



Ticker Code: 4563

Quaser Machine Tools, Inc.

2024 Annual General Shareholders' Meeting

Meeting Handbook

Shareholder's Meeting will be held by means of: Physical Shareholders' Meeting
May 31, 2024

Quaser Machine Tools, Inc.

2024 Annual General Shareholders' Meeting

Meeting Handbook

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I. Meeting Procedure

1. Reporting the Shares Represented by All Attending Shareholders
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3. Chairman's Address
4. Reported Matters
5. Matters for Ratification
6. Matters for Discussion
7. Election Matters
8. Other Proposals
9. Extempore Motions
10. Adjournment

II. Meeting Agenda

1. Shareholder's Meeting will be held by means of: Physical Shareholders' Meeting
2. Date & Time: May 31, 2024 (FRI) at 10 AM.
3. Venue: No. 3, Gong 6th Rd., Youshih Industrial Park, Dajia Dist., Taichung City (Audio-Visual Room at 4F of the Company)
4. Meeting Procedure:
 - (1) Reporting the Shares Represented by All Attending Shareholders
 - (2) Call Meeting to Order
 - (3) Chairman's Address
 - (4) Reported Matters
 1. 2023 Business Report.
 2. 2023 Audit Committee's Review Report.
 3. Distribution of Employees and Directors' Remunerations for the Year 2023.
 4. Amendment to Partial Articles of the Company's "Ethical Corporate Management Best Practice Principles".
 - (5) Matters for Ratification
 1. The Company's 2023 Business Report and Financial Statements.
 2. The Company's Earnings Distribution for the Year 2023.
 - (6) Matters for Discussion
 1. To Amend the Company's Articles of Incorporation.
 2. To Amend Partial Articles of the Company's "Rules of Procedure for Shareholders Meetings".
 - (7) Election Matters
 1. To Elect 9 Directors (incl. 4 Independent Directors) for the Company's 11th Board of Directors.
 - (8) Other Proposals
 1. To Discuss the Release of Prohibition on New Directors and Their Representatives from Participation in Competitive Business.
 - (9) Extempore Motions
 - (10) Adjournment

1. Reported Matters

Proposal 1 (Proposed by the Board)

Proposal: 2023 Business Report. For your review.

Description: 2023 Business Report of the Company is attached hereto as Attachment 1, Pages 7 to 9 of this Handbook.

Proposal 2 (Proposed by the Board)

Proposal: 2023 Audit Committee's Review Report. For your review.

Description: 2023 Audit Committee's Review Report of the Company is attached hereto as Attachment 2, Page 10 of this Handbook.

Proposal 3 (Proposed by the Board)

Proposal: Distribution Status of 2023 Employees and Directors' Remunerations. For your review.

Description: The Company has resolved in its Board of Directors' meeting on March 12, 2024 that employees and directors' remunerations be made in form of cash at NT\$3,463,706 and NT\$1,298,890, respectively.

Proposal 4 (Proposed by the Board)

Proposal: Amendment to Partial Articles of the Company's "Ethical Corporate Management Best Practice Principles". For your review.

Description: In accordance with the laws and as the practices of the Company may require, the Company has amended its "Ethical Corporate Management Best Practice Principles". The comparison table for the Principles before and after amendment is attached hereto as Attachment 3, Pages 11 to 16 of this Handbook.

2. Matters for Ratification

Proposal 1 (Proposed by the Board)

Proposal: The Company's 2023 Business Report and Financial Statements. For your ratification.

Description: 1. The Company's 2023 financial statements have been audited and attested by CPAs Chun-Yuan Wu and Tzu-Hsin Chang of KPMG Taiwan.
2. The Company's 2023 Business Report and CPA Audit Report and Financial Statements are attached hereto as Attachment 1, Pages 7 to 9, and Attachment 4, Pages 17 to 32.

Resolution:

Proposal 2 (Proposed by the Board)

Proposal: The Company's Earnings Distribution for the Year 2023. For your ratification.

Description: 1. The Company's earnings distribution for the year 2023 has been resolved in its Board of Directors' meeting on March 12, 2024 and further reviewed by the Audit Committee. The

earnings distribution table is attached hereto as Attachment 5, Page 33 of this Handbook.

2. A sum of NT\$29,343,300 has been proposed to be set aside from the earnings distributable for further distribution in the form of cash dividend at NT\$0.534 per share held, based on the outstanding shares. The dividend record date and relevant distribution affairs will be set otherwise by the Board of Directors under authorization of the Company after passage by resolution in this Shareholders' Meeting. The distribution will be made based on calculation of shareholding as registered on the shareholders' roster up to the ex-dividend record date and in the unit of NT\$, with portions lower than NT\$1 rounded off. The sums of fractional shares under NT\$1 in the distribution are further handled by the Chairman under authorization.
3. Should there be any changes to payout ratio to shareholders due to the changes to the Company's outstanding shares resulting from capital change, the Company shall report such reduction to the shareholders for authorization to the Board of Directors for handling.

Resolution:

3. Matters for Discussion

Proposal 1 (Proposed by the Board)

Proposal: To Amend the Company's Articles of Incorporation. For your discussion.

Description: In compliance with the Company Act and for the needs in Company operations as well as a sound dividend policy, an amendment to partial articles of the Company's Articles of Incorporation is proposed. The comparison table for the Articles before and after amendment is attached hereto as Attachment 6, Pages 34 to 37 of this Handbook.

Resolution:

Proposal 2 (Proposed by the Board)

Proposal: To Amend Partial Articles of the Company's "Rules of Procedure for Shareholders Meetings". For your discussion.

Description: In compliance with the Company Act, an amendment to partial articles of the Company's Rules of Procedure for Shareholders Meetings is proposed. The comparison table for the Rules before and after amendment is attached hereto as Attachment 7, Pages 38 to 48.

Resolution:

4. Election Matters

Proposal 1 (Proposed by the Board)

Proposal: To Elect 9 Directors (incl. 4 Independent Directors) for the Company's 11th Board of Directors. For your election.

Description: 1. The term of office for the incumbent directors of the Company will expire on August 26, 2024, and an early re-election of the directors at this general shareholders' meeting is hence proposed.

2. In accordance with Article 18 of the Company's Articles of Incorporation, a total of 9 directors (incl. 4 independent directors) shall be elected. The newly elected directors and independent directors shall assume office immediately following the adjournment of this shareholders' meeting, with the term of office for three years from May 31, 2024 to May 30, 2027.

3. The list of candidates for the Company's directors (incl. independent directors) have been reviewed and approved in the Board of Directors' meeting on March 12, 2024. The information of candidates including education, experience, shareholding, etc. is attached hereto as Attachment 8, Pages 49 to 50 of this Handbook.

4. This election is handled in accordance with the Company's "Procedures for Election of Directors", attached hereto as Appendix 3, Pages 61 to 63 of this Handbook.

Resolution:

5. Other Proposals

Proposal 1 (Proposed by the Board)

Proposal: To Discuss the Release of Prohibition on New Directors and Their Representatives from Participation in Competitive Business. For your discussion.

Description: 1. In accordance with Article 209, Paragraph 1 of the Company Act, "a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval".

2. In accordance with Article 209, Paragraph 1 of the Company Act, the Board hereby proposed to the shareholders' meeting the release of prohibitions on new directors and representatives on from participation in competitive businesses within the scope of business of the Company.

3. Details relating to release of prohibitions on the directors nominees submitted to this shareholders' meeting for approval are attached hereto as Attachment 9, Page 51 of this Handbook.

Resolution:

6. Extempore Motions

7. Adjournment

III. Attachments


 Quaser Machine Tools, Inc.
 Business Report

In 2024, the persisting regional wars have impacted international energy and transportation hubs, leading to a noticeable slowdown in global economic growth momentum. Global economic forecasts are generally revised downward compared to 2023. Furthermore, extreme weather events resulted from climate change have disrupted global supply chains. Business transformation is incorporated with high-tech elements and improved operational efficiency to ensure competitive edge and resilience, thereby realizing long-term development and sustainable operations as critical forces.

In response to the challenges of slow global economic growth and various risks, the Company has adopted an industry transformation and implemented lean policies over the past few years, including cost control, R&D of high-value-added products, and optimizing customer product portfolios, all of which have made significant progress. The Company have adhered to the core principles of VISION ENGINEERED & VISION MANUFACTURED, seeking solutions for new challenges, and have realized customers' visions by successfully developing design and manufacturing equipment for customers in the semiconductor and hydrogen fuel cell industries. During the pandemic which the aerospace and machine tool industries faced sharp recession, the Company has focused on diversifying operational risks, extending operations to the hydrogen fuel cell, semiconductor, and medical equipment industries, enabling Quaser to maintain stable growth despite the global downturn in the machine tool industry over the past two years. The Company will continue to infuse its brand spirit into products and the global market for enhanced international brand awareness; in the meantime, the Company continue to improve the work environment and talent retention policies to ensure the stability of human resources, enabling the Company to maintain competitiveness and revenue performance above peers amid economic fluctuations.

Overall, with the support of shareholders and the efforts of all employees in a dynamic environment, the Company achieved revenue growth in 2023 and maintained profitability at a certain degree. Hereby, we express our gratitude to all shareholders on behalf of the Board of Directors of Quaser Machine Tools, Inc. The company's 2023 business overview and 2024 business plans are briefed as follows.

1. Business Report of 2023

(1) Operating Performance of 2023 Business Plans

Unit: NT\$/ Thousand

Items	2023	2022	Growth Rate (%)
Consolidated Operating Revenue	2,770,750	2,583,957	7
Consolidated Gross Profit	776,670	653,945	19
Consolidated Operating Income	209,088	64,381	225
Basic Earnings per Share	2.02	1.98	2

Descriptions:

In 2023, the net consolidated operating revenue was NT\$2,770,750 thousand, increased by 7% compared to NT\$2,583,957 thousand in 2022. This growth was

primarily driven by customers in the semiconductor and hydrogen fuel cell markets; both appreciating EUR-USD exchange rate and tweaking in sales strategy into promoting high-end models have contributed to the gross margin growth in 2023 to 28%-an improved figure compared to that in previous years and the historical high since the Company's OTC listing; meanwhile, as the shipping cost for a majority of the transactions became born by the customers and the Company continued to control expenses, a YoY decrease in overall operating expenses by 4% has been achieved, resulting in the consolidated operating income for 2023 at NT\$209,088 thousand, a significant increase of 225% compared to NT\$64,381 thousand in 2022; however, while the USD and EUR exchange rates were stronger in 2023 than in 2022, they did not result in the significant exchange gains experienced in 2022, leading to a substantial reduction in non-operating income compared to the same period last year. As a result, the consolidated net profit after tax for 2023 was NT\$110,993 thousand, a 2% increase compared to NT\$108,881 thousand in 2022.

(2) Comparison of 2023 and 2022 Profitability:

Items	2023	2022
Ratio of Operating Income to Paid-in Capital (%)	38.05	11.72
Ratio of Pre-Tax Income to Paid-in Capital (%)	33.59	25.96
Profit Ratio (%)	4.01	4.21
Earnings per Share (NT\$)	2.02	1.98

The Company saw growth in a majority of the profitability indices in 2023 compared to those in 2022. The exception lies in the profit ratio, which experienced slight decline owing to increased income tax resulting from heightened corporate tax in UK as well as reduced imputation tax credit compared with the preceding year.

(3) R&D Status:

The ESG wave has fueled increased valuing and acceleration of the solid oxide fuel cell development amongst various nations. Among them, the electrode plays a crucial role, as it is adjacent to both the electrolyte and the connector in the fuel cell stack whilst reacting with the fuel gas and transferring electrons. Within such reactions, porosity and precision are relatively important. In 2023, the Company completed the fully automated production line for laser drilling and inspection, improving the efficiency of drilling from 25um diameter, 1,200 holes per second to 21um diameter, 2,000 holes per second. The fully automated inspection production line significantly enhances customer production efficiency. The Company will continue to engage in forward-looking technology and customized models to enhance product value and deepen the market's awareness of our new brand concept, establishing connections with world-class international manufacturers.

