

Stock Code: 6584



2026 General Shareholders' Meeting

Meeting Handbook

Date of general shareholders' meeting: 9:00 a.m., June 11, 2026
(Thursday)

Regular Shareholders' Meeting Venue: No. 300, Sec. 1, Zhuangjing Rd.,
Taoyuan Dist., Taoyuan City (Elegant Hall of Monarch Plaza Hotel)

Type of general shareholders' meeting: Physical shareholders' meeting

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NAN JUEN INTERNATIONAL CO., LTD.

Procedure for 2026 General Shareholders' Meeting

- I. Reporting the shares held by shareholders present
- II. Calling the meeting to order
- III. Chairperson's Address
- IV. Report Items
- V. Recognition
- VI. Discussion
- VII. Extemporaneous Motions
- VIII. Adjournment

NAN JUEN INTERNATIONAL CO., LTD.

2026 General Shareholders' Meeting Agenda

Type of Meeting: Physical shareholders' meeting

Time: 9:00 a.m., June 11 (Thursday), 2026

Venue: No. 300, Sec. 1, Zhuangjing Rd., Taoyuan Dist., Taoyuan City Elegant Hall of Monarch Plaza Hotel

I. Call the meeting to order

II. Chairperson's Address

III. Report Items

1. 2025 Business report
2. Audit Committee's review of 2025 financial statements
3. Report on 2025 remuneration to employees and directors
4. Report of the performance evaluation of directors and managers
5. Other Matters to be Reported.

IV. Recognition Items

1. Recognition of the 2025 business report and financial reports
2. Recognition of the distribution of earnings for 2025

V. Discussion Items

1. Proposal for the amendment to the Articles of Incorporation.
2. Proposal for the amendment to the Procedures for Acquisition or Disposal of Assets

VI. Extemporaneous Motions

Report Items:

Proposal I:

Cause: 2025 Business Report

Description: Please refer to Attachment I for the business report, parent company only financial statements and consolidated financial statements for review.

Proposal II:

Cause: Audit Committee's review of 2025 financial statements

Description: For the Audit Committee's consent report, please refer to Attachment III for review.

Proposal III:

Cause: Report on 2025 remuneration to employees and directors

Description: The Company's pre-tax profit for 2025 was NT\$ 531,167,033. It is proposed to distribute 4% (NT\$ 23,094,218) as employee remuneration, 1% (NT\$ 5,773,555) as non-managerial employee remuneration, and 3% (NT\$ 17,320,664) as directors' remuneration. All aforementioned payments are to be made in cash.

Proposal IV:

Cause: Report on the performance evaluation of directors and managers

Description: The Company conducts performance evaluations in accordance with the evaluation procedures and five major evaluation indicators of the "Board of Directors Performance Evaluation Regulations." The evaluation results of all board members are better than the scoring standards, and the evaluation results are linked to the annual remuneration of individual directors. Considering the extent of contributions to operations and the responsibilities assumed, and taking into account the salary levels in the same industry, the Company pays its managers reasonable remuneration based on the salary standards of their positions, the Company's operating performance and their personal performance, which is evaluated by the remuneration committee on a regular basis.

Recognition Items:

Proposal I:

Proposed by the Board of Directors

Cause: To recognize the 2025 business report and financial report

Description:

1. Please refer to Attachment I for the business report, parent company only financial statements, consolidated financial statements and independent auditors' report.
2. The proposal has been reviewed by the audit committee, discussed and approved by the board of directors, audited by CPAs, and submitted to the Shareholders' Meeting for recognition.
3. Submitted for adoption.

Resolution:

Proposal II:

Proposed by the Board of Directors

Cause: To recognize the 2025 earnings distribution proposal

Description:

1. Considering the working capital and capital expenditure requirements for the construction of the plant, it is proposed to distribute a cash dividend of NT\$ 2.5 per share from the distributable earnings for the current year, amounting to NT\$ 174,161,088 in total, and the earnings from 2025 will be distributed first.
2. This proposal has been approved by the Audit Committee and the Board of Directors. It is now submitted to the Annual General Meeting of Shareholders for adoption, with a request to authorize the Chairman to determine the ex-dividend record date and other related matters.
3. Please refer to Attachment II for the earnings distribution table.
4. Should there be any change in the Company's share capital affecting the number of outstanding shares and resulting in a change in the dividend payout rate, it is proposed that the Shareholders' Meeting authorize the Chairman with full power to handle all necessary adjustments and public announcements.
5. Submitted for adoption.

Resolution:

Discussion Items:

Proposal I:

Proposed by the Board of Directors

Cause: To amend the Company's Articles of Incorporation.

Description:

1. In response to amendments to relevant laws and regulations as well as operational needs, it is proposed to amend the Company's Articles of Incorporation. The shareholders' meeting is requested to discuss and authorize the Board of Directors to establish a new cash distribution record date.
2. For the comparison table of the amended articles of the "Articles of Incorporation," please refer to Attachment V.

Resolution:

Proposal II:

Proposed by the Board of Directors

Cause: To amend the Procedures for Acquisition or Disposal of Assets.

Description:

1. In response to the Company's actual operational requirements, an amendment to the "Procedures for Acquisition or Disposal of Assets" is proposed.
2. For the comparison table of the amended articles, please refer to Attachment IV.

Resolution:

Extemporaneous Motions

Adjournment

NAN JUEN INTERNATIONAL CO., LTD.

2025 Business Report

Reflecting on the past year, the Company experienced significant growth in its operational scale, driven by the increasing shipments of general-purpose server rails and the successful rollout of new AI server rail products. Consolidated revenue for 2025 reached NT\$2.43 billion, representing a 26% increase compared to the same period last year.

Furthermore, the consolidated gross margin for 2025 climbed to 35%, a substantial increase from 26% in the previous year. This improvement was attributed to a more optimized product mix, economies of scale, enhanced process automation, and the cost advantages derived from the new Vietnam plant. In summary, net income after tax for 2025 reached NT\$370 million, marking an impressive 92% year-over-year growth.

Looking ahead to the current year, demand for general-purpose servers is expected to show significant and substantial growth. Coupled with the mass production and shipment of various new AI server products—including NVIDIA GB300, VR200, and self-developed ASIC solutions for major Cloud Service Providers (CSP)—the Company is well-positioned to expand its global market share in server rails. These initiatives are expected to further optimize our product portfolio, increase the Average Selling Price (ASP), and drive our gross margin to new heights.

The Company remains committed to its core philosophy of “management with sincerity,” “creating a happy enterprise,” and “people-oriented development for the betterment of all.” Guided by the principles of integrity, honesty, and innovation, we strive to create maximum balanced value for society, employees, customers, and shareholders, while dedicating ourselves to sustainable manufacturing. We would like to extend our sincere appreciation to all our customers, suppliers, shareholders, and employees for your continued support and trust. Thank you!

The company's income statements for two years and the consolidated income statements for two years are presented as follows:

	The Company		Unit: NT\$ thousand The Company and consolidated subsidiaries	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Sales revenue	2,383,002	1,829,535	2,432,925	1,924,498
Cost of goods sold	1,578,734	1,342,547	1,581,608	1,422,176
Unrealized Profit (Loss) on Sales	234	(4,627)	-	-
Gross profit	804,502	482,361	851,317	502,322
Operating expenses	327,739	269,464	366,934	298,916
Net operating profit	476,763	212,897	484,383	203,406
Non-operating income (expenses)	54,404	25,851	47,572	36,853
Net gains (losses) before tax	531,167	238,748	531,955	240,259
Income Tax Expense (Benefit)	161,183	46,538	161,971	48,049
Net income (loss)	369,984	192,210	369,984	192,210

Independent Auditors' Report

To: The Board of Directors of NAN JUEN INTERNATIONAL CO., LTD.

Audit Opinions

We have reviewed the accompanying parent company only balance sheet of NAN JUEN INTERNATIONAL CO., LTD. as of December 31, 2025 and 2024, and the parent company only, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of NAN JUEN INTERNATIONAL CO., LTD. as of December 31, 2025 and 2024, its parent company only financial performance and cash flows for the years then ended.

Basis for the audit opinion

We conducted the audit in accordance with the Regulations Governing the Audit of Financial Statements and Auditing Standards. Our responsibilities under these standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We comply with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China and are independent of NAN JUEN INTERNATIONAL CO., LTD.. We have also 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 2025 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters determined by us to be communicated on the audit report are as follows

For the accounting policy regarding revenue recognition, please refer to the parent company only financial statements Note 4(13) Revenue recognition; for the description of revenue recognition, please refer to the parent company only financial statements Note 6(17) Revenue from contracts with customers.

Description of Key Audit Matters:

The main business of NAN JUEN INTERNATIONAL CO., LTD. is the research and development, manufacturing, and trading of steel ball guide rails. Since operating revenue is one of

the important items in the financial statements, and it is expected to be one of the concerns of financial statement users, therefore, the testing of revenue recognition is one of the important evaluation matters in our audit of the parent company only financial statements.

The corresponding audit procedures:

Our audit procedures for the key audit matters above include:

- Evaluate whether the accounting policy for revenue recognition conforms to the specifications of the relevant bulletins.
- Test the design and implementation of the internal control system related to revenue recognition. Analyze the changes in the top ten customers and compare them with the same period last year to
- determine whether there are any significant changes or abnormalities.
- A sample of sales transactions within a certain period before and after the financial reporting date are selected to verify that the revenue, transaction records and various certificates cover the appropriate period.
- Assess whether there are significant sales returns and discounts after the assessment period.

Responsibilities of the management level and the governing body for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, the management is responsible for assessing the ability of the Company in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Company or cease the operations without other viable alternatives.

The governing body of the Company (including the Audit Committee) is responsible for supervising the financial reporting process.

Responsibilities of the Auditors for auditing the parent company only financial statements

Our objectives are to obtain reasonable assurance on whether the parent company only financial statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the parent company only financial statements, they are considered material.

We exercise professional judgment and skepticism in conducting audits in accordance with the auditing standards generally accepted in the Republic of China. We also perform the following tasks:

1. Identify and assess the risks of material misstatement arising from fraud or error within the parent company only financial statements; design and execute countermeasures in response to said risks, and obtain sufficient and appropriate audit evidence to provide a basis of our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Conclude on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the parent company only financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements adequately present the relevant transactions and events.
6. For the financial information of the invested company under the equity method, obtain sufficient and appropriate evidence to express an opinion on the parent company only financial statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Company.

The matters communicated between us and the governing body include the planned scope and times of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provided the governing body with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and communicated with them all relationships and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing body, we determined the key audit matters for the audit of the Company's parent company only financial statements for the year ended December 31, 2025. 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 Shu-Chih Yang and Ming-Fang Hsu.

KPMG

Taipei, Taiwan (Republic of China)

March 9, 2026

NAN JUEN INTERNATIONAL CO., LTD.

