evaluation of inventories has been identified a key audit matters.

### **How our audit addressed the matter**

Our audit procedures performed included the following:

1. Obtained an understanding and assessed the reasonableness of the policy of the allowance for inventory valuation loss and compared whether consistent application of accounting policies in relation to the provision for inventory valuation losses.
2. Tested the accuracy of inventory aging report, included tested whether the quantity and amount of inventory is consistent with inventory ledger and verify the accuracy of the inventory age classification.
3. Assessed and confirmed the reasonableness in estimation of net realizable value and checked the related supporting documents.
4. Tested the reasonableness in accrual of the allowance for inventory valuation loss.

### **Revenue recognition**

#### Description

Refer to Note 4(27) and Note 6(19) of the parent company only financial statements for accounting policies on revenue recognition and the description of significant accountings – operating revenue.

Gallant Precision Machining Co., Ltd. is primarily engaged in the manufacture and sale of flat panel display testing equipment, semiconductor assembly equipment, intelligent automated equipment, and related parts. Main revenue recognition is based on customer's confirmation for acceptance. Since the transferred timing of the risks and rewards of goods ownerships are subject to judgment and the result could affect sales revenue significantly in the parent company only financial statement. Thus, revenue recognition has been identified a key audit matter.

### **How our audit addressed the matter**

Our audit procedures performed included the following:

1. Assessed the appropriateness of the policy of sales revenue recognition.
2. Assessed and tested the design and operating effectiveness of the key controls over sales revenue recognition.
3. Sampled and tested the sales transactions included check customer purchase order, evidence of customer's confirmation for acceptance, verified whether had met criteria of the contract and considered the reliability of collection for the timing of revenue recognition.
4. Performed cut-off test on sales transactions for a specific time prior to and after the balance sheet date.

### **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

### **Independent 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS 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 parent company only financial statements.

As part of an audit in accordance with ROC GAAS, 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' 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 disclosures, 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 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 the parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers, Taiwan

February 26, 2025

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

GALLANT PRECISION MACHINING CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 396,394	4	\$ 433,423	7
1136	Financial assets at amortized cost - current	6(3)	6,557	-	223,589	4
1170	Accounts receivable, net	6(4)	933,336	9	890,826	15
1180	Accounts receivable - related parties, net	6(4) and 7	26,140	-	17,269	-
1200	Other receivables		2,755	-	2,709	-
1210	Other receivables - related parties	7	8,039	-	5,774	-
130X	Inventories	6(5)	191,188	2	382,453	7
1410	Prepayments		60,487	1	97,845	2
1470	Other current assets		18,846	-	14,367	-
11XX	<b>Current Assets</b>		<u>1,643,742</u>	<u>16</u>	<u>2,068,255</u>	<u>35</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non - current	6(2)	6,053,520	57	2,010,812	33
1535	Financial assets at amortized cost - non-current	6(3) and 8	165,571	2	165,494	3
1550	Investments accounted for using equity method	6(6)	1,385,799	13	1,034,708	17
1600	Property, plant and equipment, net	6(7), 7 and 8	957,194	9	395,661	7
1755	Right-of-use assets	6(8)	185,665	2	191,044	3
1780	Intangible assets		2,879	-	1,325	-
1840	Deferred income tax assets	6(26)	70,938	1	58,149	1
1900	Other non-current assets	6(13)	54,244	-	56,556	1
15XX	<b>Non-current assets</b>		<u>8,875,810</u>	<u>84</u>	<u>3,913,749</u>	<u>65</u>
1XXX	<b>Total assets</b>		<u>\$ 10,519,552</u>	<u>100</u>	<u>\$ 5,982,004</u>	<u>100</u>

(Continued)

GALLANT PRECISION MACHINING CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Short-term loans	6(9)	\$ 1,430,000	14	\$ 1,210,000	20
2130	Contract liabilities-current	6(19) and 7	46,519	1	113,193	2
2170	Accounts payable	6(10)	635,839	6	563,210	9
2180	Accounts payable - related parties	7	3,199	-	31,449	1
2200	Other payables	6(11)	170,109	2	239,544	4
2230	Current income tax liabilities	6(26)	4,153	-	8,464	-
2250	Provisions for liabilities - current		41,132	-	41,505	1
2280	Lease liabilities-current		4,962	-	4,869	-
2320	Long-term loans-current portion	6 (12)	41,667	-	140,000	2
2399	Other current liabilities - other		22,164	-	6,484	-
21XX	<b>Current Liabilities</b>		<u>2,399,744</u>	<u>23</u>	<u>2,358,718</u>	<u>39</u>
<b>Non-current liabilities</b>						
2540	Long-term loans	6(12)	1,148,333	11	240,000	4
2570	Deferred income tax liabilities	6(26)	18,500	-	13,856	1
2580	Lease liabilities-non-current		188,854	2	193,147	3
2600	Other non-current liabilities		4,244	-	3,517	-
25XX	<b>Non-current liabilities</b>		<u>1,359,931</u>	<u>13</u>	<u>450,520</u>	<u>8</u>
2XXX	<b>Total Liabilities</b>		<u>3,759,675</u>	<u>36</u>	<u>2,809,238</u>	<u>47</u>
<b>Equity</b>						
Share capital						
3110	Share capital - common stock	6(15)	1,651,361	16	1,651,361	28
Capital surplus						
3200	Capital surplus	6(16)	298,984	3	267,824	4
Retained earnings						
3310	Legal reserve	6(17)	246,739	2	226,325	4
3320	Special reserve		111,147	1	111,147	2
3350	Unappropriated retained earnings		391,381	4	329,883	6
Other equity interest						
3400	Other equity interest	6(18)	4,537,041	43	616,480	10
3500	Treasury share	6(15)	( 476,776)	( 5)	( 30,254)	( 1)
3XXX	<b>Total equity</b>		<u>6,759,877</u>	<u>64</u>	<u>3,172,766</u>	<u>53</u>
Contingent liabilities and unrecognized con-		9				
tract commitments						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 10,519,552</u>	<u>100</u>	<u>\$ 5,982,004</u>	<u>100</u>

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

GALLANT PRECISION MACHINING CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Years ended December 31			
		2024		2023	
		AMOUNT	%	AMOUNT	%
4000 <b>Operating revenue</b>	6(19) and 7	\$ 1,854,131	100	\$ 1,810,810	100
5000 <b>Operating costs</b>	6(5)(24)(25) and 7	( 1,658,067)	( 89)	( 1,457,317)	( 81)
5900 <b>Operating margin</b>		196,064	11	353,493	19
5910 Unrealized profit from sales		( 214)	-	( 138)	-
5920 Realized profit from sales		138	-	208	-
5950 <b>Net operating margin</b>		195,988	11	353,563	19
<b>Operating expenses</b>	6(24)(25) and 7				
6100 Selling expenses		( 62,279)	( 3)	( 49,068)	( 3)
6200 General and administrative expenses		( 169,703)	( 9)	( 191,606)	( 10)
6300 Research and development expenses		( 159,014)	( 9)	( 141,207)	( 8)
6450 Expected credit impairment gain	12(2)	45,550	2	68,695	4
6000 <b>Total operating expenses</b>		( 345,446)	( 19)	( 313,186)	( 17)
6900 <b>Operating profit (loss)</b>		( 149,458)	( 8)	40,377	2
<b>Non-operating income and expenses</b>					
7100 Interest income	6(20)	13,714	1	8,763	1
7010 Other income	6(21) and 7	163,995	9	156,007	9
7020 Other gains and losses	6(22)	46,691	2	1,084	-
7050 Finance costs	6(23)	( 37,545)	( 2)	( 27,917)	( 2)
7070 Share of profit of subsidiaries, associates and joint ventures accounted for under equity method		261,164	14	61,382	3
7000 <b>Total non-operating income and expenses</b>		448,019	24	199,319	11
7900 <b>Profit before tax</b>		298,561	16	239,696	13
7950 Income tax expense	6(26)	( 1,812)	-	( 35,993)	( 2)
8200 <b>Profit for the year</b>		\$ 296,749	16	\$ 203,703	11
<b>Other comprehensive income for the year (net)</b>					
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311 Remeasurement of defined benefit obligation	6(13)	\$ 6,231	1	\$ 435	-
8316 Unrealized gains(losses) on investments in equity instruments at fair value through other comprehensive income	6(2)(18)	3,899,812	210	624,913	35
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	1,530	-	216	-
8310 Components that will not be reclassified subsequently to profit or loss:		3,907,573	211	625,564	35
<b>Components of other comprehensive income that may be reclassified subsequently to profit or loss</b>					
8361 Cumulative translation differences of foreign operations	6(18)	25,719	1	( 4,761)	-
8360 Components of other comprehensive income that may be reclassified subsequently to profit or loss		25,719	1	( 4,761)	-
8300 <b>Other comprehensive income (loss) for the year</b>		\$ 3,933,292	212	\$ 620,803	35
8500 <b>Total comprehensive income for the year</b>		\$ 4,230,041	228	\$ 824,506	46
<b>Basic earnings per share</b>	6(27)				
9750 <b>Basic earnings per share</b>		\$ 1.82		\$ 1.25	
<b>Diluted earnings per share</b>	6(27)				
9850 <b>Diluted earnings per share</b>		\$ 1.76		\$ 1.24	