2. Operation Plans for 2024

Quaser serves as a foundry for globally renowned brands and actively evolves the own brand of Quaser/Winbro with its development strategy which attach equal attention to OEM/ODM and own brand, developing an innovative environment and exploring the opportunities for gaining new growth momentum.

(1) Manufacturing Strategies

1. In the midst of a global shortage of labor and skyrocketing labor costs, the establishment of automated production lines and the upgrade of Enterprise Resource Planning (ERP) systems are among the key focuses for the Company's future development.

2. In the era of geopolitical trends, the Company has established additional production facilities in mainland China to meet its domestic market demand and prepare for localized services.

(2) Sales Strategies

1. Optimizing global deployment, seeking strategic partnerships, actively expanding our business, and focusing on high-tech and high-growth markets.
2. Establishing regional technical application centers to provide more closely integrated post-sales services tailored to different regions and industries.

(3) R&D Strategies

1. Enhancing R&D capabilities in Europe and the United States in addition to the existing R&D teams in Taiwan and UK to realize customer visions in an expedited manner and address specialized demands from different industries.
2. Developing and designing in-house main spindles and other key components to enhance machine processing stability, differentiate and enhance the competitiveness of our products.
3. Adopting a development and design of new model led by our European branch incorporated with cross-border collaboration among R&D teams to leverage group synergies and better meet the needs of users in Europe.

(4) Future Development Strategies of the Company

In an unstable global environment where supply chains face challenges from war, energy shortages, currency tightening, and climate change, the Company continues to expand and deepen our presence in various industries to diversify operational risks.

1. Aerospace
2. Automotive
3. Metalworking
4. Hydrogen Fuel Cell
5. Medical Devices
6. Semiconductor

The Company continues to invest in smart machinery development and accelerate expansion into Eastern Europe to seize opportunities in supply chain restructuring. From product development to mass production and after-sales service, the Company implements carbon reduction concepts at every step while enhancing employee welfare and working environment, actively nurturing talents, and striving to build a sustainable business.

3. Impact of External Competitive Environment, Regulatory Environment, and Overall Operating Environment

In the past two years, the machine tool industry encountered heightened operating cost resulting from currency exchange rates, high inflation in major developed countries, global labor shortages, and significant increases in raw material costs. In the meantime, geopolitical factors and climate change have also increased the challenges of carbon reduction initiatives for businesses. Nevertheless, in recent years, the Company has devoted itself to smart machinery development, expansion into the hydrogen fuel cell industry, and the establishment of additional production facilities in mainland China, which have positioned us in the forefront of the trend to address various changes, ensuring sustainable operations and stable growth.

Chairman: Raui-Ming Shieh



General Manager: Tien-Hsin Hsieh



Accounting Manager: Yu-Hsin Lin



Audit Committee's Review Report

The Company's business report, financial statements and proposal for earnings distribution in 2023 prepared by the Board of Directors have been audited and attested by CPAs Chun-Yuan Wu and Tzu-Hsin Chang of KPMG Taiwan, with an audit report issued. The aforesaid business report along with financial statements and proposal for earnings distribution has been reviewed and determined to be correct and accurate by the Audit Committee, with this Audit Committee Review Report proposed for review pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. For your review.

To

Quaser Machine Tools, Inc. 2024 Annual General Shareholders'
Meeting

Quaser Machine Tools, Inc.

Convener of Audit Committee: Xin-Liang Chen



March 12, 2024

Attachment 3

Quaser Machine Tools, Inc.

Comparison Table for the Company's "Ethical Corporate Management Best Practice Principles" before and after Amendment

Amendment Order	Article before Amendment	Article after Amendment	Effective Date	Remarks
1.	Article 2 (Prohibition against Unethical Conduct) directors, supervisors, managers, and employees of the Company or persons having substantial control over the Company.	Article 2 (Prohibition against Unethical Conduct) directors, supervisors, managers, <u>employees, and mandataries</u> of the Company or persons having substantial control over the Company.	March 12, 2024	Texts added with reference to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies".
2.	Article 5 The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	Article 5 The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith <u>and obtain approval from the board of directors</u> , and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	March 12, 2024	With reference to Paragraphs 3.7 and 5.1.1 of the ISO 37001 Anti-bribery management systems announced by the International Organization for Standardization (ISO) in October 2016, which the board of directors is responsible for "approving the organization's anti-bribery policy", this Article has been amended to provide that the Company's ethical corporate management policy be adopted by the board of directors.
3.	Article 6 (Prevention Programs) In the course of developing the prevention programs, the Company is advised to negotiate with staff, members of labor unions or other representative organizations and communicate with relevant stakeholder groups.	Article 6 (Prevention Programs) In the course of developing the prevention programs, the Company is advised to negotiate with staff, <u>labor unions members, important trading counterparties, or other stakeholders.</u>	March 12, 2024	Texts amended with reference to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies".
4.	Article 7 (Scope of Prevention Programs) When establishing the prevention programs, the Company shall analyze which business activities within their business scope which are possibly at a higher risk of being involved in an unethical conduct, and strengthen the preventive measures. The prevention programs adopted by the Company shall at least include preventive measures against the following: 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.	Article 7 (Scope of Prevention Programs) The Company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis. It is advisable for the Company to refer to prevailing domestic and foreign standards or guidelines in establishing the prevention programs, which shall at least include preventive measures against the following: 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Engaging in unfair competitive practices. 7. Damage directly or indirectly caused to the rights or interests,	March 12, 2024	1. Paragraph 1 of this Article amended with reference to Paragraph 4.5.1 "The organization shall undertake regular bribery risk assessment(s), which shall evaluate the suitability and effectiveness of the organization's existing controls to mitigate the assessed bribery risks (excerpted)" and Paragraph 4.5.2 "The organization shall establish criteria for evaluating its level of bribery risk (excerpted)" of ISO 37001. 2. To assist TWSE/TPEX listed companies in introducing management mechanism for the ethical corporate management and establishing its corporate culture concerning integrity (anti-bribery), there are general standards or indices at home and abroad for reference e.g. ISO 37001, GRI 205: 205: Anti-Corruption 2016, and Edition 3 of the "Business Principles for Countering Bribery" announced by Transparency International in 2013. Texts of Paragraph 2 herein are therefore amended.

		health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.		
5.	Article 8 (Commitment and Carry-Out) The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	Article 8 (Commitment and Carry-Out) <u>The Company shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u> The Company and its respective business group shall clearly specify in their rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities. <u>TWSE/TPEX listed companies shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.</u>	March 12, 2024	1. Paragraph 1 added. With reference to Paragraph 7.2.2.2, Section (c) which “such personnel, top management, and the governing body (if any), file a declaration (excerpted)” and Paragraph 7.2.2.1, Section (a) which “conditions of employment require personnel to comply with the anti-bribery policy (excerpted)” of ISO 37001. Employment agreements of the Company shall hence include and emphasize the ethical corporate management clauses. 2. The existing Paragraph 1 has been reordered to Paragraph 2. In response to addition of Paragraph 1 in this amendment, “a TWSE/TPEX listed company shall establish its corporate website” provided for in Article 3-3 of the Company’s Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds, and “a TPEX-listed company shall establish its corporate website” provided for in Article 4-1 of the “Regulations Governing the Filing of Information by Publicly Traded Companies Listed on the GreTai Securities Market with the Taiwan Stock Exchange Corporation” by the Taipei Exchange, it is hence suggested that a TWSE/TPEX listed company shall expressly announce its policies for ethical corporate management as well as the commitment to fulfill such policies by its board of directors and senior management. 3. Paragraph 3 added with reference to ISO 37001, which provides that policies, process and implementation status relating to a corporate’s anti-bribery management mechanism shall be documented and kept e.g. Paragraph 4.5.4 which “The organization shall retain documented information that demonstrates that the bribery risk assessment has been conducted (excerpted)”, Paragraph 5.2 which “The anti-bribery policy shall be available as documented information (excerpted)”, and Paragraph 7.3 concerning the retention of documents relating to procedure, its contents, time, and participants of anti-bribery trainings.
6.	None	Article 14 (Prohibition against Infringement of Intellectual Property Rights) The Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the Company’s internal operational procedures, and	March 12, 2024	Clauses added with reference to the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”.

		<p>contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.</p> <p>Article 15 (Prohibition against Unfair Competition Conducts)</p> <p>The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.</p> <p>Article 16 (Prevention on Product or Service from Damaging Stakeholders)</p> <p>In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.</p>		
7.	<p>Article 14 (Organization and Responsibilities)</p> <p>The board of directors of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, it is advisable that the Company establish a dedicated unit responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, which shall report to the board of directors on a regular basis.</p>	<p>Article 17 (Organization and Responsibilities)</p> <p>The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, the Company assigns its Management Section to establish and supervise the implementation of the ethical corporate management policies and prevention programs. The</p>	March 12, 2024	<p>Texts amended with reference to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies".</p>

		<p>Management Section shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once annually):</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational activities with respect to ethics policy. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. 6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures. 		
8.	<p>Article 17 (Accounting and Internal Control)</p> <p>The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. The Internal audit unit of the Company shall periodically examine the Company's compliance with the foregoing systems and prepare audit reports and submit the same to the board of directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</p>	<p>Article 20 (Accounting and Internal Control)</p> <p>The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. The internal audit unit of the Company shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary. The results of examination in the preceding paragraph shall be reported</p>	March 12, 2024	<p>1. Paragraph 2 herein amended with reference to Article 9.2 concerning internal audit of an anti-bribery management system (e.g. Paragraph 9.2.2, Section (a) which "The organization shall plan, establish, implement and maintain an audit programme(s), including the frequency, methods (excerpted)" and Section (b) which "The organization shall define the audit criteria and scope for each audit (excerpted)", Paragraph 9.2.3 which "these audits shall be reasonable, proportionate and risk-based", and Appendix A. 16.3 which "The selection of the sample can be risk-based (excerpted)").</p> <p>2. Paragraph 3 has been added with reference to Paragraph, Section (d) of ISO 37001 which "The organization shall ensure that the results of the audits are reported to relevant management, the anti-bribery compliance function, top management and, as appropriate, the governing body (if any) (excerpted)". Furthermore, in consideration of the framework, the texts "an audit report to</p>

		to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.		be submitted to the board of directors” of Paragraph 2 and reporting procedure after examination by the internal audit unit have been revised and reordered to this Paragraph.
9.	Article 18 (Operational Procedures and Guidelines)	Article 21 (Operational Procedures and Guidelines)	March 12, 2024	Modification to Article order.
10.	Article 19 (Training and Appraisal)	Article 22 (Training and Appraisal) <u>The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.</u>	March 12, 2024	Texts amended with reference to the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”.
11.	Article 20 (Whistle Blowing System) The Company shall provide a proper whistle blowing channel and properly keep confidential the whistle blowing information including the individual and the contents. The Company shall adopt a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company’s internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.	Article 23 (Whistle Blowing System) <u>The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</u> <u>1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the Company to submit reports.</u> <u>2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</u> <u>3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.</u> <u>4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</u> <u>5. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.</u> <u>6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</u> <u>7. Whistle-blowing incentive measures.</u> <u>When material misconduct or likelihood of material impairment to the TWSE/TPEx listed company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or supervisors in written form.</u>	March 12, 2024	1. Paragraph 1, Subparagraph 3 herein have been added, with existing Paragraph 1, Subparagraphs 3 to 6 reordered as Subparagraphs 4 to 7 with reference to Appendix A, Paragraph 18.8 of ISO 37001, which “the organization should implement appropriate follow up actions (excerpted)”. 2. For uniform terms, texts under Paragraphs 1 and 2 herein have undergone discretionary text amendments. 3. With reference to Paragraph 8.9, Section (c) of ISO 37001, which “the organization shall implement procedures which allow anonymous reporting (excerpted)”, Paragraph 1 herein has been amended and reordered to Section 5.

