



2025 General Shareholders' Meeting Meeting Handbook

Form of Shareholders' Meeting: Physical

Date: June 11, 2025, Wednesday

Location: No. 299, Yulin Road, Qiaotou District, Kaohsiung City (meeting room at the Company)

Notice to readers: This English-version meeting agenda is a translation of the Chinese version. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Table of Contents

<u>Item</u>	<u>page number</u>
<u>One. Meeting Procedure</u>	2
<u>Two. Meeting Agenda</u>	4
I . Reports matters	4~6
II . Acknowledged matters	6
III . Matters for Discussion	7
IV . Extemporary Motions	8
V . Adjournment	8
<u>Three. Attachment.</u>	
1. 2024 Business Report	9~11
2 Audit Committees' Review Report	12
3. Details of 2024 Remuneration to Directors	13
4. Execution of Major Transactions with Related Parties	14
5. Independent Auditors' Report, Balance Sheets, Statements of Comprehensive Income Statement, Statements of Changes in Shareholders' Equity, Statements of Cash Flow	15~35
6.The 2024 Statement of Earnings Distribution	36
7.Comparison Table of the Company's Articles of Incorporation	37~38
8. Comparison Table of the "Regulations on the Implementation of Endorsement Guarantee".	39~41
9. Comparison Table of Revision to the Procedures for Acquisition or Disposal of Assets	42
<u>Four. Appendix</u>	
1. Rules of Procedure for Shareholders' Meetings	43~49
2. Articles of Incorporation	50~57
3. Details of Directors' Shareholdings	58

Procedure for the 2025 General Shareholders' Meeting

- I. Call the Meeting to Order
- II. Chair's Remarks
- III. Reports matters
- IV. Acknowledged matters
- V. Matters for Discussion
- VI. Extemporaneous Motions
- VII. Adjournment

OFCO Industrial Corp.

2025 Annual General Meeting Agenda

Form of Shareholders' Meeting: Physical

Time: 10:00 a.m., June 11, 2025 (Wednesday)

Location: No. 299, Yulin Road, Qiaotou District, Kaohsiung City (meeting room at the Company)

Attendees: Shareholders and proxies authorized by shareholders

Chair: Chairman James Hunag

I. Call the Meeting to Order

II. Chair's Remarks

III. Reported matters

1. 2024 Business Report.
2. Audit Committee's Review Report on the 2024 Financial Statements.
3. Report on 2024 distribution of remuneration of employees and directors.
4. Report on 2024 earnings distribution and cash dividends.
5. Report on 2024 remuneration of directors.
6. 2024 Report on the execution of loans to others and endorsements/guarantees.
7. Report on the execution of major transactions with related parties.

IV. Acknowledged matters

1. To adopt the 2024 business report and financial statements.
2. To adopt the distribution of 2024 retained earnings.

V. Matters for Discussion

- (1) Amendment to the Company's Articles of Incorporation
- (2) Amendment for the partial articles of the "Regulations on the Implementation of Endorsement Guarantee".
- (3) Amendment for the partial articles of the "Procedures for the Acquisition or Disposal of Assets".

Voting of the aforementioned proposals.

VI. Extemporaneous Motions.

VII. Adjournment.

Reported matters

1: Proposed by the Board of Directors

Summary: The 2024 Business Report is hereby submitted for review.

Description: Please refer to Attachment 1 (pages 9-11) of this handbook for the 2024 Business Report.

2: Proposed by the Board of Directors

Summary: The Audit Committee's Review Report on the 2024 financial statements is hereby submitted for review.

Description: Please refer to Attachment 2 (page 12) of this handbook for the Audit Committees' Review Report.

3 Proposed by the Board of Directors

Summary: The report on the distribution of 2024 employee remuneration and directors' remuneration case is hereby submitted for review.

Description: The Company posted a loss in 2024, and thus no pre-tax profit was available for distribution of remuneration to employees and directors. As such, the Company did not issue remuneration to directors or employees in 2024.

4 Proposed by the Board of Directors

Summary: The report on the cash dividends distributed from the 2024 earnings is hereby submitted for review.

Description:

(1) The Company proposed to distribute the 2024 cash dividends of NT\$20,133,948 at NT\$0.2 per share for the distribution of earnings to shareholders, which has been approved by the supermajority resolution of the Board of Directors in accordance with the Company's Articles of Incorporation, and all of the distribution is to be made with the retained earnings.

(2) The cash dividends to be paid out were rounded down to NT\$1 and the total amount of each payment of below NT\$1 shall be adjusted from the largest decimal figures to the smallest ones and then from the previous account numbers to the latest ones till the total meets the total amount of cash dividends to be paid out.

(3) If the number of outstanding shares is affected by changes in the

Company's capital and the shareholder's dividend rate is maintained unchanged, resulting in changes to the earnings distribution table, the Chairman is authorized to handle the adjustment of the earnings distribution table and other related matters.

5: Proposed by the Board of Directors

Summary: Report on 2024 remuneration of directors, submitted for review.

Description: The payment policy, system, standard and structure for remuneration of independent directors, and the relationship with the remuneration payment according to the job duties handled, risks and time invested: (I) According to the Article 18 of the Articles of Incorporation of the Company, the Board of Directors is authorized to determine the remuneration of directors according to their participation level in the company operation and contribution value along with the consideration of the standard adopted in the domestic and foreign industries. (II) The Articles of Incorporation explicitly specify that an amount not higher than 3% of the profit of the current year is to be appropriated as the remuneration of directors. Since all of the independent directors act as members of the Audit Committee and the Remuneration Committee, they are required to participate in and be responsible for the discussions and resolutions of these two functional committees; therefore, their remuneration is higher than that of non-independent directors. In 2024, due to operating losses, no pre-tax profit was available for distribution of remuneration to employees and directors. As such, the Company did not issue remuneration to directors or employees in 2024. For details of the remuneration to individual directors, please refer to Attachment 3(page 13) of this handbook

6: Proposed by the Board of Directors

Summary: The report on loans to others and endorsements/guarantees for 2024 is submitted for review.

Description: As of December 31, 2024, the balance of the loan to the subsidiary, Yung Fu Co., Ltd., was NT\$150,000 thousand, and the actual drafted amount was NT\$30,000. The balance of the endorsements/guarantees for Yung Fu Co., Ltd. was NT\$200,000 thousand, and the actual guarantee amount was NT\$180,000.

7: Proposed by the Board of Directors

Summary: Report on the execution of major transactions with related parties.

Description: Please refer to Attachment 4(page 14) of this Handbook on the 2024 execution of major transactions with related parties.

Acknowledged matters

1: Proposed by the Board of Directors

Summary: The Company's 2024 Business Report and financial statements are hereby submitted for ratification.

Description:

(1)The Company's 2024 Business Report and financial statements were approved by the Audit Committee and adopted by the resolution of the Board of Directors, of which the 2024 parent company-only and the 2024 consolidated financial statements have been audited by Chung-Yu Tien and Tzu-Yu Lin, CPAs at PwC Taiwan, by whom an audit report with an unqualified opinion has been issued.

(2)Please refer to Attachments 1 and 5(pages 9-11 and 15-35) of this handbook for the above financial statements and the 2024 Business Report, respectively.

2: Proposed by the Board of Directors

Summary: The 2024 Statement of Earnings Distribution is hereby submitted for ratification.

Description: The Company's 2024 statement of earnings distribution has been approved by the Board of Directors through resolution and reviewed by the Audit Committee and a review report has been issued. Please refer to Attachment 6(page 36) of this manual for the earnings distribution table.

Matters for Discussion

1: Proposed by the Board of Directors

Summary: Amendment to the partial article of the “Articles of Incorporation”, is proposed for resolution.

Description :

1. In response to future business development needs, it is proposed to amend partial articles in the Articles of Incorporation.
2. According to Article 14, Paragraph 6 of the Securities and Exchange Act, “a company shall stipulate in its Articles of Incorporation a certain percentage of its annual earnings to be allocated for salary adjustments or remuneration for entry-level employees”. Based on this definition, Article 23 of the Articles of Incorporation has been amended accordingly, and amend other provisions please refer to Attachment 7 (page 37~38) for the comparison table of the amendments to the provisions.

Proposal 2: Proposed by the Board of Directors

Subject: Amendment to partial articles of the “Regulations Governing Endorsements and Guarantees”, is proposed for resolution.

Description: In response to operational needs, the Company intends to amend partial clauses in the “Regulations Governing Endorsements and Guarantees”. Please refer to Attachment 8 (page 39~41) for the comparison table of the amendment to the Articles of Incorporation.

Proposal 3: Proposed by the Board of Directors

Description: In response to operational needs, the Company intends to amend partial articles of the “Operational Procedures for the Acquisition and Disposal of Assets”. Please refer to Attachment 9 (page 42) for the comparison table of the amendments to the provisions.

Voting on Motions

Extemporaneous Motions

Adjournment

Attachment 1

OFCO Industrial Corp. 2024 Business Report

Due to the global economic slowdown, inflation, and supply chain disruptions, international market demand decreased. In 2023, the fastener industry was adversely affected, with a sharp decline in demand. The entire supply chain, from upstream raw materials and wires to finished screws, was heavily impacted. Additionally, competition from other countries led to a reduction in market share. Demand from European and American customers remained weak until the third quarter of 2024, where it started showing signs of recovery. However, due to the sluggish economic conditions in the first half of 2024 and the fierce competition from internationally dumped low-priced products, orders from European and American customers have not significantly bounced back. Additionally, due to geopolitical risks in Taiwan, European customers have withdrawn some of their orders. In 2024, domestic exports of screws and fasteners reached 1.292 million tons, a 1.25% year-on-year increase, ending two consecutive years of decline. However, despite the rebound in export volume, the screws and fasteners industry continues to face challenges with rising raw material and production costs, while product prices gradually decline. As a result, profitability has been shrinking, making business operations increasingly difficult.

Looking back to 2024, according to the statistics of the Metal Industries Research & Development Centre, the export volume in 2023 declined significantly to 1.276 million tons, which is far lower than the 1.677 million tons in 2021 and 1.666 million tons in 2022. The export volume in 2024 rebounded slightly to 1.292 million tons. Among them, the export growth of screws and fasteners in Europe was 1.86% in 2024. In 2024, the screw industry entered a downturn, mainly due to the poor global economic performance and the ongoing Russia-Ukraine war, which led to reduced demand in Europe. The willingness of customers to replenish inventory decreased, and the domestic screw and fastener industry, which relies heavily on exports, struggled to secure orders. China and Southeast Asian screw manufacturers frequently engaged in low-price competition to capture market share. Under this fierce price competition, the prices of screws and fasteners declined in 2024, with the sales price dropping by 6.2% year-on-year, further pushing domestic companies into difficult domestic conditions.

The Company's 2024 business focus: (I) In response to the decrease in orders, the business department will flexibly adjust its order-taking strategy. (II) The Group continues to adopt the joint procurement model, reduce costs and improve competitiveness. (III) Work with affiliates to increase production capacity and revenue through OEMs.