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

GALLANT PRECISION MACHINING CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained Earnings				Other equity			Total equity	
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealized gain(loss) on financial assets at fair value through other comprehensive income		Treasury share
<b>For the year ended December 31, 2023</b>										
Balance at January 1, 2023		\$ 1,651,361	\$ 267,824	\$ 186,625	\$ 111,147	\$ 459,677	(\$ 42,859)	\$ 38,971	(\$ 30,254)	\$ 2,642,492
Profit for the year		-	-	-	-	203,703	-	-	-	203,703
Other comprehensive income for the year	6(18)	-	-	-	-	435	(4,761)	625,129	-	620,803
Total comprehensive income for the year		-	-	-	-	204,138	(4,761)	625,129	-	824,506
Distribution of 2022 earnings:	6(17)									
Legal reserve		-	-	39,700	-	(39,700)	-	-	-	-
Cash dividends		-	-	-	-	(294,232)	-	-	-	(294,232)
Balance at December 31, 2023		\$ 1,651,361	\$ 267,824	\$ 226,325	\$ 111,147	\$ 329,883	(\$ 47,620)	\$ 664,100	(\$ 30,254)	\$ 3,172,766
<b>For the year ended December 31, 2024</b>										
Balance at January 1, 2024		\$ 1,651,361	\$ 267,824	\$ 226,325	\$ 111,147	\$ 329,883	(\$ 47,620)	\$ 664,100	(\$ 30,254)	\$ 3,172,766
Profit for the year		-	-	-	-	296,749	-	-	-	296,749
Other comprehensive income for the year	6(18)	-	-	-	-	6,231	25,719	3,901,342	-	3,933,292
Total comprehensive income for the year		-	-	-	-	302,980	25,719	3,901,342	-	4,230,041
Distribution of 2023 earnings:	6(17)									
Legal reserve		-	-	20,414	-	(20,414)	-	-	-	-
Cash dividends		-	-	-	-	(196,155)	-	-	-	(196,155)
Disposal of equity instruments measured at fair value through other comprehensive income		-	-	-	-	6,500	-	(6,500)	-	-
Recognition of changes in ownership interest in subsidiaries		-	(57,132)	-	-	(31,413)	-	-	-	(88,545)
Treasury stock transferred	6(15)	-	88,292	-	-	-	-	-	16,209	104,501
Purchase Treasury Stock	6(15)	-	-	-	-	-	-	-	(462,731)	(462,731)
Balance at December 31, 2024		\$ 1,651,361	\$ 298,984	\$ 246,739	\$ 111,147	\$ 391,381	(\$ 21,901)	\$ 4,558,941	(\$ 476,776)	\$ 6,759,877

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

GALLANT PRECISION MACHINING CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	2024	2023
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax for the year		\$ 298,561	\$ 239,696
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	28,013	27,260
Amortization	6(24)	1,641	2,197
Gain on financial assets at fair value through profit or loss	6(22)	( 11,928 )	-
Reversal of expected credit losses	12(2)	( 45,550 )	( 68,695 )
Interest expense	6(23)	37,545	27,917
Interest income	6(20)	( 13,714 )	( 8,763 )
Dividend income	6(21)	( 101,070 )	( 96,489 )
Share of profits of associates and joint ventures accounted for using equity method		( 261,164 )	( 61,382 )
Unrealized profits from sales		214	138
Realized profits from sales		( 138 )	( 208 )
Share-based payment	6(14)	74,708	-
Gain on disposal and retirement of property, plant and equipment	6(22)	( 389 )	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes receivable		-	52
Accounts receivable		3,040	749,001
Accounts receivable - related parties		( 8,871 )	4,268
Other receivables		( 751 )	868
Other receivables - related parties		( 2,265 )	( 3,169 )
Inventories		191,754	236,029
Prepayments		37,358	35,606
Other current assets		( 4,479 )	( 1,113 )
Net defined benefit assets		( 6,129 )	( 2,730 )
Other non-current assets		14,121	( 51,058 )
Net changes in liabilities relating to operating activities			
Contract liabilities		( 66,674 )	( 187,820 )
Accounts payable		72,629	( 545,931 )
Accounts payable - related parties		( 28,250 )	19,479
Other payables		( 69,644 )	( 51,804 )
Provisions for liabilities		( 373 )	( 26,566 )
Unearned receipts		16,333	( 8,625 )
Other current liabilities		( 653 )	( 195 )
Accrued pension liabilities		-	( 3,110 )
Cash generated from operations		153,875	224,853
Interest received		14,419	6,202
Dividends received		101,070	96,489
Interest paid		( 37,106 )	( 27,369 )
Income tax paid		( 12,738 )	( 23,257 )
Net cash provided by (used in) operating activities		219,520	276,918

(Continued)

GALLANT PRECISION MACHINING CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	2024	2023
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at fair value through other comprehensive income	6(2)	( \$ 337,729 )	( \$ 584,174 )
Acquisition of financial assets at amortized cost		( 529,545 )	( 628,757 )
Proceeds from disposal of financial assets at amortized cost		746,500	336,300
Acquisition of financial assets at fair value through profit or loss		( 123,156 )	-
Disposal of financial assets at fair value through profit or loss		135,084	-
Dividends received from investments accounted for using equity method		91,631	166,656
Acquisition of investments accounted for using the equity method		( 36,000 )	-
Acquisition of property, plant and equipment	6(28)	( 585,385 )	( 8,070 )
Proceeds from disposal of property, plant and equipment		686	-
Acquisition of intangible assets		( 2,307 )	( 934 )
Refundable deposits paid		( 480 )	( 625 )
Refundable deposits refunded		988	1,978
Net cash provided by (used in) investing activities		( 639,713 )	( 717,626 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term loans	6(29)	2,765,000	2,180,000
Repayment of short-term loans	6(29)	( 2,545,000 )	( 1,640,000 )
Increase in long-term loans	6(29)	950,000	-
Repayment of long-term loans	6(29)	( 140,000 )	( 40,000 )
Repayment of the principal portion of lease liabilities	6(29)	( 4,886 )	( 4,860 )
Guarantee deposits received	6(29)	727	-
Guarantee deposits paid	6(29)	-	( 570 )
Treasury stock transferred to employees	6(14)	16,209	-
Payment of cash dividends	6(17)	( 196,155 )	( 294,232 )
Repurchase of treasury shares	6(15)	( 462,731 )	-
Net cash provided by (used in) financing activities		383,164	200,338
Net increase in cash and cash equivalents		( 37,029 )	( 240,370 )
Cash and cash equivalents at beginning of year	6(1)	433,423	673,793
Cash and cash equivalents at end of year	6(1)	\$ 396,394	\$ 433,423

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

## **Attachment 4 :**

### **- Independent Auditors' Report and Consolidated Financial Statements**

#### **REPORT OF INDEPENDENT ACCOUNTANTS**

To Gallant Precision Machining Co., Ltd.

### **Opinion**

We have audited the accompanying consolidated balance sheets of Gallant Precision Machining Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2024 and 2023, in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

### **Basis for opinion**

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the independent auditors' responsibilities for the audit of the separate financial statements section of our report. We are independent of Gallant Precision Machining Co., Ltd. in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

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

Key audit matters for the Group's consolidated financial statements in the current period are stated as follows:

### **Evaluation of inventories**

#### Description

Gallant Precision Machining Co., Ltd. and its subsidiaries are primarily engaged in the manufacture and sale of flat panel display testing equipment, semiconductor assembly equipment, intelligent automated equipment, and related parts. Inventories are stated at the lower of cost and net realizable value and regarding the accounting policy on the evaluation of inventories are disclosed in Note 4(14) of the consolidated financial statements. The uncertainty of accounting estimations and assumptions for valuation of inventories are disclosed in Note 5(2) of the consolidated financial statements. The inventories and allowance for inventory valuation loss amounting to NT1,342,680 thousand and NT508,197 thousand as of December 31, 2024 are disclosed in Note 6(5) of the consolidated financial statements.

As the amount of inventory is significant, and the estimation of net realizable value of inventories for exceeded specific age, and individually identified out of date or damaged inventories are subject to management's judgement, the evaluation of inventories has been identified a key audit matter.

### **How our audit addressed the matter**

Our audit procedures performed included the following:

1. Obtained an understanding and assessed the reasonableness of the policy of the allowance for inventory valuation loss and compared whether consistent application of accounting policies in relation to the provision for inventory valuation losses.
2. Tested the accuracy of inventory aging report, included tested whether the quantity and amount of inventory is consistent with inventory ledger and verify the accuracy of the inventory age classification.
3. Assessed and confirmed the reasonableness in estimation of net realizable value and checked the related supporting documents.
4. Tested the reasonableness in accrual of the allowance for inventory valuation loss.