12.	<p>Article 20 (Whistle Blowing System) The Company shall provide a proper whistle blowing channel and properly keep confidential the whistle blowing information including the individual and the contents.</p> <p>The Company shall adopt a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.</p>	<p>Article 24 (Disciplinary and Appeal System) The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.</p>	March 12, 2024	Whistle blowing and discipline clauses have been separated with reference to Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
13.	<p>Article 21 (Information Disclosure) The Company shall also disclose the status of implementing ethical corporate management on the Company websites, annual reports, and prospectuses.</p>	<p>Article 25 (Information Disclosure) <u>The Company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy.</u> The Company shall <u>also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion</u> on the Company websites, annual reports, and prospectuses, <u>and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.</u></p>	March 12, 2024	Text description modified with reference to Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
14.	<p>Article 23 (Implementation) The ethical corporate management best practice principles of the Company shall be implemented after the board of directors grants the approval, and shall be sent to the independent directors and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.</p>	<p>Article 27 (Implementation) The ethical corporate management best practice principles of the Company shall be implemented after the board of directors grants the approval, and shall be sent to the independent directors and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended. When the Company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.</p>	March 12, 2024	Text description modified with reference to Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Independent Auditors' Report

To the Board of Directors of Quaser Machine Tools, Inc.:

Opinion

We have audited the consolidated financial statements of Quaser Machine Tools, Inc. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, 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 with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Assessment of goodwill impairment

Please refer to Note 4(m) for accounting policies, Note 5 for accounting assumptions, judgements and estimation uncertainty, and Note 6(g) for the assessment of goodwill impairment.

Description of key audit matter:

The Group's goodwill arising from the acquisition is significant. The assessment process of goodwill impairment requires identifying the cash-generating unit and estimation of the future cash flow of operation to determine the recoverable amount. We list the assessment as one of our key audit matters because it is significant uncertainty and contains the significant subjective judgment of the management.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included understanding and testing the Group's controls surrounding the impairment assessment and testing process; assessing whether there are impairment indications for the identified cash-generating units of the Group; understanding and assessing the appropriateness of the valuation model used by the management in the impairment assessment and the significant assumptions used to determine related assets' future cash flows projection and weighted-average cost of capital; retrospectively reviewing the accuracy of assumptions used in prior-period estimates and performing a sensitivity analysis of key assumptions and results; in addition to the above audit procedures,

appointing specialists to evaluate the appropriateness of the weighted-average cost of capital used and related assumptions; performing an inquiry of the management and identifying any event after the balance sheet date if able to affect the results of the impairment assessment; and assessing the adequacy of the Group's disclosures of its policy on impairment of goodwill and other related disclosures.

2. Revenue recognition

Refer to Note 4(o) for accounting policies and Note 6(s) for explanation of revenue.

Description of key audit matter:

Revenue is recognized when the control over a product has been transferred to the customer as specified in each individual contract with customers. In addition, the Group operates in an industry in which revenue is considered to be complex in determining the timing of revenue recognition. Consequently, this is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included understanding and testing the Group's controls surrounding revenue recognition; assessing whether appropriate revenue recognition policies are applied through comparison with accounting standards and understanding the Group's main revenue types, its related sales agreements, and sales terms; on a sample basis, inspecting contracts with customers or customers' orders and assessing whether the accounting treatment of the related contracts including sales terms is applied appropriately; performing a test of details of sales revenue and understanding the rationale for any identified significant sales fluctuations and any significant reversals of revenue through sales discounts and sales returns which incurred within a certain period before or after the balance sheet date; and assessing the adequacy of the Group's disclosures of its revenue recognition policy and other related disclosures.

Other Matter

Quaser Machine Tools, Inc. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the 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 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 (inclusive of the 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 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. Identified and assessed 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. Obtained 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. Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Concluded 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. Evaluated 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. Obtained sufficient and 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 communicated 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 identified 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.

The engagement partners on the audit resulting in this independent auditors' report are Chun-Yuan Wu and Tzu-Hsin Chang.

KPMG

Taipei, Taiwan (Republic of China)

March 12, 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the 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.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

QUASER MACHINE TOOLS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollar)

	December 31, 2023		December 31, 2022			December 31, 2023		December 31, 2022	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current assets:					Current liabilities:				
Cash and cash equivalents (Note 6(a))	\$ 838,416	22	900,149	23	Short-term borrowings (Note 6(i) and 8)	\$ 552,000	14	1,162,400	30
Notes receivable, net (Note 6(b))	30,571	1	23,269	1	Current contract liabilities (Note 6(s))	178,607	5	345,740	9
Trade receivable, net (Note 6(b))	660,222	17	490,699	12	Notes payable	171	-	162	-
Other receivables	16,930	-	22,016	1	Accounts payable	185,900	5	195,209	5
Current tax assets	13,509	-	12,811	-	Other payables (Note 6(k))	282,873	7	240,808	6
Inventories (Note 6(c))	1,058,751	28	1,157,309	30	Current tax liabilities	60,747	2	20,037	1
Other current assets (Note 6(h))	56,310	2	75,464	2	Current provisions (Note 6(n))	21,101	1	13,960	-
	<u>2,674,709</u>	<u>70</u>	<u>2,681,717</u>	<u>69</u>	Current lease liabilities (Note 6(j))	35,948	1	61,323	2
					Long-term borrowing, current portion (Note 6(l) and 8)	2,806	-	135,224	3
Non-current assets:					Other current liabilities	831	-	964	-
Investments accounted for using equity method (Note 6(d))	34,542	1	-	-		<u>1,320,984</u>	<u>35</u>	<u>2,175,827</u>	<u>56</u>
Property, plant and equipment (Note 6(e) and 8)	427,899	11	476,307	12	Non-Current liabilities:				
Right-of-use assets (Note 6(f))	126,048	3	149,684	4	Long-term borrowings (Note 6(l) and 8)	950,488	25	302,889	8
Intangible assets (Note 6(g))	164,671	4	187,873	5	Non-current provisions (Note 6(n))	4,668	-	4,106	-
Goodwill (Note 6(g))	298,732	8	298,780	8	Deferred tax liabilities (Note 6(p))	34,829	1	45,173	1
Deferred tax assets (Note 6(p))	79,192	2	93,222	2	Non-current lease liabilities (Note 6(j))	99,992	2	98,001	2
Net defined benefit assets (Note 6(o))	21,461	1	18,657	-		<u>1,089,977</u>	<u>28</u>	<u>450,169</u>	<u>11</u>
Other non-current assets (Note 6(h))	4,007	-	2,608	-	Total liabilities	<u>2,410,961</u>	<u>63</u>	<u>2,625,996</u>	<u>67</u>
	<u>1,156,552</u>	<u>30</u>	<u>1,227,131</u>	<u>31</u>					
					Equity attributable to owners of parent: (Note 6(q))				
Total assets	\$ 3,831,261	100	3,908,848	100	Common stock	549,500	14	549,500	14
					Capital surplus	820,363	22	880,109	22
					Unappropriated retained earnings (Accumulated deficit)	35,351	1	(136,598)	(3)
					Other Equity	15,086	-	(10,159)	-
					Total equity	<u>1,420,300</u>	<u>37</u>	<u>1,282,852</u>	<u>33</u>
					Total liabilities and equity	\$ 3,831,261	100	3,908,848	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

QUASER MACHINE TOOLS, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the Years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollar)

	2023		2022	
	Amount	%	Amount	%
Operating revenue (Note 6(s))	\$ 2,770,750	100	2,583,957	100
Operating costs (Note 6(c), (o) and 12)	1,994,080	72	1,930,012	75
Gross profit	776,670	28	653,945	25
Operating expenses (Note 6(o), (t) and 12):				
Selling expenses	148,170	5	158,673	6
Administrative expenses	331,273	12	357,442	14
Research and development expenses	77,771	3	69,394	3
Expected credit loss (Note 6(b))	10,368	-	4,055	-
	567,582	20	589,564	23
Operating income	209,088	8	64,381	2
Non-operating income and expenses (Note 6(u)):				
Interest income	11,384	-	1,427	-
Other income	2,676	-	26,509	1
Other gains and losses	(1,221)	-	83,765	3
Finance costs (Note 6 (j) and (m))	(37,262)	(1)	(33,449)	(1)
Share of loss of associates accounted for using equity method (Note 6 (d))	(75)	-	-	-
	(24,498)	(1)	78,252	3
Profit before income tax	184,590	7	142,633	5
Less: Income tax expenses (Note 6 (p))	73,597	3	33,752	1
Profit for the period	110,993	4	108,881	4
Other comprehensive income:				
Components of other comprehensive income that will not be reclassified to profit or loss:				
Gains (losses) on remeasurements of defined benefit plans (Note 6 (o))	1,513	-	6,805	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 6 (p))	(303)	-	(1,361)	-
	1,210	-	5,444	-
Components of other comprehensive income that will be reclassified to profit or loss:				
Exchange differences on translation of foreign financial statements	31,556	1	84,510	3
Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 6 (p))	(6,311)	-	(16,902)	-
	25,245	1	67,608	3
Other comprehensive income for the period, net of tax	26,455	1	73,052	3
Total comprehensive income	\$ 137,448	5	181,933	7
Earnings per share (NT Dollars) (Note 6(r))				
Basic earnings per share	\$ 2.02		1.98	
Diluted earnings per share	\$ 2.02		1.98	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
QUASER MACHINE TOOLS, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the Years ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan Dollar)

Equity attributable to owners of parent								
	Retained earnings						Other equity	
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total	Exchange differences on translation of foreign financial statements	Total equity
Balance at January 1, 2022	\$ 549,500	880,109	204,502	2,724	(458,149)	(250,923)	(77,767)	1,100,919
Profit for the period	-	-	-	-	108,881	108,881	-	108,881
Other comprehensive income for the period	-	-	-	-	5,444	5,444	67,608	73,052
Total comprehensive income for the period	-	-	-	-	114,325	114,325	67,608	181,933
Appropriation of earnings:								
Legal reserve used to offset accumulated deficits	-	-	(204,502)	-	204,502	-	-	-
Balance at December 31, 2022	\$ 549,500	880,109	-	2,724	(139,322)	(136,598)	(10,159)	1,282,852
Balance at January 1, 2023	\$ 549,500	880,109	-	2,724	(139,322)	(136,598)	(10,159)	1,282,852
Profit for the period	-	-	-	-	110,993	110,993	-	110,993
Other comprehensive income for the period	-	-	-	-	1,210	1,210	25,245	26,455
Total comprehensive income for the period	-	-	-	-	112,203	112,203	25,245	137,448
Appropriation of earnings:								
Capital surplus used to offset accumulated deficits	-	(59,746)	-	-	59,746	59,746	-	-
Balance at December 31, 2023	\$ 549,500	820,363	-	2,724	32,627	35,351	15,086	1,420,300

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
QUASER MACHINE TOOLS, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Years ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan Dollar)