Balance Sheet

December 31, 2025 and 2024

Unit: NTD

Asset	2025.12.31		2024.12.31		Liabilities and equity	2025.12.31		2024.12.31	
	Amount	%	Amount	%		Amount	%	Amount	%
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (Note 6(1))	\$ 414,374	9	298,540	8	2100 Short-term borrowings (Note 6(8))	\$ -	-	116,600	3
1110 Current financial assets at fair value through profit or loss (Note 6(2))	23,984	1	-	-	2120 Current financial liabilities at fair value through profit or loss (Note 6(2) and (10))	63	-	-	-
1150 Notes receivable, net (Note 6(3) and (17))	3,110	-	3,245	-	2150 Notes payable	858	-	50	-
1170 Accounts receivable, net (Note 6(3) and (17))	508,764	12	402,977	10	2170 Accounts payable	163,088	4	111,683	3
1180 Accounts receivable due from related parties, net (Note 6(3), (17) and Note 7)	24,064	1	14,951	-	2180 Accounts payable to related parties (Note 6I)	82,679	2	65,589	2
1210 Other receivables due from related parties (Note 6I)	9,177	-	8,568	-	2200 Other payables (Note 6(12))	153,911	4	121,810	3
1310 Current inventories (Note 6(4))	443,799	10	269,873	7	2280 Current lease liabilities (Note 6(11) and Note 7)	20,871	-	20,739	1
1410 Prepayments	7,297	-	5,578	-	2230 Current tax liabilities (Note 6(13))	88,422	2	46,428	1
1470 Other current assets (Note 8)	48,704	1	16,357	1	2300 Other current liabilities	16,608	-	13,262	-
Total current assets	1,483,273	34	1,020,089	26	2322 Long-term borrowings-current portion (Note 6(9) and Note 8)	116,317	3	69,265	2
Non-current assets:					Total current liabilities	642,817	15	565,426	15
1510 Non-current financial assets at fair value through profit or loss (Note 6(2) and (10))	2,375	-	2,720	-	Non-current liabilities:				
1550 Investments accounted for using equity method (Note 6 (5))	390,578	9	328,908	9	2500 Non-current financial liabilities at fair value through profit or loss (Note 6(2) and (10))	-	-	6,930	-
1600 Property, plant and equipment (Notes 6(6), (9) and 7)	2,413,638	55	2,412,000	62	2530 Bonds Payable (Note 6(10) and Note 8)	307,864	7	944,165	24
1755 Right-of-use assets (Note 6(7))	34,344	1	54,543	2	2540 Long-term borrowings (Note 6(9) and Note 8)	244,617	6	82,709	2
1780 Intangible assets	11,331	-	8,841	-	2570 Deferred income tax liabilities (Note 6(13))	4,848	-	-	-
1900 Other non-current assets (Note 7 and 8)	6,367	-	9,399	-	2580 Non-current lease liabilities (Note 6(11) and Note 7)	15,109	-	35,748	1
1975 Non-current net defined benefit asset (Note 6(12))	27,748	1	29,886	1	2600 Other non-current liabilities	10,745	-	429	-
Total non-current assets	2,886,381	66	2,846,297	74	Total non-current liabilities	583,183	13	1,069,981	27
					Total liabilities	1,226,000	28	1,635,407	42
					Equity (Note 6(14) and (15)):				
					3110 Common stock	696,644	16	659,552	17
					3200 Capital surplus	1,483,407	34	877,393	23
					3310 Legal reserve	164,815	4	145,029	4
					3320 Special reserve	2,339	-	-	-
					3350 Unappropriated retained earnings	831,071	19	584,615	15
					3410 Exchange differences on translation of foreign financial statements	(20,540)	(1)	(2,339)	-
					3491 Other equity, unearned compensation	(11,506)	-	(33,271)	(1)
					3500 Treasury stocks	(2,576)	-	-	-
					Total equity	3,143,654	72	2,230,979	58
Total assets	\$ 4,369,654	100	3,866,386	100	Total liabilities and equity	\$ 4,369,654	100	3,866,386	100

(Please refer to the attached Notes to the parent company only financial statements)

Chairman: Chin-Lan Li

Managerial Officer: Jen-Shan Wu

Accounting supervisor: Chung-Jen Jen

NAN JUEN INTERNATIONAL CO., LTD.

Comprehensive Income Statement

January 1 to December 31, 2025 and 2024

Unit: NTD

		<u>2025</u>		<u>2024</u>	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(17) and Note 7)	\$ 2,383,002	100	1,829,535	100
5000	Operating costs (Note 6(4), (12) and Note 7)	1,578,734	66	1,342,547	73
	Gross profit	804,268	34	486,988	27
5910	Unrealized profit (loss) from sales	234	-	(4,627)	-
	Gross operating profit, net	804,502	34	482,361	27
	Operating expense (Note 6(12), (15), (18) and Note 7):				
6100	Selling expenses	91,698	4	68,736	4
6200	Administrative expenses	169,757	7	139,347	8
6300	Research and development expense	66,602	2	61,164	3
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9 (Note 6(3))	(318)	-	217	-
	Total operating expense	327,739	13	269,464	15
	Net operating profit	476,763	21	212,897	12
	Non-operating income and expenses:				
7100	Interest income (Note 6(19))	14,939	1	11,323	1
7010	Other income (Note 6(19) and Note 7)	31,993	1	18,928	1
7020	Other gains and losses (Note 6(2) and (19))	28,718	1	37,237	2
7050	Finance costs (Note 6(19))	(26,983)	(1)	(26,748)	(1)
7070	Share of profit or loss of subsidiaries accounted for using equity method	5,737	-	(14,889)	(1)
	Total non-operating income and expenses	54,404	2	25,851	2
	Net income before tax	531,167	23	238,748	14
7950	Less: Income tax expense (Note 6(13))	161,183	7	46,538	3
	Profit	369,984	16	192,210	11
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans (Note 6(12))	(2,470)	-	5,649	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total items that will not be reclassified to profit or loss	(2,470)	-	5,649	-
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(18,201)	(1)	(2,470)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	(18,201)	(1)	(2,470)	-
8300	Other comprehensive income	(20,671)	(1)	3,179	-
8500	Total comprehensive income	<u>\$ 349,313</u>	<u>15</u>	<u>195,389</u>	<u>11</u>
	Earnings per share (Note 6(16))				
9750	Basic earnings per share (NT\$)	<u>\$ 5.59</u>		<u>2.94</u>	
9850	Diluted earnings per share (NT\$)	<u>\$ 5.31</u>		<u>2.91</u>	

(Please refer to the attached Notes to the parent company only financial statements)

Chairman: Chin-Lan Li

Managerial Officer: Jen-Shan Wu

Accounting supervisor: Chung-Jen Jen

NAN JUEN INTERNATIONAL CO., LTD.

Statement of Changes in Equity

January 1 to December 31, 2025 and 2024

Unit: NTD

	Retained earnings				Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Other equity-unearned compensation	Treasury stocks	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve					
Balance as of January 1, 2024	\$ 656,406	706,056	144,427	-	420,342	131	(1,915)	-	1,925,447
Profit	-	-	-	-	192,210	-	-	-	192,210
Other comprehensive income	-	-	-	-	5,649	(2,470)	-	-	3,179
Total comprehensive income	-	-	-	-	197,859	(2,470)	-	-	195,389
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	602	-	(602)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(32,984)	-	-	-	(32,984)
Other changes in capital surplus:									
Equity components were recognized upon issuance of convertible bonds.	-	155,011	-	-	-	-	-	-	155,011
Cash dividends distribution of capital reserves	-	(32,984)	-	-	-	-	-	-	(32,984)
Issuance of new restricted employee shares	5,000	55,727	-	-	-	-	(60,727)	-	-
Share-based payment transactions	-	-	-	-	-	-	21,100	-	21,100
Expired new restricted stock award shares issued to employees	(1,854)	(6,417)	-	-	-	-	8,271	-	-
Balance as of December 31, 2024	659,552	877,393	145,029	-	584,615	(2,339)	(33,271)	-	2,230,979
Profit	-	-	-	-	369,984	-	-	-	369,984
Other comprehensive income	-	-	-	-	(2,470)	(18,201)	-	-	(20,671)
Total comprehensive income	-	-	-	-	367,514	(18,201)	-	-	349,313
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	19,786	-	(19,786)	-	-	-	-
Special reserve appropriated	-	-	-	2,339	(2,339)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(98,933)	-	-	-	(98,933)
Equity components were recognized upon issuance of convertible bonds.	-	(113,393)	-	-	-	-	-	-	(113,393)
Conversion of convertible bonds	37,344	722,209	-	-	-	-	-	-	759,553
Treasury stock repurchase	-	-	-	-	-	-	-	(2,576)	(2,576)
Share-based payment transactions	-	-	-	-	-	-	18,711	-	18,711
Expired new restricted stock award shares issued to employees	(252)	(2,802)	-	-	-	-	3,054	-	-
Balance as of December 31, 2025	\$ 696,644	1,483,407	164,815	2,339	831,071	(20,540)	(11,506)	(2,576)	3,143,654

(Please refer to the attached Notes to the parent company only financial statements)

Chairman: Chin-Lan Li

Managerial Officer: Jen-Shan Wu

Accounting supervisor: Chung-Jen Jen

NAN JUEN INTERNATIONAL CO., LTD.

Statement of Cash Flow

January 1 to December 31, 2025 and 2024

Unit: NTD

	2025	2024
Cash flows from (used in) operating activities:		
Income from continuing operations before income tax	\$ 531,167	238,748
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	111,313	106,536
Amortization expense	5,285	3,864
Expected credit loss (gain)	(318)	217
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(30,506)	252
Interest expense	26,983	26,748
Interest income	(14,939)	(11,323)
Share-based payments	18,711	21,100
Share of (profit) loss of subsidiaries accounted for using equity method	(5,737)	14,889
Gain on disposal of property, plan and equipment	(3,790)	(586)
Property, plan and equipment transferred to expenses	2,683	2,870
Non-financial assets impairment loss	-	7,720
Unrealized profit (loss) from sales	(234)	4,627
Loss on corporate bond repurchase	53	-
Other items	-	351
Total adjustments to reconcile profit (loss)	109,504	177,265
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in notes receivable	135	352
Increase in accounts receivable	(105,469)	(134,096)
Increase in accounts receivable due from related parties	(9,113)	(12,460)
Increase in other receivables due from related parties	(609)	(609)
Increase in inventories	(173,926)	(18,905)
Decrease (increase) in other prepayments	(1,719)	586
Increase in other current assets	(18,518)	(4,283)
Increase in net defined benefit asset	(332)	(110)
Total changes in operating assets	(309,551)	(169,525)
Changes in operating liabilities:		
Increase in notes payable	808	50
Increase in accounts payable	51,405	14,347
Increase in accounts payable to related parties	17,090	27,348
Increase in other payables	32,101	27,321
Increase in other current liabilities	3,346	7,022
Increase (decrease) in other non-current liabilities	10,316	(23)
Total changes in operating liabilities	115,066	76,065
Total changes in operating assets and liabilities	(194,485)	(93,460)
Total adjustments	(84,981)	83,805
Cash inflow generated from operations	446,186	322,553
Interest received	14,939	11,323
Interest paid	(8,578)	(22,683)
Income taxes paid	(114,341)	(1,763)
Net cash inflow from operating activities	338,206	309,430
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(80,435)	(338,439)
Acquisition of property, plant and equipment	(109,665)	(93,752)
Proceeds from disposal of property, plant and equipment	21,574	27,793
Decrease (increase) in refundable deposits	3,032	(2,830)
Acquisition of intangible assets	(7,775)	(5,780)
Increase in other financial assets	(10,455)	(7,445)
Net cash outflow from investing activities	(183,724)	(420,453)
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	(116,600)	(302,090)
Issuance of corporate bonds	-	1,099,415
Repurchase of corporate bonds	(8,598)	-
Proceeds from long-term debt	281,000	-
Repayments of long-term debt	(72,040)	(685,854)
Payments of lease liabilities	(20,901)	(20,491)
Cash dividends paid	(98,933)	(65,968)
Cost of treasury stock repurchases	(2,576)	-
Net cash flows from (used in) financing activities	(38,648)	25,012
Net increase (decrease) in cash and cash equivalents for the period	115,834	(86,011)
Cash and cash equivalents at beginning of period	298,540	384,551
Cash and cash equivalents at end of period	\$ 414,374	298,540

(Please refer to the attached Notes to the parent company only financial statements)

Chairman: Chin-Lan Li

Managerial Officer: Jen-Shan Wu

Accounting supervisor: Chung-Jen Jen

Independent Auditors' Report

To: The Board of Directors of NAN JUEN INTERNATIONAL CO., LTD.

Audit Opinions

We have reviewed the accompanying consolidated balance sheet of NAN JUEN INTERNATIONAL CO., LTD. and subsidiaries as of December 31, 2025 and 2024, and the consolidated, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of NAN JUEN INTERNATIONAL CO., LTD. and its subsidiaries (hereinafter referred to as the "consolidated company") as of December 31, 2025 and 2024, and the results of the consolidated operations and the consolidated cash flows for the years then ended in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, and SIC Interpretations endorsed by the Financial Supervisory Commission (FSC).

