

EUROCHARM HOLDINGS CO., LTD

(the “Company”)

MINUTES OF THE 2025 SHAREHOLDERS’ ANNUAL GENERAL MEETING

- Date and Time:** May 29, 2025 (Thursday) at 9:30 A.M.
- Venue:** 3rd Floor, No. 469 Zhongyang Road, Xinzhuang District, New Taipei City, Taiwan (R.O.C.) (Edinburgh S Hall, Denwell Institution)
- In Attendance:** The shareholders present in person or by proxy represented 46,626,381 issued shares of the Company, which are equivalent to 67.42% of the total 69,148,015 outstanding and issued shares of the Company (including shareholders vote by electronic transmission represented 45,127,860 shares).
- Present Directors:** The representative of New General Limited, YU, Min-Hui (Director)
The representative of Seashore Group Limited, YU, Yi-Chang (Director)
YU, Yi-Yuan (Director), Independent Director YUAN, Cheng-Tian,
Independent Director KUO, Yi-Jen
- In Attendance** Ernst & Young, CHAN, Kuo-Shuai (Accountant)
- Personnel:** LCS & Partners, CHANG, Ping-Kun (Attorney)
Andy Wu (General Manager) 、James Chan (Deputy General Manager)

Chairman: YU, Min-Hui (Chairman of the Board)

Secretary: KAO, Hung-Yi

I. Meeting Duly Constituted: (Report present shares)

II. Chairman’s Remarks: omitted

III. Reporting Matters:

1. Review the 2024 Financial Year Annual Business Report.

Explanation:

The 2024 Financial Year Annual Business Report of the Company, please refer to attachment.

2. Review the 2024 Financial Year Audit Committee's Financial Statements Review Report.

Explanation:

The 2024 Financial Year Audit Committee's Financial Statements Review Report, please refer to attachment.

3. Report on the 2024 remuneration to Directors and employees' compensation.

Explanation:

- (1) The Company's 2024 profit is NT\$1,444,476,134. It is proposed that the remuneration to Directors be NT\$12,000,000 and the employees' compensation be NT \$43,825,720; both shall be paid in cash.
- (2) The employees' compensation is paid to employees of the Company and its subsidiaries who meet certain conditions. The amount of the payment will be based on seniority, ranking, performance, overall contribution or special merits, and the Chairman of the Board of Directors may handle the relevant matters such as determining employees' qualifications.

4. Report on the 2024 Remuneration to Directors.

Explanation:

- (1) According to the regulations of the Company's Articles of Association, the remuneration of the Chairman and directors shall be determined by the Board of Directors, and based on their participation in the company's operations and the value of their contributions, taking into account the industry standards, domestically and abroad.
- (2) The Articles of Association of the Company clearly stipulate that no more than 2% of the annual profit shall be used as the director's remuneration, and the remuneration shall be based on factors such as the time invested by the directors and the shared responsibilities.
- (3) The 2024 remuneration distribution table for directors and independent directors of the Company, please refer to attachment.

5. Report on the 2024 Earning Distribution Proposal.

Explanation:

- (1) In accordance with the Company's Articles of Association, the board of directors agreed

unanimously to distribute the cash dividend of NT\$591,933,608 (NT\$8.69 per share, based on 68,097,450 outstanding shares as of December 31, 2024) to shareholders. For the Earning Distribution Proposal, please refer to attachment.

- (2) The Chairman is authorized to specify the ex-dividend date and the date of payment in accordance with the relevant regulations. In the case of an unexpected circumstance where the amount of distribution per share needs to be altered, the Chairman has the final authority to make corresponding adjustments.

IV. Recognition Matters:

1. (Proposed by the board of Directors)

Motion: Adoption of the 2024 Business Report and Consolidated Financial Statements.

Explanation:

- (1) The Company's 2024 Consolidated Financial Statements have been audited by independent auditors (CPAs) Kuo-Shuai Chen and Chih-Ming Chang of Ernst & Young, who issued an no-reserve opinion on the Audited Report
- (2) For the 2024 Business Report, CPA's Audited Report, and Consolidated Financial Statements, please refer to attachment.
- (3) Please approve.

Resolution:

At the time of voting, total votes of the present shareholder represented 46,605,279 shares, approval votes represented 44,701,188 shares, which is equivalent to 95.91% of the total votes, against votes represented 11,039 shares, abstention/dissenting votes represented 1,893,052 shares, and the approval votes exceeded quorum. It was resolved as the original proposal.

2. (Proposed by the board of Directors)

Motion: Adoption of the Proposal for Distribution of 2024 Profits.

Explanation:

- (1) The proposal for distribution of the 2024 profits has been approved by the 20th meeting of

the 5th Board of Directors of the Company. The Company's 2024 net income is NT\$1,141,282,890, adding the beginning retained earnings of NT\$2,491,390,586; adding 2024 remeasurements of defined benefit plans of NT\$2,974,547 and setting aside legal reserve of NT\$114,425,744 and adding reversal of special reserve of NT\$251,592,709, the aggregated undistributed earnings are NT\$3,772,814,988. The detail of distribution is according to the Article of Association as follows: The cash dividends to common shareholders are NT\$591,933,608 (NT\$8.69 per share, based on 68,097,450 outstanding shares as of December 31, 2024), the aggregated undistributed retained earnings are NT\$3,180,881,380, which is retained for future year. For the 2024 Earning Distribution Proposal, please refer to attachment.

(2) Please approve.

Resolution:

At the time of voting, total votes of the present shareholder represented 46,605,279 shares, approval votes represented 44,706,188 shares, which is equivalent to 95.92% of the total votes, against votes represented 11,039 shares, abstention/dissenting votes represented 1,888,052 shares, and the approval votes exceeded quorum. It was resolved as the original proposal.

V. Matters for Discussion

1. (Proposed by the board of Directors)

Motion: Proposal to issue the 2025 Employee Restricted Stocks.

Explanation:

- (1) To attract and retain talents required by the company and to motivate employees and enhance their morale, aiming to collectively create benefits for the company and shareholders, the Company hereby establishes the Employee Restricted Stock Rules in accordance with Article 267 of the Company Act and the Regulations Governing the Offering and Issuance of Securities by Foreign Issuers and related regulations.
- (2) The Employee Restricted Stocks will be granted one or more times over a period of one year from the date of resolution at the shareholders' meeting and within two years from the date of the notice of effective registration of the authority. The Board of Directors may authorize

Chairman to determine, the actual issuance date and relevant matters.

(3) Terms and conditions of the Employee Restricted Stocks are follows:

- ① The total issuance amount of Employee Restricted Stocks is NT\$ 2,000,000 with a par value of NT\$ 10 per share, totaling 200,000 ordinary shares to be issued.
- ② Terms and conditions:
 - A. Issue price: paid subscription, with the issuance price of 50% of the average closing price for the month prior to the issuance date.
 - B. Class of the shares to be issued: common shares
 - C. Vesting conditions:
 - a. The vesting conditions are divided into Category A and Category B. Under Category A, 80,000 shares will be issued to employees who have served 12 years or more of service as of the grant date. Under Category B, 120,000 shares will be issued to employees who have served for less than twelve years (inclusive) as of the grant date.
 - b. Employees who remain employed and have not violated the labor contracts, work rules, non-compete agreements, confidentiality agreements, or contractual agreements with the company, and simultaneously achieve the individual performance evaluation metric and overall company performance metric set by the company, the respective share allocation ratio for meeting the vested conditions is as follows:
 - (a) after subscribing, upon completion of one year of service: 30%
 - (b) after subscribing, upon completion of two years of service: 30%
 - (c) after subscribing, upon completion of three years of service: 40%
 - c. Individual performance evaluation metric: The most recent annual individual performance evaluation score is 80 points or above.
 - d. Overall company performance metric: Based on the most recent audited financial statements for the fiscal year ending at the completion of the vesting period, meeting one of the following conditions:
 - (a) revenue (compared to the previous year): Growth of 10%.
 - (b) operating profit margin: Reaching 13%.
- ③ Eligibility and the number of shares employees may be granted.