	<u>2023</u>	<u>2022</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 184,590	142,633
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	133,268	174,427
Amortization expense	28,893	27,644
Expected credit loss	10,368	4,055
Net loss on financial assets or liabilities at fair value through profit or loss	-	286
Interest expense	37,262	33,449
Interest income	(11,384)	(1,427)
Share of loss of associates accounted for using equity method	75	-
Loss (gain) on disposal of property, plant and equipment	1,847	(936)
Unrealized foreign exchange loss (gain)	34,646	(48,247)
Loss on lease modification	-	3,347
Total adjustments to reconcile profit	<u>234,975</u>	<u>192,598</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes receivable	(7,311)	28,881
Increase in trade receivable	(210,868)	(59,157)
Decrease in other receivable	3,025	8,164
Decrease (increase) in inventories	88,731	(180,869)
Decrease (increase) in other current assets	19,597	(29,673)
Increase in net defined benefit assets	(1,291)	(1,063)
Total changes in operating assets	<u>(108,117)</u>	<u>(233,717)</u>
Changes in operating liabilities:		
Increase (decrease) in contract liabilities	(169,651)	58,156
Increase (decrease) in notes payable	9	(4,628)
Decrease in accounts payable	(9,838)	(104,027)
Increase in other payable	39,755	136,966
Increase in provisions	7,824	935
Decrease in other current liabilities	(133)	(12,937)
Total changes in operating liabilities	<u>(132,034)</u>	<u>74,465</u>
Total changes in operating assets and liabilities	<u>(240,151)</u>	<u>(159,252)</u>
Total adjustments	<u>(5,176)</u>	<u>33,346</u>

(Continued)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
QUASER MACHINE TOOLS, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Years ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan Dollar)

	2023	2022
Cash inflow generated from operations	179,414	175,979
Interest received	11,384	1,427
Interest paid	(35,360)	(33,121)
Income taxes refund (paid)	(39,786)	30,328
Net cash flows from (used in) operating activities	115,652	174,613
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(34,889)	-
Acquisition of property, plant and equipment	(34,767)	(23,452)
Proceeds from disposal of property, plant and equipment	901	16,638
Decrease (increase) in refundable deposits	(1,452)	785
Acquisition of intangible assets	(5,137)	(1,064)
Decrease in other non-current assets	31	31
Net cash flows from (used in) investing activities	(75,313)	(7,062)
Cash flows from (used in) financing activities:		
Increase in short-term loans	416,461	818,000
Decrease in short-term loans	(1,026,861)	(409,000)
Repayments of bonds	-	(4,800)
Proceeds from long-term borrowings	929,294	-
Repayments of long-term borrowings	(414,113)	(526,207)
Payments of lease liabilities	(34,242)	(33,647)
Net cash flows from (used in) financing activities	(129,461)	(155,654)
Effect of exchange rate changes on cash and cash equivalents	27,389	19,214
Net increase (decrease) in cash and cash equivalents	(61,733)	31,111
Cash and cash equivalents at beginning of period	900,149	869,038
Cash and cash equivalents at end of period	\$ 838,416	900,149

See accompanying notes to consolidated financial statements.

Independent Auditors' Report

To the Board of Directors of Quaser Machine Tools, Inc.:

Opinion

We have audited the financial statements of Quaser Machine Tools, Inc. (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, 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 Auditing and Attestation of Financial Statements by 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 of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Parent Company Only financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Assessment of investments accounted for using equity method impairment

Please refer to Note 4(m) for accounting policies, Note 5 for accounting assumptions, judgements and estimation uncertainty, and Note 6(d) for the assessment of investments accounted for using equity method impairment.

Description of key audit matter:

The carrying amount of investments accounted for using equity method-subsiidiary-Winbro Group UK Limited occupying 41% of the Company's total assets. The carrying amount includes goodwill and the amount is significant. Impairment assessment requires an estimate of the recoverable amount based on the investee company's forecast of future operations and discounted future cash flows projection. We list the assessment as one of our key audit matters because it is significant uncertainty and contains the significant subjective judgment of the management.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included understanding and testing the Company's controls surrounding the impairment assessment and testing process; assessing whether there are impairment indications for the identified cash-generating units of the Company; understanding and assessing the appropriateness of the valuation model used by the management in the impairment assessment and the significant assumptions used to determine related assets' future cash flows projection and weighted-average cost of capital; retrospectively reviewing the accuracy of assumptions used in prior-period estimates and performing a sensitivity analysis of key assumptions and results; in addition to the above audit procedures,

appointing specialists to evaluate the appropriateness of the weighted-average cost of capital used and related assumptions; performing an inquiry of the management and identifying any event after the balance sheet date if able to affect the results of the impairment assessment; and assessing the adequacy of the Company's disclosures of its policy on impairment of investments accounted for using equity method and other related disclosures.

2. Revenue recognition

Refer to Note 4(o) for accounting policies and Note 6(s) for explanation of revenue.

Description of key audit matter:

Revenue is recognized when the control over a product has been transferred to the customer as specified in each individual contract with customers. In addition, the Company operates in an industry in which revenue is considered to be complex in determining the timing of revenue recognition. Consequently, this is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included understanding and testing the Company's controls surrounding revenue recognition; assessing whether appropriate revenue recognition policies are applied through comparison with accounting standards and understanding the Company's main revenue types, its related sales agreements, and sales terms; on a sample basis, inspecting contracts with customers or customers' orders and assessing whether the accounting treatment of the related contracts including sales terms is applied appropriately; performing a test of details of sales revenue and understanding the rationale for any identified significant sales fluctuations and any significant reversals of revenue through sales discounts and sales returns which incurred within a certain period before or after the balance sheet date; and assessing the adequacy of the Company's disclosures of its revenue recognition policy and other related disclosures.

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 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (inclusive of 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 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 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. Identified and assessed 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. Obtained 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. Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Concluded 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. Evaluated 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 and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method 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 communicated 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 identified 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.

The engagement partners on the audit resulting in this independent auditors' report are Chun-Yuan Wu and Tzu-Hsin Chang.

KPMG

Taipei, Taiwan (Republic of China)

March 12, 2024

Notes to Readers

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

QUASER MACHINE TOOLS, INC.

Balance Sheets

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollar)

	December 31, 2023		December 31, 2022			December 31, 2023		December 31, 2022	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current assets:					Current liabilities:				
Cash and cash equivalents (Note 6(a))	\$ 369,855	11	422,530	13	Short-term borrowings (Note 6(i) and 8)	\$ 552,000	17	1,162,400	35
Notes receivable, net (Note 6(b))	30,571	1	20,624	1	Current contract liabilities (Note 6(s))	106,558	3	106,808	4
Trade receivable, net (Note 6(b))	258,366	8	211,528	6	Notes payable	171	-	162	-
Trade receivable due from related parties (note 7)	112,170	3	202,281	6	Accounts payable	132,671	4	134,457	4
Other receivables	2,803	-	5,777	-	Accounts payable due from related parties (note 7)	52,805	2	88,348	3
Other receivables due from related parties (note 7)	66,481	2	74,649	2	Other payables (Note 6(k))	43,913	1	39,573	1
Current tax assets	80	-	80	-	Other payables due from related parties (note 7)	5,562	-	3,027	-
Inventories (Note 6(c))	543,230	16	642,302	19	Current tax liabilities	24,270	1	-	-
Other current assets (Note 6(h))	20,678	1	45,245	2	Current provisions (Note 6(n))	8,143	-	8,838	-
	<u>1,404,234</u>	<u>42</u>	<u>1,625,016</u>	<u>49</u>	Current lease liabilities (Note 6(j))	3,740	-	2,141	-
					Long-term borrowing, current portion (Note 6(l) and 8)	2,806	-	135,224	4
					Other current liabilities	831	-	964	-
						<u>933,470</u>	<u>28</u>	<u>1,681,942</u>	<u>51</u>
Non-current assets:					Non-Current liabilities:				
Investments accounted for using equity method (Note 6(d))	1,629,490	49	1,411,531	43	Long-term borrowings (Note 6(l) and 8)	950,488	29	302,889	9
Property, plant and equipment (Note 6(e) and 8)	167,122	5	147,349	4	Non-current provisions (Note 6(n))	4,668	-	4,106	-
Right-of-use assets (Note 6(f))	8,275	-	5,126	-	Deferred tax liabilities (Note 6(p))	4,727	-	10,346	-
Intangible assets (Note 6(g))	5,581	-	6,397	-	Non-current lease liabilities (Note 6(j))	4,322	-	2,807	-
Deferred tax assets (Note 6(p))	79,192	3	93,222	3	Credit balance for investments accounted for using the equity method (Note 6(d))	-	-	24,906	1
Refundable deposits	2,620	-	2,550	-		<u>964,205</u>	<u>29</u>	<u>345,054</u>	<u>10</u>
					Total liabilities	<u>1,897,675</u>	<u>57</u>	<u>2,026,996</u>	<u>61</u>
Net defined benefit assets (Note 6(o))	21,461	1	18,657	1					
	<u>1,913,741</u>	<u>58</u>	<u>1,684,832</u>	<u>51</u>	Equity: (Note 6(q))				
					Common stock	549,500	17	549,500	17
					Capital surplus	820,363	25	880,109	26
					Unappropriated retained earnings (Accumulated deficit)	35,351	1	(136,598)	(4)
					Other Equity	15,086	-	(10,159)	-
					Total equity	<u>1,420,300</u>	<u>43</u>	<u>1,282,852</u>	<u>39</u>
Total assets	<u>\$ 3,317,975</u>	<u>100</u>	<u>3,309,848</u>	<u>100</u>	Total liabilities and equity	<u>\$ 3,317,975</u>	<u>100</u>	<u>3,309,848</u>	<u>100</u>

See accompanying notes to parent company only financial statements.

QUASER MACHINE TOOLS, INC.**Statements of Comprehensive Income****For the Years ended December 31, 2023 and 2022****(Expressed in thousands of New Taiwan Dollar)**

	2023		2022	
	Amount	%	Amount	%
Operating revenue (Note 6(s) and 7)	\$ 1,310,822	100	1,622,274	100
Operating costs (Note 6(c), (o), 7 and 12)	1,040,764	79	1,324,518	82
Gross profit	270,058	21	297,756	18
Realized (Unrealized) Profit or loss from sales	1,929	-	(29,964)	(2)
Gross profit, net	271,987	21	267,792	16
Operating expenses (Note 6(o), (t) and 12):				
Selling expenses	66,608	5	101,130	6
Administrative expenses	91,256	7	87,554	6
Research and development expenses	25,190	2	23,194	1
Expected credit loss (Note 6(b))	957	-	781	-
	184,011	14	212,659	13
Operating income	87,976	7	55,133	3
Non-operating income and expenses (Note 6(u)):				
Interest income	5,009	-	1,157	-
Other income	6,972	1	14,015	1
Other gains and losses	16,137	1	82,875	5
Finance costs (Note 6 (j) and (m))	(32,416)	(3)	(28,008)	(1)
Share of profit of associates accounted for using equity method	53,884	4	13,682	1
	49,586	3	83,721	6
Profit before income tax	137,562	10	138,854	9
Less: Income tax expenses (Note 6 (p))	26,569	2	29,973	2
Profit for the period	110,993	8	108,881	7
Other comprehensive income:				
Components of other comprehensive income that will not be reclassified to profit or loss:				
Gains (losses) on remeasurements of defined benefit plans (Note 6 (o))	1,513	-	6,805	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 6 (p))	(303)	-	(1,361)	-
	1,210	-	5,444	-
Components of other comprehensive income that will be reclassified to profit or loss:				
Exchange differences on translation of foreign financial statements	31,556	2	84,510	5
Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 6 (p))	(6,311)	-	(16,902)	(1)
	25,245	2	67,608	4
Other comprehensive income for the period, net of tax	26,455	2	73,052	4
Total comprehensive income	\$ 137,448	10	181,933	11
Earnings per share (NT Dollars) (Note 6(r))				
Basic earnings per share	\$ 2.02		1.98	
Diluted earnings per share	\$ 2.02		1.98	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

QUASER MACHINE TOOLS, INC.
Statements of Changes in Equity
For the Years ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan Dollar)

	Retained earnings						Other equity	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total	Exchange differences on translation of foreign financial statements	
Balance at January 1, 2022	\$ 549,500	880,109	204,502	2,724	(458,149)	(250,923)	(77,767)	1,100,919
Profit for the period	-	-	-	-	108,881	108,881	-	108,881
Other comprehensive income for the period	-	-	-	-	5,444	5,444	67,608	73,052
Total comprehensive income for the period	-	-	-	-	114,325	114,325	67,608	181,933
Appropriation of earnings:								
Legal reserve used to offset accumulated deficits	-	-	(204,502)	-	204,502	-	-	-
Balance at December 31, 2022	\$ 549,500	880,109	-	2,724	(139,322)	(136,598)	(10,159)	1,282,852
Balance at January 1, 2023	\$ 549,500	880,109	-	2,724	(139,322)	(136,598)	(10,159)	1,282,852
Profit for the period	-	-	-	-	110,993	110,993	-	110,993
Other comprehensive income for the period	-	-	-	-	1,210	1,210	25,245	26,455
Total comprehensive income for the period	-	-	-	-	112,203	112,203	25,245	137,448
Appropriation of earnings:								
Capital surplus used to offset accumulated deficits	-	(59,746)	-	-	59,746	59,746	-	-
Balance at December 31, 2023	\$ 549,500	820,363	-	2,724	32,627	35,351	15,086	1,420,300

See accompanying notes to parent company only financial statements.