Basis for the audit opinion

We conducted the audit in accordance with the Regulations Governing the Audit of Financial Statements and Auditing Standards. Our responsibilities under these standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We comply with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China and are independent of NAN JUEN INTERNATIONAL CO., LTD. and Subsidiaries. We have also 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 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters determined by us to be communicated on the audit report are as follows:

I. Revenue recognition

Regarding the accounting policy for the revenue recognition, please refer to Note 4(13) of the consolidated financial statements. For the description of revenue recognition, please refer to the revenue from contracts with customers in Note 6(16) of the consolidated financial statements.

Description of Key Audit Matters:

The main business of NAN JUEN INTERNATIONAL CO., LTD. and subsidiaries is the research and development, manufacturing, and trading of steel ball guide rails. Since operating revenue is one of the important items in the financial statements, and it is expected to be one of the concerns of financial statement users, therefore, the testing of revenue recognition is one of the important evaluation matters in our audit of the consolidated financial statements.

The corresponding audit procedures:

Our audit procedures for the key audit matters above include:

- Evaluate whether the accounting policy for revenue recognition conforms to the specifications of the relevant bulletins.
- Test the design and implementation of the internal control system related to revenue recognition.
- Analyze the changes in the top ten customers and compare them with the same period last year to determine whether there are any significant changes or abnormalities.
- A sample of sales transactions within a certain period before and after the financial reporting date are selected to verify that the revenue, transaction records and various certificates cover the appropriate period.
- Assess whether there are significant sales returns and discounts after the assessment period.

Other matters

NAN JUEN INTERNATIONAL CO., LTD. has additionally prepared its parent company only financial statements for the years ended December 31, 2025 and 2024, on which we have issued an unqualified audit opinion.

Responsibilities of the management level and the governing body for the consolidated financial statements

The responsibilities of the management are to prepare the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS and IAS, as well as IFRIC and SIC interpretations endorsed and entered into effect by the FSC, and to maintain necessary internal control associated with the preparation in order to ensure that the financial statements are free from material misstatement arising from fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the ability of the consolidated company in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the consolidated company or cease the operations without other viable alternatives.

The governing body of the consolidated company (including the Audit Committee) is responsible for supervising the financial reporting process.

Responsibilities of the Auditors for auditing the consolidated financial statements

Our objectives are to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always

detect a material misstatement when it exists. Misstatements can arise from fraud or error. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the consolidated financial statements, they are considered material.

We exercise professional judgment and skepticism in conducting audits in accordance with the auditing standards generally accepted in the Republic of China. We also perform the following tasks:

1. Identify and assess the risks of material misstatement arising from fraud or error within the consolidated financial statements; design and execute countermeasures in response to said risks, and obtain sufficient and appropriate audit evidence to provide a basis of our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the consolidated company's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Conclude on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt on the consolidated company's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the consolidated financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately present the relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within the consolidated company, to express an opinion on the consolidated financial statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion on the consolidated company.

The matters communicated between us and the governing body include the planned scope and times of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provided the governing body with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and communicated with them all relationships and other matters that may possibly be regarded as

detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing body, we determined the key audit matters for the audit of the consolidated company's consolidated financial statements for the year ended December 31, 2024. 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 Shu-Chih Yang and Ming-Fang Hsu.

KPMG

Taipei, Taiwan (Republic of China)

March 9, 2026

NAN JUEN INTERNATIONAL CO., LTD. and Subsidiaries

Consolidated Balance Sheet

December 31, 2025 and 2024

Unit: NTD

Asset	2025.12.31		2024.12.31			Liabilities and equity	2025.12.31		2024.12.31	
	Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:				
1100 Cash and cash equivalents (Note 6(1))	\$ 467,172	11	322,082	8		2100 Current borrowings (Note 6(7) and 8)	\$ -	-	116,600	3
1110 Current financial assets at fair value through profit or loss (Note 6(2))	28,875	1	4,815	-		2120 Current financial liabilities at fair value through profit or loss (Note 6(2))	63	-	-	-
1150 Notes receivable, net (Note 6(3) and (16))	3,110	-	4,031	-		2150 Notes payable	858	-	50	-
1170 Accounts receivable, net (Note 6(3) and (16))	533,294	12	431,974	11		2170 Accounts payable	184,763	4	114,333	3
1310 Current inventories (Note 6(4))	487,252	11	297,739	8		2180 Accounts payable to related parties (Note 6I)	56,396	1	89,717	2
1410 Prepayments	8,200	-	5,906	-		2200 Other payables (Note 6(11))	156,799	4	125,956	3
1470 Other current assets (Note 8)	49,130	1	17,254	-		2230 Current tax liabilities (Note 6(12))	88,982	2	46,428	1
Total current assets	1,577,033	36	1,083,801	27		2280 Current lease liabilities (Note 6(10) and Note 7)	31,616	1	45,413	1
Non-current assets:						2300 Other current liabilities	17,457	-	13,948	-
1510 Non-current financial assets at fair value through profit or loss (Note 6(2)(9))	2,375	-	2,720	-		2322 Long-term borrowings-current portion (Note 6(8) and 8)	116,317	3	69,265	2
1600 Property, plant and equipment (Note 6(5), 7 and 8)	2,456,594	56	2,446,614	63		Total current liabilities	653,251	15	621,710	15
1755 Right-of-use assets (Note 6(6))	301,509	7	354,044	9		Non-current liabilities:				
1780 Intangible assets	11,331	-	8,841	-		2500 Non-current financial liabilities at fair value through profit or loss (Note 6(2)(9))	-	-	6,930	-
1840 Deferred income tax liabilities (Note 6(12))	264	-	220	-		2530 Bonds Payable (Note 6(9))	307,864	7	944,165	24
1900 Other non-current assets (Note 7 and 8)	9,632	-	14,623	-		2540 Non-current portion of non-current borrowings (Note 6(8) and 8)	244,617	6	82,709	2
1975 Non-current net defined benefit asset (Note 6(11))	27,748	1	29,886	1		2570 Deferred income tax liabilities (Note 6(12))	4,848	-	-	1
Total non-current assets	2,809,453	64	2,856,948	73		2580 Non-current lease liabilities (Note 6(10) and Note 7)	21,507	-	53,827	1
						2600 Other non-current liabilities	10,745	-	429	-
						Total non-current liabilities	589,581	13	1,088,060	28
						Total liabilities	1,242,832	28	1,709,770	43
						Equity (Note 6(13) and (14)):				
						3110 Common stock	696,644	16	659,552	17
						3200 Capital surplus	1,483,407	34	877,393	22
						3310 Legal reserve	164,815	4	145,029	4
						3320 Special reserve	2,339	-	-	-
						3350 Unappropriated retained earnings	831,071	19	584,615	15
						3410 Exchange differences on translation of foreign financial statements	(20,540)	(1)	(2,339)	-
						3491 Other equity, unearned compensation	(11,506)	-	(33,271)	(1)
						3500 Treasury stocks	(2,576)	-	-	-
Total assets	\$ 4,386,486	100	3,940,749	100		Total equity	3,143,654	72	2,230,979	57
						Total liabilities and equity	\$ 4,386,486	100	3,940,749	100

(Please refer to the attached Notes to the consolidated financial statements)

Chairman: Chin-Lan Li

Managerial Officer: Jen-Shan Wu

Accounting supervisor: Chung-Jen Jen

NAN JUEN INTERNATIONAL CO., LTD. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2025 and 2024

Unit: NTD

		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(16))	\$ 2,432,925	100	1,924,498	100
5000	Operating costs (Note 6(4)(10)(11) and Note 7)	1,581,608	65	1,422,176	74
	Gross profit	851,317	35	502,322	26
	Operating expense (Note 6(10)(11)(14)(17) and Note 7):				
6100	Selling expenses	101,699	4	78,309	4
6200	Administrative expenses	199,526	8	158,933	9
6300	Research and development expense	66,602	3	61,165	3
6450	Expected credit (gains) losses (Note 6(3))	(893)	-	509	-
	Total operating expense	366,934	15	298,916	16
	Net operating income (loss)	484,383	20	203,406	10
	Non-operating income and expenses:				
7100	Interest income (Note 6(18))	14,978	1	11,416	-
7010	Other income (Note 6(18))	32,485	1	18,999	1
7020	Other gains and losses (Note 6(2)(5)(9)(17))	27,549	1	34,708	2
7050	Finance costs (Note 6 (9) and (18))	(27,440)	(1)	(28,270)	(1)
	Total non-operating income and expenses	47,572	2	36,853	2
	Net income before tax	531,955	22	240,259	12
7951	Less: Income tax expense (Note 6(12))	161,971	7	48,049	2
	Profit	369,984	15	192,210	10
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans (Note 6(11))	(2,470)	-	5,649	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total items that will not be reclassified to profit or loss	(2,470)	-	5,649	-
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(18,201)	(1)	(2,470)	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	(18,201)	(1)	(2,470)	-
8300	Other comprehensive income	(20,671)	(1)	3,179	-
8500	Total comprehensive income	<u>\$ 349,313</u>	<u>14</u>	<u>195,389</u>	<u>10</u>
	Net profit for the period attributable to:				
8610	Owner of the parent company	<u>\$ 369,984</u>	<u>15</u>	<u>192,210</u>	<u>10</u>
	Total comprehensive income attributable to:				
8710	Owner of the parent company	<u>\$ 349,313</u>	<u>14</u>	<u>195,389</u>	<u>10</u>
	Earnings per share (Note 6(15))				
9750	Basic earnings per share (NT\$)	<u>\$ 5.59</u>		<u>2.94</u>	
9850	Diluted earnings per share (NT\$)	<u>\$ 5.31</u>		<u>2.91</u>	

(Please refer to the attached Notes to the consolidated financial statements)

Chairman: Chin-Lan Li

Managerial Officer: Jen-Shan Wu

Accounting supervisor: Chung-Jen Jen

NAN JUEN INTERNATIONAL CO., LTD. and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2025 and 2024

Unit: NTD

	Equity attributable to owners of parent								Total equity
	Common stock	Capital surplus	Retained earnings			Exchange differences on translation of foreign financial statements	Other equity-earned compensation	Treasury stocks	
			Legal reserve	Special reserve	Unappropriated retained earnings				
Balance as of January 1, 2024	\$ 656,40	706,05	144,42	-	420,34	13	(1,915)	-	1,925,44
Profit	-	-	-	-	192,21	-	-	-	192,21
Other comprehensive income	-	-	-	-	5,64	(2,470)	-	-	3,17
Total comprehensive income	-	-	-	-	197,85	(2,470)	-	-	195,38
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	60	-	(602)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(32,984)	-	-	-	(32,984)
Other changes in capital surplus:									
Equity components were recognized upon issuance of convertible bonds.	-	155,01	-	-	-	-	-	-	155,011
Cash dividends distribution of capital reserves	-	(32,984)	-	-	-	-	-	-	(32,984)
Issuance of new restricted employee shares	5,00	55,72	-	-	-	-	(60,727)	-	-
Share-based payment transactions	-	-	-	-	-	-	21,10	-	21,100
Expired new restricted stock award shares issued to employees	(1,854)	(6,417)	-	-	-	-	8,27	-	-
Balance as of December 31, 2024	659,55	877,39	145,02	-	584,61	(2,335)	(33,271)	-	2,230,979
Profit	-	-	-	-	369,98	-	-	-	369,984
Other comprehensive income	-	-	-	-	(2,470)	(18,201)	-	-	(20,671)
Total comprehensive income	-	-	-	-	367,51	(18,201)	-	-	349,313
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	19,78	-	(19,786)	-	-	-	-
Special reserve appropriated	-	-	-	2,33	(2,335)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(98,933)	-	-	-	(98,933)
Other changes in capital surplus:									
Equity components were recognized upon issuance of convertible bonds.	-	(113,393)	-	-	-	-	-	-	(113,393)
Conversion of convertible bonds	37,34	722,20	-	-	-	-	-	-	759,553
Treasury stock repurchase	-	-	-	-	-	-	-	(2,576)	(2,576)
Share-based payment transactions	-	-	-	-	-	-	18,71	-	18,711
Expired new restricted stock award shares issued to employees	(252)	(2,802)	-	-	-	-	3,05	-	-
Balance as of December 31, 2025	\$ 696,64	1,483,40	164,81	2,33	831,07	(20,540)	(11,506)	(2,576)	3,143,654