### **Revenue recognition**

#### **Description**

Refer to Note 4(29) and Note 6(19) of the consolidated financial statements for accounting policies on revenue recognition and the description of significant accountings – operating revenue.

Gallant Precision Machining Co., Ltd. and its subsidiaries are primarily engaged in the manufacture and sale of flat panel display testing equipment, semiconductor assembly equipment, intelligent automated equipment, and related parts. Main revenue recognition is based on customer's confirmation for acceptance. Since the transferred timing of the risks and rewards of goods ownerships are subject to judgment and the result could affect sales revenue significantly in the consolidated financial statement. Thus, revenue recognition has been identified a key audit matter.

## **How our audit addressed the matter**

Our audit procedures performed included the following:

1. Assessed the appropriateness of the policy of sales revenue recognition.
2. Assessed and tested the design and operating effectiveness of the key controls over sales revenue recognition.
3. Sampled and tested the sales transactions included check customer purchase orders, evidence of customer's confirmation for acceptance, verified whether had met criteria of the contract and considered the reliability of collection for the timing of revenue recognition.
4. Performed cut-off test on sales transactions for a specific time prior to and after the balance sheet date.

## **Other matter - Parent company only financial statements**

We have audited and expressed an unqualified opinion on the parent company only financial statements of Gallant Precision Machining Co., Ltd. as of and for the years ended December 31, 2024 and 2023.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

## **Independent 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 ROC GAAS 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 ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the 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 the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers, Taiwan

February 26, 2025

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

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2024		December 31, 2023		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1110	Cash and cash equivalents	6(1)	\$ 1,076,461	8	\$ 1,394,275	16
1136	Financial assets at amortized cost - current	6(3) and 8	564,202	4	659,928	8
1150	Notes receivable, net	6(4)	62,011	-	37,845	-
1170	Accounts receivable, net	6(4)	1,705,084	13	1,555,374	18
1180	Accounts receivable to related parties, net	6(4) and 7	12,410	-	6,008	-
1200	Other receivables		8,459	-	5,973	-
130X	Inventories, net	6(5)	834,483	6	994,292	11
1410	Prepayments		96,316	1	149,543	2
1470	Other current assets		19,850	-	16,061	-
11XX	<b>Current Assets</b>		<u>4,379,276</u>	<u>32</u>	<u>4,819,299</u>	<u>55</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non-current	6(2)	6,922,473	51	2,518,848	29
1535	Financial assets at amortized cost - non-current	6(3) and 8	322,045	2	221,879	3
1550	Investments accounted for using equity method	6(6)	77,179	1	-	-
1600	Property, plant and equipment, net	6 (7), 7, and 8	1,306,777	10	712,274	8
1755	Right-of-use assets	6(8)	278,747	2	242,856	3
1780	Intangible assets, net		20,068	-	13,010	-
1840	Deferred income tax assets	6(26)	104,058	1	102,338	1
1900	Other non-current assets		69,294	1	59,566	1
15XX	<b>Non-current assets</b>		<u>9,100,641</u>	<u>68</u>	<u>3,870,771</u>	<u>45</u>
1XXX	<b>Total assets</b>		<u>\$ 13,479,917</u>	<u>100</u>	<u>\$ 8,690,070</u>	<u>100</u>

(Continued)

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
	<b>Current liabilities</b>					
2100	Short-term loans	6(9)	\$ 2,133,000	16	\$ 2,143,153	25
2130	Contract liabilities-current	6(19) and 7	84,055	1	228,606	3
2170	Accounts payable	6(10)	1,180,845	9	1,133,752	13
2180	Accounts payable - related parties	7	95	-	123	-
2200	Other payables	6(11)	451,771	3	381,421	4
2230	Current income tax liabilities		53,710	-	51,913	-
2250	Provisions for liabilities-current		101,743	1	65,934	1
2280	Lease liabilities-current		22,930	-	26,206	-
2320	Long-term loans-current portion	6(12)	47,810	-	146,143	2
2399	Other current liabilities - other		24,871	-	18,871	-
21XX	<b>Current Liabilities</b>		<u>4,100,830</u>	<u>30</u>	<u>4,196,122</u>	<u>48</u>
	<b>Non-current liabilities</b>					
2540	Long-term loans	6(12)	1,412,262	11	360,071	4
2570	Deferred income tax liabilities	6(26)	155,007	1	125,111	2
2580	Lease liabilities-non-current		264,743	2	225,089	3
2600	Other non-current liabilities		32,585	-	28,785	-
25XX	<b>Non-current liabilities</b>		<u>1,864,597</u>	<u>14</u>	<u>739,056</u>	<u>9</u>
2XXX	<b>Total Liabilities</b>		<u>5,965,427</u>	<u>44</u>	<u>4,935,178</u>	<u>57</u>
	<b>Equity attributable to owners of parent company</b>					
	<b>Share capital</b>					
		6(15)				
3110	Share capital-common stock		1,651,361	12	1,651,361	19
	Capital surplus	6(16)				
3200	Capital surplus		298,984	2	267,824	3
	Retained earnings	6(17)				
3310	Legal reserve		246,739	2	226,325	2
3320	Special reserve		111,147	1	111,147	1
3350	Unappropriated retained earnings		391,381	3	329,883	4
	Other equity interest	6(18)				
3400	Other equity interest		4,537,041	34	616,480	7
3500	Treasury share	6(15)	( 476,776)	( 4)	( 30,254)	-
31XX	<b>Equity attributable to owners of the parent company</b>		<u>6,759,877</u>	<u>50</u>	<u>3,172,766</u>	<u>36</u>
36XX	<b>Non-controlling interest</b>	4(3)	<u>754,613</u>	<u>6</u>	<u>582,126</u>	<u>7</u>
3XXX	<b>Total equity</b>		<u>7,514,490</u>	<u>56</u>	<u>3,754,892</u>	<u>43</u>
	Contingent liabilities and unrecognised contract commitments	9				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 13,479,917</u>	<u>100</u>	<u>\$ 8,690,070</u>	<u>100</u>

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

**GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Years ended December 31				
		2024		2023		
		AMOUNT	%	AMOUNT	%	
4000	<b>Operating revenue</b>	6(19) and 7	\$ 4,434,928	100	\$ 3,089,360	100
5000	<b>Operating costs</b>	6(5)(24)(25) and 7	( 3,249,441)	( 73)	( 2,312,317)	( 75)
5900	<b>Net operating margin</b>		<u>1,185,487</u>	<u>27</u>	<u>777,043</u>	<u>25</u>
	<b>Operating expenses</b>	6(24)(25)				
6100	Selling expenses		( 125,132)	( 3)	( 98,820)	( 3)
6200	General and administrative expenses		( 478,665)	( 11)	( 341,666)	( 11)
6300	Research and development expenses		( 316,289)	( 7)	( 269,406)	( 9)
6450	Expected credit impairment gain	12(2)	<u>67,227</u>	<u>2</u>	<u>87,447</u>	<u>3</u>
6000	<b>Total operating expenses</b>		<u>( 852,859)</u>	<u>( 19)</u>	<u>( 622,445)</u>	<u>( 20)</u>
6900	<b>Operating profit</b>		<u>332,628</u>	<u>8</u>	<u>154,598</u>	<u>5</u>
	<b>Non-operating income and expenses</b>					
7100	Interest income	6(20)	47,183	1	30,401	1
7010	Other income	6(21)	189,758	4	167,322	5
7020	Other gains and losses	6(22)	82,900	2	( 12,847)	-
7050	Finance costs	6(23)	( 54,350)	( 1)	( 45,307)	( 1)
7060	Share of profit of associates accounted for using equity method	6(6)	( 2,821)	-	-	-
7000	<b>Total non-operating income and expenses</b>		<u>262,670</u>	<u>6</u>	<u>139,569</u>	<u>5</u>
7900	<b>Profit before tax</b>		<u>595,298</u>	<u>14</u>	<u>294,167</u>	<u>10</u>
7950	Income tax expense	6(26)	( 122,002)	( 3)	( 51,551)	( 2)
8200	<b>Profit for the year</b>		<u>\$ 473,296</u>	<u>11</u>	<u>\$ 242,616</u>	<u>8</u>
	<b>Other comprehensive income for the year</b>					
	<b>Items that will not be reclassified subsequently to profit or loss:</b>	6(18)				
8311	Loss on remeasurements of defined benefit plan	6(13)	\$ 6,283	-	\$ 326	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	6(2)	4,040,137	91	733,565	23
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	( 15,881)	-	( 35,972)	( 1)
8310	<b>Items that will not be reclassified subsequently to profit or loss:</b>		<u>4,030,539</u>	<u>91</u>	<u>697,919</u>	<u>22</u>
	<b>Items that may be reclassified subsequently to profit or loss:</b>	6(18)				
8361	Cumulative translation differences of foreign operations		<u>33,160</u>	-	( 7,247)	-
8360	Summary of Components of other comprehensive income that will be reclassified to profit or loss		<u>33,160</u>	-	( 7,247)	-
8300	<b>Other comprehensive (loss) income for the year</b>		<u>\$ 4,063,699</u>	<u>91</u>	<u>\$ 690,672</u>	<u>22</u>
8500	<b>Total comprehensive income for the year</b>		<u>\$ 4,536,995</u>	<u>102</u>	<u>\$ 933,288</u>	<u>30</u>
	Profit attributable to:					
8610	Equity holders of the parent company		\$ 296,749	7	\$ 203,703	7
8620	Non-controlling interest		<u>176,547</u>	<u>4</u>	<u>38,913</u>	<u>1</u>
	Profit for the year		<u>\$ 473,296</u>	<u>11</u>	<u>\$ 242,616</u>	<u>8</u>
	Total comprehensive income attributable to:					
8710	Equity holders of the parent company		\$ 4,230,041	95	\$ 824,506	26
8720	Non-controlling interest		<u>306,954</u>	<u>7</u>	<u>108,782</u>	<u>4</u>
	Total comprehensive income for the year		<u>\$ 4,536,995</u>	<u>102</u>	<u>\$ 933,288</u>	<u>30</u>
	Basic earnings per share	6(27)				
9750	Profit for the year		<u>\$ 1.82</u>		<u>\$ 1.25</u>	
	Diluted earnings per share	6(27)				
9850	Profit for the year		<u>\$ 1.76</u>		<u>\$ 1.24</u>	