- A. Only the Company's full-time executive officers or the Company's and its Affiliates' who are employed as of the date of the granting of the Employee Restricted Stocks and who meet the performance requirements are eligible for this incentive plan. The term "Affiliates" shall be determined according to the standards specified in the Financial Supervisory Commission Order No. 1070121068. Qualified executives must be at the (vice) managerial level or above and have a significant influence on the Company's operational decisions or are the Company's selected critical talents for its future core technologies and strategy development.
- B. The actual number of shares granted to the employees shall be determined based on factors such as years of service, ranking, job performance, overall contribution, special merits, or other factors required for operational management and business development strategies. The determination shall be made by the Chairman and submitted to the Board of Directors for approval. However, employees with managerial positions or director position must first obtain approval from the Remuneration Committee, while employees without managerial positions must first obtain approval from the Audit Committee.
- C. Pursuant to Article 60, Paragraph 2 of Regulations Governing the Offering and Issuance of Securities by Foreign Issuers, which applies mutatis mutandis to Article 60-9 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the shares issued, in accordance with Article 56-1, Paragraph 1 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, which are granted to a single employee, the aggregated number of shares that can be subscribed through Employee Shares Options, plus the total number of Employee Restricted Stocks subscribed by the employee shall not exceed 0.3% of the total issued shares, and the shares mentioned above, plus the total number of shares that the Company granted to a single employee through the issuance of employee stock options under Article 56, Paragraph 1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall not exceed one percent of the total issued shares. However, if it is approved by the relevant competent authority, the total number of employee stock options and Employee Restricted Stocks subscribed by a single employee may be exempt from the mentioned ratio restrictions.

④ The necessity reasons for issuing Employee Restricted Stocks:

To attract and retain talents required by the company and to motivate employees and enhance their morale, aiming to collectively create benefits for the Company and shareholders.

⑤ The impact on the shareholders' interests

A. Estimated expenses: 30-day average of the closing price of the company stock counting until the end of 31st Jan 2025, i.e. NT\$200.33 per share, assuming the measurements have been achieved, the total expenses will be NT\$20,033 thousand. From 2025 to 2028, the annual expenses are projected to be approximately NT\$3,895 thousand, NT\$9,683 thousand, NT\$4,674 thousand and NT\$1,781 thousand, respectively.

B. Dilution of the Company's EPS: Based on the Company's 68,394,390 outstanding shares (as of December 31, 2025), the potential impact due to the above mentioned expenses to the Company's EPS is preliminarily estimated at approximately NT\$0.06, NT\$0.14, NT\$0.07 and NT\$0.02 from 2025 to 2028, respectively.

(4) The 2025 Employee Restricted Stocks Rules, please refer to attachment. In the event that it is necessary to revise or adjust the Rules due to the instructions from the competent authority or amendments to relevant laws and regulations, it is proposed that the Board of Directors or its authorized representative have full authority from the shareholders' general meeting to handle such matters.

Resolution:

At the time of voting, total votes of the present shareholder represented 46,605,279 shares, approval votes represented 44,698,188 shares, which is equivalent to 95.90% of the total votes, against votes represented 19,039 shares, abstention/dissenting votes represented 1,888,052 shares, and the approval votes exceeded quorum. It was resolved as the original proposal.

2. (Proposed by the board of Directors)

Motion: Proposal to amend the Memorandum and Articles of Association of the Company.

Explanation:

(1) To comply with the amendments to the Securities and Exchange Act, it is proposed to amend

the Articles of Association of the Company. The comparison table for the amendments of the Articles of Association, please refer to attachment.

(2) Please approve.

Resolution:

At the time of voting, total votes of the present shareholder represented 46,605,279 shares, approval votes represented 44,706,188 shares, which is equivalent to 95.92% of the total votes, against votes represented 11,039 shares, abstention/dissenting votes represented 1,888,052 shares, and the approval votes exceeded quorum. It was resolved as the original proposal.

VI. Election Matters:

1. (Proposed by the board of Directors)

Motion: Proposal for the Election of the Board of Directors.

Explanation:

- (1) The term of office of the current Board of Directors of the Company will expire on May 30, 2025. In accordance with applicable laws, the Company will conduct a full re-election of directors in advance.
- (2) In accordance with the Company's Articles of Incorporation, the current election shall appoint seven directors (including three independent directors), each for a term of three years, and directors are eligible for re-election.
- (3) The newly elected directors (including independent directors) at this Annual General Meeting shall assume office immediately after the conclusion of the shareholders' meeting, with their term of office commencing on May 29, 2025, and ending on May 28, 2028.
- (4) Pursuant to Article 27.3 of the Company's Memorandum and Articles of Incorporation, the election of directors shall adopt a candidate nomination system, under which shareholders shall elect directors (including independent directors) from the list of director candidates. Please refer to the attachment for the list of director (including independent director) candidates and relevant information.

(5) Please election

Election Results:

List of Elected Directors:

Position	Name	Number of Votes
Director	New General Limited Representative: YU, Min-Hui	63,754,327 votes
Director	Seashore Group Limited Representative: YU, Ya-Chu	37,433,118 votes
Director	YU, Yi-Yuan	37,432,218 votes
Director	CHANG, Ching-Yi	37,432,106 votes
Independent Director	LIN, Yen-Hsi	37,431,423 votes
Independent Director	KUO, Yi-Jen	37,431,402 votes
Independent Director	YUAN, Chen-Tien	37,431,317 votes

VII. Other Question and Motion:

1. (Proposed by the board of Directors)

Motion: Proposal to Release the Newly Elected Directors and Their Representatives from the Non-Competition Restrictions.

Explanation:

- (1) Pursuant to Articles 14.2, 17.5, and 30.4 of the Company's Memorandum and Articles of Incorporation, when granting permission for directors to engage in activities within the business scope of the Company, whether for themselves or for others, the relevant matters shall be set forth in the shareholders' meeting notice with an explanation of the key details. Such permission shall be approved by a "Special Resolution" as defined in the Company's Memorandum and Articles of Incorporation.
- (2) In order to leverage the expertise and relevant experience of the Company's newly elected directors and to facilitate the Company's smooth business expansion, it is proposed that the shareholders' meeting approve the release of the non-competition restrictions imposed on the newly elected directors and their representatives.
- (3) Please refer to the attachment for the detailed list of the non-competition restrictions to be released for the Company's directors.

(4) Please approve.

Resolution:

At the time of voting, total votes of the present shareholder represented 46,626,381 shares, approval votes represented 44,691,268 shares, which is equivalent to 95.84% of the total votes, against votes represented 11,459 shares, abstention/dissenting votes represented 1,923,654 shares, and the approval votes exceeded quorum. It was resolved as the original proposal.

VIII. Close of the Meeting: May 29, 2025 (Thursday) at 10:19 A.M.

(Note 1: There is no question raised by shareholder at 2025 Annual General Shareholders' Meeting.

Note 2: This minutes is extracted from the 2025 Annual General Shareholders' Meeting, the details are subject to the audio and video recording.)

Title	Name	Remuneration								Total Remuneration (A+B+C+D) and Ratio of It to Net Income (%)		Relevant Remuneration Received by Directors Who Are Also Employees								Total Compensation A+B+C+D+E+F+G) and		Compensation Paid to Directors from Parent Company or an Invested Company Other than the Company's Subsidiaries
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)				Ratio of It to Net Income (%)		
		The Company	All companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Chairman (Legal Representative)	Steven Yu (Note 1)	2,288	2,288	-	-	4,500	4,500	-	-	6,788 0.60	6,788 0.60	-	1,150	-	-	-	-	-	-	6,788 0.60	7,938 0.70	N/A
Director (Legal Representative)	Michael Yu (Note 2)	-	-	-	-	1,500	1,500	-	-	1,500 0.13	1,500 0.13	1,456	2,558	-	-	2,716	-	2,716	-	5,672 0.50	6,774 0.59	N/A
Director	Antonio Yu	-	-	-	-	1,900	1,900	-	-	1,900 0.17	1,900 0.17	1,746	2,558	-	-	2,716	-	2,716	-	6,362 0.56	7,174 0.63	N/A
Director	Steven Chang	-	-	-	-	1,000	1,000	120	120	1,120 0.10	1,120 0.10	-	-	-	-	-	-	-	-	1,120 0.10	1,120 0.10	N/A
Independent Director	Yi Jen Kuo	-	-	-	-	1,040	1,040	120	120	1,160 0.10	1,160 0.10	-	-	-	-	-	-	-	-	1,160 0.10	1,160 0.10	N/A
Independent Director	Yen-Hsi Lin	-	-	-	-	1,030	1,030	120	120	1,150 0.10	1,150 0.10	-	-	-	-	-	-	-	-	1,150 0.10	1,150 0.10	N/A
Independent Director	Chen Tien Yuan	-	-	-	-	1,030	1,030	120	120	1,150 0.10	1,150 0.10	-	-	-	-	-	-	-	-	1,150 0.10	1,150 0.10	N/A
Total		2,288	2,288	-	-	12,000	12,000	480	480	14,768 1.30	14,768 1.30	3,202	6,266	-	-	5,432	-	5,432	-	23,402 2.06	26,466 2.32	-

Note 1: Steven Yu is the legal representative of New General Limited.