(1) Profit/loss comparison and analysis

Unit: NT\$ thousand

Period	2024		2023		Growth	
Item	Amount	%	Amount	%	Amount	%
Operating income	4,135,922	100.00%	4,321,072	100.00%	-185,150	-4.28%
Gross profit	-141,071	-3.41%	85,388	1.98%	-226,459	-265.21%
Operating expenses	173,642	4.20%	186,950	4.33%	-13,308	-7.12%
Net operating profit (loss)	-314,713	-7.61%	-101,562	-2.35%	-213,151	209.87%
Net non-operating income	113,859	2.75%	121,531	2.81%	-7,672	-6.31%
Net profit (loss) before tax	-200,854	-4.86%	19,969	0.46%	-220,823	-1106%
Income tax gain (expense)	74,896	1.81%	130,401	3.02%	-55,505	-42.56%
Net profit (loss) after tax	-125,958	-3.05%	150,370	3.48%	-276,328	-183.77%
Net income attributable to parent company	-36,012	-0.87%	150,839	3.49%	-186,851	-123.87%
Earnings per share	-0.36		1.51		-1.87	

(2) Profitability analysis:

Item	2024	2023	Notes
Return on assets	-1.59%	3.60%	
Return on shareholders' equity	-4.83%	5.75%	
Operating income (loss)	-31.26%	-10.15%	Ratio to paid-in capital
Net profit before tax	-19.95%	2.00%	Ratio to paid-in capital
Net profit margin	-3.05%	3.48%	
Earnings per share (NT\$)	-0.36	1.51	

According to the updated version of the “World Economy Outlook” released by the “International Monetary Fund (IMF)” on January 17, 2025, the global economic growth rate will remain at 3.2% in 2024, which is the same as the previous year and lower than the average level before the pandemic. IMF warned that global mid-term growth will drop to 3.1% within five years, which is far lower than the trend before the pandemic. The key factors affecting 2024 include a slowdown in inflation, easing labor market pressures, and strong demand for Artificial Intelligence (AI)-related products. However, geopolitical risks such as the Russia-Ukrainian War, the intensification of the Middle East conflict, and the escalation of the US-China trade war continue to weaken the confidence in the economy. The domestic screws and fasteners industry continues to face difficulties, mainly due to high operating costs. In addition to domestic wire prices being much higher than foreign products, production costs such as electricity and equipment have further increased in

2024. Moreover, to align with the global carbon reduction trend, the costs associated with carbon reduction have also continued to rise. Coupled with the decline in product prices, this has diluted overall profitability, and the industry will still face severe challenges in 2025.

Since 2019, the Company has started to invest in the renewable energy and circular economy business, and the invested industries include marine and land transportation, material recycling and recovery, waste disposal and treatment, and operation of incinerators on others' behalf. At the end of 2023, the Company reinvested to acquire 100% ownership of TSG Power Corp. and expanded its operations in multiple areas to improve operational competitiveness and profitability.

In 2024, the Company continued to efficiently take orders and adjust the product sales mix, and focused on niche products to meet the needs of customers when the economy recovers. In 2025, the Company plans to formulate two main business strategies (I) To expand order acquisition in regions outside of Europe and further develop its customer base. (II) The first special shareholders' meeting in 2025 approved that the Company would lease the plant and equipment to Chun Yu. The two parties will divide responsibilities for production and sales, with OFCO taking orders, and Chun Yu handling combined production. This will expand production scale, reduce costs, and enhance the profitability of both parties.

It is expected that the global manufacturing industry will continue to be polarized in 2025, with strong demand for high-end semiconductor processes and servers, while the recovery of traditional industries remains limited. Recent news in the steel market has been favorable, such as the possible end of the Russia-Ukrainian and Israel-Palestinian conflicts this year. According to statistics of China Steel Corporation, the demand for iron and steel after the Russo-Ukrainian conflict is at least 40 million tons, and the demand for iron and steel after the Israel-Palestinian conflict is also substantial, which plays a significant role in boosting global steel demand.

To cope with the change in the external environment, the management team flexibly adjusts the operational strategies in order to overcome bottlenecks and difficult situations while re-establishing the corporate culture of commitment, professionalism, and discipline. We expect to achieve outstanding business performance and the goals for 2025 rigorously and optimistically.

Chairman: James Huang President: Rosalind Huang Accounting Supervisor: Mei-Yu Wang

Attachment 2

OFCO Industrial Corp. Audit Committee's Review Report

The Board of Directors prepared the Company's 2024 parent company-only and consolidated, which were audited by Chung-Yu, Tien and Tzu-Yu, Lin, CPAs at PwC Taiwan, along with the 2024 Business Report and the Statement of Earnings Distribution; we have reviewed the above documents and found no misstatement therein. Therefore, we have issued this review report in compliance with Article 219 of the Company Act. Please proceed to review it.

2025 Shareholders' Annual General Meeting of OFCO Industrial Corp.

Audit Committee Convener: Jeff Huang

March 12, 2025

Attachment 3

Remuneration to directors (including independent directors)

December 31, 2024 Unit: NT\$ thousand

Title	Name	Directors' remuneration								Sum of A, B, C and D as a ratio of net income after tax (%)		Remuneration paid to directors concurrently serving as employees								Sum of A, B, C, D, E, F and G as a ratio of net income after tax		Whether remuneration was received from investees other than subsidiaries (H)
		Remuneration paid (A)		Retirement Pension (B)		Director's remuneration (C) (Note 1)		Fees for services rendered (D)				Salaries, bonuses, special allowances etc. (E)		Retirement Pension (F)		Employees' remuneration (G) (Note 1)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements (Note 7)		The Company	All companies in the financial statements	
																Cash amount	Stock amount	Cash amount	Stock amount			
Chairman	James Huang	2,943	3,565	0	0	0	74	30	90	2,973 -8.26%	3,729 -2.96%	0	0	0	0	0	0	0	0	2,973 -8.26%	3,729 -2.96%	None
Former Director	Yan, Ching-Li	0	0	0	0	0	0	30	30	30 -0.08%	30 -0.02%	0	0	0	0	0	0	0	0	30 -0.08%	30 -0.02%	None
Director	Mei-Hui Wu	0	0	0	0	0	0	30	30	30 -0.08%	30 -0.02%	0	0	0	0	0	0	0	0	30 -0.08%	30 -0.02%	None
Former Director	Wu, Ju-Yan	0	0	0	0	0	148	20	70	20 -0.06%	218 -0.17%	1,898	3,283	0	0	0	0	120	0	1,918 -5.33%	3,621 -2.87%	None
Director	Chen, Hsiang-Lin	0	0	0	0	0	195	30	30	30 -0.08%	225 -0.18%	0	0	0	0	0	0	0	0	30 -0.08%	225 -0.18%	None
Director	Chen, Chi-Tai	0	0	0	0	0	0	30	30	30 -0.08%	30 -0.02%	0	0	0	0	0	0	0	0	30 -0.08%	30 -0.02%	None
Independent Director	Jeff Huang	390	390	0	0	0	0	30	30	420 -1.17%	420 -0.33%	0	0	0	0	0	0	0	0	420 -1.17%	420 -0.33%	None
Independent Director	Wen-Huai Chang	360	360	0	0	0	0	30	30	390 -1.08%	390 -0.31%	0	0	0	0	0	0	0	0	390 -1.08	390 -0.31	None
Independent Director	Wang, Bing Chuan	360	360	0	0	0	0	30	30	390 -1.08%	390 -0.31%	0	0	0	0	0	0	0	0	390 -1.08%	390 -0.31	None
Corporate Director	Taiwan Steel Group United Co., Ltd.	0	0	0	0	0	0	0	0	0 0%	0 0%	0	0	0	0	0	0	0	0	0 0%	0 0%	None
Corporate Director	Taiwan Styrene Investment Co., Ltd.	0	0	0	0	0	0	0	0	0 0%	0 0%	0	0	0	0	0	0	0	0	0 0%	0 0%	None
Corporate Director	Rong Gang Investment Co., Ltd.	0	0	0	0	0	0	0	0	0 0%	0 0%	0	0	0	0	0	0	0	0	0 0%	0 0%	None
Director	Chen Zhengwen	0	0	0	0	0	0	0	0	0 0%	0 0%	0	0	0	0	0	0	0	0	0 0%	0 0%	None
1. The Company's payment policy, system, standard and structure for remuneration of independent directors, and explain the relationship with the remuneration payment according to the job duties handled, risks and time invested, etc.: (1) According to the Articles of Incorporation of the Company, the board of directors of the Company is authorized to determine the remuneration of directors based on the directors' participation level in the Company's operation and value of contribution, along with the consideration of the common standards adopted in the same industry, and shall not exceed the highest salary level specified in the Company's Salary Review Measures. (2) The Articles of Incorporation have also explicitly specified that an amount not higher than 3% of the profit of the current year is to be appropriated as the directors' remuneration. (3) Since independent directors concurrently act as members of the Audit Committee and Remuneration Committee, and are required to participate in discussions and resolutions of relevant committee meetings according to the provisions of each committee charter, consequently, their remuneration is higher than the remuneration of general directors. 2. Except as disclosed in the table above, the remuneration received by directors for providing services to all the companies listed in the financial reports (e.g. serving as a non-employee consultants to the parent company/all companies in the financial statements/investees) in the most recent fiscal year: None.																						

Attachment 4

OFCO Industrial Corp.

The 2024 execution of major transactions with related parties.

Unit: NT\$ thousand

Item	Object	Actual transaction amount	actual trading conditions
Sales of goods	Chun Yu Works & Co., Ltd.	101,296	Individual negotiation
Purchase of goods	Chun Yu Works & Co., Ltd.	590,418	Individual negotiation
Tooling and repair costs	Chun Zu Machinery Industry	3,674	Individual negotiation
	Chun Bang Precision Co., Ltd.	37,633	Individual negotiation
Production Machine	Chun Zu Machinery Industry	5,980	Individual negotiation
Freight, export fees	TSG Transport Corp	31,721	Individual negotiation

Attachment 5

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of OFCO Industrial Corporation

Opinion

We have audited the accompanying consolidated balance sheets of OFCO Industrial Corporation 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 then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, 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 Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

Valuation of inventories

Description

Refer to Note 4(12) for the accounting policy on inventory valuation, Note 5(2) for the information on the uncertainty of accounting estimates and assumptions on inventory valuation and Note 6(6) for details of inventory items. As of December 31, 2024, the balance of inventories and allowance for inventory valuation losses were NT\$481,117 thousand and NT\$40,728 thousand, respectively.

The Group is primarily engaged in the manufacture and sales of screws and related products. Due to the market demand and fluctuations in international steel prices, there is a risk of inventories losing value or becoming obsolete. The inventories are measured at the lower of cost and net realisable value. For inventories aged over a certain period and individually identified as obsolete or slow-moving, the

management determines the net realisable values based on historical information on the extent of inventory depletion, and recognizes loss on decline in market price.

Given that the amount of inventory is significant and contains many items, and the net realisable value used when assessing the inventories individually identified as obsolete or slow-moving involves subjective judgment, we considered the valuation of inventories a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Based on our understanding of the nature of the business and the industry, assessed the reasonableness of the policies and procedures in relation to the provision of allowance for inventory valuation losses.
2. Verified the correctness of the inventory aging report used for valuation, recalculated and evaluated the reasonableness of the allowance for inventory valuation losses and confirmed that the information was consistent with the policy.
3. Evaluated and randomly checked the reasonableness of the relevant statements of the net realisable value of inventories, and then evaluated the rationality of the provision of allowance for inventory valuation losses.