(Please refer to the attached Notes to the consolidated financial statements)

Chairman: Chin-Lan Li

Managerial Officer: Jen-Shan Wu

Accounting supervisor: Chung-Jen Jen

NAN JUEN INTERNATIONAL CO., LTD. and Subsidiaries

Consolidated Statements of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: NTD

	<u>2025</u>	<u>2024</u>
Cash flows from (used in) operating activities:		
Income from continuing operations before income tax	\$ 531,955	240,259
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	138,209	115,100
Amortization expense	5,285	3,864
Expected credit (gains) losses	(893)	509
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(30,564)	141
Interest expense	27,440	28,270
Interest income	(14,978)	(11,416)
Share-based payments	18,711	21,100
Gain on disposal of property, plan and equipment	(3,438)	(507)
Property, plan and equipment transferred to expenses	4,458	2,870
Non-financial assets impairment loss	-	7,720
Loss on corporate bond repurchase	53	-
Total adjustments to reconcile profit (loss)	<u>144,283</u>	<u>167,651</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in financial assets at fair value through profit or loss	-	4,900
Decrease (increase) in notes receivable	921	(434)
Increase in accounts receivable	(100,370)	(139,531)
Increase in inventories	(189,513)	(36,218)
Decrease (increase) in other prepayments	(2,523)	512
Increase in other current assets	(17,990)	(4,499)
Increase in net defined benefit asset	(332)	(110)
Total changes in operating assets	<u>(309,807)</u>	<u>(175,380)</u>
Changes in operating liabilities:		
Increase in notes payable	808	50
Increase in accounts payable	70,430	16,055
Increase (decrease) in accounts payable to related parties	(33,321)	26,732
Increase in other payables	30,843	30,373
Increase in other current liabilities	3,509	7,196
Increase (decrease) in other non-current liabilities	10,316	(23)
Total changes in operating liabilities	<u>82,585</u>	<u>80,383</u>
Total changes in operating assets and liabilities	<u>(227,222)</u>	<u>(94,997)</u>
Total adjustments	<u>(82,939)</u>	<u>72,654</u>
Cash inflow generated from operations	449,016	312,913
Interest received	14,978	11,416
Interest paid	(9,036)	(24,205)
Income taxes paid	(114,440)	(5,334)
Net cash inflow from operating activities	<u>340,518</u>	<u>294,790</u>
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(121,865)	(113,323)
Proceeds from disposal of property, plant and equipment	3,891	507
Decrease (increase) in refundable deposits	3,118	(5,186)
Acquisition of intangible assets	(7,775)	(5,780)
Increase in other financial assets	(10,455)	(7,445)
Increase in other non-current assets	1,873	(2,868)
Net cash outflow from investing activities	<u>(131,213)</u>	<u>(134,095)</u>
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	(116,600)	(302,090)
Issuance of corporate bonds	-	1,099,415
Repurchase of corporate bonds	(8,598)	-
Proceeds from long-term debt	281,000	-
Repayments of long-term debt	(72,040)	(685,854)
Payments of lease liabilities	(44,179)	(285,036)
Cash dividends paid	(98,933)	(65,968)
Cost of treasury stock repurchases	(2,576)	-
Net cash flows from (used in) financing activities	<u>(61,926)</u>	<u>(239,533)</u>
Effect of exchange rate changes on cash and cash equivalents	(2,289)	(3,425)
Net increase (decrease) in cash and cash equivalents for the period	145,090	(82,263)
Cash and cash equivalents at beginning of period	322,082	404,345
Cash and cash equivalents at end of period	<u>\$ 467,172</u>	<u>322,082</u>

(Please refer to the attached Notes to the consolidated financial statements)

Chairman: Chin-Lan Li

Managerial Officer: Jen-Shan Wu

Accounting supervisor: Chung-Jen Jen

NAN JUEN INTERNATIONAL CO., LTD.
Earning Distribution Table
2025

Unit: NTD

Undistributed earnings at the beginning of the period	\$ 463,557,401
Add: remeasurement of defined benefit plan	(2,470,431)
Add: 2025 net profit after tax	<u>369,984,353</u>
Distributable earnings	<u>831,071,323</u>
Less: Appropriation to Legal Reserve	(36,751,392)
Less: Appropriation to Special Earnings Reserve	(18,201,128)
Distribution item:	
Cash dividend to shareholders (\$ 2.5 cash dividend per share)	<u>(174,161,088)</u>
Undistributed earnings at the end of the period	<u><u>\$ 601,957,715</u></u>

The current cash dividends are calculated on a pro rata basis to the nearest dollar, and rounded down to the nearest dollar. The fractional amounts less than one dollar shall be classified in the Company's other revenues.

Chairperson:**Manager:****Accounting Manager:**

Consent Report of Audit Committee

The Audit Committee, with the resolution of the Board of Directors, approved the Company's 2025 parent company only financial statements, consolidated financial statements, business report and the distribution of earnings. The Company's 2025 parent company only and consolidated financial statements have been audited by KPMG Taiwan, appointed by the Board of Directors, and the firm has issued an unqualified auditor's report thereon.

The Company's 2025 parent company only financial statements, consolidated financial statements, business report, and the distribution of earnings, which were approved by the Audit Committee and resolved by the Board of Directors, all comply with relevant laws and regulations, and are being reported and presented in order to comply with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act as above.

Please review.

Sincerely,

2026 General Shareholders' Meeting of NAN JUEN INTERNATIONAL CO., LTD.

Audit Committee Convener: Tsun Cheng
March 9, 2026

NAN JUEN INTERNATIONAL CO., LTD.

Comparison Table of Amended Articles of Incorporation

Original Article	Original Content	Amended Article	Amended Content	Reason for Amendment
Article 6	The share certificates of the Company shall all be in non-bearer form and shall be issued only after they have been signed and sealed by at least three directors, and duly certified pursuant to laws. After the public offering, the Company can be exempted from printing any share certificate for the newly issued shares, provided that the share certificates shall be recorded by a centralized securities depository enterprise.	Article 6	The share certificates of the Company shall be in registered form, serially numbered, and signed or sealed by the director(s) representing the Company, and duly certified pursuant to laws before issuance. The Company may be exempted from printing share certificates and instead issue shares in scripless form, provided that such shares shall be registered with a centralized securities depository institution.	Amendments to laws or regulations by the competent authority
Article 29	<p>The Articles of Incorporation were established on May 14, 1984.</p> <p>The first amendment was made on June 2, 1984.</p> <p>The second amendment was made on June 27, 1987.</p> <p>The third amendment was made on September 26, 1991.</p> <p>The fourth amendment was made on November 26, 1994.</p> <p>The fifth amendment was made on May 5, 2000.</p> <p>The sixth amendment was made on September 22, 2000.</p> <p>The seventh amendment was made on November 24, 2009.</p> <p>The eighth amendment was made on June 11, 2010.</p> <p>The ninth amendment was made on June 4, 2011.</p> <p>The tenth amendment was made on June 30, 2014.</p> <p>The eleventh amendment was made on June 27, 2015.</p> <p>The twelfth amendment was made on March 18, 2016.</p> <p>The thirteenth amendment was made on September 6, 2016.</p> <p>The fourteenth amendment was made on June 24, 2019.</p> <p>The fifteenth amendment was made on June 2, 2022.</p> <p>The sixteenth amendment was made on June 2, 2023.</p>	Article 29	<p>The Articles of Incorporation were established on May 14, 1984.</p> <p>The first amendment was made on June 2, 1984.</p> <p>The second amendment was made on June 27, 1987.</p> <p>The third amendment was made on September 26, 1991.</p> <p>The fourth amendment was made on November 26, 1994.</p> <p>The fifth amendment was made on May 5, 2000.</p> <p>The sixth amendment was made on September 22, 2000.</p> <p>The seventh amendment was made on November 24, 2009.</p> <p>The eighth amendment was made on June 11, 2010.</p> <p>The ninth amendment was made on June 4, 2011.</p> <p>The tenth amendment was made on June 30, 2014.</p> <p>The eleventh amendment was made on June 27, 2015.</p> <p>The twelfth amendment was made on March 18, 2016.</p> <p>The thirteenth amendment was made on September 6, 2016.</p> <p>The fourteenth amendment was made on June 24, 2019.</p> <p>The fifteenth amendment was made on June 2, 2022.</p> <p>The sixteenth amendment was made on June 2, 2023.</p>	Add revision date

Original Article	Original Content	Amended Article	Amended Content	Reason for Amendment
	The seventeenth amendment was made on June 11, 2025.		The seventeenth amendment was made on June 11, 2025. The eighteenth amendment was made on June 11, 2026.	

NAN JUEN INTERNATIONAL CO., LTD.
**Comparison Table of Amended Procedures for Acquisition or Disposal
of Assets**

Original Article	Original Content	Amended Article	Amended Content	Reason for Amendment
Article 5.9.1.8.1	<p>Total Contract Amount</p> <p>a. Hedging Transactions: Transactions shall be conducted for the purpose of risk hedging, following the principles of the Company's existing net positions, anticipated future requirements, and firm commitments. At any given point in time, the total outstanding contract balance shall not exceed one-fourth (1/4) of the total sales revenue reported in the Company's most recent consolidated financial statements audited or reviewed by a Certified Public Accountant (CPA).</p> <p>b. Non-Hedging Transactions: Transactions may only be conducted upon approval by the Chairman. At any given point in time, the total outstanding contract balance shall not exceed one-half (1/2) of the total current assets reported in the Company's most recent consolidated financial statements audited or reviewed by a Certified Public Accountant (CPA).</p>	Article 5.9.1.8.1	<p>Total Contract Amount</p> <p>a. Hedging Transactions: Transactions shall be conducted for the purpose of risk hedging, following the principles of the Company's existing net positions, anticipated future requirements, and firm commitments. At any given point in time, the total outstanding contract balance shall not exceed one-fourth (1/2) of the total sales revenue reported in the Company's most recent consolidated financial statements audited or reviewed by a Certified Public Accountant (CPA).</p> <p>b. Non-Hedging Transactions: Transactions may only be conducted upon approval by the Chairman. At any given point in time, the total outstanding contract balance shall not exceed one-half (1/2) of the total current assets reported in the Company's most recent consolidated financial statements audited or reviewed by a Certified Public Accountant (CPA).</p>	Amended to meet the Company's operational needs.

Articles of Incorporation

Chapter I General Provisions

Article 1: The Company shall be incorporated in accordance with the Company Act, and its name shall be NAN JUEN INTERNATIONAL CO., LTD.

Article 2: The Company's business is as follows:

CA02010 Manufacture of Metal Structure and Architectural Components*

CA02030 Screw, Nut and Rivet Manufacturing

CA02040 Spring Manufacturing

CA02070 Lock Manufacturing

CA02090 Metal Wire Products Manufacturing

CA02990 Other Metal Products Manufacturing

CB01990 Other Machinery Manufacturing

CC01080 Electronic Components Manufacturing

CD01030 Motor Vehicles and Parts Manufacturing

CD01040 Motorcycles and Parts Manufacturing

CN01010 Furniture and Decorations Manufacturing

CZ99990 Other Industrial Products Not Elsewhere Classified

F401010 International Trading

ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company has its head office in Taoyuan City, and may establish branches at home and abroad with the resolution of the Board of Directors if necessary.

Article 4: The public announcement method of the Company shall be handled in accordance with Article 28 of the Company Act.

Chapter II Shares

Article 5: The total capital of the Company is NTD 800 million, divided into 80 million shares, with a face value of NTD 10 per share. The Board of Directors is authorized to issue the unissued shares in installments when necessary.