Note 2: Michael Yu is the legal representative of Seashore Group Limited.

Attachment 1

2024 Business Report

The operating result, net assets and liabilities, profitability analysis, and future development strategy report of Eurocharm Holdings Co., Ltd. (hereinafter referred to as the Company) as reflected in its 2024 consolidated financial statements are as follows:

1 2024 Business Operations

I. Operating Results

The total consolidated revenue for 2024 was NT\$7,283,279 thousand, and the consolidated operating margin was NT\$1,618,205 thousand. The total net profit after tax was NT\$1,139,149 thousand, in which vested consolidated net profit after tax to the shareholders of the parent Company was NT\$1,141,283 thousand. The consolidated after-tax basic earnings per share merger was NT\$17.01.

II. Net Assets and Liabilities

As of December 31, 2024, the total consolidated assets amounted to NT\$7,627,632 thousand. The total consolidated liabilities were NT\$1,500,618 thousand, which accounted for 19.67 % of the total consolidated. The total consolidated shareholders' equity was NT\$6,127,014 thousand, which marked 80.33% of the total consolidated assets.

III. Profitability Analysis

The Company's consolidated financial statements for 2024 showed that basic earnings per share after tax was NT\$17.01. The net profit was 15.64%. The rate of return on assets was 15.95%, and the return on equity was 20.47%

IV. Budget Execution

Not applicable as the Company's 2024 financial forecast is not public.

V. Income and Expenditure and Profitability Analysis

Please refer to the Consolidated Financial Statements.

VI. Future Development and Strategies

The Company's research and development expenses in 2024 accounted for 1.19% of the net operating revenue. To speed up product development and reduce the defect rate, the Company will continue to invest in mold and metal processing research and upgrades. The Company envisions that this will improve capacity for new product development and technologies.

2 The Summary of 2024 Business Plan

a. Expansion of Production Capacity and Enhancement of Production Efficiency:

To support the future growth of our clients' businesses, the Company will continue to invest in equipment and expand production capacity according to their needs. Furthermore, the Company will expand our mold factory and related processing equipment. We will also improve the internal production ratio of molds, inspections, and jigs, as well as increase the speed of product development. Eurocharm is committed to shortening product introduction cycles and enhancing manufacturing competitiveness. In response to rising wages and labor shortages in Vietnam, the Company will accelerate automation and smart factory implementation to reduce manual operations dependency. Additionally, we will also optimize manpower allocation to improve production stability and consistency in product quality, mitigating operational risks from Vietnam's increasing wages and labor shortages.

b. Increase in the Proportion of Health and Medical products :

The Company continues to expand the collaboration with equipment manufactures in Europe, the United States, and Japan and seek out new product businesses. This year, the impact of economic fluctuations in Europe and the United States has led to delays in the mass production of several new development projects. However, all mass production plans are expected to initiate in 2025, and it is expected that the growth of this business can be restored this year.

c. Development of Electric Scooters and Recreational Vehicles:

Several of our electric scooter customers have started mass production. We hope that by leveraging the Group's experience and advantages in the production of scooter frames, new business opportunities in the electric scooter sector can be continuously explored. Moving forward, Eurocharm will continue to enhance its development capabilities for electric scooter components, with a focus on applying lightweight and high-strength materials to meet market demands for highly efficient and low energy-consuming electric vehicles. In terms of recreational vehicles, the Company has been actively investing massive resources to expand business opportunities. The existing brands in North America and Europe are steadily increasing their output volumes, and the Company also expects to launch new products in 2025. The relevant business is expected to maintain a high level of growth in the coming years.

d. Development of Automobile Parts

In response to the opportunities presented by electric vehicles and automobile components, the Company is not only strengthening cooperation with existing customers but also actively pursuing business development with other manufacturers. Additionally, we are consistently expanding into the electric vehicle component business, aiming to facilitate future revenue and profit growth.

Looking back on 2024, the global inflation rate gradually declined while the overall economy remained stable with slow growth. However, the growth rate was lower than the pre-pandemic average, indicating a sluggish economic recovery. Nevertheless, the new development project and construction in the Baishan II factory area, which the Company undertook in the past, will continue to contribute to our revenue growth. Combined with stable raw material costs and the supply chain reorganization, the Company's operational performance in 2024 showed a steady upward trend.

Looking ahead to 2025, the global economy is becoming increasingly uncertain due to geopolitical conflicts and intensified trade dynamics, presenting major hurdles for the global economy in the year ahead.. The Company will continue to explore various markets to boost operational performance. Leveraging export orders, Eurocharm will also implement strategic initiatives in Vietnam and the U.S. with continuous investment in equipment and expansion of production capacity. Additionally, the Company will enhance its management and production technology while diversifying risks for customers. With professional manufacturing capabilities and a high-quality service concept, the Company is working towards securing new orders from domestic and foreign customers, actively drive product innovation for customers, and achieve the following goals:

1. Creating Values through Solid Corporate Governance

Following the "Corporate Governance 4.0 - Sustainable Development Road Map" launched by the Financial Supervisory Commission, the Company stands on solid corporate governance, as it actively delivers high-quality and diversified precision machinery to customers by applying advanced manufacturing technology and comprehensive solutions tailored to meet their specific product needs. The Company aims to maximize benefits for shareholders and foster the development of its employees. We aspire to become an esteemed enterprise trusted by society, maintaining strong interactions with stakeholders, and consistently creating corporate value.

2. Constant Promotion of Smart Manufacturing and Production Process Optimization

Since 1983, the Company has been utilizing welding robots and continuously introducing automatic production. During the Industry 4.0 era, we have continued to undergo transformation.. The Company focuses on building intelligent production systems, equipment, and management processes based on data. By integrating design, production, and services, we have successfully reduced costs, improved manufacturing efficiency, and enhanced product quality and customer experience, contributing to advancements in the industrial landscape.

Through smart manufacturing, big data applications, and breakthrough in material technology, we are expanding into the high-end market while improving added values of our products. At the same time, the Company is committed to developing lightweight, energy-saving, environment-friendly, and high-performance precision machinery components to meet customer demands for better quality and efficiency as well as strengthen our global competitiveness and secure our leading position in future industry innovations. Moreover, the Company will further develop automation by implementing TOYOTA lean production principles. This involves optimizing the system structure, personnel organization, operational methods, and market supply and demand. We will also integrate the MES project to ensure our production system can quickly adapt to changing demands, eliminating unnecessary processes and strengthening our production management model.

3. Strengthening Supply Chain Resilience and Enhancing Operational Stability

In response to global supply chain uncertainties and market volatility risks, the Company is actively optimizing supply chain management. By enhancing flexibility in the procurement of raw materials and components while strengthening strategic partnerships with key suppliers to ensure supply stability. Additionally, the Company continues to evaluate regional supply chain strategic plans and adjust procurement strategies accordingly to mitigate single-source risks and improve overall supply chain flexibility and stability. At the same time, we focus on improving inventory management and

production scheduling capabilities to swiftly adapt to market demand fluctuations, maintain stable delivery performance, and enhance customer satisfaction when market demands fluctuate. Looking ahead, the Company will closely monitor international trade policies and raw material prices, responding flexibly to global market changes to ensure sustained and stable business growth.