Cut-off of export operating revenue

Description

Refer to Note 4(30) for the accounting policies on revenue recognition.

The Group's export operating revenues account for a significant percentage of total revenue, and the export operating revenue is recognized based on the terms specified in the contracts. As different customers have different transaction terms, and the procedures involve manual process and judgment of the management and have a material impact on the financial statements, we considered the cut-off of export operating revenue a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding, assessed and tested the effectiveness of internal controls related to the cut-off of export operating revenue.
2. Obtained the transaction details of the export operating revenue for a specific period before and after the balance sheet date, confirmed the completeness and randomly checked the supporting documents (including confirming transaction terms, checking orders, shipping slips, customs declarations, and bills of lading, etc.), to verify whether the export operating revenue has been recorded in the appropriate period.

Estimation of the stage of completion of projects

Description

Please refer to Note 4(30) for the accounting policies.

The construction revenue of the environmental protection business of the Group arise mainly from the waste turnkey business and engineering projects such as solar power projects. Revenue from projects

are recognized by adopting the percentage of completion method based on the input level during the contract period, and the contract cost is recognized as the cost in the period in which it is incurred. The stage of completion is calculated by referring to the cost incurred by each contract up to the end of the reporting period as a percentage of the estimated total cost of such contract. As the aforementioned estimated total cost involves uncertainty in accounting estimates and the estimated total cost can affect the calculation of stage of completion and the recognition of construction revenue, therefore, we considered the estimation of the stage of completion of projects a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding on the internal operating procedures for the calculation of estimated total cost evaluation and randomly checked the calculation of estimated total cost of major projects, and confirmed whether the cost evaluation process was consistent with the internal operating procedures.
2. For major projects of the year, randomly checked the estimated total cost had been properly approved, including supporting documents for added and reduced amounts in the year.
3. Obtain detailed account, of costs and expenses for the year, and randomly checked relevant vouchers to confirm whether the amount of input used to calculate the stage of completion of projects during the year had been properly accounted for.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of OFCO Industrial Corporation as at 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 that came into effect 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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 auditors' 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 auditors' 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 of the current period and are therefore the key audit matters. We describe these matters in our auditors' report

unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Tien, Chung-Yu
Independent Accountants
Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan
Republic of China
March 12, 2025

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 independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

OFCO INDUSTRIAL CORPORATION 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	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 371,660	7	\$ 844,894	16
1110	Financial assets at fair value through profit or loss - current	6(2)	59,452	1	66,999	1
1120	Financial assets at fair value through other comprehensive income - current	6(3)	25,643	-	95,707	2
1136	Financial assets at amortised cost - current	6(1)(4) and 8	245,667	4	74,245	2
1140	Current contract assets	6(25)	3,103	-	5,881	-
1150	Notes receivable, net	6(5)	18	-	74	-
1170	Accounts receivable, net	6(5)	385,425	7	567,419	11
1180	Accounts receivable - related parties	6(5) and 7	144,897	3	113,734	2
1200	Other receivables	7	15,376	-	20,844	1
1220	Current income tax assets	6(32)	15,765	-	5,423	-
130X	Inventories	5(2) and 6(6)	440,389	8	261,953	5
1410	Prepayments	6(7)	593,588	11	312,833	6
1476	Other current financial assets		500	-	-	-
11XX	Total current assets		2,301,483	41	2,370,006	46
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)(18)	221,316	4	127,466	3
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)(8)	139,531	2	21,842	-
1535	Financial assets at amortised cost - non-current	6(1)(4) and 8	109,006	2	155,184	3
1600	Property, plant and equipment	6(9)(14), 7 and 8	1,130,201	20	1,091,951	21
1755	Right-of-use assets	6(10)	111,528	2	113,382	2
1760	Investment property, net	6(11) and 8	32,452	1	32,452	1
1780	Intangible assets	6(12)	849,866	15	813,977	16
1840	Deferred income tax assets	6(32)	309,426	5	228,682	4
1915	Prepayments for equipment	6(9)(12)	158,072	3	118,645	2
1920	Guarantee deposits paid	8	12,990	-	15,224	-
1975	Net defined benefit asset, non-current	6(20)	7,426	-	7,397	-
1990	Other non-current assets	6(13) and 7	293,730	5	107,090	2
15XX	Total non-current assets		3,375,544	59	2,833,292	54
1XXX	Total assets		\$ 5,677,027	100	\$ 5,203,298	100

(Continued)

OFCO INDUSTRIAL CORPORATION 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	%
Current liabilities						
2100	Short-term borrowings	6(15) and 8	\$ 649,922	11	\$ 156,144	3
2110	Short-term notes and bills payable	6(16) and 8	114,414	2	70,007	1
2130	Current contract liabilities	6(25)	50,908	1	98,183	2
2150	Notes payable		7,622	-	19,068	1
2160	Notes payable - related parties	7	-	-	10,761	-
2170	Accounts payable		454,659	8	824,434	16
2180	Accounts payable - related parties	7	132,075	2	93,100	2
2200	Other payables	6(17) and 7	211,353	4	175,497	3
2230	Current income tax liabilities	6(32)	8,019	-	3,909	-
2280	Current lease liabilities	6(10)	18,728	-	15,946	-
2320	Long-term liabilities, current portion	6(19) and 8	201,266	4	306,331	6
21XX	Total current liabilities		1,848,966	32	1,773,380	34
Non-current liabilities						
2527	Contract liabilities - non-current	6(25)	-	-	108,000	2
2530	Corporate bonds payable	6(18)	348,356	6	340,843	7
2540	Long-term borrowings	6(19) and 8	722,719	13	216,427	4
2570	Deferred income tax liabilities	6(32)	13,934	-	13,923	-
2580	Lease liabilities - non-current	6(10)	99,526	2	102,316	2
2645	Guarantee deposits received		41,096	1	33,628	1
2670	Other non-current liabilities		564	-	564	-
25XX	Total non-current liabilities		1,226,195	22	815,701	16
2XXX	Total Liabilities		3,075,161	54	2,589,081	50
Equity attributable to owners of parent						
	Share capital	6(18)(21)(23)				
3110	Common stock		1,006,697	18	1,000,587	19
3130	Certificate of entitlement to new shares from convertible bonds		-	-	1,320	-
3140	Capital collected in advance		-	-	2,076	-
3200	Capital surplus	4(3), 6(18)(21)(22)(23)	1,110,464	19	1,095,632	20
	Retained earnings	6(3)(24)				
3310	Legal reserve		51,123	1	35,725	1
3320	Special reserve		14,827	-	44,211	1
3350	Unappropriated retained earnings		35,692	1	154,689	3
3400	Other equity interest	6(3)(8)	(10,568)	-	(14,827)	-
31XX	Equity attributable to owners of parent		2,208,235	39	2,319,413	44
36XX	Non-controlling interests	4(3)	393,631	7	294,804	6
3XXX	Total equity		2,601,866	46	2,614,217	50
	Contingent Liabilities and Commitments	6(12) and 9				
	Significant Events After the Balance Sheet Date	11				
3X2X	Total liabilities and equity		\$ 5,677,027	100	\$ 5,203,298	100

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

OFECO INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for (loss) earnings per share amounts)

	Items	Notes	Year ended December 31			
			2024		2023	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	5(2), 6(12)(25) and 7	\$ 4,135,922	100	\$ 4,321,072	100
5000	Operating costs	6(6)(10)(12)(20)(30)(31) and 7	(4,276,993)	(104)	(4,235,684)	(98)
5900	Net operating (loss) margin		(141,071)	(4)	85,388	2
	Operating expenses	6(10)(12)(20)(23)(30)(31) and 7				
6100	Selling expenses		(32,386)	(1)	(39,998)	(1)
6200	General and administrative expenses		(138,326)	(3)	(146,864)	(4)
6300	Research and development expenses		(2,930)	-	(88)	-
6000	Total operating expenses		(173,642)	(4)	(186,950)	(5)
6900	Operating loss		(314,713)	(8)	(101,562)	(3)
	Non-operating income and expenses					
7100	Interest income	6(4)(26)	8,405	-	12,838	-
7010	Other income	6(3)(27)	43,611	1	11,506	-
7020	Other gains and losses	4(3), 6(2)(10)(28)(34), 7 and 12	111,384	3	119,824	3
7050	Finance costs	6(10)(29)	(49,541)	(1)	(22,972)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(8)	-	-	335	-
7000	Total non-operating revenue and expenses		113,859	3	121,531	3
7900	(Loss) profit before income tax		(200,854)	(5)	19,969	-
7950	Income tax benefit	6(32)	74,896	2	130,401	3
8200	(Loss) profit for the year		(\$ 125,958)	(3)	(\$ 150,370)	3
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit obligations	6(20)	(\$ 22)	-	\$ 3,224	-
8316	Unrealised gains on valuation of financial assets at fair value through other comprehensive income	6(3)	7,815	-	29,953	1
8320	Share of other comprehensive income of associates and joint ventures accounted for under equity method - will not be reclassified to profit or loss	6(8)	-	-	(2)	-
8349	Income benefit (tax) related to components of other comprehensive income that will not be reclassified to profit or loss	6(32)	-	-	-	-
8300	Other comprehensive income for the year		5	-	(645)	-
8500	Total comprehensive (loss) income for the year		(\$ 118,160)	(3)	(\$ 182,900)	4
	(Loss) profit attributable to:					
8610	Owners of the parent		(\$ 36,012)	(1)	\$ 150,839	3
8620	Non-controlling interest		(89,946)	(2)	(469)	-
	Comprehensive (loss) income attributable to:		(\$ 125,958)	(3)	(\$ 150,370)	3
	to:					
8710	Owners of the parent		(\$ 28,214)	(1)	\$ 183,369	4
8720	Non-controlling interest		(89,946)	(2)	(469)	-
			(\$ 118,160)	(3)	(\$ 182,900)	4
	(Loss) earnings per share (in dollars)	6(33)				
9750	Basic		(\$ 0.36)		\$ 1.51	
9850	Diluted		(\$ 0.36)		\$ 1.38	