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

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent										
		Retained Earnings					Other Equity Interest					
		Share capital- common stock	Capital surplus	Legal re- serve	Special re- serve	Unappropriated retained earnings	Cumulative trans- lation differences of foreign opera- tions	Unrealized gain(loss) on finan- cial assets at fair value through other comprehen- sive income	Treasury share	Total	Non- controlling interest	Total equity
Notes												
<u>For the year ended December 31, 2023</u>												
	Balance at January 1, 2023	\$ 1,651,361	\$ 267,8	\$ 186,	\$ 111,1	\$ 459,677	(\$ 42,859)	\$ 38,971	(\$ 30,254)	\$ 2,642,492	\$ 599,277	\$ 3,241,769
	Profit for the year	-	-	-	-	203,703	-	-	-	203,703	38,913	242,616
	Other comprehensive income for the year	-	-	-	-	435	(4,761)	625,129	-	620,803	69,869	690,672
6(18)	Total comprehensive income for the year	-	-	-	-	204,138	(4,761)	625,129	-	824,506	108,782	933,288
6(17)	Distribution of 2022 earnings:											
	Legal reserve	-	-	39,700	-	(39,700)	-	-	-	-	-	-
	Cash dividends	-	-	-	-	(294,232)	-	-	-	(294,232)	-	(294,232)
	Changes in non-controlling interest	-	-	-	-	-	-	-	-	(125,933)	(125,933)	
	Balance at December 31, 2023	\$ 1,651,361	\$ 267,8	\$ 226,	\$ 111,1	\$ 329,88	(\$ 47,620)	\$ 664,100	(\$ 30,254)	\$ 3,172,766	\$ 582,12	\$ 3,754,892
<u>For the year ended December 31, 2024</u>												
	Balance at January 1, 2024	\$ 1,651,361	\$ 267,8	\$ 226,	\$ 111,1	\$ 329,88	(\$ 47,620)	\$ 664,100	(\$ 30,254)	\$ 3,172,766	\$ 582,12	\$ 3,754,892
	Profit for the year	-	-	-	-	296,749	-	-	-	296,749	176,547	473,296
	Other comprehensive income for the year	-	-	-	-	6,231	25,719	3,901,342	-	3,933,292	130,407	4,063,699
6(18)	Total comprehensive income for the year	-	-	-	-	302,980	25,719	3,901,342	-	4,230,041	306,954	4,536,995
6(17)	Distribution of 2023 earnings:											
	Legal reserve	-	-	20,414	-	(20,414)	-	-	-	-	-	-
	Cash dividends	-	-	-	-	(196,155)	-	-	-	(196,155)	-	(196,155)
6(18)	Measured at fair value through other comprehensive income	-	-	-	-	6,500	(6,500)	-	-	-	-	-
	Changes in subsidiary's ownership interests	-	(57,132)	-	-	(31,413)	-	-	(88,545)	-	(88,545)	
6(15)	Transfer of treasury shares	-	88,292	-	-	-	-	-	16,209	104,501	-	104,501
	Acquisition of treasury shares	-	-	-	-	-	-	-	(462,731)	(462,731)	-	(462,731)
	Changes in non-controlling interest	-	-	-	-	-	-	-	-	(134,467)	(134,467)	
	Balance at December 31, 2024	\$ 1,651,361	\$ 298,8	\$ 246,	\$ 111,1	\$ 391,38	(\$ 21,901)	\$ 4,558,942	(\$ 476,766)	\$ 6,759,877	\$ 754,613	\$ 7,514,490

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

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Consolidated profit before tax for the year		\$ 595,298	\$ 294,167
Adjustments			
Income and expenses having no effect on cash flow			
Depreciation	6(24)	64,853	60,802
Amortization	6(24)	5,786	4,069
Gain on fair value measurement of financial assets at fair value through profit or loss	6(22)	( 20,342 )	-
Reversal of expected credit losses	12(2)	( 67,227 )	( 87,447 )
Interest expense	6(23)	54,350	45,307
Interest income	6(20)	( 47,183 )	( 30,401 )
Dividend income	6(21)	( 107,868 )	( 100,945 )
Share of profit or loss of associates and joint ventures accounted for using the equity method	6(6)	2,821	-
(Gain)loss on disposal of property, plant and equipment, net	6(22)	( 223 )	173
Share-based payment	6(14)	87,972	1,828
Gain on lease modification	6(22)	( 328 )	( 89 )
Impairment loss on intangible assets	6(22)	225	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes receivable		( 22,776 )	( 3,093 )
Accounts receivable		( 75,855 )	890,936
Accounts receivable - related parties		( 4,864 )	12,568
Other receivables		( 1,476 )	3,084
Inventories		160,323	89,817
Prepayments		51,595	25,376
Other current assets		( 3,750 )	( 328 )
Net defined benefit assets		( 6,129 )	( 1,172 )
Other non-current assets		14,204	( 50,975 )
Net changes in liabilities relating to operating activities			
Contract liabilities		( 146,046 )	( 112,330 )
Notes payable		-	( 1,764 )
Accounts payable		44,123	( 229,393 )
Accounts payable - related parties		( 542 )	356
Other payables		68,722	( 122,305 )
Provisions for liabilities		35,613	( 26,095 )
Unearned receipts		16,333	( 8,635 )
Other current liabilities		( 7,097 )	6,036
Net defined benefit liabilities		201	( 3,110 )
Cash generated from operations		690,713	656,437
Interest received		46,173	24,775
Dividends received		107,868	100,945
Interest paid		( 53,773 )	( 44,280 )
Income tax paid		( 109,323 )	( 111,518 )
Net cash provided by (used in) operating activities		681,658	626,359

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 250,792 )	\$ -
Disposal of financial assets at fair value through profit or loss		271,134	-
Acquisition of financial assets at fair value through other comprehensive income	6(2)	( 404,974 )	( 634,132 )
Acquisition of financial assets at amortized cost		( 1,386,768 )	( 962,192 )
Proceeds from disposal of financial assets at amortized cost		1,406,095	662,113
Acquisition of investments accounted for using the equity method		( 41,000 )	-
Acquisition of property, plant and equipment	6(28)	( 624,669 )	( 24,053 )
Proceeds from disposal of property, plant and equipment		876	685
Acquisition of intangible assets		( 14,759 )	( 4,646 )
Refundable deposits paid		( 1,081 )	( 1,467 )
Refundable deposits refunded		<u>3,699</u>	<u>2,811</u>
Net cash provided by (used in) investing activities		<u>( 1,042,239 )</u>	<u>( 960,881 )</u>
<u>CASH FLOWS FROM FINANCING ACTIVITY</u>			
Proceeds from short-term loan		3,665,847	3,166,153
Repayment of short-term loan		( 3,676,000 )	( 2,336,000 )
Proceeds from long-term loan		1,162,100	74,000
Repayment of long-term loan		( 208,242 )	( 97,143 )
Repayment of the principal portion of lease liabilities	6(29)	( 26,517 )	( 24,245 )
Guarantee deposits paid		727	-
Guarantee deposits refunded		-	( 570 )
Repurchase of treasury shares	6(15)	( 462,731 )	-
Cash capital increase from non-controlling equity - subsidiaries		-	( 41,612 )
Subsidiary's repurchase of treasury shares		( 184,489 )	-
Subsidiary's distribution of capital surplus in cash		( 18,158 )	-
Treasury stock transferred to employees	6(14)	16,209	-
Cash dividends paid	6(17)	<u>( 238,521 )</u>	<u>( 379,768 )</u>
Net cash provided by (used in) financing activities		<u>30,225</u>	<u>360,815</u>
Effect of fluctuations in exchange rate		<u>12,542</u>	<u>22,236</u>
Net increase (decrease) in cash and cash equivalents		( 317,814 )	48,529
Cash and cash equivalents at beginning of year	6(1)	<u>1,394,275</u>	<u>1,345,746</u>
Cash and cash equivalents at end of year	6(1)	<u>\$ 1,076,461</u>	<u>\$ 1,394,275</u>