Article 6: The share certificates of the Company shall all be in non-bearer form and shall be issued only after they have been signed and sealed by at least three directors, and duly certified pursuant to laws. After the public offering, the Company can be exempted from printing any share certificate for the newly issued shares, provided that the share certificates shall be recorded by a centralized securities depository enterprise.

Article 7: The Company's stock affairs shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.

Article 8: The share transfer registration shall be suspended within 60 days prior to the convening date of a general 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 III Shareholders' Meeting

Article 9: Shareholders' meetings of the Company are of two kinds: general shareholders' meetings and special shareholders' meetings. The general shareholders' meeting is called once per year within six months of

the close of the fiscal year. Special shareholders' meetings may be called in accordance with applicable laws and regulations whenever necessary.

A notice to convene a general shareholders' meeting shall be given to each shareholder no later than 30 days. In case the Company intends to convene a shareholders' meeting, a meeting notice shall be given to each shareholders no later than 15 days.

Article 10: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act and applicable laws, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

If a shareholder is unable to attend a shareholders' meeting for any reason, he or she may appoint a proxy to attend the shareholders' meeting in accordance with the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.

Article 11: The Company's shareholders have one voting right for each share held. However, those subject to the provisions of Article 179 of the Company Act shall not have any voting rights.

In accordance with the regulations of the competent authority, the Company shall include electronic means as one of the methods for exercising voting rights when convening shareholder meetings. Shareholders who exercise their voting rights electronically shall be deemed to be present in person, and their exercise of voting rights shall be conducted in accordance with relevant laws and regulations.

Article 12: The chairperson of the Board of Directors shall serve as the chair of the shareholders' meeting. In case the chairperson of the Board of Directors is on leave or absent or can not exercise his/her power and authority for any cause, the chairperson of the board of directors shall designate one of the directors to act on his/her behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairperson of the Board of Directors. Whereas for a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chair of that meeting provided, however, that if there are two or more persons having the convening right, the chair of the meeting shall be elected from among themselves.

Chapter IV Directors and Audit Committee

Article 13: The Company shall have seven to nine directors. The number of directors shall be determined by the board of directors, with a term of office of three years, and a candidate nomination system shall be adopted. The shareholders' meeting shall elect the directors from among the persons with disposing capacity, and they shall be eligible for re-election. Directors are elected in accordance with the Company's Regulations Governing Election of Directors.

After the Company's shares are publicly offered, the shareholdings of all directors shall be governed by the regulations of the competent authority in charge of securities affairs.

Article 14: The Board of Directors shall be composed of Directors. The board of directors shall elect a chairperson of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect a vice chairperson of the board among the directors. The chairperson of the Board of Directors shall internally preside over the shareholders' meeting, and shall externally represent the company. Except the first Board meeting of every term of the newly elected Board of Directors, which shall be convened by the Director who has received the largest number of votes after such new election, meetings of the Board of Directors shall be convened by the Chairperson of the Board of Directors. The meeting notice may be given in electronic form.

Article 15: In case the chairperson of the Board of Directors is on leave or absent or can not exercise his/her power and authority for any cause, the proxy procedures are subject to the provisions of Article 208 of the Company Act. Directors who participate in the meeting through video conference shall be deemed to have attended the meeting in person.

Article 16: The remuneration of all directors shall be determined by the Board of Directors. Regardless of the operating profit or loss, the remuneration shall be paid in accordance with the degree of participation in the operation of the Company and the value of the contribution, and by taking into account the general

standards in the same industry.

Article 17: Unless otherwise provided by law, the resolution of the Board of Directors shall be approved by directors by a majority vote at a meeting attended by over half of the directors. If a director is unable to attend the board meeting for any reason, he or she may issue a proxy form to appoint another director to attend the board meeting on his or her behalf in accordance with the law, but only one proxy may be appointed.

Article 18: The Company shall have at least three independent directors and adopt a candidate nomination system. The independent directors shall be elected by the shareholders' meeting from the list of independent director candidates. The independent directors' professional qualifications, shareholdings, concurrent Serving Restrictions, nomination and election methods, and other matters to be complied with shall be handled in accordance with the relevant regulations of the competent authorities. The Company may, with the consent of the Board of Directors, purchase liability insurance for all directors within the scope of their duties during their terms of office.

Article 18-1: The Audit Committee shall consist of all independent directors and shall consist of at least three members, and one of whom shall be the convenor. The exercise of such authority and related matters are governed by relevant laws and regulations and determined by the Board of Directors.

Article 19: The functions and powers of the Board of Directors are as follows:

1. Convene the shareholders' meeting and implement the resolutions.
2. Determine business plans.
3. Review and approve various articles and important contracts.
4. Approve the Company's significant property purchases and dispositions.
5. Determine key managers of the Company.
6. Compilation and review of budget, financial report and business report.
7. Preparation of proposals for capital increase or decrease, earnings distribution or loss make-up.
8. Decisions on other important matters.

Chapter V Managers

Article 20: The Company may have a number of managers, such as President and Vice Presidents. The appointment, dismissal and remuneration of such managers shall be handled in accordance with Article 29 of the Company Act.

Chapter VI Accounting

Article 21: December 31 of each year is the Company's financial statement date. The following financial statements are prepared annually and submitted for approval by the Audit Committee and resolution by the Board of Directors, and then submitted to the shareholders' meeting for recognition.

1. Business Report.
2. Financial statements;
3. The proposal of surplus earning distribution or loss off-setting.

Article 22: If there is profit in a year, the board of directors shall resolve to appropriate no less than 3% as employees' remuneration and no more than 3% as directors' remuneration. However, if the Company still has accumulated losses, the amount shall be reserved in advance to offset the losses. The employees' remuneration referred to in the preceding paragraph may be paid in the form of shares or cash, and the Board of Directors is authorized to make a resolution on this matter.

Article 23: If the Company makes a profit in its financial report, it shall first pay tax and make up for past losses, and then appropriate 10% as legal reserve, and shall appropriate or reverse special reserve in accordance with the laws or regulations or the requirements of the competent authorities. If there is still any distributable earnings, the accumulated undistributed earnings of the previous years shall be added up, and the Board of Directors shall prepare a proposal for the distribution of shareholders' dividends and submit it to the shareholders' meeting for resolution.

Article 24: The Company is currently in the growth stage. The needs for business expansion such as capital expenditures and working capital are taken into account, as well as the steady development of the Company's short, medium and long-term financial structure, while the focus is on the stability and growth of dividends. In accordance with the preceding Article, 20% or more of the distributable earnings as stated in the annual financial statements shall be set aside for dividend distribution. However, if the accumulated unappropriated earnings of prior years are less than 30% of the paid-in capital, the Company may propose not to distribute such earnings. When the Company distributes stock dividends and cash dividends at the same time, the cash dividends shall not be less than 20% of the total dividends to shareholders for the year.

Chapter 7 Supplementary Provisions

Article 25: The total amount of external equity investment of the Company is not restricted by Paragraph 1, Article 13 of the Company Act, and the Board of Directors is authorized to execute this matter.

Article 26: The Company may provide guarantees to external parties due to business needs.

Article 27: Regarding the Company's various employee remuneration systems, including employee treasury stocks, employee stock option certificates, employee bonuses, employee stock subscriptions, employee restricted stocks, etc., the recipient of the payment may include employees of parents or subsidiaries of the company meeting certain specific requirements, and the Board of Directors shall be authorized to resolve on these matters.

Article 28: Matters not covered in these Articles of Incorporation shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 29: The Articles of Incorporation were established on May 14, 1984.

The first amendment was made on June 2, 1984.

The second amendment was made on June 27, 1987.

The third amendment was made on September 26, 1991.

The fourth amendment was made on November 26, 1994.

The fifth amendment was made on May 5, 2000.

The sixth amendment was made on September 22, 2000.

The seventh amendment was made on November 24, 2009.

The eighth amendment was made on June 11, 2010.

The ninth amendment was made on June 4, 2011.

The tenth amendment was made on June 30, 2014.

The eleventh amendment was made on June 27, 2015.

The twelfth amendment was made on March 18, 2016.

The thirteenth amendment was made on September 6, 2016.

The fourteenth amendment was made on June 24, 2019.

The fifteenth amendment was made on June 2, 2022.

The sixteenth amendment was made on June 2, 2023.

Company name: NAN JUEN INTERNATIONAL CO., LTD.

Chairperson: LEE, CHIN-LAN

NAN JUEN INTERNATIONAL CO., LTD.
Procedures for Acquisition or Disposal of Assets

Appendix II

1. Purpose

To strengthen asset management, protect investments, and implement information disclosure, the acquisition or disposal of assets by the Company shall be handled in accordance with these Procedures.

2. Scope

- 2.1 Securities: Includes investments in stocks, government bonds, corporate bonds, financial bonds, securities representing funds, depositary receipts, call (put) warrants, beneficiary securities, and asset-backed securities.
- 2.2 Real property (including land, houses and buildings, investment property, and inventories of construction enterprises) and equipment.
- 2.3 Memberships.
- 2.4 Intangible assets: Including patents, copyrights, trademarks, franchise rights, and other intangible assets.
- 2.5 Right-of-use assets.
- 2.6 Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- 2.7 Derivatives.
- 2.8 Assets acquired or disposed of through mergers, demergers, acquisitions, or transfer of shares in accordance with the law.
- 2.9 Other major assets.

3. Responsibilities

The General Manager's Office; the Finance Department.

4. Definitions

- 4.1 Derivatives: Refers to forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variables; or hybrid contracts combining the above contracts; or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, or long-term purchase (sales) contracts.
- 4.2 Assets acquired or disposed of through mergers, demergers, acquisitions, or transfer of shares in accordance with the law: Refers to assets acquired or disposed of through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act and other applicable laws, or the issuance of new shares in exchange for shares of another company (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
- 4.3 Related Party and Subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- 4.4 Professional Appraiser: Refers to a real estate appraiser or other person who may be engaged in the business of appraising real property or equipment in accordance with the law.
- 4.5 Date of Occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, date of Board of Directors resolution, or other date that can confirm the counterpart and monetary amount of the transaction, whichever is earlier. For investment that requires approval from a competent authority, the earlier of the above date or the date of receipt of approval from the competent authority shall apply.
- 4.6 Mainland China Investment: Refers to investments in Mainland China conducted in accordance with the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area as stipulated by the Investment Commission, Ministry of Economic Affairs (MOEA).
- 4.7 Professional Investor: Refers to financial holding companies, banks, insurance companies, bills finance companies, trust enterprises, securities firms operating proprietary or underwriting business, futures firms operating proprietary business, securities investment trust enterprises (SITs), securities investment consulting enterprises (SICs), and fund management companies, that are established in accordance with the law and are regulated by the local financial competent authority.
- 4.8 Securities Exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation (TWSE); "foreign securities exchange" refers to any organized securities exchange market which is regulated by the securities competent authority of the relevant country.

- 4.9 Over-the-Counter (OTC) Brokerage Office: "Domestic OTC brokerage office" refers to a venue for trading as established by a securities firm in accordance with the Regulations Governing Securities Trading on the Over-the-Counter Markets; "foreign OTC brokerage office" refers to a venue for business operations of a financial institution which is regulated by a foreign securities competent authority and is permitted to conduct securities business.
- 4.10 Most Recent Financial Statements: Refers to the financial statements audited or reviewed by a Certified Public Accountant (CPA) and disclosed in accordance with the law prior to the acquisition or disposal of assets.