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

QECO INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Equity attributable to owners of the parent													
Capital		Retained Earnings					Other equity interest						
Notes	Common stock	Certificate of entitlement to new shares from convertible bonds	Capital collected in advance	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised (losses) gains on valuation of financial assets at fair value through other comprehensive income	Total	Non-controlling interests	Total equity	
For the year ended December 31, 2023													
Balance at January 1, 2023	\$ 994,101	\$ -	\$ 3,366	\$ 1,102,214	\$ 12,997	\$ 38,566	\$ 228,494	\$ 373	\$ 44,584	\$ 2,335,527	\$ 279,811	\$ 2,615,338	
Net income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	150,839	-	-	150,839	(469)	150,370	
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	2,579	-	29,951	32,530	-	32,530	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	153,418	-	29,951	183,369	(469)	182,900	
Distribution of 2022 net income:													
Legal reserve	-	-	-	-	22,728	-	(22,728)	-	-	-	-	-	
Special reserve	-	-	-	-	-	5,645	(5,645)	-	-	-	-	-	
Cash dividends	-	-	-	-	-	-	(199,417)	-	-	(199,417)	-	(199,417)	
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	567	-	(567)	-	-	-	
Proceeds from employee stock options exercised	-	-	10,771	-	-	-	-	-	-	10,771	-	10,771	
Exercise of employee stock options	6,449	(12,061)	-	5,612	-	-	-	-	-	3,338	-	3,338	
Conversion of convertible bonds	37	1,320	-	1,981	-	-	-	-	-	1,159	128	1,287	
Employee stock options compensation costs	-	-	-	1,159	-	-	-	-	-	-	-	-	
Effect of organisational restructuring	-	-	-	(15,334)	-	-	-	-	-	(15,334)	15,334	-	
Balance at December 31, 2023	\$ 1,000,587	\$ 1,320	\$ 2,076	\$ 1,095,632	\$ 35,725	\$ 44,211	\$ 154,689	\$ 373	\$ 15,200	\$ 2,319,413	\$ 294,804	\$ 2,614,217	
For the year ended December 31, 2024													
Balance at January 1, 2024	\$ 1,000,587	\$ 1,320	\$ 2,076	\$ 1,095,632	\$ 35,725	\$ 44,211	\$ 154,689	\$ 373	\$ 15,200	\$ 2,319,413	\$ 294,804	\$ 2,614,217	
Net loss for the year ended December 31, 2024	-	-	-	-	-	-	(36,012)	-	-	(36,012)	(89,946)	(125,958)	
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	171	-	7,815	7,798	-	7,798	
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	(36,029)	-	7,815	(28,214)	(89,946)	(118,160)	
Distribution of 2023 net income:													
Legal reserve	-	-	-	-	15,398	-	(15,398)	-	-	-	-	-	
Reversal of special reserve	-	-	-	-	-	(29,384)	29,384	-	-	-	-	-	
Cash dividends	-	-	-	-	-	-	(100,510)	-	-	(100,510)	-	(100,510)	
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	3,556	-	(3,556)	-	-	-	
Proceeds from employee stock options exercised	-	-	5,960	-	-	-	-	-	-	5,960	-	5,960	
Exercise of employee stock options	4,710	(8,036)	-	3,326	-	-	-	-	-	-	-	-	
Conversion of convertible bonds	1,400	1,320	-	118	-	-	-	-	-	198	-	198	
Adjustments for cash capital increase in subsidiaries not based on shareholding ratio	-	-	-	11,388	-	-	-	-	-	11,388	(11,388)	-	
Non-controlling interests participate in cash capital increase of subsidiaries	-	-	-	-	-	-	-	-	-	-	201,300	201,300	
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(1,139)	(1,139)	
Balance at December 31, 2024	\$ 1,006,697	\$ -	\$ -	\$ 1,110,464	\$ 51,123	\$ 14,827	\$ 35,692	\$ 373	\$ 10,941	\$ 2,208,235	\$ 393,631	\$ 2,601,866	

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

OFCC INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31,	
		2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
(Loss) profit before tax		(\$ 200,854)	\$ 19,969
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets at fair value through profit or loss			
Provision (reversal of allowance) for inventory market price decline	6(6)	(91,468)	(94,907)
Share of profit of associated and joint ventures accounted for under equity method	6(8)	555	(2,068)
(Gain) loss on disposal of investments accounted for under equity method	6(28)	-	(335)
Depreciation	6(9)(10)(30)	(490)	3,684
Gain on disposal of property, plant and equipment	6(28)	148,665	138,563
Gain from lease modification	6(10)(28)	(1,248)	(11,295)
Amortisation	6(12)(30)	(1)	5)
Prepayments for equipment reclassified to expense		48,130	15,688
Unrealised concession revenue		-	266
Employee stock options compensation costs	6(12)	(68,983)	(717,747)
Interest income	6(31)	-	1,287
Dividend income	6(26)	(8,405)	(12,838)
Interest expense	6(3)(27)	(1,049)	(1,387)
	6(29)	49,541	22,972
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		5,165	(27,662)
Current contract assets		2,778	6,830
Notes receivable		56	70
Accounts receivable		181,094	(142,065)
Accounts receivable - related parties		(31,163)	(26,516)
Other receivables		5,468	(17,994)
Inventories		(178,991)	101,952
Prepayments		(130,458)	(102,093)
Net defined benefit assets - non-current		(51)	(20)
Changes in operating liabilities			
Contract liability		(155,275)	78,998
Notes payable		(11,446)	(4,803)
Notes payable - related parties		(1,714)	(2,915)
Accounts payable		(374,416)	535,554
Accounts payable - related parties		38,975	55,376
Other payables		60,577	(22,692)
Cash outflow generated from operations		(715,008)	(206,133)
Interest received		8,405	12,838
Dividends received		1,049	1,387
Interest paid		(41,745)	(14,639)
Income taxes paid		(12,064)	(55,182)
Net cash flows used in operating activities		(759,363)	(261,729)

(Continued)

OFKO INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Years ended December 31,	
	Notes	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss - non-current		\$ -	(\$ 36,000)
Acquisition of financial assets at fair value through other comprehensive income - current		-	(14,107)
Proceeds from disposal of financial assets at fair value through other comprehensive income - current		59,590	25,753
Increase in financial assets at amortised cost - current		(171,422)	(30,461)
Increase in other current financial assets		(500)	-
Acquisition of financial assets at fair value through other comprehensive income - non-current		(99,400)	-
Decrease (increase) in financial assets at amortised cost - non-current		46,178	(53,558)
Procees from disposal of subsidiaries	6(34)	1,733	-
Cash paid for acquisition of property, plant and equipment	6(34)	(121,268)	(132,531)
Proceeds from disposal of property, plant and equipment		4,862	153,496
Increase in intangible assets	6(12)	(8,386)	(150)
Increase in prepayments for equipment		(128,093)	(157,184)
Decrease (increase) in guarantee deposits paid		2,221	(1,082)
Increase in other non-current assets		(333,937)	(117,241)
Net cash flows used in investing activities		(748,422)	(363,065)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(35)	2,660,133	541,626
Decrease in short-term borrowings	6(35)	(2,166,355)	(448,482)
Increase in short-term notes and bills payable	6(35)	456,800	627,800
Decrease in short-term notes and bills payable	6(35)	(412,400)	(653,600)
Payments of lease liabilities	6(35)	(17,933)	(16,190)
Increase in long-term borrowings	6(35)	1,958,018	809,973
Decrease in long-term borrowings	6(35)	(1,556,791)	(423,277)
Increase (decrease) in guarantee deposits received	6(35)	7,468	(1,562)
Proceeds from employee stock options exercised	6(21)	5,960	10,771
Payments of cash dividends	6(24)	(100,510)	(199,417)
Non-controlling interests participate in cash capital increase of subsidiaries	4(3)	201,300	-
Change in non-controlling interests		(1,139)	-
Net cash flows from financing activities		1,034,551	247,642
Net decrease in cash and cash equivalents		(473,234)	(377,152)
Cash and cash equivalents at beginning of year	6(1)	844,894	1,222,046
Cash and cash equivalents at end of year	6(1)	\$ 371,660	\$ 844,894

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of OFCO Industrial Corporation

Opinion

We have audited the accompanying parent company only balance sheets of OFCO Industrial Corporation (the "Company") as of December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity, and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2024 parent company only financial statements are stated as follows:

Valuation of inventories

Description

Refer to Note 4(11) for the accounting policy on inventory valuation, Note 5(2) for the information on the uncertainty of accounting estimates and assumptions on inventory valuation and Note 6(6) for details of inventory items. As of December 31, 2024, the balances of inventories and allowance for inventory valuation losses were NT\$480,841 thousand and NT\$40,728 thousand, respectively.

The Company is primarily engaged in the manufacture and sales of screws and related products. Due to the market demand and fluctuations in international steel prices, there is a risk of inventories losing value or becoming obsolete. The inventories are measured at the lower of cost and net realisable value. For inventories aged over a certain period and individually identified as obsolete or slow-moving, the management determines the net realisable values based on historical information on the extent of inventory depletion, and recognizes loss on decline in market price.

Given that the amount of inventory is significant and contains many items, and the net realisable value used when assessing the inventories individually identified as obsolete or slow-moving involves subjective judgment, we considered the valuation of inventories a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Based on our understanding of the nature of the business and the industry, assessed the reasonableness of the policies and procedures in relation to the provision of allowance for inventory valuation losses.
2. Verified the correctness of the inventory aging report used for valuation, recalculated and evaluated the reasonableness of the allowance for inventory valuation losses and confirmed that the information was consistent with the policy.
3. Evaluated and randomly checked the reasonableness of the relevant statements of the net realisable value of inventories, and then evaluated the rationality of the provision of allowance for inventory valuation losses.

Cut-off of export operating revenue

Description

Refer to Note 4(28) for the accounting policies on revenue recognition.

The Company's export operating revenues account for a significant percentage of total revenue, and the export operating revenue is recognized based on the terms specified in the contracts. As different customers have different transaction terms, and the procedures involve manual process and judgment of the management and have a material impact on the financial statements, we considered the cut-off of export operating revenue a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding, assessed and tested the effectiveness of internal controls related to the cut-off of export operating revenue.
2. Obtained the transaction details of the export operating revenue for a specific period before and after the balance sheet date, confirmed the completeness and randomly checked the supporting documents (including confirming transaction terms, checking orders, shipping slips, customs declarations and bills of lading, etc.), to verify whether the export operating revenue has been recorded in the appropriate period.

Investments accounted for under the equity method - estimation of the stage of completion of the subsidiary's projects

Refer to Note 4(12) for the accounting policies on investments accounted for under equity method, and Note 6(7) for details of investments accounted for under equity method.

As of December 31, 2024, investment in the Company's subsidiary accounted for under equity method, Yung Fu Co., Ltd., amounted to NT\$496,288 thousand, constituting 15% of the total assets, and had a material effect on the Company's financial statements. After evaluating how the subsidiary's key audit matter impact the Company's financial statements, we considered it a key audit matter for the Company which is described as follows:

Description

The construction revenue of Yung Fu Co., Ltd. arise mainly from the waste turnkey business and engineering projects such as solar power projects. Revenue from projects are recognized by adopting the percentage of completion method based on the input level during the contract period, and the contract cost is recognized as the cost in the period in which it is incurred. The stage of completion is calculated by referring to the cost incurred by each contract up to the end of the reporting period as a percentage of the estimated total cost of such contract. As the aforementioned estimated total cost involves uncertainty in accounting estimates, and that the estimated total cost can affect the calculation of stage of completion and the recognition of construction revenue, therefore, we considered the estimation of the stage of completion of projects a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding on the internal operating procedures for the calculation of estimated total cost evaluation and randomly checked the calculation of estimated total cost of major projects, and confirmed whether the cost evaluation process was consistent with the internal operating procedures.
2. For major projects of the year, randomly checked the estimated total cost that had been properly approved, including supporting documents for added and reduced amounts in the year.
3. Obtained detailed accounts of costs and expenses for the year, and randomly checked relevant vouchers to confirm whether the amount of input used to calculate the stage of completion of projects during the year had been properly accounted for.

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 misstatements, 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 the audit committee, are responsible for overseeing the Company's financial reporting process.