4. Mitigating the Environmental Impact and Facilitating Green Transformation

COP28, also known as the United Nations Climate Change Conference, kicked off on November 30, 2023, in the United Arab Emirates (UAE), one of the world's top ten oil-producing countries. This marked the first "Global Stocktake" in eight years since the 2015 Paris Agreement, reviewing the climate actions of 200 countries. The purpose of the Global Stocktake is to ensure that countries not only commit to their NDCs and submit plans but also to verify if they are on track to meet their commitments. As a responsible corporate citizen, Eurocharm initiated a group-wide greenhouse gas inventory in September 2022 and completed the inventory for 2022 in June 2023. The Company will continue managing its carbon footprint and gradually set reduction targets to align with international standards and customer demands. In addition, the Company has actively evaluated the feasibility of adopting solar power and other renewable energy sources and has promoted energy-saving and emission-reduction measures. These include optimizing production process to reduce energy consumption, enhancing equipment utilization efficiency, and adopting low-carbon materials and green manufacturing to reduce emissions. We will also extend carbon reduction initiatives across the supply chain, working with collaborative partners to uphold our sustainability commitments. These efforts aim to maintain long-term competitiveness amid the global trend of low-carbon transition and reach sustainable development goals by achieving both economic growth and environmental protection.

5. Creating a Safe and Sustainable Workplace by Providing a Friendly Environment and Ensuring Employee Health and Industrial Safety

Committed to corporate social responsibility, the Company actively implements environmental protection, occupational safety, and employee health measures to ensure a safe working environment and enhance employee well-being. At the same time, we continue to optimize production facilities and management systems to achieve our goals for green manufacturing and sustainable development. Environmental improvement and equipment replacement projects are underway for noise, dust, air quality, sewage treatment systems, lighting, and electric furnaces, supporting our goals to maintain our factories as green facilities, conserve energy, and advancing toward carbon reduction objectives. In parallel, we are implementing substantial improvements in employee engagement, workplace safety, environmental conditions, product quality, delivery lead times, reduction of non-productive hours, and employee compensation and benefits. Our objective is to strengthen the cohesion of the factory, improve internal management, and continually enhance our work environment and labor conditions to safeguard the legal rights of our employees and create a workplace that brings them happiness.

6. Develop Sustainable Successors through Diversity, Inclusion, and Cultivation of International Talents

DEI (Diversity, Equity, and Inclusion) has become a mainstream values among transnational enterprises. This is an inevitable wave to each enterprise of this globalized era. The enterprises must possess a global vision and a diverse talent pool to maintain their competitiveness. By embracing

diverse perspectives, we aim to foster proactive problem-solving and global outlooks across all management levels. Collaborating with external experts, the Company develops training programs aligned with individual strengths and job roles to cultivate and retain top management and technical talent, laying a strong foundation for sustainable development. In addition, the Company actively promotes a succession plan by establishing a systematic talent pipeline to ensure continuity of core management and technical expertise, thereby strengthening organizational stability and competitiveness. Looking ahead, we will continue to actively expand into recreational vehicle components and medical instruments and move strategically towards production internationalization to ensure sustainable growth in performance and profits.. Meanwhile, we will adhere to the sustainable strategy blueprint, fulfilling corporate responsibilities to achieve sustainable operations.

The Company would like to thank all our shareholders for your persistent support and trust. We uphold the value of “challenging excellence and cherishing each opportunity”, which has taken the Company from its humble origin to the accomplishments which we all share. Eurocharm Group will continue to live up to all shareholders’ expectations by improving our competitiveness and creating profits. Finally, we would like to thank all our shareholders and dedicated colleagues once again for their long-standing support and encouragement. We extend our highest respect to all of you!

Sincerely yours,

Chairman

Steven Yu/s/

General Manager

Andy Wu/s/

Chief Accountant

James Chan/s/

Attachment 2

2024 Audit Committee's Review Report

The Board of Directors has prepared the Company's 2024 Business Report, Consolidated Financial Statements, and proposal for the allocation of profits. The Consolidated Financial Statements have been audited by CPAs Kuo-Shuai Chen and Chih-Ming Chang of Ernst & Young, who has already issued an no-reserve opinion on the audited report. The Business Report, Consolidated Financial Statements and proposal for the allocation of profits have been reviewed and determined to be correct and accurate by the Audit Committee members of Eurocharm Holdings Co., Ltd. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

To Eurocharm Holdings Co., Ltd. 2025 Annual General Shareholders' Meeting

Eurocharm Holdings Co., Ltd.

Chairman of the Audit Committee: Chen-Tien Yuan

March 06, 2025

Attachment 3

Eurocharm Holdings Co., Ltd.

PROFIT DISTRIBUTION TABLE

Year 2024	Unit : NT\$
Items	Amount
Beginning retained earnings	\$2,491,390,586
Plus : Net income of 2024	1,141,282,890
Plus : Other comprehensive income	
Remeasurements of defined benefit plans of 2024)	2,974,547
Deduct : Setting Aside Legal reserve (Note 1)	(114,425,744)
Deduct : Reversing Special reserve (Note 2)	251,592,709
Earnings available for distribution	3,772,814,988
Distribution items :	
Cash Dividend to common shareholders for the first half of 2024	(0)
Cash Dividends to common shareholders for the second half of 2024	(591,933,608)
Unappropriated retained earnings	\$3,180,881,380

Note :

1. The legal reserve appropriation for the first half of 2024 was NT\$55,818,993, and an additional NT\$58,606,751 was appropriated for the full year.
2. The reversal of special reserve for the first half of 2024 was NT\$208,482,421, with an additional NT\$43,110,288 reversed for the full year.
3. The cash dividends shall be subject to approval by the Board of Directors and reported at the Annual Shareholders' Meeting. The Chairman is authorized to determine the ex-dividend date and handle other related matters. The cash dividend is calculated to the nearest dollar; amounts less than one dollar are disregarded, and the total of such rounding differences will be recorded under other income.

Chairman

Steven Yu/s/

General Manager

Andy Wu/s/

Chief Accountant

James Chan/s/

Report of Independent Auditors and 2024 Consolidated Financial Statements



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English Translation of a Report Originally Issued in Chinese REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders
of Eurocharm Holdings Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Eurocharm Holdings Co., Ltd. (the “Company”) and its subsidiaries as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including the summary of material accounting policies (collectively referred as “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2024 and 2023, and their consolidated financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 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, and we do not provide a separate opinion on these matters.

Revenue recognition

We determine that revenue recognition is one of the key audit matters. The Company's consolidated revenue amounting to NT\$7,283,279 thousand for the year ended December 31, 2024 is significant to the Company's consolidated financial statements. The Company and its subsidiaries have conducted these sale activities through multi-market places. Furthermore, varieties of sale terms and conditions enacted in the main sale contracts or sale orders judging and determining the performance obligation and the time of satisfaction. We therefore conclude that there are significant risks with respect to the topic of revenue recognition. Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for performance obligation, of revenue recognition assessing and testing the effectiveness of relevant internal controls related to performance obligation of revenue recognition, executing sale cut-off tests, sampling-test of details, including to review the consistency of the fulfillment timing between determining the performance obligation of revenues recognition and the major sales orders or agreements for their terms and conditions. We also evaluated the appropriateness of the related disclosure in Note 6 to the consolidated financial statements.

Trade receivables – loss allowance

The Company's consolidated gross trade receivables and loss allowance as of December 31, 2024 amounted to NT\$1,197,479 thousand and NT\$58,301 thousand, respectively. The consolidated net trade receivables represented 15% of the Company's total consolidated assets and were significant to the Company's consolidated financial statements. The amount of loss allowance against trade receivable is measured based on expected credit loss during its existing period. For the measurement purpose, underlying receivable should be grouped appropriately and the application of related assumptions, including proper aging intervals, expected loss ratio and forward-looking information for each aging interval, be judged and analyzed. We conclude that the estimation of impairment loss toward trade receivable is one of the key audit matters due to its complexity of judgment, analysis and estimation and its significant impact on carrying value of net trade receivable. Our audit procedures therefore include, but not limit to, analyzing the appropriateness of the methodology to group trade receivable, confirming whether the customers with significantly different loss patterns

(i.e. similar risk characteristics) are appropriately grouped (i.e. by historical experiences, etc.); testing the preparation matrix adopted by the Group, including evaluation on reasonableness of determining aging intervals, and examining the correctness of original document for basic information; reviewing trade receivable subsequent collection for evaluating its recoverability; analyzing long-term variation trend of loss allowance and turnover rate of trade receivable and concluding whether any significant impairment needs to be made at the end of period. We have also evaluated the appropriateness of the disclosure in Note 5 and Note 6 to the consolidated financial statements regarding trade receivables and related risk.