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

**Attachment5 :**

**Gallant Precision Machining Co., Ltd.  
Comparison Table for the Amended Provisions of Procedures for Acquisition or  
Disposal of Assets**

After Amendments	Before Amendments	Description of Amending Reason
<p><u>5.1.1 Investments in securities:</u>  <u>5.1.1.1 For securities traded in the centralized securities exchange market or the over-the-counter (OTC) markets, the responsible department shall make decisions based on the market conditions. The chairman is authorized to approve those with a net worth of 10% or below and shall report at the first board meeting subsequently; those with a net worth of over 10% shall be submitted to and approved by the board of directors;</u>  <u>5.1.1.2 For securities not traded in the centralized securities exchange market or the OTC markets, the latest financial statements of the target company that were certified or reviewed by CPAs shall be obtained before the date of occurrence as the reference for assessing the transaction price. Taking into account the net worth per share, profitability, and future development potential, the chairman is authorized to approve those with a net worth of 10% or below and shall report at the first board meeting subsequently; those with a net worth of over 10% shall be submitted to and approved by the board of directors. Meanwhile, the report on the analysis of long- and short-term unrealized gain or loss of securities shall be proposed.</u></p>	<p>Investment in non-current securities: The acquisition and disposal shall be approved by the board of directors.</p>	<p>Amended according to the operational requirements.</p>

<p>5.1.2 (Deleted)</p>	<p>Investment in current securities: The approval authority for the acquisition and disposal is as follows, and the arrangements shall be made after the sign-off of the approval authority form announced by the Company.</p>	<p>Amended according to the operational requirements.</p>
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**Attachment6 :**

**Gallant Precision Machining Co., Ltd  
Amendment Comparison Table of Articles of Association**

Article	Amended Provision	Current Provision	Reason for Amendment
Article 7-3	<p><u>The transfer counterparties of shares repurchased by the Company according to the Company Act, issuance counterparties of employee stock warrants, the counterparties of the distribution of remuneration of employees in stock or cash, and employees under the subscription of new shares issued may include employees of con-trolled companies or subordinates who fulfill certain conditions. The board of directors is authorized to establish “certain conditions.”</u></p>	None.	Newly added as necessary for actual operation
Article 30-1	<p>The Company shall distribute employees’ remuneration of not less than 1 percent and not more than 12 percent of the profit of the Company for the current year, and the directors’ remuneration which should not be more than 3 percent of the profit of the Company for the current year. However, if the Company still has an accumulated loss, it shall make up for the loss first.</p> <p>The employees’ remuneration may be paid in share or cash, and the subjects of the share or cash payment may include subsidiary employees who meet certain criteria. <u>Among the remuneration of employees above, no less than 20% shall be appropriated as the remuneration to be distributed to non-executive employees.</u></p> <p>The profit for the current year in the first paragraph refers to the pre-tax profit for the current year before the</p>	<p>The Company shall distribute employees’ remuneration of not less than 1 percent and not more than 12 percent of the profit of the Company for the current year, and the directors’ remuneration which should not be more than 3 percent of the profit of the Company for the current year. However, if the Company still has an accumulated loss, it shall make up for the loss first.</p> <p>The employees’ remuneration may be paid in share or cash, and the subjects of the share or cash payment may include subsidiary employees who meet certain criteria.</p> <p>The profit for the current year in the first paragraph refers to the pre-tax profit for the cur-</p>	According to paragraph 6, Article 14 of the Securities and Exchange Act, the Company shall specify the appropriation of a certain ratio of the annual earnings for the salary adjustment or remuneration distribution of non-executive employees in its Articles.

	<p>deduction of the employees' remuneration and the directors' remuneration.</p> <p>For the passing of the resolution in a board meeting on the distribution of the employees' remuneration and the directors' remuneration, the board meeting shall be attended by more than two-thirds of the directors, and the resolution shall be approved by more than half of the attending directors. The resolution shall be reported in the shareholders' meeting.</p>	<p>rent year before the deduction of the employees' remuneration and the directors' remuneration.</p> <p>For the passing of the resolution in a board meeting on the distribution of the employees' remuneration and the directors' remuneration, the board meeting shall be attended by more than two-thirds of the directors, and the resolution shall be approved by more than half of the attending directors. The resolution shall be reported in the shareholders' meeting.</p>	
Article 34	<p>These Articles were originally formulated on December 1, 1978.</p> <p>....</p> <p>The 29th amendment was made on June 22, 2011. ◦</p> <p>The 30th amendment was made on June 21, 2012.</p> <p>The 31st amendment was made on June 20, 2014.</p> <p>The 32nd amendment was made on June 17, 2015.</p> <p>The 33rd amendment was made on June 27, 2016.</p> <p>The 34th amendment was made on June 16, 2017.</p> <p>The 35th amendment was made on June 25, 2019.</p> <p>The 36th amendment was made on June 17, 2020.</p> <p>The 37th amendment was made on June 8, 2022.</p> <p>The 38th amendment was made on June 19, 2023.</p> <p>The 39th amendment was made on June 3, 2025.</p>	<p>These Articles were originally formulated on December 1, 1978.</p> <p>....</p> <p>The 29th amendment was made on June 22, 2011. ◦</p> <p>The 30th amendment was made on June 21, 2012.</p> <p>The 31st amendment was made on June 20, 2014.</p> <p>The 32nd amendment was made on June 17, 2015.</p> <p>The 33rd amendment was made on June 27, 2016.</p> <p>The 34th amendment was made on June 16, 2017.</p> <p>The 35th amendment was made on June 25, 2019.</p> <p>The 36th amendment was made on June 17, 2020.</p> <p>The 37th amendment was made on June 8, 2022.</p> <p>The 38th amendment was made on June 19, 2023.</p>	Date of amendment added

## **Attachment7 :**

### **Gallant Precision Machining Co., Ltd Employee Restricted Stock Rewards Issuance Regulations 2025**

#### **Act 1 Purpose of Issuance**

The company aims to attract and retain key talents by linking their rewards to shareholder interests as well as environmental, social, and governance (ESG) performance, thereby enhancing the company's competitiveness and creating maximum benefits for both the company and shareholders. In accordance with Article 267 of the Company Act and relevant regulations issued by the Financial Supervisory Commission, including the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers," the Company hereby establishes the "Employee Restricted Stock Rewards Issuance Regulations" (hereinafter referred to as "the Regulations").

#### **Act 2 Issuance Period**

Within two years from the effective date of notification from the competent authority, the issuance may occur at once or in installments as deemed necessary. The Chairman will determine the actual issuance date and related operational matters from the authorization of the Board of Directors.

#### **Act 3 Qualifications and Allocation of Shares for Employees**

- (I) The eligible participants of this incentive are restricted to employees of this company and its domestic and foreign subsidiaries who are in full-time employment, in formal positions, and have achieved certain performance criteria as of the date of the grant of the restricted stock rewards. The term "subsidiaries" is defined according to the standards set forth in Letter C.K.C.F.T. No. 1070121068, which is based on Article 369-2, Article 369-3, Article 369-9(2), and Article 369-11 of the Company Act.
- (II) The actual recipients and the number of restricted stock rewards to be granted will be determined based on factors such as seniority, job title, performance, overall contributions, special achievements, or other management considerations. The determination will be made by the Chairman and submitted for approval by the Board of Directors. However, employees holding positions as Directors or Managers of the company must first be reviewed by the Compensation Committee, while employees without such positions must first be approved by the Audit Committee.
- (III) The company is subject to Article 56-1, Paragraph 1 of the "Regulations Governing the Offering and Issuance of Securities by Issuers," which stipulates that the cumulative number of shares that may be subscribed by a single subscriber of employee stock options, plus the cumulative number of restricted employee shares acquired by the same subscriber, shall not exceed three-thousandth of the total number of issued shares. Additionally, according to Article 56, Paragraph 1 of the same regulations, the cumulative number of shares that may be subscribed by a single subscriber of employee stock options shall not exceed one percent of the total number of issued shares.

#### Act 4 Expected Total Issuance

Not exceeding 1,000,000 common shares, with a par value of NT\$10 per share. The actual number of shares to be issued will be decided separately by the Board of Directors after approval by the shareholders' meeting and the competent authority regarding the issuance of restricted stock rewards.