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

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

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

Tien, Chung-Yu
Independent Accountants
Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan
Republic of China
March 12, 2025

The accompanying parent company only 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 company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

OFCO INDUSTRIAL CORPORATION
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	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 175,967	6	\$ 499,141	17
1110	Financial assets at fair value through profit or loss - current	6(2)	59,452	2	64,162	2
1120	Financial assets at fair value through other comprehensive income - current	6(3)	25,643	1	95,707	3
1136	Financial assets at amortised cost - current	6(1)(4) and 8	140,067	4	13,326	-
1150	Notes receivable, net	6(5)	3	-	-	-
1170	Accounts receivable, net	6(5)	130,884	4	79,547	3
1180	Accounts receivable - related parties	7	29,223	1	4,286	-
1200	Other receivables		14,351	-	19,650	1
1210	Other receivables - related parties	7	30,609	1	22	-
1220	Current income tax assets	6(27)	14,123	-	5,023	-
130X	Inventories	5(2) and 6(6)	440,113	14	261,876	9
1410	Prepayments	7	40,392	1	31,071	1
1476	Other financial assets - current		500	-	-	-
11XX	Total current assets		1,101,327	34	1,073,811	36
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)(14)	221,316	7	127,466	4
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	111,440	3	-	-
1550	Investments accounted for under equity method	6(7) and 7	1,105,077	34	1,113,305	37
1600	Property, plant and equipment	6(8)(11), 7 and 8	510,030	16	515,762	17
1755	Right-of-use assets	6(9)	96,951	3	101,822	4
1780	Intangible assets	6(10)	13,750	-	-	-
1840	Deferred income tax assets	6(27)	20,839	1	9,188	-
1915	Prepayments for equipment	6(8)(10)	15,030	1	18,884	1
1920	Guarantee deposits paid		2,609	-	2,081	-
1975	Net defined benefit asset - non-current	6(15)	4,795	-	4,766	-
1990	Other non-current assets	7	20,343	1	14,234	1
15XX	Total non-current assets		2,122,180	66	1,907,508	64
1XXX	Total assets		\$ 3,223,507	100	\$ 2,981,319	100

(Continued)

OFECO INDUSTRIAL CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2024		December 31, 2023		
			Notes	AMOUNT	%	AMOUNT	%
Current liabilities							
2100	Short-term borrowings	6(12) and 8	\$	299,122	9	\$ -	-
2130	Contract liabilities - current	6(20)		3,302	-	4,840	-
2150	Notes payable			4,558	-	11,137	-
2160	Notes payable - related parties	7		-	-	10,761	-
2170	Accounts payable			907	-	1,626	-
2180	Accounts payable - related parties	7		123,503	4	92,640	3
2200	Other payables	6(13)		97,181	3	75,355	3
2220	Other payables - related parties	7		21,071	1	4,283	-
2280	Lease liabilities - current	6(9)		14,796	-	12,171	1
21XX	Total current liabilities			564,440	17	212,813	7
Non-current liabilities							
2530	Corporate bonds payable	6(14)		348,356	11	340,843	11
2570	Deferred income tax liabilities	6(27)		13,934	-	13,923	1
2580	Lease liabilities - non-current	6(9)		88,542	3	94,327	3
25XX	Total non-current liabilities			450,832	14	449,093	15
2XXX	Total liabilities			1,015,272	31	661,906	22
Equity							
	Share capital	6(14)(16)(18)					
3110	Common stock			1,006,697	31	1,000,587	34
3130	Certificate of entitlement to new shares from convertible bonds			-	-	1,320	-
3140	Capital collected in advance			-	-	2,076	-
3200	Capital surplus	6(7)(14)(16)(17)(18)		1,110,464	34	1,095,632	36
	Retained earnings	6(3)(19)					
3310	Legal reserve			51,123	2	35,725	1
3320	Special reserve			14,827	1	44,211	2
3350	Unappropriated retained earnings			35,692	1	154,689	5
3400	Other equity interest	6(3)(7)	(10,568)	-	(14,827)	-
3XXX	Total equity			2,208,235	69	2,319,413	78
	Contingent Liabilities and Commitments	7 and 9					
	Significant Events After the Balance Sheet Date	11					
3X2X	Total liabilities and equity		\$	3,223,507	100	\$ 2,981,319	100

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

OFCO INDUSTRIAL CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for (loss) earnings per share amounts)

Items	Notes	Year ended December 31			
		2024		2023	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(20) and 7	\$ 1,384,459	100	\$ 1,078,361	100
5000 Operating costs	6(6)(9)(15)(25)(26) and 7	(1,330,094)	(96)	(949,884)	(88)
5900 Net operating margin		54,365	4	128,477	12
Operating expenses	6(9)(10)(15)(18)(25)(26) and 7				
6100 Selling expenses		(54,690)	(4)	(36,391)	(4)
6200 General and administrative expenses		(61,953)	(5)	(75,891)	(7)
6300 Research and development expenses		(2,929)	-	(88)	-
6000 Total operating expenses		(119,572)	(9)	(112,370)	(11)
6900 Operating (loss) profit		(65,207)	(5)	16,107	1
Non-operating income and expenses					
7100 Interest income	6(4)(21) and 7	5,700	-	10,773	1
7010 Other income	6(3)(22) and 7	9,270	1	10,440	1
7020 Other gains and losses	6(2)(7)(23), 7 and 12	112,238	8	119,956	11
7050 Finance costs	6(9)(24)	(14,198)	(1)	(9,494)	(1)
7070 Share of (loss) profit of subsidiaries, associates and joint ventures accounted for under equity method	6(7)	(100,546)	(7)	15,940	2
7000 Total non-operating income and expenses		12,464	1	147,615	14
7900 (Loss) profit before income tax		(52,743)	(4)	163,722	15
7950 Income tax benefit (expense)	6(27)	16,731	1	(12,883)	(1)
8200 (Loss) profit for the year		(\$ 36,012)	(3)	\$ 150,839	14
Other comprehensive income (loss)					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311 Remeasurement of defined benefit obligations	6(15)	(\$ 22)	-	\$ 3,224	-
8316 Unrealised gains on valuation of financial assets at fair value through other comprehensive income	6(3)	1,566	-	26,472	3
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under equity method - will not be reclassified to profit or loss	6(7)	6,249	1	3,479	-
8349 Income benefit (tax) related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	5	-	(645)	-
8300 Other comprehensive income for the year		\$ 7,798	1	\$ 32,530	3
8500 Total comprehensive (loss) income for the year		(\$ 28,214)	(2)	\$ 183,369	17
(Loss) earnings per share (in dollars)	6(28)				
9750 Basic		(\$ 0.36)		\$ 1.51	
9850 Diluted		(\$ 0.36)		\$ 1.38	

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

OFCC INDUSTRIAL CORPORATION
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	Share Capital		Retained Earnings				Other Equity Interest			Total equity
	Common stock	Certificate of entitlement to new shares from convertible bonds	Capital collected in advance	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized (losses) gains on valuation of financial assets at fair value through other comprehensive income	
For the year ended December 31, 2023										
Balance at January 1, 2023	\$ 994,101	\$ -	\$ 3,366	\$ 1,102,214	\$ 12,997	\$ 38,566	\$ 228,494	\$ 373	\$ 44,584	\$ 2,335,527
Net income for the year ended December 31, 2023	-	-	-	-	-	-	150,839	-	-	150,839
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	2,579	-	29,951	32,530
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	153,418	-	29,951	183,369
Distribution of 2022 net income:										
Legal reserve	-	-	-	-	-	-	(22,728)	-	-	-
Special reserve	-	-	-	-	-	-	(5,645)	-	-	-
Cash dividends	-	-	-	-	-	-	(199,417)	-	-	(199,417)
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	567	-	(567)	-
Proceeds from employee stock options exercised	-	-	10,771	-	-	-	-	-	-	10,771
Exercise of employee stock options	6,449	(12,061)	-	5,612	-	-	-	-	-	3,338
Conversion of convertible bonds	37	1,320	-	1,981	-	-	-	-	-	1,159
Employee stock options compensation costs	-	-	-	1,159	-	-	-	-	-	-
Effect of organisational restructuring	-	-	-	(15,334)	-	-	-	-	-	(15,334)
Balance at December 31, 2023	\$ 1,000,387	\$ 1,320	\$ 2,076	\$ 1,095,632	\$ 35,725	\$ 44,211	\$ 154,689	\$ 373	\$ 15,200	\$ 2,319,413
For the year ended December 31, 2024										
Balance at January 1, 2024	\$ 1,000,387	\$ 1,320	\$ 2,076	\$ 1,095,632	\$ 35,725	\$ 44,211	\$ 154,689	\$ 373	\$ 15,200	\$ 2,319,413
Net loss for the year ended December 31, 2024	-	-	-	-	-	-	(36,012)	-	-	(36,012)
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	17	-	7,815	7,798
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	(36,029)	-	7,815	(28,214)
Distribution of 2023 net income:										
Legal reserve	-	-	-	-	-	-	(15,398)	-	-	-
Reversal of special reserve	-	-	-	-	15,398	-	(29,384)	-	-	-
Cash dividends	-	-	-	-	-	-	(100,510)	-	-	(100,510)
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	3,556	-	(3,556)	-
Proceeds from employee stock options exercised	-	-	5,960	-	-	-	-	-	-	5,960
Exercise of employee stock options	4,710	(8,036)	-	3,326	-	-	-	-	-	-
Conversion of convertible bonds	1,400	(1,320)	-	118	-	-	-	-	-	198
Adjustments for cash capital increase in subsidiaries not based on shareholding ratio	-	-	-	11,388	-	-	-	-	-	11,388
Balance at December 31, 2024	\$ 1,006,697	\$ -	\$ -	\$ 1,110,464	\$ 51,123	\$ 14,827	\$ 35,692	\$ 373	\$ 10,941	\$ 2,208,235

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

OFCO INDUSTRIAL CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Years ended December 31,	
	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) profit before tax		(\$ 52,743)	\$ 163,722
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets at fair value through profit or loss			
Provision (reversal of allowance) for inventory market price decline	6(6)	(91,278)	(95,097)
Share of loss (profit) of subsidiaries, associated and joint ventures accounted for under equity method	6(7)	555	(2,068)
Gain on disposal of investments accounted for under equity method	6(23)	100,546	(15,940)
Depreciation	6(8)(9)(25)	(490)	-
(Gain) loss on disposal of property, plant and equipment	6(23)	80,109	74,721
Amortisation	6(10)(25)	(1,129)	72
Employee stock options compensation costs	6(18)(26)	1,250	-
Interest income	6(21)	-	674
Dividend income	6(3)(22)	(5,700)	(10,773)
Interest expense	6(24)	(1,019)	(1,387)
Changes in operating assets and liabilities		14,198	9,494
Changes in operating assets			
Financial assets at fair value through profit or loss		2,138	(39,751)
Notes receivable		(3)	-
Accounts receivable		(51,337)	121,154
Accounts receivable - related parties		(24,937)	(4,286)
Other receivables		5,299	(17,078)
Other receivables - related parties		(30,587)	(2)
Inventories		(178,792)	102,029
Prepayments		(9,321)	7,992
Net defined benefit assets - non-current		(51)	(20)
Changes in operating liabilities			
Contract liability - current		(1,538)	(2,192)
Notes payable		(6,579)	(10,694)
Notes payable - related parties		(1,714)	(2,915)
Accounts payable		(719)	(5,637)
Accounts payable - related parties		30,863	54,927
Other payables		21,031	(33,833)
Other payables - related parties		17,270	44
Cash (outflow) inflow generated from operations		(184,678)	293,156
Interest received		5,700	10,773
Dividends received		3,348	1,387
Interest paid		(6,487)	(1,878)
Income taxes paid		(4,004)	(49,104)
Net cash flows (used in) from operating activities		(186,121)	254,334