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2024 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



/s/Chen, Kuo-Shuai

/s/Chang, Chih-Ming

Ernst & Young, Taiwan

March 6th, 2025

Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or the Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young 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.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
 EUROCHARM HOLDINGS CO., LTD. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS
 As of December 31, 2024 and 2023
 (Amounts Expressed in Thousands of New Taiwan Dollars)

Assets				Liabilities and Equity			
Accounts	Notes	2024.12.31	2023.12.31	Accounts	Notes	2024.12.31	2023.12.31
Current assets				Current liabilities			
Cash and cash equivalents	4, 6(1)	\$1,067,079	\$974,048	Short-term borrowings	6(12), 8	\$-	\$360,459
Financial assets at fair value through profit or loss	4, 6(2), 6(14)	20	41	Contract liabilities	4, 6(19)	46,279	58,056
Financial assets measured at amortized cost	4, 6(3)	286,642	382,990	Trade payables		512,217	347,508
Trade receivables	4, 6(4), 6(20), 8	932,320	772,155	Trade payables-related parties	7	37,336	26,168
Trade receivables-related parties	4, 6(4), 6(20), 7	206,858	258,870	Other payables	6(13)	405,174	353,170
Other receivables		26,693	8,992	Current tax liabilities	4, 6(25)	225,907	119,615
Other receivables-related parties	7	2,992	3,691	Lease liabilities	4, 6(23)	-	2,502
Current tax assets		-	512	Lease liabilities-related parties	4, 6(23), 7	1,904	-
Inventories	4, 6(5), 8	754,997	737,881	Other current liabilities		2,095	1,678
Prepayments	7	71,432	69,056	Current portion of bonds payable	4, 6(14)	202,005	-
Other current assets		67,827	47,901	Refund liabilities		31,855	30,460
Total current assets		3,416,860	3,256,137	Total current liabilities		1,464,772	1,299,616
Non-current assets				Non-current liabilities			
Financial assets measured at fair value through other comprehensive income	4, 6(6)	95,705	95,705	Bonds payable	4, 6(14)	-	394,184
Financial assets measured at amortized cost	4, 6(3)	708,782	126,617	Deferred tax liabilities	4, 6(25)	20,342	18,608
Investment accounted for under the equity method	4, 6(7)	559,101	521,082	Other non-current liabilities	6(15)	15,504	12,231
Property, plant and equipment	4, 6(8), 7, 8	2,030,944	1,994,080	Total non-current liabilities		35,846	425,023
Right-of-use assets	4, 6(23), 7	703,706	645,163	Total liabilities		1,500,618	1,724,639
Investment property	4, 6(9)	89,295	81,196	Equity attributable to shareholders of the parent			
Intangible assets	4, 6(10)	12,112	6,635	Capital	6(17)		
Deferred tax assets	4, 6(25)	1,743	1,540	Common stock		680,975	664,729
Other non-current assets	6(11), 6(16)	9,384	27,930	Capital surplus	6(17)	1,180,782	962,026
Total non-current assets		4,210,772	3,499,948	Retained earnings	6(17)		
				Legal reserve		434,441	321,016
				Special reserve		81,875	233,118
				Unappropriated Earnings		3,788,311	3,125,389
				Other components of equity	6(18)	(53,445)	(290,357)
				Non-controlling interests	6(17), 6(27)	14,075	15,525
				Total equity		6,127,014	5,031,446
Total assets		\$7,627,632	\$6,756,085	Total liabilities and equity		\$7,627,632	\$6,756,085

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

EUROCHARM HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2024 and 2023

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

Description	Notes	2024	2023
Operating revenues	4, 6(19), 7	\$7,283,279	\$7,267,327
Operating costs	6(20), 7	(5,665,082)	(5,744,734)
Gross profit		1,618,197	1,522,593
Realized (Unrealized) sales profit	4	8	(6)
Gross profit, net		1,618,205	1,522,587
Operating expenses	6(20), 7		
Sales and marketing		(125,401)	(98,952)
General and administrative		(275,290)	(244,606)
Research and development		(86,312)	(85,790)
Expected credit gains (losses)	4, 6(20)	-	(13,224)
Operating expenses total		(487,003)	(442,572)
Operating income		1,131,202	1,080,015
Non-operating incomes and expenses			
Other incomes	6(22), 7	181,881	162,397
Other gains and losses	6(22), 7	76,660	79,699
Finance costs	6(22), 7	(9,624)	(65,668)
Share of profit or loss of associates and joint ventures accounted for under the equity method	4, 6(7)	8,531	(1,356)
Non-operating incomes and expenses total		257,448	175,072
Income before income tax		1,388,650	1,255,087
Income tax expense	4, 6(25)	(249,501)	(223,562)
Net income		1,139,149	1,031,525
Other comprehensive income (loss)	6(24)		
Not to be reclassified to profit or loss in subsequent periods:			
Remeasurements of defined benefit plans		2,974	442
May be reclassified to profit or loss in subsequent periods:			
Exchange differences arising on translation of foreign operations		239,601	(54,998)
Share of other comprehensive income of associates and joint ventures accounted for under the equity method		12,676	(2,391)
Total other comprehensive income, net of tax		255,251	(56,947)
Total comprehensive income		\$1,394,400	\$974,578
Net income (loss) attributable to:			
Stockholders of the parent		\$1,141,283	\$1,032,845
Non-controlling interests		(2,134)	(1,320)
		\$1,139,149	\$1,031,525
Total comprehensive income (loss) attributable to:			
Stockholders of the parent		\$1,395,850	\$976,048
Non-controlling interests		(1,450)	(1,470)
		\$1,394,400	\$974,578
Earnings per share-basic (in NTD)	6(26)	\$17.01	\$15.60
Earnings per share-diluted (in NTD)	6(26)	\$16.45	\$14.95

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

EUROCHARM HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollar)

Description	Equity Attributable to Shareholders of the Parent								Non-controlling Interests	Total Equity
	Share capital		Retained Earnings			Other Components of Equity		Total		
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unearned Employee Benefit			
Balance as of January 1, 2023	\$659,163	\$888,652	\$218,316	\$307,951	\$2,587,975	\$(233,118)	\$-	\$4,428,939	\$16,995	\$4,445,934
Appropriation and distribution of 2022 earnings and earnings for the six-month ended June 30, 2023:										
Legal reserve			102,700		(102,700)			-		-
Cash dividends-common shares					(468,006)			(468,006)		(468,006)
Special reserve reversal				(74,833)	74,833			-		-
Net income (loss) in 2023					1,032,845			1,032,845	(1,320)	1,031,525
Other comprehensive income in 2023					442	(57,239)		(56,797)	(150)	(56,947)
Total comprehensive income (loss)	-	-	-	-	1,033,287	(57,239)	-	976,048	(1,470)	974,578
Conversion of convertible bonds	5,566	73,374						78,940		78,940
Balance as of December 31, 2023	664,729	962,026	321,016	233,118	3,125,389	(290,357)	-	5,015,921	15,525	5,031,446
Appropriation and distribution of 2023 earnings and earnings for the six-month ended June 30, 2024:										
Legal reserve			113,425		(113,425)			-		-
Cash dividends-common shares					(519,153)			(519,153)		(519,153)
Special reserve reversal				(151,243)	151,243			-		-
Net income (loss) in 2024					1,141,283			1,141,283	(2,134)	1,139,149
Other comprehensive income in 2024					2,974	251,593		254,567	684	255,251
Total comprehensive income (loss)	-	-	-	-	1,144,257	251,593		1,395,850	(1,450)	1,394,400
Conversion of convertible bonds	14,396	183,329						197,725		197,725
Issuance of employee restricted shares	1,850	35,427					(14,681)	22,596		22,596
Balance as of December 31, 2024	\$680,975	\$1,180,782	\$434,441	\$81,875	\$3,788,311	\$(38,764)	\$(14,681)	\$6,112,939	\$14,075	\$6,127,014

