

FuSheng Precision Co., Ltd
Agenda and meeting minutes of Seminar
between Independent Directors, Internal Auditing officer and Accountants
2022 2nd Meeting
(Translation)

Time and Date: 02:00 – 03:00 p.m., December 16, 2022

Place: Online Meeting

Host: Victor Liu

Independent Directors: Victor Liu, Michael Gau , CK Chen

EY Accountants: Maggie Yang (CPA), Joy Chang (CPA), Jerry.Hsieh (Manager)

Auditing Officer: Susan Chen

Recorder: Janet Tu

Content of Seminar:

A. Follow-up of Previous Instructions or Recommendations of Independent Directors

Independent Directors' Instruction and Recommendation	Implementation Status
1. If there were generated losses in the audits that have not been closed before December 31, 2021, should make bad debts allowance and report to the BOD.	The finance department has complied with the Bad debt reserve policy to evaluate bad debt reserve and reported in the board meeting.
2. Enhance inspection of the subsidiaries, Minson Group, especially on cash flow and the bank accounts reconciliation.	Ongoing mentoring the Minson's audit office to enhance auditing toward their company.
3. Enhance auditing in derivatives trading of the subsidiary, Aubo Precision Technology.	Arrange the Subsidiary Supervision Audit Plan on December 2022 to audit the transaction agreements and flows of Aubo's derivatives trading.

B. Report Items

Issue	Audit Report and Explanatory	Independent Directors' Recommendation and Correction
I. Audit Office Strategy	2023 department strategy report	No objections from independent directors.
II. Manpower Planning	The manpower deployment as of the end of 2022.	No objections from independent directors.
III. Progress of annual audit Plan	There are 65 of the audit plan and 3 project cases that have been performed as of 31, November 2022. (The progress achievement rate 100%)	No objections from independent directors.

Issue	Audit Report and Explanatory	Independent Directors' Recommendation and Correction
IV. Audit result report and audit findings	2022/1~11 audit result and audit findings report.	<p>Independent Director Michael Gau's advice: What's the correlation between the number of 2022 audit findings, quantifiable benefits, and risk levels?</p> <p>Independent Director CK Chen's advice: Is there a systemic risk of underpayment? System control needs to be improved.</p> <p>Response of Audit Office: 1. Refer to the principle of risk level judgment. 2. The responsible unit has completed the investigation of the missed collection amount, implemented the recovery action, and continued to improve the effectiveness of system process control.</p>
V. Risk Assessment	2023 risk assessment result report	No objections from independent directors.
VI. Next year's audit plan	2023 annual audit plan report	No objections from independent directors.
VII. CPA audit report	There were 4 audit findings.	All of them have been improved and replied to EY.
VIII. Other discussion topics	<ol style="list-style-type: none"> 1. Are there any suggestions or items required to enhance inspection? 2. Are there any other suggestions and corrections? 	<p>Independent Director Michael Gau's advice: 1. Proposed to arrange on-site audits for overseas subsidiaries in 2023 (e.g., physical verification of fixed assets and inventories). 2. To develop the supervision from the parent company's audit office and improve the auditing ability of Minson's auditors. 3. Strengthen the checking of information security and ESG issues (production waste treatment process, circular economy, energy saving and carbon reduction effectiveness).</p> <p>Independent Director CK Chen's advice: 4. Propose to arrange an on-site audit of the subsidiaries, Minson Group's Thailand factory.</p> <p>Independent Director Victor Liu's advice: 5. Prioritize to supplement FSP's auditing manpower to support the department's mission. 6. Strengthen the compliance check of occupational safety and health laws and</p>

Issue	Audit Report and Explanatory	Independent Directors' Recommendation and Correction
		<p>regulations to ensure that the company implements the relevant requirements.</p> <p>7. Report the auditing and monitoring results of the subsidiaries, Minson Group.</p> <p>Response of Audit Office:</p> <p>1.& 4. The 2023 field audit program for the subsidiaries has been planned.</p> <p>2. & 7. Continuously mentoring Minson's audit office to improve its internal control and internal audit system and compliance.</p> <p>3. Information security and ESG have been included in the 2023 audit plan.</p> <p>5. Audit manpower recruitment is ongoing.</p> <p>6. The labor safety management department has regularly checked and improved the deficiencies immediately, and the auditing office has also conducted compliance audits annually.</p>