(Continued)

OFCO INDUSTRIAL CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Years ended December 31,	
	Notes	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss - non-current		\$ -	(\$ 36,000)
Acquisition of financial assets at fair value through other comprehensive income - current		-	(14,107)
Proceeds from disposal of financial assets at fair value through other comprehensive income - current	6(3)	59,590	25,753
Acquisition of financial assets at fair value through other comprehensive income - non-current		(99,400)	-
Increase in other financial assets - current		(500)	-
Increase in financial assets at amortised cost - current		(126,741)	(7,306)
Acquisition of investments accounted for under equity method - subsidiaries	6(7)	(100,000)	(257,024)
Procees from disposal of investments accounted for under equity method - subsidiaries	6(7)	23,480	-
Cash paid for acquisition of property, plant and equipment	6(29)	(60,178)	(95,194)
Proceeds from disposal of property, plant and equipment		4,693	120
Increase in intangible assets	6(10)	(8,350)	-
Increase in prepayments for equipment		(14,089)	(25,031)
Increase in guarantee deposits paid		(528)	(9)
(Increase) decrease in other non-current assets		(6,109)	15,329
Net cash flows used in investing activities		(328,132)	(393,469)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(30)	946,977	-
Decrease in short-term borrowings	6(30)	(647,855)	-
Payments of lease liabilities	6(30)	(13,493)	(11,485)
Proceeds from employee stock options exercised	6(16)	5,960	10,771
Payments of cash dividends	6(19)	(100,510)	(199,417)
Net cash flows from (used in) financing activities		191,079	200,131
Net decrease in cash and cash equivalents		(323,174)	(339,266)
Cash and cash equivalents at beginning of year	6(1)	499,141	838,407
Cash and cash equivalents at end of year	6(1)	\$ 175,967	\$ 499,141

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

Attachment 6

OFCO Industrial Corp. Statement of Earnings Distribution 2024

Unit: NT\$

Item	Amount
Unappropriated earnings	68,261,584
Less: Cash dividend adjustment of 2023	(97,000)
Add: Net profit after tax of 2024	(36,012,161)
Add: Valuation adjustment to retained earnings	3,556,520
Add: Actuarial losses for adjustment of defined benefit plans	(17,345)
Less: Legal reserve appropriated (10%)	0
Add: Special reserve appropriated	4,259,010
Total distributable earnings	39,950,608
Distribution item	
Shareholders' bonus - cash (NT\$0.2 per share)	(20,133,948)
Undistributed earnings at the end of the period	19,816,660

Chairman: James Huang

President: Rosalind Huang

Accounting Director: Mei-Yu, Wang

Attachment 7

OFCO Industrial Corp.

Comparison Table of Amendments to the Company's Articles of Incorporation

Provision After Amendment	Current Provision	Description
<p>Article 8: The Company's shares are generally registered and shall be numbered and signed or sealed by the directors representing the Company and then issued before being certified by banks competent to serve as attestors for the issuance of share certificates.</p> <p>Regarding the shares issued, the Company may be exempted from printing stock certificates but shall register with the centralized securities depository enterprise</p>	<p>Article 8: The Company's shares are generally registered and shall be numbered and signed or sealed by the directors representing the Company and then issued before being certified by banks competent to serve as attestors for the issuance of share certificates.</p> <p>Regarding the shares issued, the Company may be exempted from printing stock certificates but shall register with the centralized securities depository enterprise.</p>	Amended in accordance with Article 162 of the Company Act
<p>Article 23: The Company shall allocate 1% to 3% of its current year's profit as remuneration to employees, <u>no less than 0.1% as remuneration to entry-level employees</u>, and no more than 3% as remuneration to directors.</p>	<p>Article 23: The Company shall allocate 1% to 3% of the year's profit for employee remuneration and no higher than 3% as director remuneration.</p>	<p>According to Paragraph 6, Article 14 of the Securities and Exchange Act (hereinafter referred to as the "Securities Act") amended and approved in August 2024, TWSE/TPEX listed companies shall specify in their Articles of Incorporation that a certain percentage of annual earnings shall be set aside as "entry-</p>

Provision After Amendment	Current Provision	Description
		level employees” to adjust salaries or distribute remuneration.
Article 23-1: If there is any surplus in the Company's annual accounts, the Company shall first pay taxes and make up for accumulated deficits, and then set aside 10% as a legal reserve (except when the legal reserve has already reached the total Paid-in capital), and the remainder, in addition to dividends, shall be distributed as dividends to shareholders if there is any surplus.	Article 23-1: If there is any surplus in the Company's annual accounts, the Company shall first pay taxes and make up for accumulated deficits, and then set aside 10% as a legal reserve (except when the legal reserve has already reached the total capital), and the remainder, in addition to dividends, shall be distributed as dividends to shareholders if there is any surplus.	Amended in accordance with Paragraph 1 of Article 237 of the Company Act
Article 26: The Articles of Incorporation were formulated on October 2, 1984. The 1st amendment was made on October 19, 1984. The 34th amendment was made on July 2, 2021 The 35th amendment was made on September 28, 2021. The 36th amendment was made on June 22, 2022. <u>The 37th amendment was made on June 11, 2025.</u>	Article 26: The Articles of Incorporation were formulated on October 2, 1984. The 1st amendment was made on October 19, 1984. The 34th amendment was made on July 2, 2021 The 35th amendment was made on September 28, 2021. The 36th amendment was made on June 22, 2022.	Added the date of amendment

Attachment 8

Regulations Governing Endorsements and Guarantees Comparison Table of the Amendments

Provision After Amendment	Current Provision	Description
<p>Article 6: Procedures for making endorsements and guarantees (The first four paragraphs are omitted) V. If the party receiving the endorsement or guarantee no longer meets the requirements due to a change in circumstances, or if changes to the basis for calculating the ceiling amount result in the total amount exceeding the approved limit, the amount of endorsement or guarantee for such party, or the portion in excess, shall be fully eliminated upon the expiry of the contract period or within a specified period under an improvement plan. The improvement plan shall be submitted to the <u>Audit Committee, provided to the independent directors</u>, and reported to the Board of Directors.</p>	<p>Article 6: Procedures for making endorsements and guarantees (The first four paragraphs are omitted) V. If the party receiving the endorsement or guarantee no longer meets the requirements due to a change in circumstances, or if changes to the basis for calculating the ceiling amount result in the total amount exceeding the approved limit, the amount of endorsement or guarantee for such party, or the portion in excess, shall be fully eliminated upon the expiry of the contract period or within a specified period under an improvement plan. The improvement plan shall be submitted to the supervisors and reported to the Board of Directors.</p>	<p>In accordance with Article 26-2 of the Regulations, the Company shall notify all independent directors in writing of any material violation of the endorsement and guarantee policy and shall also send the rectifications of the endorsement and guarantee policy to all independent directors.</p>
<p>Article 8: Internal Control I. The Company's internal auditors shall audit the procedures and implementation of endorsements and guarantees at least once every quarter and prepare written records. If any significant</p>	<p>Article 8: Internal Control I. The Company's internal auditors shall audit the procedures and implementation of endorsements and guarantees at least once every quarter and prepare written records. If any significant</p>	<p>Reason is the same as the above.</p>

Provision After Amendment	Current Provision	Description
violation is found, the internal auditors shall immediately notify the <u>Audit Committee in writing and provide written notification to the independent directors.</u>	violation is found, the internal auditors shall immediately notify the supervisors.	
<p>Article 11: When a subsidiary of the Company intends to make an endorsement or provide a guarantee for others, the Company shall require the subsidiary to establish procedures for making endorsements and providing guarantees in accordance with applicable regulations and to handle such matters in accordance with the established procedures.</p> <p>When the Company makes endorsements and guarantees for a subsidiary whose net worth is lower than one half of its paid-in capital, <u>the Finance Department shall describe the subsequent risk control measures and plans, and regularly monitor the implementation status.</u></p> <p>If a subsidiary issues shares with no par value or with a par value other than NT\$10 per share, the paid-in capital referred to in subparagraph 11 of the preceding paragraph shall be calculated as the sum of the capital stock and the capital surplus from share premium.</p>	<p>Article 11: When a subsidiary of the Company intends to make an endorsement or provide a guarantee for others, the Company shall require the subsidiary to establish procedures for making endorsements and providing guarantees in accordance with applicable regulations and to handle such matters in accordance with the established procedures.</p> <p>When the Company makes endorsements and guarantees for a subsidiary whose net worth is lower than one half of its paid-in capital, the subsequent control measures shall be described.</p> <p>If a subsidiary issues shares with no par value or with a par value other than NT\$10 per share, the paid-in capital referred to in subparagraph 11 of the preceding paragraph shall be calculated as the sum of the capital stock and the capital surplus from share premium.</p>	Revised in accordance with the competent authority

Provision After Amendment	Current Provision	Description
<p>Article 13: These Regulations shall be <u>implemented after</u> being approved by the Board of Directors and submitted to the Shareholders Meeting for approval. If a director expresses a dissenting opinion and there is a record or written statement, the Company shall submit the dissenting opinion to the shareholders' meeting for discussion and any amendments shall be handled in the same manner.</p> <p>When the Company submits its operating guidelines to the Board of Directors for discussion pursuant to the preceding paragraph, full consideration shall be given to the opinions of each independent director. <u>If any independent director expresses objections or reservations,</u> such opinions and the reasons thereof <u>shall</u> be recorded in the minutes of the Board meeting.</p>	<p>Article 13: Regulations shall be submitted to the supervisors after approval by the Board of Directors and shall be presented to the shareholders' meeting for approval. If a director expresses a dissenting opinion and there is a record or written statement, the Company shall submit the dissenting opinion to supervisors and the shareholders' meeting for discussion and any amendments shall be handled in the same manner.</p> <p>When the Company submits its operating guidelines to the Board of Directors for discussion pursuant to the preceding paragraph, the Board shall give full consideration to the opinions of each independent director. If any independent director expresses objections or reservations, their explicit opinions and the reasons for their opposition shall be recorded in the minutes of the Board meeting.</p> <p>After the Company has established the Audit Committee, the provisions of these regulations regarding supervisors shall apply to the Audit Committee.</p>	<p>The Company has established the Audit Committee to replace the supervisors and therefore amended some wording in accordance with the law.</p>

Attachment 9

OFCO Industrial Corp. Comparison Table of Revision to the Procedures for Acquisition or Disposal of Assets

Provision After Amendment	Current Provision	Description
Article 7 Investment limit The Company may purchase real estate or securities not for business use. The total amount of real estate or securities purchased by the Company shall not exceed 30% of the total assets, and the total amount of securities purchased by the Company shall not exceed <u>40%</u> of the total assets. The total amount of individual securities purchased by the Company shall not exceed <u>20%</u> of the total assets.	Article 7 Investment limit The Company may purchase real estate or securities not for business use. The total amount of real estate or securities purchased by the Company shall not exceed 30% of the total assets, and the total amount of securities purchased by the Company shall not exceed 20% of the total assets. The total amount of individual securities purchased by the Company shall not exceed 10% of the total assets.	In response to future investment needs, the ratio of investments in securities to total assets will be revised.