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
 EUROCHARM HOLDINGS CO., LTD. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 For the years ended December 31, 2024 and 2023
 (Amounts Expressed in Thousands of New Taiwan Dollars)

Items	2024	2023	Items	2024	2023
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$1,388,650	\$1,255,087	Decrease (increase) in financial assets measured at amortized cost	(485,817)	33,761
Adjustments to reconcile net income before tax to net cash provided by (used in) operating activities:			Acquisition of investment accounted for under the equity method	(32,450)	(165,261)
Depreciation (include investment property)	282,990	284,771	Acquisition of property, plant and equipment	(197,117)	(198,205)
Amortization	3,052	2,614	Proceeds from disposal of property, plant and equipment	348	45
Expected credit losses	-	13,224	Acquisition of intangible assets	(8,362)	(5,608)
Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(140)	186	Acquisition of right-of-use assets	(41,333)	(355,701)
Interest expense	9,624	65,668	Net cash provided by (used in) investing activities	<u>(764,731)</u>	<u>(690,969)</u>
Interest income	(56,756)	(70,335)	Cash flows from financing activities:		
Dividends	(50,249)	(27,744)	Increase in (repayment of) short-term borrowings	(360,459)	(1,281,608)
Share-based payments	3,539	-	Increase (decrease) in guarantee deposits	3,273	(925)
Share of profit or loss of associates and joint ventures accounted for under the equity method	(8,531)	1,356	Repayment of lease liabilities principal	(4,537)	(5,819)
Loss (gain) on disposal of property, plant and equipment	713	1,878	Cash dividends	(519,153)	(468,006)
Loss on inventory valuation	-	13,224	Proceeds from issuing employee restricted shares	19,057	-
Impairment loss on property, plant and equipment	1,010	-	Net cash provided by (used in) financing activities	<u>(861,819)</u>	<u>(1,756,358)</u>
Unrealized (realized) sales profit	(8)	6	Effect of exchange rate changes	108,037	(28,879)
Changes in operating assets and liabilities:			Net increase (decrease) in cash and cash equivalents	93,031	(423,256)
Trade receivables	(162,709)	292,144	Cash and cash equivalents at beginning of period	974,048	1,397,304
Trade receivables-related parties	52,012	109,616	Cash and cash equivalents at end of period	<u>\$1,067,079</u>	<u>\$974,048</u>
Other receivables	(8,986)	6,825			
Other receivables-related parties	699	(962)			
Inventories	(17,136)	352,485			
Prepayments	(2,376)	8,423			
Other current assets	(19,926)	72,322			
Contract liabilities	(11,777)	29,570			
Trade payables	164,709	(178,483)			
Trade payables-related parties	11,168	(12,084)			
Other payables	53,531	(11,827)			
Other current liabilities	417	(1,698)			
Net defined benefit liabilities	(304)	(482)			
Refund liabilities	1,395	(307)			
Cash generated from (used in) operations	<u>1,634,611</u>	<u>2,205,477</u>			
Interest received	48,379	72,851			
Dividends received	76,809	45,430			
Interest paid	(4,552)	(57,767)			
Income tax paid	(143,703)	(213,041)			
Net cash provided by (used in) operating activities	<u>1,611,544</u>	<u>2,052,950</u>			

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

Attachment 5

2025 Employee Restricted Stocks Rules

I. Purpose of issuance

To attract and retain talents required by the company and to link their compensation with shareholders' interests and Environmental, Social, Governance (ESG) achievements, and to motivate employees and enhance their morale, aiming to collectively create benefits for the company and shareholders. The Company hereby establishes the Employee Restricted Stocks Rules (the "Rules") in accordance with Article 267 of the Company Act and the Regulations Governing the Offering and Issuance of Securities by Foreign Issuers (the "Act") promulgated by the Financial Supervisory Commission. (the "Authority")

II. Issuance Period

The Employee Restricted Stocks will be granted one or more times over a period of one year from the date of resolution at the shareholders' meeting and within two years from the date of the notice of effective registration of the Authority. The Board of Directors may authorize Chairman to determine, the actual issuance date and relevant matters.

III. Eligibility and the number of shares that may be granted.

1. Only the Company's full-time executive officers or the Company's and its Affiliates' who are employed as of the date of the granting of the Employee Restricted Stock and who meet the performance requirements are eligible for this incentive plan. The term "Affiliates" shall be determined according to the standards specified in the Financial Supervisory Commission Order No. 1070121068. Qualified executives must be at the (vice) managerial level or above and have a significant influence on the Company's operational decisions or are the Company's selected critical talents for its future core technologies and strategy development.
2. The actual number of shares that may be granted to the employees shall be determined based on factors such as years of service, ranking, job performance, overall contribution, special achievements, or other factors required for operational management and business development strategies. The determination shall be made by the Chairman and submitted to the Board of Directors for approval. However, employees with managerial positions or directors position must first obtain approval from the Remuneration Committee, while employees without managerial positions must first obtain approval from the Audit Committee.
3. According to Article 60, Paragraph 2 of the Act, Article 60-9 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers (hereinafter referred to as the "Offering and Issuance Regulations") applies mutatis mutandis to the Company issuing employee stock warrants or new restricted employee shares. The total number of shares issuable pursuant to employee stock warrants or options issued by the Company in accordance with Article 56-1, Paragraph 1 of the Offering and Issuance Regulations, when combined with the total number of Employee Restricted Shares issued to employees, shall not exceed three-tenths of one percent (0.3%) of the Company's total issued and outstanding shares. Further, if together with the number of shares that may be subscribed for by any single

employee under employee stock warrants or options issued by the Company in accordance with Article 56, Paragraph 1 of the Offering and Issuance Regulations, the total number of shares issuable as such shall not exceed 1% of the Company's issued and outstanding shares. However, if it is approved by the relevant competent authority, the total number of employee stock options and Employee Restricted Stocks subscribed by a single employee may be exempt from the abovementioned ratio restrictions.

IV. Expected total shares.

The total issuance amount of Employee Restricted Stocks this time is NT\$ 2,000,000, with a par value of NT\$ 10 per share, totaling 200,000 ordinary shares issued.

V. Issuance Conditions

1. Issue price: paid subscription, with the issuance price of 50% of the average closing price for the month prior to the issuance date.
2. Class of the shares to be issued: The Company's common shares.
3. Vesting conditions:
 - A. The vesting conditions are divided into two categories, Category A and Category B. Under Category A, 80,000 shares will be issued to employees who have served twelve years or above of service as of the grant date. Under Category B, 120,000 shares will be issued to employees who have served for less than twelve years (inclusive) as of the grant date.
 - B. Employees who remain employed and have not violated the labor contracts, work rules, non-compete agreements, confidentiality agreements, or contractual agreements with the company, and simultaneously achieve the individual performance evaluation metric and overall company performance metric set by the company, the respective share allocation ratio for meeting the vested conditions is as follows:
 - a. after subscribing, upon completion of one year of service:30%
 - b. after subscribing, upon completion of two years of service:30%
 - c. after subscribing, upon completion of three years of service:40%Individual performance evaluation metric: The most recent annual individual performance evaluation score is 80 points or above.
 - C. Overall company performance metric: Based on the most recent audited financial statements for the fiscal year ending at the completion of the vesting period, meeting one of the following conditions:
 - a. pre-tax net profit (compared to the previous year): Growth of 10%.
 - b. operating profit margin: Reaching 13%.
4. After the employee subscribes to the Employee Restricted Stocks, measures to be taken when employees fail to meet the vesting conditions or in the event of inheritance:
 - A. For those who do not meet the vesting conditions, the Company will repurchase their shares at the original issuance price without interest and proceed with cancellation; accordingly, related stock and dividend payments shall be settled in cash to the employees by the 10th of the following month of not meeting the vesting conditions.
 - B. Voluntary Separation, or involuntary discharge, separation with a severance, retirement, Natural death:

The unvested Employee Restricted Stocks shall be deemed as not meeting the vesting

conditions from the date of the event. The company shall repurchase and cancel them at the original issuance price."