#### Act 5 Issuance Qualifications

- (I) Expected Issuance Price: Free of charge, with an issuance price of NT\$0 per share.
- (II) Vesting Conditions: Employees who have served continuously for one year from the granting date shall vest 100% of the shares.
- (III) Type of shares issued: Ordinary new shares of the Company.
- (IV) When employees do not meet the vesting conditions or in case of inheritance, they shall be handled as follows:
  - 1. Employees who voluntarily resign, are terminated, dismissed, retire, pass away due to non-occupational accidents, or are placed on unpaid leave within one year from the vesting date, the company shall reclaim their unvested shares at no cost to the employees.
  - 2. Stock dividends and rights issues received during the vesting period: Provided to employees at no cost by the Company.
  - 3. Before meeting the vesting conditions, if an employee violates the provisions of Article 7 or Article 8 by terminating the Company's proxy authorization, the Company shall reclaim at no cost to the employees.
- (V) When the following reasons occur, the unvested restricted stock rewards are handled as follows: (including handling methods when inheritance occurs)
  - 1. In the event that an employee is unable to continue employment due to disability resulting from occupational injury, the unvested restricted stock rewards are forfeited by the company without compensation, effective from the date of resignation.
  - 2. In the unfortunate event of an employee's death due to occupational injury, any unvested restricted stock rewards shall be considered fully vested at the time of the employee's passing. The designated heirs may apply to receive the shares or exercise the rights of disposal associated with the inherited stock after completing the necessary legal procedures and providing relevant documentation.
  - 3. For employees who have been granted restricted stock rewards, if they commit serious violations of labor contracts or workplace rules, or voluntarily renounce the restricted stock rewards in writing, the company reserves the right to reclaim the unvested restricted employee stock at no cost and proceed with cancellation.
- (VI) The Company will cancel any restrictive stock rewards reclaimed at no cost.
- (VII) Restrictions on share rights before meeting the vesting conditions after receiving allocated or subscribed new shares:
  - 1. During the vesting period, employees are not allowed to sell, pledge, transfer, gift, assign, or otherwise dispose of the restricted stock rewards.
  - 2. During the vesting period, the restricted stock rewards are still eligible to participate in rights offerings, dividends, and cash capital increases.
  - 3. After the issuance of restricted stock rewards, they shall be immediately entrusted to a trustee, and employees shall not, under any circumstances or pretext, request the return of the restricted stock rewards from the trustee until the vesting

conditions are met.

4. Before meeting the vesting conditions, the attendance, proposals, speeches, voting rights, and other matters related to shareholder rights at the company's shareholders' meeting are all entrusted to the trustee/custodian institution for execution.

(VIII) Other Agreed Terms:

During the period of entrusting the custody of the restricted stock rewards, it shall be fully managed by the Company to represent employees and the stock trust/custodian institution (including but not limited to) negotiations, signing, amending, extending, terminating, and terminating the trust/custody contract, as well as instructions for the delivery, use, and disposal of trust/custody property.

Act 6 Contract-signing and Confidentiality

- (I) Employees who receive restricted stock rewards must sign the "Restricted Stock Reward Acceptance Agreement" and complete the relevant trust/custody procedures. Failure to complete the signing of the relevant documents as required will be deemed as a waiver of the restricted stock rewards for employees.
- (II) Any person who obtains restricted stock rewards and their related benefits under this regulation must comply with the provisions of this regulation and the "Restricted Stock Reward Acceptance Agreement." Violators will be deemed as not meeting the vesting conditions. Additionally, they must adhere to relevant confidentiality regulations. Except when required by law or competent authorities, they are not allowed to inquire about or disclose to others the quantity and content of the restricted stock rewards granted to them, or inform others of the related contents and personal interests of this case. In the event of a violation, the Company reserves the right to reclaim their shares at no cost and proceed with their cancellation if the vesting conditions have not been met.

Act 7 Taxes

Taxes related to the restricted stock rewards granted under these regulations shall be handled in accordance with the relevant laws and regulations of the Republic of China at the time.

Act 8 Other Important Matters

- (I) This regulation shall come into effect upon approval by one-half or more of the Directors present at a board meeting, provided that the number of attending Directors exceeds two-thirds of the total number of Directors. It shall also be reported to the competent authority for enforcement. Any amendments to this regulation before actual issuance shall follow the same procedure. Subsequently, if revisions are deemed necessary due to review requests from the competent authority, the Chairman is authorized to amend this regulation. Any such amendments shall be submitted to the board for retrospective approval before issuance.
- (II) Any matters not covered by this regulation shall be handled in accordance with relevant laws and regulations.

**Attachment 8:****Proposal for the Removal of the Restrictions on Non-Competition against Directors and Their Representatives**

Name	Removal of the Restrictions on Non-Competition against Director
C SUN MFG. LTD. Represented by: FRANK, LIANG	Chairman of Navigation Technology Co., Ltd.
MA, CHIEN-YUNG	Director of EASY FIELD CORPORATION

## Appendix 1

### **Gallant Precision Machining Co., Ltd. Rules and Procedures of Shareholders' Meeting**

1. Except as otherwise provided in the laws and regulations, the procedure of the shareholders' meetings of Gallant Precision Machining Co., Ltd. (hereinafter referred to as the Company) shall be handled in accordance with these Rules.
2. Shareholders in the Rules are shareholders themselves and proxies appointed by shareholders for attending meetings.  
Attending shareholders shall wear attendance cards and hand in a sign-in card in lieu of signing in.  
The number of shares in attendance shall be calculated according to the sign-in cards handed in.  
When the Company convenes its shareholders' meeting via a video conference, after the proxy form is delivered to the Company, in the event that the shareholder intends to attend the shareholders' meeting through a video call, a written declaration of intent to retract the appointment shall be made known to the Company two days before the shareholders' meeting. If the notice of retraction is submitted past due, the voting rights already exercised by the proxy shall prevail.
3. The attendance and voting shall be based on the calculation 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 video conference platform, plus the number of shares whose voting rights are exercised by proxies or electronically.
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. The restrictions on the place of the meeting shall not apply when the Company convenes a shareholders' meeting via a video conference.
5. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairperson of the Board. If the Chairperson of the Board is on leave for any reason and unable to exercise the powers of a chairperson, the deputy chairperson shall act in the place of the chairperson. If there is no deputy chairperson or the deputy chairperson is also on leave for any reason and unable to exercise the powers of a chairperson, the Chairperson shall appoint one of the managing directors to act as the chairperson for the meeting. If there are no managing directors, the Chairperson shall appoint one of the directors to act as the chairperson for the meeting. If the Chairperson does not make such an appointment, then the chairperson for the meeting shall be elected among the managing directors or directors. If the shareholders' meeting is convened by a party other than the Board of Directors, the chairperson of the meeting shall be the convening party.
6. The Company may appoint its lawyer, accountant or related persons to attend the shareholders' meeting in a non-voting capacity.

The staff in charge of affairs related to the shareholders' meeting shall wear an identity card or an armband.

7. The Company shall audio-record or video-record the whole process of the shareholders' meeting and shall keep the record for at least one year.
8. The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and the 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 shareholders' meeting via a video conference, the Company shall also declare the meeting adjourned on the video conference 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 shareholders shall be notified of the tentative resolution, and another shareholders' meeting shall be convened within one month. In the event of a shareholders' meeting, shareholders intending to attend the meeting through a video call shall re-register with the Company.

When, prior to the 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.

9. If a shareholders' meeting is convened by the Board, the meeting agenda shall be set by the Board. 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 at 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. 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 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 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.

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

An attending shareholder 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.

At the time a shareholder is speaking, the other shareholders shall not speak and interfere except with the consent of the Chairperson and the speaking shareholder, otherwise the Chairperson shall stop this interfering behavior.

11. Except with the consent of the Chairperson, a shareholder may not speak for more than twice on the same proposal, and a single speech may not exceed 5 minutes. If a shareholder's speech violates the rules or exceeds the scope of the agenda item or disturbs the order of the meeting, the Chairperson may terminate the speech, and the other shareholders may also request the Chairperson to do so.
12. Where a legal person is entrusted to attend a shareholders' meeting, the legal person shall appoint only one representative to attend. Where a legal-person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives may speak on the same motion.
13. After an attending shareholder has spoken, the Chairperson may respond in person or appoint a relevant person to respond.
14. Where a shareholders' meeting is convened via a video conference, shareholders attending the meeting through video calls may raise questions in writing on the video conference platform from the chair declaring the meeting open until the chair declares 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 Article 10 to Article 13 shall not apply. As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public on the video conference platform.
15. In the discussion of the motion, if the Chairperson thinks that the point of voting has been reached, he/she may announce a stop to the discussion and the start of the voting session.
16. The persons monitoring the voting on the motion and counting the votes shall be designated by the Chairperson, but the vote monitoring person shall be a shareholder. The results of the voting shall be reported on the spot and recorded accordingly.
17. In the event of a shareholders' meeting via a video conference, votes shall be counted at once after the chair announces the voting session ends, and the results of votes and elections shall be announced immediately. When the Company con-

venes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting through video calls 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 through video calls.

When shareholders exercise voting rights in writing or through electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting through video calls, except for 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.