Appendix 1

Rules of Procedure for Shareholders' Meetings of OFCO Industrial Corp.

Article 1

To establish an excellent governance system for the Company's shareholders' meeting, improve the supervisory function, and strengthen the management function, these Rules are formulated in accordance with the provisions of Article 5 of the "Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies" for compliance.

The Company's shareholders' meeting shall proceed in accordance with these Rules and matters not specified therein shall be handled in accordance with the Company Act, the Articles of Incorporation and applicable laws and regulations.

Article 2

The Company shall furnish the attending shareholders or the proxies they appointed with an attendance book to sign in or attending shareholders may hand in a sign-in card in lieu of signing in. They may attend a shareholders' meeting with their attendance cards.

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

Shareholders shall attend a shareholders' meeting with their attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

Article 3

Attendance and voting at shareholders' meetings shall be counted based on the number of shares. The number of shares in attendance shall be counted according to the shares indicated in the sign-in book or the sign-in cards handed in, plus the number of shares whose voting rights are exercised in writing or by electronic means.

A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the Company's interest, shall not vote nor exercise the voting right on behalf of another shareholder.

Article 4

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

Article 5

Unless otherwise stipulated by laws and regulations, the shareholders' meeting shall be convened by the Board of Directors.

All shareholders shall be notified of a general shareholders' meeting 60 days in advance; for shareholders, each holding fewer than 1,000 registered shares, the notification may be made through an announcement on the MOPS 60 days in advance; all shareholders shall be notified of an extraordinary shareholders' meeting 30 days in advance; for shareholders, each holding fewer than 1,000 registered shares, the notification may be made through an announcement on the MOPS 30 days in advance. A meeting notice or an announcement shall contain the reason for the convening of such a meeting.

Election of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of the removal of the non-compete clause for the directors, capitalization of earnings, capitalization of legal reserve, dissolution, merger or demerger of the Company, or any matter under Article 185, Paragraph 1 of the Company Act; Articles 26-1 and 43-6 of the Securities and Exchange Act, shall be set out and the essential contents explained in the notice of the shareholders' meeting. None of the above matters may be raised by an extempore motion. The main content may be disclosed on the website designated by the competent securities authority or the Company and the website address shall be stated in the meeting notice.

A shareholders' meeting or a board meeting shall be chaired by the Chairman when such meetings are convened by the Board of Directors. When the Chairman is absent, the Chairman shall designate one of the directors to act as the Chair. Where the Chairman fails to make such a designation, the directors shall elect one person from among themselves to serve as the Chair.

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting agenda may not be changed without a resolution by the shareholders' meeting. It is also advisable that the shareholders' meeting be attended by a majority of the directors.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene other than the Board of Directors; the convening party shall Chair the meeting. When there are two or more such convening parties, they shall mutually select a Chair from among themselves.

Where an election of all directors or supervisors and their inauguration date are stated in the notice of the shareholders' meeting, after the completion of the election in said meeting, such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.

A shareholder holding 1% or more of the total number of outstanding shares may submit to the Company a proposal for discussion at an annual general meeting of shareholders. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. A shareholder may propose a suggestion for urging the Company to promote public interests or fulfill its social responsibilities and the Board of Directors may include such proposals in the meeting agenda.

A shareholder's proposal in alignment with any circumstance under any Subparagraph of Paragraph 4 of Article 172-1 of the Company Act may not be included in the meeting agenda by the Board of Directors.

Prior to the book closure date before an annual shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholders' proposals in writing or by electronic means and the location and time period for their submission; the period for acceptance of shareholders' proposals may not be fewer than 10 days.

Each of such proposals is limited to 300 characters, and no proposal containing more than 300 characters will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting of shareholders and take part in the discussion of the proposal.

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

Article 6

The Company may appoint its attorneys, CPAs, or relevant personnel retained by it to attend a shareholders' meeting in a non-voting capacity to answer relevant questions during the meeting.

Article 7

The Company shall make an audio or video recording of all the shareholders' meetings and retain such recordings for at least a year.

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

Article 8

The Chair shall call the meeting to order upon the meeting time when the attending shareholders do not represent a majority of the total number of outstanding shares. However, when the total number of shares in attendance is less than that as required by law at the designated meeting time, 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 attending shareholders still represent less than one-third of the total number of issued shares after two postponements, the Chair shall declare the meeting adjourned. If shareholders representing at least one-third of issued shares attend the meeting, a tentative resolution may be passed in accordance with Article 175 of the Company Act with "the consent of shareholders representing more than half of voting rights" present at the meeting. Shareholders shall be notified of the tentative resolution to hold another shareholders' meeting within one month. When, prior to the conclusion of the meeting, the attending shareholders represent the number of issued shares as required, the Chair shall call the meeting to order again and may resubmit the tentative resolution for a vote by the meeting pursuant to Article 174 of the Company Act.

Article 9

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on relevant proposals on the agenda one by one (including extempore 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 by 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 other than the Board of Directors. The Chair may not declare the meeting adjourned prior to the completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions). If the Chair declares the meeting adjourned in violation of the rules of procedure, the other board members 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 to continue the meeting. After the meeting is adjourned, shareholders may not elect another Chair or seek another venue for the continuation of the meeting.

Article 10

A shareholder wishing to speak at a shareholders' meeting shall first fill out a slip, specifying therein the major points of their speech, shareholder account number (or attendance card number) and name and the Chair shall determine their order of giving a speech.

A shareholder who submits a speech slip without giving a speech shall be considered as not having given a speech. If the contents of the speech are different from those specified on the slip, the contents of their speech shall prevail.

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

Article 11

Except with the consent of the Chair, a shareholder (or proxy thereof) may not speak more than twice on the same proposal and a single speech may not exceed 5 minutes.

If the shareholder's speech violates the rules or exceeds the scope of the proposal, the Chair may have the shareholder stop the speech.

Article 12

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

Each shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. When a duplicate proxy form is served, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy form.

When a juridical person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

When an institutional shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the appointed representative may speak on the same proposal.

Article 13

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

Article 14

The Chair shall allow ample opportunity during the meeting for explanation and

discussion of proposals and amendments or extempore 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.

Article 15

Scrutineers and vote counting personnel for the voting on proposals shall be appointed by the Chair, provided that all scrutineers are shareholders of the Company. Vote counting shall be conducted in public at the place of the shareholders' meeting. The voting results shall be announced on-site at the meeting and recorded.

Article 16

When a meeting is in progress, the Chair may rule the meeting temporarily suspended based on time considerations and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 17

Except as otherwise provided in the Company Act and the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of voting rights represented by the attending shareholders (or proxies thereof). At the time of a vote, for each proposal, the Chair or a person designated by the Chair shall first announce the total number of voting rights represented by the attending shareholders.

If the Chair asks the shareholders' opinions about a proposal without any objection expressed, it is deemed to be passed, and its effect is the same as voting; if there is any objection, the proposal shall be put to a vote.

A shareholder shall be entitled to one vote for each share held except for restricted shares or those without voting rights. Except for trust enterprises or stock agencies approved by the competent authority, when a person acts as the proxy for two or more shareholders, the number of voting rights represented by them shall not exceed 3% of the total number of the Company's voting shares. Otherwise, the portion of excessive voting rights shall not be counted.

When the Company holds a shareholders' meeting, it shall exercise its voting rights by electronic means and may exercise its voting rights in writing. The method of exercise shall be specified in the shareholders' meeting notice. A shareholder's exercise of voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived their rights with respect to the extempore motions and amendments to the original proposals of that meeting. Therefore, it is advisable for the Company to avoid putting forth extempore motions and amendments to the original proposals.

Article 18

When there is an amendment or an alternative to a proposal, the Chair shall present the amended or alternative proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be

deemed rejected, and no further voting shall be required.

Article 19

The Chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When personnel handling the shareholders' meeting and proctors or security personnel designated by the Chair help maintain order on-site, they shall wear an identification badge or an armband.

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

Article 20

Any election of directors or supervisors at a shareholders' meeting shall proceed in accordance with the election rules formulated by the Company, and the election results shall be announced on the spot.

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

Article 21

Matters relating to the resolutions by a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chair of the meeting, and a copy shall be distributed to each shareholder within 20 days after the conclusion of the meeting.

The Company may distribute the meeting minutes as referred to in the preceding paragraph to shareholders each holding fewer than 1,000 registered shares by means of an announcement on the MOPS.

The meeting minutes on record shall accurately record the year, month, day, place of the meeting, the Chair's name, the method of resolution, the summary of the proceedings and the voting results

(including the number of votes counted), and to disclose the number of votes each candidate received in the election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.

The resolution mentioned in the preceding paragraph is carried out with the Chair asking the shareholders' opinions. When shareholders do not express objection to a proposal, "passed after the Chair's asking without objection expressed by all shareholders present" and the number and percentage of votes for the proposal shall be recorded.

Article 22

The Company shall, on the day of the shareholders' meeting, compile a statistical statement in the prescribed format and disclose the number of shares solicited by the solicitors and the number of shares represented by the proxies clearly on-site at the shareholders' meeting. If any resolutions by the shareholders' meeting are material information as stipulated by laws and regulations or the Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall upload the content to the MOPS prior to a deadline.

Article 23

Matters not specified in these Rules shall be handled in accordance with the Articles of Incorporation and other applicable laws and regulations.

Article 24

These Rules and any amendments thereto shall come into force after being approved by the shareholders' meeting.

Articles of Incorporation of OFCO Industrial Corp.

Chapter 1 General Provisions

Article 1: The Company is incorporated in accordance with the Company Act and named 久陽精密股份有限公司 and the English name is OFCO Industrial Corp.

Article 2: The scope of the Company's business is as follows:

1. CA01030 Iron and Steel Casting
2. CA01040 Aluminum Casting
3. CA01060 Steel Wires and Cables Manufacturing
4. CA02020 Aluminum and Copper Products Manufacturing
5. CA02030 Screw, Nut and Rivet Manufacturing
6. CA03010 Heat Treatment
7. CA04010 Surface Treatments
8. CB01010 Mechanical Equipment Manufacturing
9. CD01010 Ships and Parts Manufacturing
10. CD01030 Motor Vehicles and Parts Manufacturing
11. CD01040 Motorcycles and Parts Manufacturing
12. CP01010 Hand Tools Manufacturing
13. CQ01010 Mold and Die Manufacturing
14. F106010 Wholesale of Hardware
15. F106030 Wholesale of Molds
16. F401010 International Trade
17. F401030 Manufacture Export
18. H701010 Housing and Building Development and Rental
19. H701020 Industrial Factory Development and Rental
20. H701040 Specific Area Development
21. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
22. CC01050 Data Storage Media Units Manufacturing
23. CC01080 Electronics Components Manufacturing
24. ZZ99999 All business activities that are not prohibited or

restricted by law, except those that are subject to special approval.