C. In the event of occupational injury resulting in inability to continue employment or death:

a. Employees who become disabled due to occupational injury during the vesting period and are unable to continue employment shall be deemed to have met all vesting conditions for their unvested Employee Restricted Stocks from the effective date of their resignation.

b. In the event of death due to occupational injury during the vesting period, employees shall be deemed to have met all vesting conditions for their unvested Employee Restricted Stocks from the date of death. Upon completion of the necessary legal procedures by their heirs and submission of relevant documentary evidence, they may apply to receive the shares they are entitled to inherit.

D. Unpaid leave:

For employees on unpaid leave during the vesting period, their entitlements shall be reinstated upon their return to work. However, their subscription rights shall be recalculated based on the actual period of employment, using the original subscribed shares as the basis, the other shares shall be deemed as not meeting the vesting conditions, and the Company shall repurchase and cancel them at the original issue price. If the vesting date falls on a day of unpaid leave, it shall be deemed as not meeting the vesting conditions, and the Company shall repurchase and cancel the employee's shares at the original issue price.

E. Transfer to affiliate company:

When any employees are assigned to a position in any of the Company's Affiliates, shall remain vested according to the proportion of the vesting schedule outlined in these Rules, unaffected by the transfer.

When an employee voluntarily transfers to a subsidiary, Affiliates, or other company, the unvested Employee Restricted Stocks should be handled in the same manner as Voluntary Separation.

VI. Restrictions imposed on the employees' rights in the Employee Restricted Stocks before the vesting conditions are fulfilled:

1. Upon the grant of the Employee Restricted Stocks, the Employee Restricted Stocks shall be deposited in a trust/custody account. Before the vesting conditions are fulfilled, the employees cannot request the trustee/custodian to return to them the Employee Restricted Stocks for any reasons or by any means.
2. Before employees meet the vesting conditions after subscribing to Employee Restricted Stocks, no employees granted Employee Restricted Stocks may sell, mortgage, transfer, give, or pledge, to another person, create any encumbrance on, or otherwise dispose of, any shares under the unvested Employee Restricted Stocks.
3. The attendance, proposal rights, speech rights, voting rights and any other shareholder rights shall be exercised by the trust and custody agreement.
4. Subject to the restrictions mentioned above, the rights of the employees with regard to the unvested Employee Restricted Stocks granted under these Rules before the fulfillment of the vesting conditions, including but not limited to the entitlement to any distribution regarding

dividends, bonuses, and capital reserve, and the subscription right of the new shares issued for any capital increase, are the same as those of holders of common shares of the Company. The relevant matters shall be handled in accordance with the Employee Restricted Stocks trust/custody agreement.

5. During each vesting period, if the Company conducts a capital reduction for cash return, capital reduction for loss offset, or other non-statutory capital reduction, the unvested Employee Restricted Stocks shall be cancelled proportionally by the ratio of such capital reduction. If the Company conducts a capital reduction for cash return, the returned cash shall be deposited in a trust account and shall not be delivered to the employees until the vesting conditions are fulfilled and reached the expiration date. If the vesting conditions are not met upon the expiration of the deadline, the cash will be returned to the Company.

VII. Tax

Any tax matters incurred in connection with the Employee Restricted Stocks under these Rules shall be handled under the then-current laws and regulations of the R.O.C. and the countries where the employees reside.

VIII. Other Important Agreements

1. If the company determines that it is necessary to entrust the Employee Restricted Stocks subscribed through this regulation to a trust institution for safekeeping, the company shall have the right to negotiate, execute, modify, extend, rescind, and terminate the trust agreement on behalf of the employees, as well as transfer, dispose of, or otherwise act upon the trust property (shares and cash) based on this regulation.
2. Employees who subscribe the Employee Restricted Stocks under these regulations must, before the fulfillment of vesting conditions, deliver them to the designated trust institution appointed by the Company for safekeeping.
3. Signing of Contracts and Confidentiality
 - A. When the Company processes the issuance of Employee Restricted Stocks in accordance with these regulations, the handling department shall notify subscribing employees to sign the "Employee Restricted Stock Agreement". Upon completion of the signing of the "Employee Restricted Stock Agreement" by the subscribing employees, it shall be deemed that they have acquired the subscription rights. Any employees who do not complete such signing of relevant documents will be considered to forfeit the subscription rights.
 - B. All subscribing employees must adhere to the confidentiality clauses of the company. They are not allowed to inquire any other about or disclose to any other any information about the number of the Employee Restricted Stocks granted to them and any relevant matters. In the event of any breach thereof, the company reserves the right to impose penalties according to the severity of the situation. In cases where an employee is found to have committed a serious violation, as determined by the company, regarding the Employee Restricted Stocks that have not yet met the vesting conditions, the employee will immediately forfeit the right to subscribe the stocks. The company is entitled to repurchase the shares at the original issuance price and cancel them.
4. Before these Rules may be implemented, it shall be approved by the majority votes in a

meeting of the Board of Directors in which two-thirds or more directors are present and shall become effective after effective registration with the competent authority, also, in case of any revisions before issuance. During the submission and review process, if any amendment hereto is necessary due to requirement of the competent authority, Chairman is authorized to make any necessary amendment hereto and submit the revised Rules to the Board of Directors for acknowledgement before the Employee Restricted Stocks may be granted.

5. Any other matters not set forth in these Rules shall be dealt with in accordance with the applicable laws and regulations.
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Attachment 6

Comparison table for the amendments of “Memorandum and Articles of Association”

Amended version	Original version	Explanation
Cover		
THE COMPANIES LAW (Revised) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION OF EUROCHARM HOLDINGS CO., LTD. - Incorporated on the 18th day of July, 2011 – (as adopted by a Special Resolution dated as of May 29, 2025)	THE COMPANIES LAW (Revised) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION OF EUROCHARM HOLDINGS CO., LTD. - Incorporated on the 18th day of July, 2011 – (as adopted by a Special Resolution dated as of May 31, 2024)	To update the amendment date by a Special Resolution.
Memorandum of Association		
THE COMPANIES LAW (Revised) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION OF EUROCHARM HOLDINGS CO., LTD. (as adopted by a Special Resolution dated as of May 29, 2025)	THE COMPANIES LAW (Revised) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION OF EUROCHARM HOLDINGS CO., LTD. (as adopted by a Special Resolution dated as of May 31, 2024)	To update the amendment date by a Special Resolution.
Articles of Association		

Amended version	Original version	Explanation
THE COMPANIES LAW (Revised) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF EUROCHARM HOLDINGS CO., LTD. (as adopted by a Special Resolution dated as of May 29, 2025)	THE COMPANIES LAW (Revised) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF EUROCHARM HOLDINGS CO., LTD. (as adopted by a Special Resolution dated as of May 31, 2024)	To update the amendment date by a Special Resolution.
<u>3.4 If the Company issues par value Shares, they may not be converted into no par value Shares. No par value Shares shall not be converted into par value Shares.</u>	(Amendment to add new clause)	To comply with the latest shareholder equity protection measures table for May 2024 and in accordance with the provisions of Article 156-1, Items 5 and 6 of the Company Law, to add the following article."
17.3 However, in the case of the Company with paid-in capital reaching NT\$ 2 billion or more as of the last day of the most recent financial year, or in which the aggregate proportion to the number of the Shares held by the Members of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the Register of Members at the time of holding of such general meeting in the most recent financial year, it shall transmit the aforesaid electronic file by 30 days prior to the day on which such general meeting is to be held.	17.3 However, in the case of the Company with paid-in capital reaching NT\$ 10 billion or more as of the last day of the most recent financial year, or in which the aggregate proportion to the number of the Shares held by the Members of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the Register of Members at the time of holding of such general meeting in the most recent financial year, it shall transmit the aforesaid electronic file by 30 days prior to the day on which such general meeting is to be held.	To amend this article in accordance with the latest shareholder equity protection measures table for May 2024.
25.4 Unless otherwise permitted under the Applicable Public Company Rules, there shall be at	25.4 Unless otherwise permitted under the Applicable Public Company Rules, there shall be at	To amend this article in accordance with Article 4, Taiwan Stock Exchange