5. Implementation Procedures

- 5.1 Qualifications and Requirements for Experts
When the Company obtains appraisal reports or opinions from CPAs, lawyers, or securities underwriters, such professional appraisers and their appraisal personnel, CPAs, lawyers, or securities underwriters shall comply with the following regulations:
- 5.1.1 They must not have been sentenced to imprisonment for one year or more for violations of the Securities and Exchange Act, Company Act, Banking Act, Insurance Act, Financial Holding Company Act, or Business Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or business-related crimes. This restriction does not apply if three years have elapsed since the completion of the sentence, the expiration of probation, or the granting of a pardon.
- 5.1.2 They shall not be a related party or a de facto related party to any party of the transaction.
- 5.1.3 If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal personnel shall not be related parties or de facto related parties to each other.
- 5.1.4 When issuing an appraisal report or opinion, the aforementioned personnel shall act in accordance with the self-regulatory rules of their respective trade associations and the following:
- 5.1.4.1 Before accepting a case, they shall prudently evaluate their own professional capabilities, practical experience, and independence.
- 5.1.4.2 When executing a case, they shall properly plan and execute appropriate operational procedures to form conclusions and issue reports or opinions; the procedures performed, data collected, and conclusions shall be recorded in detail in the working papers.
- 5.1.4.3 They shall evaluate the appropriateness and reasonableness of the data sources, parameters, and information used item by item as the basis for the appraisal report or opinion.
- 5.1.4.4 The statement of declaration shall include matters such as the professionalism and independence of the personnel, the assessment that the information used is appropriate and reasonable, and compliance with relevant laws and regulations.
- 5.2 Investment Limits for Assets Not for Operating Use
The investment limits for real property and its right-of-use assets or securities obtained by the Company and its subsidiaries not for operating use are as follows:
- 5.2.1 The total amount of real property and right-of-use assets not for operating use shall not exceed 30% of the Company's net worth as shown in its most recent financial statements.
- 5.2.2 The total amount of investment in long-term and short-term securities shall not exceed 60% of the Company's net worth as shown in its most recent financial statements, except for capital-protected financial products invested for short-term fund management purposes.
- 5.2.3 The amount of investment in individual securities shall not exceed 30% of the Company's net worth as shown in its most recent financial statements, except for capital-protected financial products invested for short-term fund management purposes.
- 5.2.4 If a subsidiary's business scope is a professional investment company or a holding company, its total investment in securities and investment in individual securities shall not exceed 150% and 100% of its paid-in capital, respectively.
- 5.3 Procedures for Acquisition or Disposal of Real Property, Equipment, or Right-of-use Assets
- 5.3.1 Evaluation and Operational Procedures: The acquisition or disposal of real property, equipment, or right-of-use assets shall be handled in accordance with the Company's Internal Control System for the Property, Plant, and Equipment Cycle.
- 5.3.2 Decision-making Procedures for Transaction Conditions and Authorization Limits:
- 5.3.2.1 Real Property or Right-of-use Assets: Transaction conditions and prices shall be determined with reference to the publicly announced current value, appraised value, and actual transaction prices of neighboring properties. An analysis report shall be prepared. After inquiry, price comparison, and negotiation:
Amounts of NT\$8 million or less (per transaction or project total) shall be approved according to the

Table of Authorization.

Amounts exceeding NT\$8 million shall be approved by the Chairman.

If the transaction amount reaches 20% of the Company's paid-in capital or NT\$100 million or more, it must be approved by the General Manager and Chairman, agreed upon by the Audit Committee, and submitted to the Board of Directors for resolution.

For capital expenditure budgets already approved by the Board (following Audit Committee agreement), the Chairman may approve the execution first, followed by a report to the Audit Committee and Board for retroactive approval.

- 5.3.2.2 The acquisition or disposal of equipment or its right-of-use assets shall be conducted through inquiry, price comparison, negotiation, or bidding. For transaction amounts of NT\$8 million (inclusive) or less, approval shall be obtained level-by-level in accordance with the Company's authorization policies; for amounts exceeding NT\$8 million, the approval of the Chairman is required. Where the transaction amount reaches 20% of the Company's paid-in capital or NT\$100 million or more, the transaction must be submitted to the General Manager and the Chairman for endorsement, agreed upon by the Audit Committee, and resolved by the Board of Directors. For capital expenditure budgets already approved by the Board following Audit Committee agreement, the Chairman may grant preliminary approval, provided that the transaction is subsequently submitted to the Audit Committee for agreement and to the Board for ratification.
- 5.3.3 When the Company acquires or disposes of real property, equipment, or its right-of-use assets, the user department and the management department shall be responsible for execution after obtaining approval based on the aforementioned authorization limits.
- 5.3.4 For the acquisition or disposal of real property, equipment, or its right-of-use assets—excluding transactions with domestic government agencies, construction on own or leased land, or the acquisition/disposal of equipment or right-of-use assets for operating use—where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, an appraisal report from a professional appraiser must be obtained prior to the date of occurrence in accordance with the following provisions:
 - 5.3.4.1 Where a limited price, specific price, or special price is used as the reference basis for the transaction price due to special reasons, the transaction shall first be agreed upon by the Audit Committee and resolved by the Board of Directors; the same shall apply to any subsequent changes in the transaction conditions.
 - 5.3.4.2 Where the transaction amount reaches NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
 - 5.3.4.3 If any of the following circumstances apply to the appraisal results, a CPA shall be engaged to express a specific opinion on the reasons for the discrepancy and the appropriateness of the transaction price, unless the appraisal results for the acquired assets are all higher than the transaction amount, or the appraisal results for the disposed assets are all lower than the transaction amount: (a) The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount; (b) The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
 - 5.3.4.4 The interval between the date of the appraisal report and the date of contract execution shall not exceed three months. However, if the same publicly announced current value applies and the period does not exceed six months, an opinion letter from the original professional appraiser may be used instead.
- 5.4 Procedures for Securities Investment
 - 5.4.1 Evaluation and Operational Procedures: Handled in accordance with the Company's Internal Control System for the Investment Cycle.
 - 5.4.2 Decision-making and Authorization:
 - 5.4.2.1 Market-traded Securities: Determined based on market conditions. Amounts of NT\$100 million or less require Chairman approval; exceeding NT\$100 million requires Audit Committee agreement and Board resolution (except for government bonds, repos/reverse repos, and domestic money market funds).
 - 5.4.2.2 Non-market-traded Securities: Evaluation must refer to the target company's most recent audited/reviewed financial statements. Authorization limits follow the same thresholds as 5.4.2.1.
 - 5.4.3 Execution Unit

When the Company invests in securities, such investments shall be executed by the Finance Department after being submitted for approval in accordance with the aforementioned authorization limits.
 - 5.4.4 Expert Opinions: For transactions reaching 20% of paid-in capital or NT\$300 million, a CPA opinion on the reasonableness of the transaction price must be obtained prior to the date of occurrence (unless there is an active market quote or otherwise regulated by the FSC).
- 5.5 Procedures for Related Party Transactions

- 5.5.1 General Rule: For related party transactions reaching 10% of the Company's total assets, an appraisal report or CPA opinion must be obtained.
- 5.5.2 When judging whether a transaction counterparty is a related party, in addition to its legal form, the substance of the relationship shall also be considered.
- 5.5.3 When the Company acquires or disposes of real property or its right-of-use assets from or to a related party, or acquires or disposes of assets other than real property or its right-of-use assets from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of total assets, or NT\$300 million or more—excluding the purchase or sale of domestic government bonds, repo/reverse repo bond transactions, and the subscription or redemption of money market funds issued by domestic securities investment trust enterprises—the Company shall submit the following information for the agreement of the Audit Committee and subsequent resolution by the Board of Directors before signing any transaction contract or making any payment:
 - 5.5.3.1 The purpose, necessity, and anticipated benefits of the acquisition or disposal of assets.
 - 5.5.3.2 The reasons for choosing the related party as the transaction counterparty.
 - 5.5.3.3 Information regarding the assessment of the reasonableness of the proposed transaction conditions in accordance with Articles 5.5.5.1, 5.5.5.4, and 5.5.5.7 when acquiring real property or its right-of-use assets from a related party.
 - 5.5.3.4 Matters such as the original acquisition date and price by the related party, the transaction counterparty, and the relationship between that counterparty and the Company and the related party.
 - 5.5.3.5 Monthly cash flow forecasts for the coming year starting from the anticipated month of contract signing, and an evaluation of the necessity of the transaction and the reasonableness of the utilization of funds.
 - 5.5.3.6 An appraisal report issued by a professional appraiser or a CPA opinion obtained in accordance with Article 5.5.1.
 - 5.5.3.7 Restrictive conditions and other important covenants associated with the transaction.
- 5.5.4 Authorization Limits and Shareholders' Meeting Resolution Procedures
 - 5.5.4.1 For transactions involving the acquisition or disposal of real property right-of-use assets, equipment, or right-of-use assets thereof for operating use conducted between the Company and its subsidiaries, or between its subsidiaries that directly or indirectly hold 100% of the issued shares or total capital, the Chairman is authorized to decide on transactions with an amount of NT\$100 million or less; transactions exceeding NT\$100 million shall be submitted to the most recent Audit Committee for agreement and subsequently to the Board of Directors for ratification.
 - 5.5.4.2 If the Company or its subsidiary (that is not a domestic public company) enters into a transaction specified in Article 5.5.3 and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the information listed in Article 5.5.3 to the Shareholders' Meeting for approval before signing the transaction contract or making payment. This does not apply to transactions between the Company and its parent company, subsidiaries, or between its subsidiaries.
- 5.5.5 Assessment of the Reasonableness of Transaction Costs
 - 5.5.5.1 When the Company acquires real property or its right-of-use assets from a related party, it shall evaluate the reasonableness of the transaction costs through the following methods:
 - 5.5.5.1.1 Based on the related party's transaction price plus necessary interest on funds and costs to be borne by the buyer according to law. The "necessary interest on funds" shall be calculated based on the weighted average interest rate of the Company's borrowings in the year of purchase, provided it does not exceed the maximum borrowing rate for non-financial industries announced by the Ministry of Finance.
 - 5.5.5.1.2 Where the related party has previously used the target asset as collateral for a loan from a financial institution, the total value appraised by the financial institution for the loan shall be used, provided that the actual cumulative loan amount reached at least 70% of the appraised value and the loan has been held for over one year. This does not apply if the financial institution is a related party to one of the transaction parties.
 - 5.5.5.2 For the combined purchase or lease of land and buildings on the same target, the transaction costs may be evaluated separately for the land and buildings using either of the methods listed in Article 5.5.5.1.
 - 5.5.5.3 When the Company acquires real property or its right-of-use assets from a related party and evaluates the costs in accordance with Articles 5.5.5.1 and 5.5.5.2, it shall also engage a CPA to review the evaluation and express a specific opinion.
 - 5.5.5.4 If the results of the evaluation are lower than the transaction price, the Company shall follow Articles 5.5.5.5, 5.5.5.6, and 5.5.5.8, unless the following circumstances apply and objective evidence is provided along with specific reasonableness opinions from a professional real estate appraiser and a CPA:
 - 5.5.5.4.1 Where the related party acquired undeveloped land or leased land for construction, provided that one of the following conditions is met:
 - (a) The land is evaluated per the prescribed methods and the building is valued based on the related party's construction cost plus a reasonable profit, and the total exceeds the actual transaction price;