Article 3: (Deleted)

Article 4: As the Company is a shareholder with the limited liability of investees, the limit on the Company's investment in other businesses is not regulated by Article 13 of the Company Act (the investment shall not exceed 40% of a company's paid-in share capital).

Article 5: The Company headquartered is in Kaohsiung City and may set up branches or factories at appropriate places at home or abroad by the resolution of the Board of Directors. Such establishment or dissolution shall be approved by the Board of Directors.

Article 6: The announcement methods by the Company shall be handled in accordance with Article 28 of the Company Act.

Chapter 2 Shares

Article 7: The Company's total authorized capital is NT\$4 billion, which is divided into 400 million shares with a par value of NT\$10 per share, which may be issued in tranches by the Board of Directors as delegated depending on the business needs.

Of the total capital in the preceding paragraph, NT\$96 million (9.6 million shares) is reserved for the issuance of employee stock warrants, which may be issued in tranches by the resolution of the Board of Directors, depending on the business needs.

The Company's employees who can purchase new shares issued in accordance with the Company Act may include employees at the controlling company or subsidiaries who meet certain criteria.

Article 8: The Company's shares are generally registered and shall be numbered and signed or sealed by the directors representing the Company and then issued before being certified by banks competent to serve as attestors for the issuance of share certificates.

Regarding the shares issued, the Company may be exempted from printing stock certificates but shall register with the centralized securities depository enterprise.

Article 9: The change of name and transfer of shares shall be suspended within 60 days before a general shareholders' meeting, within 30 days before an extraordinary shareholders' meeting, or within 5 days

before the record date of payout of dividends, bonuses or other benefits.

Article 10: Unless otherwise stipulated by other laws and regulations, the Company's shareholder service shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies".

Chapter 3 Shareholders' Meeting

Article 11: There are general and extraordinary shareholders' meetings. The Board of Directors shall convene the general shareholders' meeting once per year within six months after the end of each fiscal year and extraordinary meetings at any time as needed in accordance with the applicable laws.

Article 12: Any shareholder who is unable to attend a shareholders' meeting for any reason may appoint a proxy to attend the meeting by presenting a proxy form printed by the Company and signed or sealed by the shareholder, indicating the scope of the authorization. The proxy form shall be used in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies".

Article 13: Except as otherwise provided by applicable laws and regulations, the Company's shareholder shall be entitled to one vote for each share held.

Under any of the circumstances below, shareholders' shares are non-voting ones:

The share(s) that are held by the Company in accordance with the laws;

1. The shares in the controlling company that are held by a
2. subsidiary, in which more than half of its total issued voting shares or total capital is held by the company;
3. The shares in the controlling company and its subsidiary(ies) that are held by another company, in which the total issued shares or total capital of that company held by the controlling company and its subsidiary directly or indirectly represents more than half of the total issued voting shares or total capital of that company.

Article 14: Resolutions at a shareholders' meeting shall, unless otherwise provided in the Articles of Incorporation, be adopted by a majority vote of the shareholders present, who represent more than half of the total issued shares.

As per the competent authority's regulations, a shareholder may exercise voting rights by electronic means, which shall be deemed to have attended the meeting in person. The relevant matters shall be handled in accordance with the laws and regulations.

Chapter 4 Directors

Article 15: The Company shall have eight to eleven directors on the Board. The term of office shall not be over three years. The shareholders' meeting shall elect such directors from candidates with the legal capacity and they may be re-elected. When the term of office of the existing directors ends and an election of new directors fails to be held in time, their term shall be extended till new directors take office.

Article 15-1: The Board of Directors shall have three or more independent directors on the Board, accounting for at least one-fifth of all directors.

The Company may establish an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be a convener and at least one of whom shall have accounting or financial expertise.

The Board of Directors may set up various functional committees.

Article 15-2: A candidate nomination system shall be adopted for the election of directors (including independent directors) and shareholders shall elect directors from the list of director candidates. Independent directors' professional qualifications, shareholdings, restrictions on holding positions concurrently, nomination, and election methods, and other compliance matters shall be handled in accordance with the competent securities authority's applicable regulations.

Article 16: The Board of Directors shall be formed by the directors, and the Chairman shall be elected by more than half of the directors from

among themselves present at a board meeting attended by more than two-thirds of all directors, and the Vice Chairman shall be elected in the same method. When a board meeting is to be convened, all directors shall be notified at least seven days in advance. However, in the event of an emergency, a board meeting may be convened at any time. The board meeting notice may be sent by email or fax in addition to by e-mail or delivery in person. Directors who attend the shareholders' meeting by video conference shall be deemed to have attended the shareholders' meeting in person.

Article 17: When the Chairman is on leave or unable to exercise the powers as the Chairman for any reason, the acting Chairman shall be handled in accordance with Article 208 of the Company Act. When a director is unable to attend a board meeting, they may appoint a proxy with a written proxy to attend the meeting on their behalf, but one proxy may be appointed by one director only.

Article 18: When the Company's directors perform their duties at the Company, the Company may pay remuneration to them regardless of an operating profit or loss. The remuneration to each director is determined by the Board of Directors depending on the degree of their participation in the Company's operations and the values of their contributions, with reference to the general standard in the industry.

Article 18-1: The Company may purchase directors' liability insurance with respect to liabilities resulting from exercising their duties during their terms of office so as to reduce and diversify the risk of material damage to the Company and shareholders arising from a director's wrongdoings or negligence.

Article 19: (Deleted)

Chapter 5 Managers

Article 20: The Company may appoint managers. Their appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 21: The Board of Directors shall prepare (I) a business report, (II) financial statements, and (III) statement of earnings distribution or deficit compensation at the end of each fiscal year and submit them to the Audit Committee, by whom a review report shall be issued after review, 30 days before a general shareholders' meeting and the general shareholders' meeting for ratification.

Article 22: The Company's fiscal year is based on the calendar year system and the period is from January 1 to December 31.

Article 23: The Company shall allocate 1% to 3% of the year's profit for employee remuneration and no higher than 3% as director remuneration. However, where there are accumulated losses, an equivalent amount shall be appropriated to compensate for the losses. Employees may be paid in stock or cash. The distribution of employee remuneration and directors' remuneration shall be made by the resolution of the Board of Directors with the consent of a majority of the directors present at a board meeting attended by at least two-thirds of all directors, while being reported to the shareholders' meeting. The above-mentioned profit status for the year refers to the income before taxation before the distribution of employees' remuneration and directors' remuneration.

Article 23-1: If there is any surplus in the Company's annual accounts, the Company shall first pay taxes and make up for accumulated deficits, and then set aside 10% as a legal reserve (except when the legal reserve has already reached the total capital), and the remainder, in addition to dividends, shall be distributed as dividends to shareholders if there is any surplus.

The Company's dividend policy is based on the Company's future capital budget plan to measure the capital requirements for future years, and the remaining earnings will be distributed in the form of cash dividends only after the Company has decided to use retained earnings to meet the capital requirements. The Board of Directors shall prepare a proposal for the distribution of earnings in accordance with the order and rate of distribution of earnings as provided for in these Articles of Incorporation, and the proposal shall be approved by the shareholders' meeting.

The Company shall distribute dividends and bonuses or all or part of the capital surplus and legal reserve in cash with the consent of more than half of the directors present at a board meeting attended by more than two-thirds of all directors; this shall be reported to the shareholders' meeting, the provision in the preceding paragraph that a resolution shall be adopted by the shareholders' meeting does not apply.

The Company considers a balanced and stable dividend policy and, depending on the demand for investment capital and the dilution of earnings per share, dividends to shareholders should be 50% to 100% of accumulated distributable earnings and should be paid in the form of appropriate stock dividends or cash dividends, with cash dividends to be distributed at no less than 50% of shareholders' dividends.

Article 24: (Deleted)

Chapter 7 Supplementary Provisions

Article 25: Matters not specified in the Articles of Incorporation shall be handled in accordance with the Company Act.

Article 25-1: The Company may provide guarantees to external entities.

Article 26: The Articles of Incorporation were formulated on October 2, 1984.

The 1st amendment was made on October 19, 1984.

The 2nd amendment was made on November 5, 1984.

The 3rd amendment was made on December 31, 1985.

The 4th amendment was made on September 20, 1987.

The 5th amendment was made on August 20, 1988.

The 6th amendment was made on November 18, 1988.

The 7th amendment was made on September 20, 1990.

The 8th amendment was made on December 19, 1990.

The 9th amendment was made on October 5, 1992.

The 10th amendment was made on June 10, 1994.

The 11th amendment was made on June 24, 1995.

The 12th amendment was made on April 13, 1996.

The 13th amendment was made on May 2, 1998.

The 14th amendment was made on July 15, 1998.

The 15th amendment was made on June 16, 1999.

The 16th amendment was made on June 23, 2000.
The 17th amendment was made on June 20, 2001.
The 18th amendment was made on March 20, 2002.
The 19th amendment was made on January 27, 2003.
The 20th amendment was made on February 20, 2004.
The 21st amendment was made on October 20, 2004.
The 22nd amendment was made on April 28, 2005.
The 23rd amendment was made on April 28, 2005.
The 24th amendment was made on June 23, 2006.
The 25th amendment was made on June 27, 2007.
The 26th amendment was made on May 23, 2008.
The 27th amendment was made on June 25, 2008.
The 28th amendment was made on April 29, 2010.
The 29th amendment was made on June 21, 2012.
The 30th amendment was made on June 14, 2013.
The 31st amendment was made on June 10, 2014.
The 32nd amendment was made on June 30, 2016.
The 33rd amendment was made on June 20, 2019.
The 34th amendment was made on July 2, 2021
The 35th amendment was made on September 28, 2021.
The 36th amendment was made on June 22, 2022.

Appendix 3

Total Shareholdings of All Directors

- I. The shareholdings by all directors of the Company as of April 14, 2025 are shown in the table below.
- II. The number of shares issued by the Company as of April 14, 2025 is 100,669,738, and the minimum number of shares required to be held by all directors is 8,000,000 shares, and the shareholding percentage of all directors has satisfied the statutory shareholding percentage.
- III. The Company has established the Audit Committee; accordingly, the statutory requirement on the number of shares to be held by supervisors is not applicable.

Individual Directors' Shareholdings and Total Shareholding

Serial No.	Title	Name or title of shareholder	Number of shares held	Percentage of shareholdings	Remarks
1	Chairman	James Huang, Representative of Taiwan Steel Group United Co., Ltd.	10,000,000	9.93%	
2	Director	Zheng-Wen, Chen, Representative of Taiwan Steel Group United Co., Ltd.			
3	Director	Mei-Hui Wu, Representative of Taiben Investment Co., Ltd.	177,000	0.18%	
4	Director	Taiben Investment Co., Ltd.			
5	Director	Hsiang-Lin Chen, Representative of Global Investment Co., Ltd.	2,000	0%	
6	Director	Chi-Tai, Chen	698,163	0.69%	
7	Independent Director	Jeff Huang	0	0	
8	Independent Director	Wen-Huai Chang	0	0	
9	Independent Director	Bing-Chuan Wang	0	0	
		Total	10,877,163	10.80%	The required number has been achieved.