QUASER MACHINE TOOLS, INC.**Statements of Cash Flows****For the Years ended December 31, 2023 and 2022****(Expressed in thousands of New Taiwan Dollar)**

	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 137,562	138,854
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	14,644	14,807
Amortization expense	2,346	2,025
Expected credit loss	957	781
Net loss on financial assets or liabilities at fair value through profit or loss	-	286
Interest expense	32,416	28,008
Interest income	(5,009)	(1,157)
Share of profit of associates accounted for using equity method	(53,884)	(13,682)
Gain on disposal of property, plant and equipment	(34)	(189)
Unrealized profit or loss from sales	(1,929)	29,964
Unrealized foreign exchange loss (gain)	31,473	(48,246)
Total adjustments to reconcile profit	20,980	12,597
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes receivable	(9,947)	28,648
Decrease (increase) in trade receivable (including from related parties)	19,951	(166,219)
Decrease in other receivable (including from related parties)	8,916	7,739
Decrease in inventories	91,389	7,427
Decrease (increase) in other current assets	24,349	(8,701)
Increase in net defined benefit assets	(1,291)	(1,063)
Total changes in operating assets	133,367	(132,169)
Changes in operating liabilities:		
Increase (decrease) in contract liabilities	(250)	50,014
Increase (decrease) in notes payable	9	(4,628)
Decrease in accounts payable (including from related parties)	(36,655)	(18,436)
Increase in other payable (including from related parties)	4,799	3,556
Increase (decrease) in provisions	(133)	1,570
Decrease in other current liabilities	(133)	(8,719)
Total changes in operating liabilities	(32,363)	23,357
Total changes in operating assets and liabilities	101,004	(108,812)
Total adjustments	121,984	(96,215)

(Continued)

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

QUASER MACHINE TOOLS, INC.

Statements of Cash Flows

For the Years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollar)




	2023	2022
Cash inflow generated from operations	259,546	42,639
Interest received	5,009	1,157
Interest paid	(30,514)	(27,681)
Income taxes refund (paid)	(502)	2,739
Net cash flows from (used in) operating activities	233,539	18,854
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(155,496)	-
Acquisition of property, plant and equipment	(23,721)	(2,899)
Proceeds from disposal of property, plant and equipment	34	189
Decrease (increase) in refundable deposits	(70)	784
Acquisition of intangible assets	(1,530)	(995)
Net cash flows from (used in) investing activities	(180,783)	(2,921)
Cash flows from (used in) financing activities:		
Increase in short-term loans	416,461	818,000
Decrease in short-term loans	(1,026,861)	(409,000)
Repayments of bonds	-	(4,800)
Proceeds from long-term borrowings	929,294	-
Repayments of long-term borrowings	(414,113)	(517,106)
Payments of lease liabilities	(2,830)	(3,069)
Net cash flows from (used in) financing activities	(98,049)	(115,975)
Effect of exchange rate changes on cash and cash equivalents	(7,382)	26,463
Net decrease in cash and cash equivalents	(52,675)	(73,579)
Cash and cash equivalents at beginning of period	422,530	496,109
Cash and cash equivalents at end of period	\$ 369,855	422,530

See accompanying notes to parent company only financial statements.

Quaser Machine Tools, Inc.
2023 Earnings Distribution Table

Unit: NT\$

Items	Amount
Undistributed earnings (losses to be made up) at the beginning of the year	(79,576,570)
Remeasurement of defined benefit plans recognized in retained earnings	1,210,223
Undistributed earnings (losses to be made up) after adjustment	(78,366,347)
Net profit for the current period	110,993,251
10% legal reserve	(3,262,690)
Reversal (recognition) of special reserve	0
Distributable earnings for the year	29,364,214
Distribution Items:	
Cash Dividend (NT\$0.534 per Share)	(29,343,300)
Undistributed earnings at the end of the year	20,914

Chairman: Raui-Mu Shieh  General Manager: Tien Hsin Hsieh  Accounting Manager: Yuh Hsin Lin 

Attachment 6

Comparison Table for the Company's "Articles of Incorporation" before and after Amendment

Before Amendment	After Amendment	Remarks
<p>Article 10</p> <p>Except as otherwise provided in laws and regulations or securities regulation, stock affairs of the Company stocks by shareholders of the Company shall be conducted in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies".</p>	<p>Article 10</p> <p>Except as otherwise provided in laws and regulations or securities regulation, stock affairs of the Company stocks by shareholders of the Company shall be conducted in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies".</p>	<p>Chinese article amended in accordance with regulation name change.</p>
<p>Article 12</p> <p>Shareholders' meeting shall be of the following two kinds:</p> <p>1. Regular meeting of shareholders: to be held at least once every year within six months after close of each fiscal year; and</p> <p>2. Special meeting of shareholders: to be held when necessary. The notice for convening a shareholders' meeting as mentioned in the preceding paragraph shall be conducted in accordance with Article 172 of the Company Act. A shareholders meeting shall, unless otherwise provided for in the Company Act, be convened by the board of directors.</p>	<p>Article 12</p> <p>Shareholders' meeting shall be of the following two kinds:</p> <p>1. Regular meeting of shareholders: to be held <u>by the board of directors</u> at least once every year within six months after close of each fiscal year; and</p> <p>2. Special meeting of shareholders: to be held when necessary. <u>Shareholders' meetings of the Company can be held by means of visual communication network or other methods promulgated by the central competent authority.</u></p>	<p>For flexibility in convening shareholders' meetings, this article has been amended per Article 172-2, Paragraph 1 of the Company Act and Article 44-9, Paragraph 3 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</p>
<p>Article 16</p> <p>Resolutions at a shareholders' meeting shall, unless otherwise provided for in relevant laws and regulations, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares; in addition, voting rights may be exercised in correspondence or by electronic means in accordance with relevant laws and regulations.</p>	<p>Article 16</p> <p>Resolutions at a shareholders' meeting shall, unless otherwise provided for in <u>the Company Act</u>, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. In accordance with the regulations of the competent authority, <u>a shareholder of the Company may exercise his/her voting power as a shareholder in writing or by way of electronic transmission. A shareholder who exercises his/her/its voting power at a shareholders meeting in writing or by way of electronic transmission shall be deemed to</u></p>	<p>For flexibility in convening shareholders' meetings, this article has been amended per Public Announcement No. Securities-GTSM-Supervision-11100543771 of the GreTai Securities Market</p>

Before Amendment	After Amendment	Remarks
	<p><u>have attended the said shareholders' meeting in person, and it is advisable that relevant affairs be conducted in accordance with the law.</u></p> <p><u>Where a board of directors meeting is held via tele- or video conferencing, the audio and visual documentation of the meeting form a part of the meeting minutes and shall be well preserved during the existence of the Company.</u></p>	
<p>Article 23</p> <p>Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. If a director is unable to attend the board meeting, he/she should issue a letter of proxy to another director by specifying the scope of authorization so that the authorized director can attend and exercise the voting right on behalf of the absent director within the scope of authorization; however, a director may accept a proxy from one person only.</p>	<p>Article 23</p> <p>Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. If a director is unable to attend the board meeting, he/she should issue a letter of proxy to another director by specifying the scope of authorization so that the authorized director can attend and exercise the voting right on behalf of the absent director within the scope of authorization; however, a director may accept a proxy from one person only.</p> <p><u>In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.</u></p>	Amended in accordance with Article 205 of the Company Act.
<p>Article 30</p> <p>If there is a profit after tax in after closing of accounts, the Company shall make distributions in the following order:</p> <ol style="list-style-type: none"> 1. Complete taxation in accordance with the law; 2. Make up the losses for the preceding years; 3. Set aside a legal reserve of 10% of the net profit; 4. Set aside another sum as special reserve or make reversals thereof; 5. Deleted; 6. Deleted; 7. If there are still earnings after the aforesaid distribution, a proposal for distribution of such earnings combined with cumulative undistributed earnings may be proposed by the 	<p>Article 30</p> <p>If there is a profit after tax in after closing of accounts, <u>the Company shall first complete taxation in accordance with the law, and then make up the losses for the preceding years, set aside a legal reserve of 10% of the net profit. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. Aside from the aforesaid legal reserve, the Company may, under its regulations, set aside another sum as special reserve or make reversals thereof; if there are still earnings after the aforesaid distribution, a proposal for distribution of such earnings combined with cumulative undistributed earnings may be proposed by the Board of Directors. Where such distribution is to be made in the form of new share issuance, a proposal shall</u></p>	Amended in accordance with Article 240 of the Company Act.

Before Amendment	After Amendment	Remarks
Board of Directors and submit to the shareholders' meeting for resolution and distribution. The shareholders eligible for the distributed shareholders' dividend shall be limited to those listed on the shareholders' roster as of the record date for the dividend.	<u>be submitted to the shareholders' meeting for resolution and distribution.</u> <u>The Board of Directors under authorization of the Company in accordance with the law shall have the legal reserves and capital reserves as prescribed in Article 241, Paragraph 1 of the Company Act paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.</u> The shareholders eligible for the distributed shareholders' dividend shall be limited to those listed on the shareholders' roster as of the record date for the dividend.	
Article 30-1 Where the Company distributes dividend, such distribution may be made in cash or new shares based on the earnings status and overall industry circumstances, provided that the distribution in cash dividend is not lower than sixty percent of the total dividend distributed for the year; <u>however, such distribution may be adjusted by the shareholders' meeting in accordance with the actual profiting and operation situation for the year.</u>	Article 30-1 <u>The Company shall make distribution of dividend with a total amount no lower than ten percent of the earnings distributable for the year based on the overall circumstances and growth characteristics of the industry, in consideration of the Company's profiting status and future operation needs, with the sustainable operations of the Company as objective and shareholders' equity and the Company's long-term financial planning taken into account.</u> Where the Company distributes dividend, such distribution may be made in cash or new shares based on the earnings status and overall industry circumstances, provided that the distribution in cash dividend is not lower than sixty percent of the total dividend distributed for the year.	Amended in accordance with Article 11, Paragraph 1, Subparagraph 6 of the Regulations Governing Information to be Published in Annual Reports of Public Companies and Article 240 of the Company Act.
Article 35 These Articles of Incorporations were agreed to and signed on May 7, 1991. 1 st Amendment was made on October 18, 1991; 2 nd Amendment was made on February 6, 1992; 3 rd Amendment was made on October 18, 1993; 4 th Amendment was made on November 15, 1995; 5 th Amendment was made on September 20, 1996;	Article 35 These Articles of Incorporations were agreed to and signed on May 7, 1991. 1 st Amendment was made on October 18, 1991; 2 nd Amendment was made on February 6, 1992; 3 rd Amendment was made on October 18, 1993; 4 th Amendment was made on November 15, 1995; 5 th Amendment was made on September 20, 1996;	Added amendment date.