- (b) Transactions for other floors of the same property or in the vicinity within one year involving non-related parties show comparable conditions.
- 5.5.5.4.2 Where the Company provides evidence that the conditions of the real property purchased or right-of-use assets leased from a related party are comparable to other non-related party transaction cases in the vicinity within one year and of a similar area.
- 5.5.5.5 Where the Company acquires real property or its right-of-use assets from a related party and the evaluation results are lower than the transaction price, the following shall be implemented:
- 5.5.5.5.1 The Company shall set aside a special surplus reserve for the difference between the transaction price and the evaluated cost pursuant to Article 41, Paragraph 1 of the Securities and Exchange Act, and such reserve shall not be distributed or capitalized.
- 5.5.5.5.2 Independent directors of the Audit Committee shall act in accordance with Article 218 of the Company Act.
- 5.5.5.5.3 The handling of the matter shall be reported to the Shareholders' Meeting, and the details of the transaction shall be disclosed in the Annual Report and Prospectus.
- 5.5.5.6 The special surplus reserve set aside under the preceding article may only be utilized after the assets have recognized an impairment loss, or have been disposed of, the lease terminated, or restored to original status, and with the consent of the competent authority.
- 5.5.5.7 Where the Company acquires real property or right-of-use assets thereof from a related party under any of the following circumstances, the Company shall handle the matter in accordance with the evaluation and operational procedures set forth in Articles 5.5.3 and 5.5.4, and the provisions for assessing the reasonableness of transaction costs under Articles 5.5.5.1, 5.5.5.2, and 5.5.5.3 shall not apply:
- 5.5.5.7.1 The related party acquired the real property or right-of-use assets thereof through inheritance or gift.
- 5.5.5.7.2 More than five years have elapsed from the date the related party signed the contract to acquire the real property or right-of-use assets thereof to the date of signing for the current transaction.
- 5.5.5.7.3 The real property is acquired through signing a joint construction contract with a related party, or through commissioning a related party to build real property on the Company's own land or on leased land (such as self-construction on own land or construction on leased land).
- 5.5.5.7.4 The transaction involves the acquisition of real property right-of-use assets for operating use between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or total capital.
- 5.5.5.8 If there is other evidence indicating that the transaction is not in accordance with normal business practices, Articles 5.5.5.5 and 5.5.5.6 shall also apply.
- 5.6 Procedures for Acquisition or Disposal of Intangible Assets, Right-of-use Assets, or Memberships
- 5.6.1 Evaluation and Operational Procedures: The acquisition or disposal of intangible assets, right-of-use assets, or memberships shall be handled in accordance with the Company's Internal Control System for the Property, Plant, and Equipment Cycle.
- 5.6.2 Decision-making Procedures for Transaction Conditions and Authorization Limits: The transaction conditions and prices shall be determined with reference to the fair market value, and an analysis report shall be prepared and submitted to the General Manager and then to the Chairman for approval. If the transaction amount exceeds NT\$8 million, it must be agreed upon by the Audit Committee and submitted to the Board of Directors for resolution.
- 5.6.3 Execution Unit: After approval according to the aforementioned authorization, the Finance Department and relevant departments shall be responsible for execution.
- 5.6.4 Expert Opinions: If the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more (except for transactions with domestic government agencies), the Company shall engage a CPA to provide an opinion on the reasonableness of the transaction price prior to the date of occurrence.
- 5.7 Calculation of Transaction Amounts
- 5.7.1 The calculation of transaction amounts in items 5.3.4, 5.4.4, 5.5.1, and 5.6.4 shall be conducted in accordance with item 5.11.1.7. The term "within one year" refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report or CPA opinion has been obtained in accordance with these Procedures need not be re-included in the calculation.
- 5.7.2 The calculation of transaction amounts in items 5.5.3 and 5.5.4.2 shall follow the same principle. Items already approved by the Shareholders' Meeting or the Board of Directors need not be re-included.
- 5.8 Procedures for Acquisition or Disposal of Claims of Financial Institutions
- In principle, the Company does not engage in transactions involving the acquisition or disposal of claims of financial institutions. Should the Company intend to engage in such transactions in the future, it shall obtain Audit Committee agreement and Board resolution before establishing the relevant evaluation and operational procedures.
- 5.9 Procedures for Trading Derivatives
- 5.9.1 Trading Principles and Policies:

- 5.9.1.1 Types of Trading: Refers to transaction contracts whose value is derived from assets, interest rates, exchange rates, indices, or other interests (e.g., forward contracts, options, futures, interest rate or currency swaps, and hybrid contracts).
- 5.9.1.2 Management and Hedging Strategies: Trading shall be for hedging purposes only. Products shall be selected to hedge risks arising from business operations. The currencies held must match the Company's actual import/export needs. The principle is to self-offset internal positions (foreign currency income vs. expenditure) to reduce overall exchange rate risk.
- 5.9.1.3 Segregation of Duties:
 - 5.9.1.3.1 Trading Personnel: Responsible for market intelligence, strategy, execution, and risk assessment within authorized limits.
 - 5.9.1.3.2 Confirmation Personnel: Accounting personnel shall verify transactions against authorization and strategy, record entries per accounting standards, and perform regular fair value evaluations (reporting to the General Manager).
 - 5.9.1.3.3 Settlement Personnel: Finance personnel shall be responsible for the settlement of derivative transactions.
- 5.9.1.4 Authorization Limits The authorization limits for hedging transactions are as follows:
 - 5.9.1.4.1 Hedging Transactions: Based on the Company's business status and changes in risk positions, the Chairman shall designate authorized trading personnel to handle transactions according to actual needs. In principle, for a net position of USD 10 million or less, the General Manager is authorized to approve; for a net position exceeding USD 10 million, the Chairman is authorized to approve.
 - 5.9.1.4.2 Non-Hedging Transactions: Trading personnel shall be designated by the Chairman, and transactions may only be conducted after obtaining approval from the Chairman.
 - 5.9.1.4.3 To ensure the Company's authorization coordinates with the corresponding supervision and management of banks, the authorized trading personnel must notify the relevant banks.
 - 5.9.1.4.4 Derivative transactions conducted under the aforementioned authorizations shall be reported to the most recent Board of Directors meeting after the fact.
- 5.9.1.5 Internal Audit Unit The unit is responsible for evaluating the adequacy of internal controls for derivative transactions, auditing the trading department's compliance with operational procedures, analyzing trading cycles, and preparing audit reports. Any material deficiencies discovered shall be reported to the Audit Committee and the Board of Directors.
- 5.9.1.6 Performance Evaluation
 - 5.9.1.6.1 Hedging Transactions
 - (a) The performance evaluation shall be based on the gains or losses generated between the exchange rate costs on the Company's books and the derivative financial transactions.
 - (b) To fully monitor and represent the valuation risk of transactions, the Company adopts a monthly closing valuation method to evaluate gains and losses.
 - (c) The Finance Department shall provide valuations of foreign exchange positions, market trends, and market analysis to the General Manager for management reference and instruction.
 - 5.9.1.6.2 Specific Purpose Transactions Performance evaluation shall be based on the actual gains or losses generated, and accounting personnel shall periodically prepare position reports for management reference.
- 5.9.1.7 Contract Trading Limit In principle, the daily transaction amount shall not exceed USD 3 million, except where approved by the General Manager.
- 5.9.1.8 Determination of Total Contract Amount and Loss Ceilings
 - 5.9.1.8.1 Total Contract Amount
 - (a) Hedging Transactions: Shall be aimed at risk mitigation based on the existing net positions within the Company, expected future needs, and firm commitments. At any given point, the total outstanding balance of unexpired contracts shall not exceed one-half of the sales revenue from the most recent audited or reviewed consolidated financial statements of the Company.
 - (b) Non-Hedging Transactions: May only be conducted upon approval by the Chairman. At any given point, the total outstanding balance of unexpired contracts shall not exceed one-half of the total current assets from the most recent audited or reviewed consolidated financial statements of the Company.
 - 5.9.1.8.2 Determination of Ceilings for Aggregate and Individual Contract Losses
 - (a) Hedging transactions are intended to mitigate positions arising from Company operations. The total loss ceiling for all transaction contracts shall not exceed 5% of the total assets from the most recent audited or reviewed consolidated financial statements of the Company. Alternatively, if a single transaction results in a 10% price difference loss against market price, it must be reported to the General Manager and Chairman to decide on a stop-loss based on actual operational positions and expected market conditions.

- (b) For non-hedging transactions, a stop-loss point must be set after a position is established. If the total loss on transaction contracts exceeds a 10% price difference loss of the paid-in capital, it must be reported to the General Manager and Chairman to decide on a stop-loss based on expected market conditions.
- 5.9.2 Risk Management Measures
- 5.9.2.1 Credit Risk Management: In principle, transaction counterparties shall be limited to banks or professional brokers that have business dealings with the Company to mitigate the risk of a counterparty's failure to perform.
- 5.9.2.2 Market Risk Management: In conducting derivative transactions, close attention shall be paid to the risk of price fluctuations of derivative products caused by unfavorable market price levels or price volatility.
- 5.9.2.3 Liquidity Risk Management: To ensure market liquidity, products with higher liquidity shall be prioritized when selecting derivative instruments. Simultaneously, an evaluation must be made of whether the counterparty has sufficient equipment, information, and the capability to conduct transactions in any market at any time.
- 5.9.2.4 Cash Flow Risk Management: In conducting derivative transactions, the source of funds for contract fulfillment shall be properly planned. Simultaneously, evaluations must be made of the risk of future cash flow fluctuations resulting from changes in external environmental factors.
- 5.9.2.5 Operational Risk Management
- 5.9.2.5.1 Personnel shall strictly follow the Company's authorized limits, operational procedures, and other regulations to avoid risks caused by human error, improper procedures, or insufficient control.
- 5.9.2.5.2 Trading personnel and confirmation/settlement personnel for derivative transactions shall not hold concurrent positions.
- 5.9.2.5.3 Risk control personnel shall belong to a department or unit different from those of trading and confirmation/settlement personnel.
- 5.9.2.6 Product Risk Management: Authorized trading personnel shall possess complete and accurate professional knowledge of financial products and shall require banks to fully disclose risks to avoid misuse of financial products.
- 5.9.2.7 Legal Risk Management: The Company shall sign a contract with every counterparty to a derivative transaction. Furthermore, for each transaction, a legally binding transaction certificate signed and confirmed by the counterparty shall be obtained to ensure the legality of each transaction and to avoid legal risks associated with derivative transactions.
- 5.9.3 Internal Audit System
- 5.9.3.1 The internal auditors of the Company shall periodically evaluate the adequacy of the internal controls for derivative transactions and conduct monthly audits of the trading department's compliance with the operational procedures for derivative transactions. An audit report shall be prepared. Should any material violation be discovered, it shall be reported immediately to the General Manager and the Chairman, with written notification to the Audit Committee.
- 5.9.3.2 The internal auditors of the Company shall include derivative transactions in the audit plan. By the end of February of the following year, the status of the execution of the annual audit plan for the preceding year shall be reported to the Securities and Futures Bureau. Furthermore, the improvement of any abnormalities shall be reported for recordation no later than the end of May of the following year.
- 5.9.4 Periodic Evaluation and Handling of Abnormalities
- For positions held for non-hedging derivative transactions, evaluations shall be conducted at least once a week. For hedging transactions conducted for business needs, evaluations shall be conducted at least twice a month. The evaluation reports shall be submitted to the General Manager and the Chairman.
- 5.9.5 Supervision and Management Principles of the Board of Directors for Derivative Transactions
- 5.9.5.1 The Chairman and the General Manager, as authorized by the Board of Directors, shall at all times pay attention to the supervision and control of derivative transaction risks and periodically evaluate whether the performance of derivative transactions is consistent with the established business strategy and whether the risks borne are within the tolerated range.
- 5.9.5.2 The Board shall periodically evaluate whether the current risk management measures are appropriate and ensure that transactions are handled in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and these Procedures.
- 5.9.5.3 The Board shall supervise the status of transactions and profit/loss. Should any abnormality be discovered, necessary countermeasures shall be taken and a report shall be made immediately to the Audit Committee and the Board of Directors. Independent directors shall attend the Board meeting and express their opinions.
- 5.9.5.4 When the Company conducts derivative transactions, the status of the transactions shall be reported to the

Board of Directors at least once per quarter. Furthermore, for transactions conducted by personnel authorized under these Procedures, the transaction shall be reported to the most recent Board of Directors meeting after the fact.