Amended version	Original version	Explanation
<p>least three (3) Independent Directors. <u>Starting from 2027, the number of Independent Directors shall not be less than one-third of the number of the Directors, and all Independent Directors may not serve for more than three consecutive terms of office. However, for Directors whose terms of office have not expired by 2027 shall apply it upon the expiration of the term.</u></p> <p>To the extent required by the Applicable Public Company Rules, at least one of the Independent Directors shall be domiciled in the R.O.C. and at least one of the Independent Directors shall have accounting or financial expertise.</p>	<p>least three (3) Independent Directors. To the extent required by the Applicable Public Company Rules, at least one of the Independent Directors shall be domiciled in the R.O.C. and at least one of the Independent Directors shall have accounting or financial expertise.</p>	<p>Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers</p>
<p>32.7 Any of the following matters of the Company shall require the consent of one-half or more of all audit committee members and be submitted to the board of Directors for resolution: (omitted)</p> <p>(i) The appointment or removal of a financial, accounting, or internal auditing officer;</p> <p>(j) Annual and semi-annual financial reports;</p> <p>(k) Any other matters so determined by the Company from time to time or required by any competent authority overseeing the Company; and</p>	<p>32.7 Any of the following matters of the Company shall require the consent of one-half or more of all audit committee members and be submitted to the board of Directors for resolution: (omitted)</p> <p>(i) The appointment or removal of a financial, accounting, or internal auditing officer;</p> <p>(j) Annual and semi-annual financial reports;</p> <p>(k) Any other matters so determined by the Company from time to time or required by any competent authority overseeing the Company; and</p>	<p>To amend this article in accordance with the provisions of Article 14-5, Item 3 of the newly amended Securities and Exchange Act.</p>

Amended version	Original version	Explanation
<p>(l) Any other matters in accordance with the Applicable Public Companies Rules.</p> <p>Except for item (j) above, any matter under subparagraphs (a) through (k) of the preceding paragraph that has not been approved with the consent of one-half or more of the audit committee members may be undertaken only upon the approval of two-thirds or more of all Directors, without regard to the restrictions of the preceding paragraph, and the resolution of the audit committee shall be recorded in the minutes of the Directors meeting. <u>If, for good cause, it is impossible to hold a meeting of the Audit Committee, the matters in the subparagraphs of the preceding paragraph shall be adopted with the approval of two-thirds or more of all Directors. However, the matters in preceding paragraph, subparagraph (i) shall still require the opinion of the Independent Directors indicating their approval.</u></p>	<p>(l) Any other matters in accordance with the Applicable Public Companies Rules.</p> <p>Except for item (j) above, any matter under subparagraphs (a) through (k) of the preceding paragraph that has not been approved with the consent of one-half or more of the audit committee members may be undertaken only upon the approval of two-thirds or more of all Directors, without regard to the restrictions of the preceding paragraph, and the resolution of the audit committee shall be recorded in the minutes of the Directors meeting.</p>	

The position and company name of the director are as follows:

Title	Name	Experience (Education)	Other Positions	Shareholding (Number of Shares Held)
Director	Representative of New General Limited: Steven Yu	Mechanical Engineering, Lunghwa University of Science and Technology Chairman, Eurocharm Innovation Co., Ltd.	Chairman, Eurocharm Holdings Co., Ltd. Chairman, Eurocharm Innovation Co., Ltd.	13,833,217
Director	Representative of Seashore Group Limited: Ya Chu Yu	MBA, University of Cambridge Financial Manager, ArcOn Brands Manager, Yuanta Asia Investment (Hong Kong) Limited.	N/A	24,769,059
Director	Antonio Yu	Industrial Engineering, University of Wisconsin-Madison Director, Eurocharm Innovation Co., Ltd.	Director, Eurocharm Holdings Co., Ltd. Director, Eurocharm Innovation Co., Ltd.	116,000
Director	Steven Chang	DBA, Shanghai Jiao Tong University Vice Chairman, Taiwan Venture Capital Association	Chairman and Founder, The CID Group Ltd.	0
Independent Director	Yi Jen Kuo	Shipping Technology, National Chiao Tung University Manager, China Steel Corporation Manager, C.S. Aluminum Corporation General Manager, China Steel Global Trading Corporation	Advisor, China Steel Global Trading Corporation.	0

Title	Name	Experience (Education)	Other Positions	Shareholding (Number of Shares Held)
Independent Director	Chen Tien Yuan	MBA, Guanghua School of Management, Peking University Managing Attorney, Zhizheng Law Firm Executive Vice President, EY Management Services Inc.	Partner, Yuan, Chen & Partners Attorneys- at- Law Director, Yuan Chen Asset Management Co. Director, Fu Ding Yu Co., Ltd. Supervisor, Lai Chun Investment Co., Ltd. Supervisor, Ma He Investment Co., Ltd. Supervisor, He He Co., Ltd Director, INNOPRIME INTERNATIONAL TECHNOLOGY CO., LTD. Independent Director, Techzone Technology Materials Co.,Ltd. Chairman, Sun Protector Co., Ltd	0
Independent Director	Yen-Hsi Lin	Philosophy, Fu Jen University General Manager, DDI-ASIA/PACIFIC INTERNATIONAL, LTD. Taiwan Branch (U.S.A.)	Director, iMozen Group INC. Independent Director, LandMark Optoelectronics Corporation Representative	0

Title	Name	Experience (Education)	Other Positions	Shareholding (Number of Shares Held)
		Senior Consultant. Caliper International in the Asia-Pacific Region	Director, Commonwealth Education Media and Publishing Co., Ltd. Chairperson, Teach for Taiwan	

The details of the director in connection with this release of non-competition restriction are as follows:

Title	Name	Company Name and Concurrent Position
Director	Representative of New General Limited: Steven Yu	Chairman, Shen Yuan Metal Co., Ltd. Chairman, Song Fong Development Co., Ltd. Director, Taiwan Techno State Co., Ltd. Director, Exedy Vietnam Co., Ltd. Director, Vietnam King Duan Industrial Co., Ltd Director, Vietnam Uni-Clasonic Co., Ltd Director, Vietnam Eurocharm Ways Plastics Company Limited Director, PCI International Investment Inc. Director, Vietnam Lioho Machine Works Co., Ltd.
Director	Antonio Yu	Chairman, Taiwan Techno State Co., Ltd. Director, Song Fong Development Co., Ltd. Director, Northstar Precision (Vietnam) Company Ltd. Director, Lieh Kwan International Co., Ltd. Director, Vietnam Lieh Kwan Co., Ltd. Supervisor, Vietnam King Duan Industrial Co., Ltd. Supervisor, Vietnam Lioho Machine Works Co., Ltd.

Title	Name	Company Name and Concurrent Position
Director	Steven Chang	Chairman, the CID Group Ltd. Director, Huasheng International Investment Co., Ltd. Chairman, csr Community International Limited Director, TAIFLEX Scientific Co., Ltd. Chairman, LandMark Optoelectronics Corporation Director, iMozen Group INC. Independent Director, Jetway Information Co., Ltd. Director, Nankang Rubber Tire Corp., Ltd.
Independent Director	Chen Tien Yuan	Partnership Lawyer, Yuan, Chen & Partners Attorneys- at- Law Director, Yuan Chen Asset Management Co. Supervisor, Ma He Investment Co., Ltd. Supervisor, He He Co., Ltd Director, INNOPRIME INTERNATIONAL TECHNOLOGY CO., LTD. Director, Fu Ding Yu Co., Ltd. Supervisor, Lai Chun Investment Co., Ltd. Independent Director, Techzone Technology Materials Co.,Ltd Chairman, Sun Protector Co., Ltd
Independent Director	Yen-Hsi Lin	Director, iMozen Group INC. Independent Director, LandMark Optoelectronics Corporation Representative Director, Commonwealth Education Media and Publishing Co., Ltd. Chairman, Teach for Taiwan