18. During the course of a meeting, the Chairperson may announce a break based on time considerations. If the discussion of all the motions can not be completed in a single meeting, a resolution may be adopted at the shareholders' meeting to defer or resume the meeting within 5 days without any further notices or announcements.
19. Except as otherwise provided in the Company Law and in the Articles of Association, a motion is passed with the consent of the attending shareholders with more than half of the voting rights.

At the time of voting, a motion is passed if the Chairperson does not receive any negative response to his/her inquiry, and this verbal voting has the same validity as the physical votes.

Each shareholder has a voting right per share.

A shareholder may entrust a proxy to attend the shareholders' meeting. Except trust businesses or stock affair agents approved by the competent authority, if a proxy is entrusted by two or more shareholders, the voting rights of the proxy shall not exceed 3% of the total number of voting rights of the issued shares, otherwise the voting rights exceeding the percentage shall not be counted.

20. When there is an amendment or an alternative to a motion, the Chairperson shall present the amended or alternative motion together with the original motion, and decide the order in which they shall be put to a vote. When either of them is passed, the other motion shall then be deemed rejected, and no further voting shall be required.
21. The Chairperson may direct proctors (or security personnel) to help maintain the order at the meeting. When proctors (or security personnel) help maintain the order at the meeting, they shall wear an identification card or armband bearing the word "Proctor".
22. 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.
23. In the event of a shareholders' meeting via a video conference, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a

meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the video conference platform or participation in the shareholders' meeting via a video conference is obstructed due to 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 shareholders' 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 second 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 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 a list of elected Directors and supervisors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in the first paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the 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 Admin-

istration of Shareholder Services of Public Companies, this Corporations hall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.

24. Matters not stipulated in these Rules shall be handled in accordance with the provisions of the Company Law, other relevant laws and regulations and the Articles of Association of the Company.
25. The Rules are implemented after the adoption of the resolution in the shareholders' meeting, and the same procedure applies to the amendments.
26. The rules were established on April 29, 1995.
  - The 1<sup>st</sup> amendment was made on May 23, 1998.
  - The 2<sup>nd</sup> amendment was made on May 14, 2002.
  - The 3<sup>rd</sup> amendment was made on July 5, 2021.
  - The 4<sup>th</sup> amendment was made on June 8, 2022.

## Appendix 2

### Gallant Precision Machining Co., Ltd.

#### Articles of Incorporation

##### Chapter 1 General Provisions

Article 1: The Company is organized in accordance with the provisions of the Company Law, and is known as Gallant Precision Machining Co., Ltd.

Article 2: The businesses of the Company are as follows:

1. CQ01010 Die Manufacturing (restricted to area outside the Science Park)
2. F106030 Wholesale of Die (restricted to area outside the Science Park)
3. F113010 Wholesale of Machinery (restricted to area outside the Science Park)
4. CC01080 Electronic Parts and Components Manufacturing (restricted to area outside the Science Park)
5. F401010 International Trade
6. CB01010 Machinery and Equipment Manufacturing
7. CE01010 Precision Instruments Manufacturing
8. CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing
9. CF01011 Medical Materials and Equipment Manufacturing
10. F208031 Retail sale of Medical Equipments
11. F108031 Wholesale of Drugs, Medical Goods
12. D101060 Self-usage Power Generation Equipment Utilizing Renewable Energy Industry
13. E601010 Electric Appliance Construction
14. E601020 Electric Appliance Installation
15. EZ05010 Instrument and Meters Installation Engineering

Research, development, design, manufacturing, and sale of the following items :

- (1) IC Packaging Front End Equipment
  - A. IC Die bonder
  - B. IC Wire bonder
- (2) Flip Chip processing Equipment: Flip Chip Bonder, Chip Sorter, Dispenser Machine
- (3) Semiconductor packaging and testing equipment
- (4) Inspection Equipment for Panel Display Manufacture
- (5) Nano materials testing equipment
- (6) Grid-Connected Solar power system
- (7) Grid-Connected Wind and Solar power system
- (8) Off-Grid Wind and Solar power system
- (9) Off-Grid Wind and Solar Hybrid Power and LED light source Street light

- (10) Other import and export business of related products
- (11) Disposable soft contact lenses
- (12) Functional soft contact lenses

Article 3: The Company may undertake external guarantee due to business needs.

Article 4: If the Company is a limited-liability shareholder of another company, the total investment amount shall not be subject to the 40% paid-in capital limit in the provisions of the Company Law.

Article 5: The head office of the Company is located in the Hsinchu Science-based Industrial Park. If necessary, branch offices or offices of the Company may be established with the approval of the Board of Directors, and their establishment, revocation or change shall be handled according to the resolution of the Board of Directors.

Article 6: The announcement method of the Company shall be handled in accordance with the provisions of Article 28 of the Company Law.

## **Chapter 2 Shares**

Article 7: The total capital of the Company is set at NT\$2.5 billion which is divided into 250 million shares, and the face amount of each share is set at NT\$10. Such shares may be issued in different batches. The Board of Directors is authorized to issue the shares not yet issued based on the actual need.

The aforesaid total capital includes a reserved amount of NT\$100 million for the issuance of the stock options, special shares with stock options or corporate bonds with stock options for a total of 10 million shares at NT\$10 per share. The shares may be issued in different batches in accordance with the resolution of the Board of Directors.

Article 7-1: For the Company's transfer of shares to the employees at a price lower than the average actual purchase price, or issuance of an employee stock option with the stock subscription price lower than the market price (net value per share), shareholders representing more than half of the shares issued shall be present at the shareholders' meeting, and the resolution shall be agreed by the shareholders with more than two-thirds of the total voting rights of the attending shareholders.

Article 7-2 :Where employee stock option certificate is issued by the Company with the subscription price not limited by the provisions of Article 53 of the Guidelines for the Treatment of the Issuer's Offering and Issuance of Negotiable Securities, it shall be subject to the approval of the shareholders representing

more than two-thirds of the voting rights of the shareholders present at a meeting attended by more than half of the currently registered shareholders.

Article 8: The share certificates of the Company shall all be registered share certificates, shall be signed or sealed by the directors on behalf of the Company, and shall be issued upon the approval of the competent authority or its authorized issuance registration authority.

The Company may deliver shares by book-entry method in accordance with relevant rules and regulations, without printing share certificate(s); the same applies with other securities issuance.

Article 9: The shareholder shall send his/her true name or its name, domicile or residence and seal specimen card to the Company or the stock agent of the Company for record, and thereafter the seal on the seal specimen card shall be used for the collection of dividends and the exercise of shareholder's rights in writing.

Article 10: All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address or similar stock transaction conducted by shareholders of the Company shall follow the "Guidelines for Stock Operations for Public Companies" unless specified otherwise by law or regulations.

Article 11: The Company's shares are blocked from registration within 60 days prior to a general shareholders' meeting, within 30 days prior to an extraordinary shareholders' meeting, and within 5 days before the date on which the Company decides to distribute dividends or other interests.

Article 12: The Company may charge a processing fee for a shareholder's application for the issuance of replacement shares or new shares due to share loss or other reasons.

### **Chapter 3 Shareholders' Meeting**

Article 13: The shareholders' meetings of the Company are divided into annual shareholders' meetings and extraordinary shareholders' meetings; the annual shareholders' meeting shall be convened once a year within six months from the end of each fiscal year; the extraordinary meeting is convened when necessary. Shareholders' meetings of the Company may be convened via video conferences or other methods announced by the central competent authority.

Except for otherwise stated in the Company Act, shareholders' meetings in the preceding paragraph shall be convened by the Board.

Article 14: Except as otherwise provided in the laws and regulations, each shareholder of the Company shall have one voting right per share

Article 15: When a shareholder is unable to attend a shareholders' meeting for any reason, he/she may issue a power of attorney printed by the Company according to the provisions of the Company Law, and specify the scope of authorization with his/her signature or seal on the power of attorney to appoint a proxy to attend on his/her behalf.

Article 16: For the passing of a resolution in a shareholders' meeting, except as otherwise provided in the Company Law, the shareholders' meeting shall be attended by more than half of the shareholders, and the resolution shall be approved by more than half of the attending shareholders before its implementation.

Article 16-1: The resolutions of a shareholders' meeting shall be recorded in the shareholders' meeting minutes to be signed or sealed by the chairperson of the shareholders' meeting, and be distributed to the shareholders within 20 days after the meeting. The distribution of the meeting minutes may be carried out by way of a public announcement.

#### **Chapter 4 Directors**

Article 17: The Company has seven to nine directors who shall be appointed in the shareholders' meeting in accordance with the provisions of the Company Law.

Gallant Precision Machining adopts the candidate nomination system for the election of directors. The board of directors and shareholders may, in accordance with the provisions of Company Act and relevant laws and regulations, propose a list of candidates

Article 17-1: In accordance with Article 14-2 of the Securities and Exchange Act, the Company shall appoint independent directors in the above-mentioned directors. The number of Independent Directors shall not be less than three and no less than one fifth of the total number of Directors. The election of Independent directors and non-independent directors shall be held together and the number of elected directors shall be calculated separately.