Before Amendment	After Amendment	Remarks
6 th Amendment was made on November 5, 1998; 7 th Amendment was made on June 29, 1999; 8 th Amendment was made on March 5, 2001; 9 th Amendment was made on July 18, 2001; 10 th Amendment was made on September 24, 2002; 11 th Amendment was made on June 19, 2003; 12 th Amendment was made on June 26, 2006; 13 th Amendment was made on June 27, 2007; 14 th Amendment was made on January 7, 2008; 15 th Amendment was made on June 28, 2013; 16 th Amendment was made on June 27, 2014; 17 th Amendment was made on June 9, 2015; 18 th Amendment was made on January 22, 2016; 19 th Amendment was made on August 2, 2016; 20 th Amendment was made on May 16, 2018; 21 st Amendment was made on August 16, 2019; 22 nd Amendment was made on June 19, 2020; 23 rd Amendment was made on June 16, 2022.	6 th Amendment was made on November 5, 1998; 7 th Amendment was made on June 29, 1999; 8 th Amendment was made on March 5, 2001; 9 th Amendment was made on July 18, 2001; 10 th Amendment was made on September 24, 2002; 11 th Amendment was made on June 19, 2003; 12 th Amendment was made on June 26, 2006; 13 th Amendment was made on June 27, 2007; 14 th Amendment was made on January 7, 2008; 15 th Amendment was made on June 28, 2013; 16 th Amendment was made on June 27, 2014; 17 th Amendment was made on June 9, 2015; 18 th Amendment was made on January 22, 2016; 19 th Amendment was made on August 2, 2016; 20 th Amendment was made on May 16, 2018; 21 st Amendment was made on August 16, 2019; 22 nd Amendment was made on June 19, 2020; 23 rd Amendment was made on June 16, 2022; 24 th Amendment was made on May 31, 2024.	

Attachment 7

Quaser Machine Tools, Inc.

Comparison Table for the Company's "Rules of Procedure for Shareholders Meetings" before and after Amendment

Amendment Order	Article before Amendment	Article after Amendment	Effective Date	Remarks
1	None.	<p>Article 8-1:</p> <p>The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.</p> <p>The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p>	June 9, 2015	New Article.
2	<p>Article 3</p> <p>Paragraph 1 omitted.</p> <p>The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, the election or dismissal of directors or supervisors, or the supervisor matters and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting.</p> <p>The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and its professional shareholder services agent, and the said materials shall be distributed on site at the shareholders' meeting.</p> <p>Paragraph 3 omitted.</p> <p>Election or dismissal 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 competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, and Articles 26-1 and 43-6 of the Securities Exchange Act shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting.</p>	<p>Article 3</p> <p>Paragraph 1 omitted.</p> <p>The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, the election or dismissal of directors or supervisors, or the supervisor matters and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting.</p> <p>The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and <u>the professional shareholder services agent designated thereby</u>, and the said materials shall be distributed on site at the shareholders' meeting.</p> <p>Paragraph 3 omitted.</p> <p>Election or dismissal 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 competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, <u>Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers</u> shall be set out and the essential contents explained in the notice of</p>	June 9, 2015	<p>1. Texts of Paragraph 2 herein amended in accordance with Article 6, Paragraph 1 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies".</p> <p>2. Texts of Paragraph 4 herein amended in accordance with Articles 56-1 and 60-2 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers".</p>

Amendment Order	Article before Amendment	Article after Amendment	Effective Date	Remarks
	None of the above matters may be raised by an extraordinary motion. Remaining paragraphs omitted.	the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. Remaining paragraphs omitted.		
3	Article 6 Paragraphs 1 and 2 omitted Shareholders themselves or their proxies (collectively “shareholders”) shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification. Remaining paragraphs omitted.	Article 6 Paragraphs 1 and 2 omitted Shareholders themselves or their proxies (collectively “shareholders”) shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. <u>The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders.</u> Solicitors soliciting proxy forms shall also bring identification documents for verification. Remaining paragraphs omitted.	June 9, 2015	Paragraph 3 herein amended in accordance with Article 6, Paragraph 1 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”.
4	Article 7 Paragraphs 1 and 2 omitted It is advisable that shareholders meetings convened by the board of directors be attended by a majority of the directors. Remaining paragraphs omitted.	Article 7 Paragraphs 1 and 2 omitted It is advisable that shareholders meetings convened by the board of directors be <u>chaired by the chairperson of the board in person and</u> attended by a majority of the directors, <u>at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.</u> Remaining paragraphs omitted.	June 9, 2015	Paragraph 3 herein amended in accordance with Paragraphs 6 (has the Company disclosed the list of attending directors in the meeting minutes of its regular shareholders’ meetings) and Paragraph 7 (has the chairman and audit committee member(s) (or supervisor(s)) attended the Company’s regular shareholders’ meetings) of our country’s corporate governance evaluation indicators and Article 6, Paragraph 2 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”.
5	Article 3: The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, the election or dismissal of directors or supervisors, <u>or the supervisor matters</u> and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting.	Article 3: The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting.	August 2, 2016	Amended in response to the establishment of the Company’s Audit Committee.

Amendment Order	Article before Amendment	Article after Amendment	Effective Date	Remarks
	Election or dismissal of directors <u>or supervisors</u> , amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.	Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.		
6	Article 13: The election of directors <u>or supervisors</u> at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors <u>and supervisors</u> and the numbers of votes with which they were elected, and the names of directors <u>and supervisors</u> not elected and number of votes they received.	Article 13: The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.	August 2, 2016	Amended in response to the establishment of the Company's Audit Committee.
7	Article 3: Paragraphs 1, 3 and 4 omitted. The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby, <u>and the said materials shall be distributed on site at the shareholders' meeting.</u> Remaining paragraphs omitted.	Article 3: Paragraphs 1, 6, 7, 8 and 9 omitted. <u>Unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its board of directors if to convene a shareholders' meeting with video conferencing. Furthermore, convening of a virtual-only shareholders' meeting shall require a resolution adopted by a majority vote at a meeting of the board of directors attended by at least two-thirds of the total number of directors.</u> <u>Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</u> The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and	May 31, 2024	Amended in response to availability of virtual-only shareholders' meetings.

Amend ment Order	Article before Amendment	Article after Amendment	Effective Date	Remarks
		<p>the professional shareholder services agent designated thereby, and the said materials shall be distributed on site at the shareholders' meeting. <u>This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</u></p> <p><u>1. For physical shareholders meetings, to be distributed on-site at the meeting.</u></p> <p><u>2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u></p> <p><u>3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</u></p> <p><u>Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.</u></p> <p><u>A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.</u></p> <p>Remaining paragraphs omitted.</p>		
8	Article 4: Paragraphs 1 to 3 omitted.	<p>Article 4: Paragraphs 1 to 3 omitted.</p> <p><u>If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u></p>	May 31, 2024	Amended in response to availability of virtual-only shareholders' meetings.
9	Article 5: Paragraph 1 omitted.	<p>Article 5: Paragraph 1 omitted.</p> <p><u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.</u></p>	May 31, 2024	Amended in response to availability of virtual-only shareholders' meetings.
10	<p>Article 6: The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>Shareholders themselves or their proxies (collectively "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors</u></p>	<p>Article 6: The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, <u>solicitors and proxies (collectively "shareholders")</u> will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u></p>	May 31, 2024	Amended in response to availability of virtual-only shareholders' meetings.

Amendment Order	Article before Amendment	Article after Amendment	Effective Date	Remarks
	<p>soliciting proxy forms shall also bring identification documents for verification.</p> <p>The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors <u>or supervisors</u>, pre-printed ballots shall also be furnished.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p>	<p>Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p> <p><u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.</u></p> <p><u>In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>		
11	None.	<p><u>Article 6-1</u></p> <p><u>To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:</u></p> <p><u>1. How shareholders attend the virtual meeting and exercise their rights.</u></p> <p><u>2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u></p> <p><u>(1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u></p> <p><u>(2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u></p> <p><u>(3) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all</u></p>	May 31, 2024	Article added in response to availability of virtual-only shareholders' meetings.

Amendment Order	Article before Amendment	Article after Amendment	Effective Date	Remarks
		<p><u>proposals on meeting agenda of that shareholders meeting.</u></p> <p><u>(4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></p> <p><u>3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</u></p>		
12	<p>Article 7: Paragraphs 1 and 2 omitted It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one <u>supervisor</u> in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes. Remaining paragraphs omitted.</p>	<p>Article 7: Paragraphs 1 and 2 omitted It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one <u>independent director</u> in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes. Remaining paragraphs omitted.</p>	May 31, 2024	
13	<p>Article 8: Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. Remaining paragraphs omitted.</p>	<p>Article 8: Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, <u>and the shares checked in on the virtual meeting platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time <u>and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.</u> However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. <u>In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.</u> If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.</u> Remaining paragraphs omitted.</p>	May 31, 2024	Amended in response to availability of virtual-only shareholders' meetings.
14	<p>Article 8-1: Paragraphs 1 and 2 omitted</p>	<p>Article 8-1: Paragraphs 1 and 2 omitted <u>Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without</u></p>	May 31, 2024	Amended in response to availability of virtual-only shareholders' meetings.

Amendment Order	Article before Amendment	Article after Amendment	Effective Date	Remarks
		<u>interruption, the proceedings of the virtual meeting from beginning to end.</u> <u>The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u> <u>In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u>		
15	Article 9: If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. Paragraphs 2 and 3 omitted. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, and call for a vote.	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 <u>each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda).</u> The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. Paragraphs 2 and 3 omitted. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, <u>and schedule sufficient time for voting.</u>	May 31, 2024	Amended in accordance with laws and regulations in effect.
16	Article 10: Paragraphs 1 to 6 omitted.	Article 10: Paragraphs 1 to 6 omitted. <u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.</u> <u>As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</u>	May 31, 2024	Amended in response to availability of virtual-only shareholders' meetings.
17	Article 12: Paragraphs 1, 3, 6, 7 and 8 omitted. When the Company holds a shareholder meeting, it may adopt exercise of voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders	Article 12: Paragraphs 1, 3, 6, 7 and 8 omitted. When the Company holds a shareholder meeting, it may adopt exercise of voting rights by <u>electronic means</u> or <u>correspondence</u> . When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders	May 31, 2024	Amended in response to availability of virtual-only shareholders' meetings.

Amendment Order	Article before Amendment	Article after Amendment	Effective Date	Remarks
	<p>meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, <u>if the chair puts the matter before all shareholders present at the meeting and none voices an objection, the matter is deemed approved, with effect equivalent to a vote.</u></p>	<p>meeting in person <u>or online</u>, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, <u>for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting. In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately. When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>		
18	<p>Article 14: Paragraphs 1 and 2 omitted. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations <u>and their results</u>. The minutes shall be retained for the duration of the existence of the Company.</p>	<p>Article 14: Paragraphs 1 and 2 omitted. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their <u>voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an</u></p>	May 31, 2024	Amended in response to availability of virtual-only shareholders' meetings.

Amendment Order	Article before Amendment	Article after Amendment	Effective Date	Remarks
		<p><u>election of directors. The minutes shall be retained for the duration of the existence of the Company.</u></p> <p><u>Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</u></p> <p><u>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.</u></p>		
19	<p>Article 15:</p> <p>On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.</p> <p>Remaining paragraphs omitted.</p>	<p>Article 15:</p> <p>On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, <u>the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p> <p><u>During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting</u></p> <p>Remaining paragraphs omitted.</p>	May 31, 2024	Amended in response to availability of virtual-only shareholders' meetings.
20	None.	<p>Article 18:</p> <p>In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</p>	May 31, 2024	Article added in response to availability of virtual-only shareholders' meetings.
21	None.	<p>Article 19:</p> <p>When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</p>	May 31, 2024	Article added in response to availability of virtual-only shareholders' meetings.
22	None.	<p>Article 20:</p> <p>In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</p> <p>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a</p>	May 31, 2024	Article added in response to availability of virtual-only shareholders' meetings.

Amendment Order	Article before Amendment	Article after Amendment	Effective Date	Remarks
		<p>meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</p> <p>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.</p> <p>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</p> <p>During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</p> <p>When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</p> <p>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</p> <p>When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</p> <p>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article</p>		

Amendment Order	Article before Amendment	Article after Amendment	Effective Date	Remarks
		44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.		
23	None.	Article 21: To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. Except for the circumstances stipulated in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide shareholders with at least the necessary equipment for communication and assistance, and specify the period during which shareholders may apply to the Company and other relevant matters to be noted.	May 31, 2024	Article added in response to availability of virtual-only shareholders' meetings.
24	Article 18 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner. These Rules were agreed to and signed on August 5, 2014. 1 st amendment was made on June 9, 2015; 2 nd amendment was made on August 2, 2016.	<u>Article 22:</u> These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner. These Rules were agreed to and signed on August 5, 2014. 1 st amendment was made on June 9, 2015; 2 nd amendment was made on August 2, 2016; 3 rd amendment was made on May 31, 2024.	May 31, 2024	Article added in response to availability of virtual-only shareholders' meetings.

Attachment 8

Quaser Machine Tools, Inc.

List of Candidates for the Company's 11th Directors and Independent Directors

Role	Name	Gender	Education/ License(s) and Certificate(s)	Current Posts	Experiences
Director	Rau-Mu Shieh	Male	Dept. of Electrical Engineering, Changhua Industrial Vocational High School	Chairman of the Company Responsible Person, Quaser Europe Technical Center GmbH Chairman, M-TEAM League of the Taiwan Machine Tool Industry	Vice General Manager, LEADWELL CNC MACHINES MFG., CORP. Vice Chairman, Taiwan Machine Tool & Accessory Builders' Association Executive Director, Precision Machinery Development Association of R.O.C.
Director	Xu-De Investment Co., Ltd.	—	—	Corporate Director of the Company	—
Corporate Director Representative	Qing-Hsuan Hsia	Female	Dept. of Business Administration, National Taichung Institute of Business	Director, Xu-De Investment Co., Ltd. Responsible Person, Yi-Si-Lai-Fu Trading Company	Sales Manager, Quaser Machine Tools, Inc.
Director	National Development Fund, Executive Yuan Representative Yung-Xiang Lai	Male	BSME, National Chung-Hsing University MSME, National Chung Cheng University	Corporate Director Representative of the Company President, Metal Industries Research and Development Centre Director, Smart Machinery Promotion Office	Academic Exchange at RWTH Aachen University (DE) General Manager and Vice General Manager, Precision Machinery Research Development Center R&D Engineer, LEADWELL CNC MACHINES MFG., CORP. Executive Director, Precision Machinery Development Association of R.O.C. Director, Chinese Testing and Certification Association Supervisor, Chinese Association for Industrial Technology Advancement Advisor, Taiwan Machine Tool & Accessory Builders' Association Advisor, Taiwan Association of Machinery Industry Executive Director, Taiwan Automation Intelligence and Robotics Association Executive Director, AICSPCT. Taiwan Cutting Tool Engineering Association
Director	Yeh-Chiang Technology Corp.	—	—	Corporate Director of the Company	—
Corporate Director Representative	Tai-Guang Wang	Male	Taipei Municipal Chenggong High School	Chairman, Yeh-Chiang Technology Corp. Legal Representative, Zhongshan Xuguang Mechanical Technology, Ltd. Corporate Director Representative, Zhongshan Wei-Qiang Technology Ltd. Corporate Director Representative, Wei-Qiang Technology Ltd. at Zhuhai-Macao Cross-Border Industrial Zone Corporate Director Representative, Yehxian Wei-Qiang Technology Ltd. Corporate Director Representative, Yeh Chaing Technology (Pingdingshan) Ltd. Corporate Director Representative, WEI HSU CO., LTD. Corporate Supervisor Representative, ADVANCE PROGRAM LTD. Chairman, Hai-Ji Investment Co., Ltd. Chairman, Dong-Wei Investment Co., Ltd. Corporate Supervisor Representative, SUPERCAP INDUSTRIAL CO., LTD.	Corporate Director Representative, ARCADIA TECH CO., LTD. Responsible Person, DEMEI international co., Ltd.

Role	Name	Gender	Education/ License(s) and Certificate(s)	Current Posts	Experiences
				Corporate Director Representative, TAIWAN- N LIGHTING CORPORATION LTD. Corporate Director Representative, SO BRIGHT ELECTRONICS CO., LTD. Corporate Director Representative, YUH CHENG MATERIALS CO., LTD.	
Director	Jun-Ya Chen	Male	Bachelor of Science in Chemical Engineering, National Taipei University of Technology	Corporate Director Representative, Yeh-Chiang Technology Corp. World Financial Group EVC (US) Honorary Chairman, Monte Jade Global	ILLINOIS INSTITUTE of TECHNOLOGY MSGAS (US) MSEE, Santa Clara University (US) Vice President of Global Operations, Integrated Device Technology (US)
Independent Director	Xin-Liang Chen	Male	LL.B, Chinese Culture University Passed review for the completion of Batch 17 Attorney-at-Law Training, 5th Echelon Judges and Prosecutors, Class B Taxation and Legal Affairs Program	Independent Director of the Company Attorney-at-Law, Xin-Liang Chen Law Firm	Learning Revenue Officer, National Taxation Bureau of Taipei, Ministry of Finance Prosecutor, Prosecutors Offices at Hsinchu, Taoyuan and Taipei Judge, Taoyuan and Shilin District Court
Independent Director	Chang-Zhih Lin	Male	Dept. of Electrical Engineering, National Dajia Industrial Senior High School Bachelor of Arts in Business Administration, Dayeh University Columbia University-ALP 2 Invention Patents in the US (Machinery) 4 Invention Patents in Taiwan (Machinery) 1 Invention Patent in Germany (Machinery) 1 Invention Patent in Korea (Machinery)	Concurrently Supervisor and Vice General Manager of Auto Well Enter. Co., Ltd. Advisor for the Development and Sales of Products, A.W.T COMPANY (KR)	Advisor of Product Development, SHARS TOOL COMPANY (US) Advisor of Product Sales, Hangzhou Chandox Tosam Import & Export Ltd. Advisor for the Development and Sales of Products, A.W.T COMPANY (KR) Factory Manager/R&D Manager/Sales Manager, Auto Well Enter. Co., Ltd.
Independent Director	Run-Qing Chen	Male	Master, Finance and Taxation, Feng Chia University LL. B, Dept. of Public Finance, Feng Chia University Passed special examination of Class B Customs and Taxation for taxation affairs personnel Passed Training for Promotion from Junior Rank to Senior Rank	Adjunct Lecturer, Department of Public Finance and Taxation, National Taichung University of Science and Technology Chairman, Association of Outstanding Alumni of the National Taichung University of Science and Technology	Director of Fengyuan Branch, National Taxation Bureau of the Central Area, Ministry of Finance Director of Miaoli Branch, National Taxation Bureau of the Central Area, Ministry of Finance
Independent Director	Feng-Zhih Lin	Male	Ph.D., Systems Engineering, Case Western Reserve University	Dean of the School of Management Development and Professor of the Department of Marketing, Feng Chia University Independent Director, GOLD RAIN ENTERPRISES CORP.	Director, Operations Center of Information Volunteer, Ministry of Education Director, Research Center for Electronic Commerce, Feng Chia University Director, Master's Program of Electronic Commerce for In-Service Adults, Feng Chia University CEO, EMBA Program, Feng Chia University

Quaser Machine Tools, Inc.

Statement Relating to Release of Prohibition on Candidates of Directors
(incl. Independent Directors) from Participation in Competitive Business

Role	Name	Concurrent Roles at Other Companies
Director	Rau-Mu Shieh	Responsible Person, Quaser Europe Technical Center GmbH
Director	National Development Fund, Executive Yuan Representative: Yung-Xiang Lai	President, Metal Industries Research and Development Centre Director, Smart Machinery Promotion Office
Director	Yeh-Chiang Technology Corp. Corporate Director Representative: Tai-Guang Wang	Chairman, Yeh-Chiang Technology Corp. Legal Representative, Zhongshan Xuguang Mechanical Technology, Ltd. Chairman, Yeh-Chiang Technology Corp. Legal Representative, Zhongshan Xuguang Mechanical Technology, Ltd. Corporate Director Representative, WEI HSU CO., LTD. Corporate Supervisor Representative, ADVANCE PROGRAM LTD. Corporate Supervisor Representative, SUPERCAP INDUSTRIAL CO., LTD. Corporate Director Representative, TAIWAN- N LIGHTING CORPORATION LTD. Corporate Director Representative, SO BRIGHT ELECTRONICS CO., LTD.
Director	Jun-Ya Chen	Corporate Director Representative, Yeh-Chiang Technology Corp.
Independent Director	Chang-Zhih Lin	Vice General Manager, Auto Well Enter. Co., Ltd. Advisor for the Development and Sales of Products, A.W.T COMPANY (KR)
Independent Director	Feng-Zhih Lin	Independent Director, GOLD RAIN ENTERPRISES CORP.

IV. Appendices

Appendix 1 Rules of Procedure for Shareholders Meetings

Article 1: To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2: The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.

Article 3: Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby, and the said materials shall be distributed on site at the shareholders' meeting. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

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

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

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

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

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the

board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4: For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

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

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5: The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6: The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

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

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

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

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

Article 7: If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

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

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

Article 8: Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.

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

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

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

Article 8-1: The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9: If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

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

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

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

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

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

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

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

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

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

Article 11: Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 12: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

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

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

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

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When a proposal comes to a vote at a shareholders' meeting, if the chair puts the matter before all shareholders present at the meeting and none voices an objection, the matter is deemed approved, with effect equivalent to a vote.

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

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

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

Article 13: The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

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

Article 14: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results. The minutes shall be retained for the duration of the existence of the Company.

Article 15: On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

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

Article 16: Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

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

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

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

Article 17: When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

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

Article 18: These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

<Before Amendment>

Quaser Machine Tools, Inc. Articles of Incorporation

Chapter 1 General Provisions

- Article 1 The Company is incorporated in accordance with the Company Act and registered under the business name of “QUASER MACHINE TOOLS, INC.” (百德機械股份有限公司)
- Article 2 The Company’s scope of services is set out hereunder:
1. CB01010 Mechanical Equipment Manufacturing
2. CB01990 Other Machinery Manufacturing
3. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
4. CC01110 Computer and Peripheral Equipment Manufacturing
5. CD01060 Aircraft and Parts Manufacturing
6. I501010 Product Designing
7. F113010 Wholesale of Machinery
8. F213080 Retail Sale of Other Machinery and Equipment
9. F401010 International Trade
- Article 3 The Company shall have its head office in Taichung City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the board, set up branch offices within or outside the territory of the Republic of China when deemed necessary.
- Article 4 The Company may make public announcements in accordance with Article 28 of the Company Act.
- Article 5 The Company may perform guarantee externally with a peer in the industry or an associate as the business may require, which shall be conducted in accordance with competent security authorities.
- Article 6 The Company may, as the business may require and after resolution of the board of directors, make re-investments to the external or serve as a shareholder of limited liability in other companies. The total amount of the Company’s investments to the external is not restricted by Article 13 of the Company Act, under which such investment shall not exceed forty percent of the amount of the Company’s own paid-up capital; in addition, the Company may make endorsements/guarantees externally after agreed by the board of directors as the business may require or for investments.