The professional qualifications, shareholding, concurrent posts restrictions, nomination and election methods of independent directors and other matters that should be complied with, shall be handled in accordance with relevant laws and regulations.

Article 17-2: In compliance with Article 14-4 of the Securities and Exchange Act, The Company shall establish an Audit Committee, which shall consist of all independent directors. There shall be no fewer than three people in Audit Committee, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

The resolution of the audit committee shall be conducted in accordance with relevant laws and regulations.

Article 18: The term of office of the directors shall be three years, and the directors may be re-elected.

Article 18-1: The Company shall purchase liability insurance for the directors each year to reduce and distribute the risk that may cause significant damage to the Company and its shareholders due to the directors' illegal or negligent acts.

Article 19: The Board of Directors shall be composed of the directors of the Company. The directors may elect one of them as the chairperson in a board meeting with the attendance of more than two-thirds of the directors, and the consent of more than half of the attending directors. If necessary, a vice chairperson may be elected among the directors.

Article 20: The Chairperson shall represent the Company externally, and internally carry out all matters of the Company in accordance with the laws and regulations, the Articles of Association, and the resolutions of the shareholders' meetings and of the board meetings.

Article 21: When one-third of the directors' seats are vacant or all the directors are dismissed, an extraordinary shareholders' meeting shall be convened within 60 days to elect these directors. The term of office shall be limited to the remaining term of their predecessors.

Article 22: The operating principles and other important matters of the Company shall be decided in the board meeting. Except that the first board meeting of each term of directors shall be convened in accordance with the provisions of the Company Law, the other board meetings shall be convened by the Chairperson of the Board who shall also act as the meeting chairperson. If the Chairperson of the Board can not perform his/her duty for any reason, and if there is a Deputy Chairperson in place, then the Deputy Chairperson shall act as the agent of the chairperson. If neither the Chairperson nor the Deputy Chairperson can perform his/her duty, the Chairperson shall appoint one of the directors to act as the agent. If the chairperson does not make the appointment, then the directors shall elect one of them to be the agent.

The Board of Directors shall be informed of the convening of a board meeting 7 days in advance. The Company may convene a board meeting at any time in case of emergency. For the convening of a board meeting, the reasons for the meeting shall be indicated in the notice and the notice may be sent by mail, email or fax.

Article 23: The directors shall attend the board meeting in person. If a director can not attend in person, unless the director lives abroad and there are provisions of the Company Law for this situation, the director may issue a power of attorney and list the scope of authorization to appoint another director to attend, but the appointed director may accept the authorization of one person only.

Article 24: For the passing of a resolution in a board meeting, except as otherwise provided in the Company Law, the board meeting shall be attended by more than half of the directors, and the resolution shall be approved by more than half of the attending directors before its implementation.

Article 25: The remuneration of the directors of the Company shall be within the usual level of the same industry and approved by the Board of Directors.

Article 26: The total number of shares held by all the directors of the Company shall not be less than the number stipulated by the competent government authority.

### **Chapter 5 Managers**

Article 27: The Company shall appoint one chief Executive Officer, one Executive Director, Deputy Chief Executive Officer(s), President(s) and Vice Executive President(s) whose appointment, removal and remuneration shall be governed by Article 29 of the Company Act.

Article 28: The appointment, dismissal and remuneration of the presidents and executive vice presidents shall be handled in accordance with the provisions of Article 29 of the Company Law.

### **Chapter 6 Accounting**

Article 29: The accounting year of the Company is from January 1 to December 31 of each year, and all accounts shall be settled at the end of each year.

Article 30: At the end of each accounting year of the Company, the following documents shall be prepared by the Board of Directors for submission to the shareholders' meeting for acknowledgement:

1. The business report
2. The financial statements
3. The motion concerning surplus distribution or loss make-up

Article 30-1: The Company shall distribute employees' remuneration of not less than 1 percent and not more than 12 percent of the profit of the Company for the current year, and the directors' remuneration which should not be more than 3

percent of the profit of the Company for the current year. However, if the Company still has an accumulated loss, it shall make up for the loss first.

The employees' remuneration may be paid in share or cash, and the subjects of the share or cash payment may include subsidiary employees who meet certain criteria.

The profit for the current year in the first paragraph refers to the pre-tax profit for the current year before the deduction of the employees' remuneration and the directors' remuneration.

For the passing of the resolution in a board meeting on the distribution of the employees' remuneration and the directors' remuneration, the board meeting shall be attended by more than two-thirds of the directors, and the resolution shall be approved by more than half of the attending directors. The resolution shall be reported in the shareholders' meeting.

Article 31: If there is a surplus after the current year's accounts, the Company shall pay the tax according to law and make up for the accumulated loss in the previous years, then appropriate 10% of the balance as the statutory surplus reserve. However, if the statutory surplus reserve has reached the total amount of paid-in capital of the Company, then this requirement does not apply.

The Company may, in accordance with its operational requirements and the provisions of the laws and regulations, appropriate or reverse a special surplus reserve. The Board of Directors shall draft a distribution proposal for the remaining balance plus the accumulated undistributed surplus for a resolution in the shareholders' meeting.

In the dividend distribution, the proportion of cash dividends shall not be less than 10% of the total dividends.

Article 31-1: The Board of Directors of the Company may, by a resolution approved by majority of the directors present at a meeting attended by more than two thirds of the directors currently in service, distribute stock dividend or legal surplus and capital reserve in cash, wholly or partly, and report it to the meeting of shareholders.

### **Chapter 7 Supplementary Provisions**

Article 32: The organization and the rules of service of the Company shall be separately formulated by the Board of Directors.

Article 33: Matters not stipulated in the Articles of Association shall be handled in accordance with the provisions of the Company Law and other relevant laws and regulations.

Article 34: The Articles of Association were established on December 1, 1978.

The 1st amendment was made on November 22, 1982.  
The 2nd amendment was made on October 16, 1984.  
The 3rd amendment was made on August 8, 1985.  
The 4th amendment was made on April 25, 1986.  
The 5th amendment was made on October 17, 1986.  
The 6th amendment was made on July 8, 1988.  
The 7th amendment was made on October 5, 1989.  
The 8th amendment was made on February 10, 1990.  
The 9th amendment n was made on July 20, 1990.  
The 10th amendment was made on June 30, 1991.  
The 11th amendment was made on October 20, 1991.  
The 12th amendment was made on June 21, 1992.  
The 13th amendment n was made on February 14, 1993.  
The 14th amendment was made on June 18, 1994.  
The 15th amendment was made on April 29, 1995.  
The 16th amendment was made on June 15, 1996.  
The 17th amendment was made on May 23, 1998.  
The 18th amendment was made on June 16, 1999.  
The 19th amendment was made on May 10, 2000.  
The 20th amendment was made on April 19, 2001.  
The 21st amendment was made on April 19, 2001.  
The 22nd amendment was made on May 14, 2002.  
The 23rd amendment was made on May 22, 2006.  
The 24th amendment was made on May 22, 2006.  
The 25th amendment was made on December 14, 2006.  
The 26th amendment was made on June 13, 2007.  
The 27th amendment was made on June 16, 2009.  
The 28th amendment was made on June 14, 2010.  
The 29th amendment was made on June 22, 2011.  
The 30th amendment was made on June 21, 2012.  
The 31st amendment was made on June 20, 2014.  
The 32nd amendment was made on June 17, 2015.  
The 33rd amendment was made on June 27, 2016.  
The 34th amendment was made on June 16, 2017.  
The 35th amendment was made on June 25, 2019.  
The 36th amendment was made on June 17, 2020.  
The 37th amendment was made on June 8, 2022.  
The 38th amendment was made on June 19, 2023.

## Appendix 3

### Impact of Stock Dividend Distribution on the Company's Business Performance and Earnings per Share and on the Shareholders' Return on Investment:

The Company does not have any plan to distribute bonus shares and does not have to disclose the financial forecast information publicly.

## Appendix 4

### Gallant Precision Machining Co., Ltd. Shareholding of Directors

Book-close date: April 05, 2025

Title	Name	Current shareholding	
		Shares	% of the current shares issued
Chairman	Junpeng Investment Co., LTD. Represented by: CHEN, CHENG-HSIN	500,000	0.30%
Vice Chairman	C SUN MFG. LTD. Represented by: FRANK, LIANG	44,733,827	27.08%
Director	Hsu, Hung-Ming	1,000	0.00%
Independent Director	LO, WOEI	0	0.00%
Independent Director	CHEN, YEE-MEI	0	0.00%
Independent Director	MA, CHIEN-YUNG	0	0.00%
Independent Director	TSANG, KWOK-AH	0	0.00%

Note 1: Total number of shares issued as of April 05, 2025 (book-close date): 165,136,144 shares.

Note 2: Total shareholding legally required of all the directors of the Company: 9,908,168 shares; total shareholding as at April 05, 2025: 45,234,827 shares, the total shareholding of all the directors has reached the required level.

# MEMO