Chapter 2 Shares

- Article 7 The total amount of the Company’s capital is NT\$800,000,000, which is divided into 80,000,000 shares, with a value per share of NT\$10 and may be issued by installments, with the unissued shares to be issued by installments by the board of directors under authorization.
Employees of the Company entitled to receive share subscription warrant in accordance, receive restricted stock for employees, or subscribe new shares issued through cash capital increase may include the employees of parent s or subsidiaries of the company meeting certain specific requirements. The conditions, distribution method and subscription method may be determined by the board of directors under authorization.
In the event that the Company may buy back its shares by law, the board of directors under authorization shall conduct such buyback in accordance with laws and regulations.
To transfer shares to employees at less than the average actual share repurchase price, or issue share subscription warrant at a subscription price less than the market price (net value per share), the Company must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.
- Article 8 The Company’s shares are all registered and shall be signed or stamped by directors representing the Company. The shares are then issued after being certified by the bank as certifier of the issuance. The Company may be exempted from printing its share certificate, yet shall register the issued shares with a centralized securities depository enterprise and follow the regulations of that enterprise.
- Article 9 Where a shareholder of the Company performs share transfer, setting pledge, reporting loss, inheritance, gifting, reporting loss or change of seal, change of address and other stock affairs shall be conducted in accordance with regulations of competent authorities.
- Article 10 Except as otherwise provided in laws and regulations or securities regulation, stock affairs of the Company stocks by shareholders of the Company shall be conducted in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies”.
- Article 10-1 The Company shall not cancel its public offering without a resolution adopted at a meeting of shareholders.

The provision at the preceding paragraph may not be modified throughout the Company's OTC-trading period or listing period.

- Article 11 Transfer of shares will not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits.

Chapter 3 Shareholders' Meeting

- Article 12 Shareholders' meeting shall be of the following two kinds:
1. Regular meeting of shareholders: to be held at least once every year within six months after close of each fiscal year; and
2. Special meeting of shareholders: to be held when necessary.
The notice for convening a shareholders' meeting as mentioned in the preceding paragraph shall be conducted in accordance with Article 172 of the Company Act. A shareholders meeting shall, unless otherwise provided for in the Company Act, be convened by the board of directors.
- Article 13 When a shareholder is unable to attend the shareholders' meeting for whatever reason, that shareholder may appoint a proxy to attend by offering company issued solicitation document carrying his/her signature or seal. Concerning the proxy attendance as mandated by a shareholder, other than the provisions under Article 177 of the Company Act, the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by competent authority shall govern.
- Article 14 The chairman of a shareholders' meeting shall be conducted in accordance with Article 182 of the Company Act.
- Article 15 Except in the circumstances concerning no voting rights provided for in Article 179 of the Company Act, a shareholder of the Company shall have one voting power in respect of each share in his/her/its possession.
- Article 16 Resolutions at a shareholders' meeting shall, unless otherwise provided for in relevant laws and regulations, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares; in addition, voting rights may be exercised in correspondence or by electronic means in accordance with relevant laws and regulations
- Article 17 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the Company within twenty days after the close of the meeting; the said minutes of the meeting along with the attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the Company. The preparation and distribution of the minutes of shareholders' meeting may be effected by means of electronic transmission after the shares of the Company are issued to the public.

Chapter 4 Directors

- Article 18 The Company shall have 9 to 11 directors to be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. All directors shall be eligible for re-election.
- In accordance with Article 192-1 of the Company Act, a candidates nomination system is adopted by the Company for election of the directors of the Company; the Company adopts a cumulative voting system for election of the directors, in which the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect.
The Company shall take out directors liability insurance after a resolution has been made by its board of directors.
Concerning the total shareholding ratio of all directors of the Company, relevant regulations by competent securities authority shall govern.
- Article 18-1 The Company may appoint independent directors, which shall account for at least three persons in amongst all directors, and the shareholders shall elect independent directors from among the those listed in the slate of independent director candidates. Independent and non-independent directors of the Company shall be elected at the same time, but in separately calculated numbers. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the competent securities authority.
- Article 18-2 The Company has established its audit committee in accordance with Article 14 of the Securities and Exchange Act. The audit committee shall be composed of the entire number of independent directors, and the committee or its members shall perform duties of a supervisor in accordance

with the provisions under the Company Act, the Securities and Exchange Act and other laws and regulations.

Article 19 When the number of vacancies in the board of directors of the Company equals to one third of the total number of directors, the board of directors shall call, within 30 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies. However, in the case of a company whose shares are issued to the public, the special meeting of shareholders for electing succeeding directors shall be convened by the board of directors within 60 days.

Article 20 In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.

Article 21 Where the Company organizes its board of directors, it shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. All affairs shall be conducted in accordance with the laws and regulations, the Articles of Incorporation of the Company, and resolutions adopted in a shareholders' or directors' meeting.

Article 22 Management guideline and other important matters of the Company shall be determined by the resolutions adopted in its board of directors' meetings. Concerning the meeting of the board of directors, all meetings shall be convened and chaired by the chairman of the Company except for the first meeting of each term of the board of directors that shall be convened in accordance with Article 203 of the Company Act. In case the chairman of the board of directors can not exercise his power and authority for any cause, the chairman of the board of directors shall designate one of the directors. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors.

Article 22-1 A board of directors shall meet at least quarterly. The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.

Article 23 Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. If a director is unable to attend the board meeting, he/she should issue a letter of proxy to another director by specifying the scope of authorization so that the authorized director can attend and exercise the voting right on behalf of the absent director within the scope of authorization; however, a director may accept a proxy from one person only.

Article 24 Resolutions adopted at a meeting of the board of directors shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all directors of the Company within twenty days after the close of the meeting. The minutes of shareholders' meeting shall record the summary of the essential points of the proceedings and the results of the meeting. The said minutes of the meeting along with the attendance list bearing the signatures of directors present at the meeting and the powers of attorney of the proxies shall be kept by the Company. The minutes shall be kept persistently throughout the life of the Company. The preparation and distribution of the minutes in the preceding paragraph may be effected by means of electronic transmission.

Article 25 Deleted

Chapter 5 Managerial Officers and Staff

Article 26 The Company may have one general manager and one or more managerial officers. Appointment, discharge and the remuneration of the managerial officers shall be in compliance with Article 29 of the Company Act.

Article 27 Deleted

Article 28 Deleted

Chapter 6 Accounting

Article 29 After the close of each fiscal year, the following reports and statements shall be prepared by the board of directors, and shall be submitted to the regular meeting of shareholders for acceptance:

1. Report on Operations.
2. Financial Statements.
3. Proposals Concerning Appropriation of Net Profits of Making Up.

Article 30 If there is a profit after tax in after closing of accounts, the Company shall make distributions in the following order:

1. Complete taxation in accordance with the law;
2. Make up the losses for the preceding years;
3. Set aside a legal reserve of 10% of the net profit;
4. Set aside another sum as special reserve or make reversals thereof;
5. Deleted;
6. Deleted; and

7. If there are still earnings after the aforesaid distribution, a proposal for distribution of such earnings combined with cumulative undistributed earnings may be proposed by the Board of Directors and submit to the shareholders' meeting for resolution and distribution. The shareholders eligible for the distributed shareholders' dividend shall be limited to those listed on the shareholders' roster as of the record date for the dividend. The shareholders eligible for the distributed shareholders' dividend shall be limited to those listed on the shareholders' roster as of the record date for the dividend.

Article 30-1 Where the Company distributes dividend, such distribution may be made in cash or new shares based on the earnings status and overall industry circumstances, provided that the distribution in cash dividend is not lower than sixty percent of the total dividend distributed for the year; however, such distribution may be adjusted by the shareholders' meeting in accordance with the actual profiting and operation situation for the year.

Article 30-2 Compensation of the chairman and all directors shall be agreed to by the board of directors under authorization based on their degree of involvement in the operations of the Company and values contributed, with reference to general level as offered by other companies in the same industry.

Article 30-3 If there is profit at the end of each fiscal year, a ratio no less than 5.52% of the profit as Employees' Remuneration shall be distributed, and a ratio no more than 2.07% as Directors' Remuneration shall be distributed. However, the Company's accumulated losses shall have been covered first. Individuals entitled to receive shares or cash under the Employees' Remunerations provided for in the preceding paragraph shall be based on the employment status upon the distribution date; the said individuals may include the employees of subsidiaries of the Company meeting certain specific requirements.

Chapter 7 Additions

Article 31 Deleted

Article 32 Deleted

Article 33 Organizational charters and administrative regulations of the Company shall be adopted otherwise by the board of directors.

Article 34 In regard to all matters not provided for in these Articles of Incorporation, the Company Act shall govern.

Article 35 These Articles of Incorporations were agreed to and signed on May 7, 1991.

1st Amendment was made on October 18, 1991;

2nd Amendment was made on February 6, 1992;

3rd Amendment was made on October 18, 1993;

4th Amendment was made on November 15, 1995;

5th Amendment was made on September 20, 1996;

6th Amendment was made on November 5, 1998;

7th Amendment was made on June 29, 1999;

8th Amendment was made on March 5, 2001;

9th Amendment was made on July 18, 2001;

10th Amendment was made on September 24, 2002;

11th Amendment was made on June 19, 2003;

12th Amendment was made on June 26, 2006;

13th Amendment was made on June 27, 2007;

14th Amendment was made on January 7, 2008;

15th Amendment was made on June 28, 2013;

16th Amendment was made on June 27, 2014;

17th Amendment was made on June 9, 2015;

18th Amendment was made on January 22, 2016;

19th Amendment was made on August 2, 2016;

20th Amendment was made on May 16, 2018;

21st Amendment was made on August 16, 2019;

22nd Amendment was made on June 19, 2020;

23rd Amendment was made on June 16, 2022.

Quaser Machine Tools, Inc.

Chairman: Raui-Mu Shieh



Appendix 3

Quaser Machine Tools, Inc.

Procedures for Election of Directors

Article 1: These Procedures have been adopted in accordance with the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and the Company's Articles of Incorporation.

Article 2: The Company's procedures for election of directors shall be conducted in accordance with these Procedures as well as relevant laws, regulations and charters including the Company Act.

Article 3: The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

Article 4: The qualifications for and election of the independent directors of the Company shall comply with the "Regulations Governing Appointment of Independent Directors" and the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies".

Article 5: Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act, and such system shall be expressly stipulated in the Articles of Incorporation of the Company. The shareholders shall elect the directors from among the nominees listed in the roster of director candidates, whose nomination and election shall be conducted in accordance with the Company Act, the Securities and Exchange Act, and other relevant laws and regulations.

The Company shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors will be elected.

Article 6: When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 7: The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 8: The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 9: The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 10: Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 11: If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of

its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 12: A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the board of directors.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Other words or marks are entered in addition to the candidate's account name (name) or shareholder account number (or identity card number) and the number of voting rights allotted.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 13: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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

Article 14: The board of directors of the Company shall issue notifications to the persons elected as directors.

Article 15: These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Appendix 4

Quaser Machine Tools, Inc.
Shareholding by All Shareholders

Book Closure Date: April 2, 2024

Role	Name	Number of Shares	Shareholding Percentage
Chairman	Rau-Mu Shieh	5,459,810	9.94%
Director	Xu-De Investment Co., Ltd.	5,107,118	9.29%
Director	National Development Fund, Executive Yuan	1,625,000	2.96%
Director	Yeh-Chiang Technology Corp.	12,433,500	22.63%
Director	Jun-Ya Chen	0	0.00%
Independent Director	Xiang-Ying Huang	0	0.00%
Independent Director	Deng-Yu Yang	0	0.00%
Independent Director	Xin-Liang Chen	0	0.00%
Independent Director	Chang-Zhih Lin	0	0.00%
Total Shareholding by All Directors		24,625,428	44.82%

Note: In accordance with “ Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”.

(1) The Company’s paid-in capital as of April 2, 2024 is NT\$549,500,000 (54,950,000 shares).

(2) No minimal number of shares for a supervisor has been applied as the Company has established its audit committee.