- 5.9.5.5 The Company shall establish a logbook for derivative transactions, in which the types, amounts, Board approval dates, and periodic evaluation matters of derivative transactions shall be recorded in detail for reference.
- 5.10 Procedures for Mergers, Demergers, Acquisitions, or Transfer of Shares
 - 5.10.1 Evaluation and Operational Procedures
 - 5.10.1.1 When conducting a merger, demerger, acquisition, or transfer of shares, the Company should engage lawyers, CPAs, and underwriters to jointly deliberate on an estimated timetable for the statutory procedures and organize a task force to execute the plan in accordance with the statutory procedures. Prior to the Board of Directors' resolution, the Company shall engage a CPA, lawyer, or underwriter to express an opinion on the reasonableness of the share exchange ratio, the acquisition price, or the cash or other property to be distributed to shareholders. This opinion shall be approved by the Audit Committee and then submitted to the Board of Directors for resolution. However, expert opinions are not required for mergers between the Company and its directly or indirectly 100% owned subsidiaries, or between its directly or indirectly 100% owned subsidiaries.
 - 5.10.1.2 Prior to the Shareholders' Meeting, the Company shall prepare public documents for shareholders regarding the important contract terms and related matters of the merger, demerger, or acquisition. These documents, together with the expert opinions referred to in Article 5.10.1.1 and the notice of the Shareholders' Meeting, shall be delivered to shareholders to serve as a reference for deciding whether to approve the merger, demerger, or acquisition. This does not apply where other laws permit a resolution for a merger, demerger, or acquisition without holding a Shareholders' Meeting.
 - 5.10.1.3 If the Shareholders' Meeting of any party to a merger, demerger, or acquisition cannot be held or a resolution cannot be passed due to lack of quorum, insufficient voting rights, or other legal restrictions, or if the proposal is rejected by the Shareholders' Meeting, the companies participating in the merger, demerger, or acquisition shall immediately issue a public explanation of the reasons, the subsequent actions, and the expected date of the next Shareholders' Meeting.
 - 5.10.2 Other Important Considerations
 - 5.10.2.1 Dates of Board and Shareholders' Meetings: Unless otherwise provided by law or unless the Financial Supervisory Commission (FSC) has granted prior consent for special factors, companies participating in a merger, demerger, or acquisition shall hold both Board and Shareholders' meetings on the same day to resolve the relevant matters. Companies participating in a transfer of shares shall hold their Board meetings on the same day, unless otherwise provided by law or unless the FSC has granted prior consent for special factors.
 - 5.10.2.2 Listed companies or companies whose shares are traded at a securities firm's business premises participating in a merger, demerger, acquisition, or transfer of shares shall maintain a complete written record of the following for five years for inspection: (a) Personnel information: Including the titles, names, and ID numbers (or passport numbers for foreigners) of all persons involved in the plan for the merger, demerger, acquisition, or transfer of shares or the execution thereof before the news is public. (b) Important dates: Including dates of signing letters of intent or MOUs, engaging financial or legal advisors, signing contracts, and Board meetings. (c) Important documents and minutes: Including plans for the merger, demerger, acquisition, or transfer of shares, letters of intent or MOUs, important contracts, and minutes of Board meetings.
 - 5.10.2.3 Within two days from the date the Board of Directors passes a resolution, listed companies or companies whose shares are traded at a securities firm's business premises participating in a merger, demerger, acquisition, or transfer of shares shall report the personnel information and important dates via the internet information system for recordation.
 - 5.10.2.4 If any company participating in a merger, demerger, acquisition, or transfer of shares is not a listed company or a company whose shares are traded at a securities firm's business premises, the participating listed/OTC company shall sign an agreement with such company and handle the matter in accordance with Articles 5.10.2.2 and 5.10.2.3.
 - 5.10.2.5 Confidentiality Commitment: All persons participating in or having knowledge of a plan for a merger, demerger, acquisition, or transfer of shares shall issue a written confidentiality commitment. Before the news is public, they shall not disclose the content of the plan to the outside, nor shall they trade, on their own behalf or in the name of another, the stocks or other equity-linked securities of any company related to the case.
 - 5.10.2.6 Changes in Share Exchange Ratio or Acquisition Price: The share exchange ratio or acquisition price may

not be arbitrarily changed unless the contract stipulates the circumstances under which changes may occur, such as:

- (a) Cash increase, issuance of convertible bonds, bonus issues, issuance of warrants, preferred shares with warrants, stock options, and other equity-linked securities.
- (b) Disposal of major assets or other acts affecting the company's finance or business.
- (c) Occurrence of major disasters, technological breakthroughs, or other events affecting shareholder equity or stock price.
- (d) Adjustments due to treasury stock buybacks by any participating party.
- (e) Changes in the entities or number of companies participating in the transaction.
- (f) Other conditions for change stipulated in the contract and publicly disclosed.

5.10.2.7 Mandatory Contract Content: Contracts for a merger, demerger, acquisition, or transfer of shares shall specify the rights and obligations of the participating companies and the following: (a) Handling of breach of contract. (b) Principles for handling previously issued equity-linked securities or treasury stocks of companies that are dissolved due to merger or demerged. (c) The quantity and principles for handling treasury stock buybacks after the record date for calculating the exchange ratio. (d) Handling of changes in participating entities or the number of companies. (e) Anticipated schedule for plan execution and completion. (f) Procedures to be followed if the plan is not completed on schedule, such as the anticipated date for holding a Shareholders' Meeting.

5.10.2.8 If any party to a merger, demerger, acquisition, or transfer of shares intends to further merge, demerge, or acquire another company after the information is public, all procedures or legal acts already completed for the original case must be reperformed by all participating companies, except where the number of participating companies decreases and the Shareholders' Meeting has resolved to authorize the Board to change the authorization limits.

5.10.2.9 If any company participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with it and handle the matter in accordance with Articles 5.10.2.1, 5.10.2.2, 5.10.2.3, 5.10.2.4, 5.10.2.5, and 5.10.2.8.

5.11 Public Disclosure Procedures

5.11.1 In the event of any of the following circumstances in the acquisition or disposal of assets, the Company shall publicly announce and report the relevant information on the designated website of the securities competent authority within two days from the date of occurrence in accordance with the prescribed format:

5.11.1.1 Acquisition or disposal of real property or its right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or its right-of-use assets from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of total assets, or NT\$300 million or more. This does not apply to the purchase/sale of domestic government bonds, repo/reverse repo bonds, or money market funds.

5.11.1.3 Conducting a merger, demerger, acquisition, or transfer of shares.

5.11.1.3 Losses from derivative transactions reaching the ceilings for aggregate or individual contract losses set forth in these Procedures.

5.11.1.4 Acquisition or disposal of equipment or its right-of-use assets for operating use where the counterparty is not a related party and the transaction amount reaches NT\$500 million or more.

5.11.1.5 Acquisition of real property via construction on own land, construction on leased land, joint construction and allocation of housing, joint construction and allocation of profit, or joint construction and allocation of sales, where the counterparty is not a related party and the anticipated transaction amount reaches NT\$500 million or more.

5.11.1.6 Asset transactions, disposal of claims by financial institutions, or investment in Mainland China other than those in the preceding five items where the transaction amount reaches 20% of paid-in capital or NT\$300 million or more. Exceptions:

- (a) Purchase/sale of domestic or foreign government bonds with sovereign ratings not lower than Taiwan's.
- (b) Securities trading by professional investors on exchanges or OTC venues, or primary market subscriptions of non-equity-linked bonds, or fund/index-linked securities redemptions, or brokerage/underwriting-related securities.
- (c) Repo/reverse repo bond transactions or money market funds redemptions.

5.11.1.7 Calculation of transaction amounts: The transaction amount shall be calculated as follows based on the year preceding the date of occurrence of the current transaction. Amounts already announced need not be re-included:

- (a) The amount of each individual transaction.

- (b) The cumulative amount of transactions of the same nature with the same counterparty within one year.
- (c) The cumulative amount of acquisition or disposal of real property or right-of-use assets within the same development project.
- (d) The cumulative amount of acquisition or disposal of the same security.
- 5.11.2 Timelines for Announcement and Reporting: When an acquisition or disposal of assets meets the announcement criteria, the announcement and report shall be made within two days from the date of occurrence.
- 5.11.3 Announcement and Reporting Procedures
 - 5.11.3.1 Information shall be announced and reported on the website designated by the competent authority.
 - 5.11.3.2 The Company shall, by the 10th of each month, enter the status of derivative transactions for the Company and its non-public domestic subsidiaries up to the end of the previous month on the designated website.
 - 5.11.3.3 If any reported information is found to have errors or omissions at the time of announcement, the entire content shall be re-announced and reported within two days from the date of knowledge.
 - 5.11.3.4 The Company shall keep the relevant contracts, minutes, logbooks, appraisal reports, and opinions of CPAs, lawyers, or underwriters at the Company for at least five years, unless otherwise provided by law.
 - 5.11.3.5 After the announcement of a transaction, a new announcement must be made within two days of the date of occurrence of any of the following:
 - (a) Changes, termination, or cancellation of the original contract.
 - (b) Failure to complete a merger, demerger, acquisition, or transfer of shares on schedule.
 - (c) Changes to the original announcement.
- 5.12 Supervision of Subsidiaries
 - 5.12.1 The Company shall urge its subsidiaries to establish and execute their own "Procedures for Acquisition or Disposal of Assets" in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and submit them to their Board or Shareholders' Meeting for approval. The same shall apply to amendments.
 - 5.12.2 When a subsidiary acquires or disposes of assets, it shall also act in accordance with the Company's regulations.
 - 5.12.3 If a subsidiary is not a public company, the Company shall handle the public announcement and reporting on its behalf when its acquisition or disposal of assets meets the thresholds for disclosure.
 - 5.12.4 For the purpose of the 20% of paid-in capital or 10% of total assets requirement for a subsidiary, the paid-in capital or total assets of the Company (Parent) shall be used as the basis.
 - 5.12.5 Subsidiaries shall handle acquisitions or disposals in accordance with their internal control systems and procedures. By the 5th of each month, they shall report to the Company in writing any individual or cumulative transactions of the same nature exceeding NT\$10 million for the previous month, as well as the status of derivative transactions. The Company's audit unit shall include the subsidiaries' asset operations as a monthly audit item and report findings to the Audit Committee and Board.
 - 5.12.6 If a subsidiary's derivative transaction amounts reach the disclosure thresholds, the parent company shall handle the public announcement and reporting on its behalf.
- 5.13 Provision Regarding 10% of Total Assets

The requirement for 10% of total assets under these Procedures shall be calculated based on the total assets shown in the most recent parent-only or individual financial report prepared under the "Regulations Governing the Preparation of Financial Reports by Securities Issuers." For companies with no par value or a par value other than NT\$10, the requirement for 20% of paid-in capital shall be replaced by 10% of the equity attributable to owners of the parent.
- 5.14 Procedures for Board of Directors' Resolutions
 - 5.14.1 Where an acquisition or disposal of assets requires Board approval under these Procedures or other laws, the opinions of independent directors shall be fully considered. Any dissenting or reserved opinions shall be recorded in the minutes of the Board meeting.
 - 5.14.2 Major asset or derivative transactions shall be approved by at least one-half of all members of the Audit Committee and then submitted to the Board for resolution. If the consent of at least one-half of the Audit Committee is not obtained, the transaction may be approved by at least two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the Board minutes.
 - 5.14.3 All members of the Audit Committee" and "all directors" shall be calculated based on those actually in office.
- 5.15 Court Documentation

Where the Company acquires or disposes of assets via court auction, the evidentiary documents issued by the court may serve as a substitute for the appraisal report or CPA opinion.

- 5.16 Penalties
Personnel who violate the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" or these Procedures shall be reported for evaluation and penalized according to the Company's Personnel Management Regulations based on the severity of the case.
- 6. Miscellaneous
 - 6.1 These Procedures are established in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," approved by the Audit Committee, the Board of Directors, and the Shareholders' Meeting. The same applies to amendments.
 - 6.2 The opinions of independent directors shall be fully considered and recorded in the Board minutes when discussing these Procedures.
 - 6.3 The establishment or amendment of these Procedures requires approval by at least one-half of all Audit Committee members and a Board resolution. If one-half consent is not obtained, two-thirds of all directors may approve, with the committee's resolution recorded in the minutes.
 - 6.4 All members" and "all directors" shall be calculated based on those actually in office.
 - 6.5 Any matters not covered by these Procedures shall be handled in accordance with relevant laws and regulations.

NAN JUEN INTERNATIONAL CO., LTD.
Rules of Procedure for Shareholders' Meeting

Appendix III

June 2, 2022

- 1 Purpose
Approved by the Shareholders' Meeting
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.
- 2 Scope
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.
- 3 Authority and Responsibility
President's office; stock affairs specialists
- 4 Definition of Terms
- 5 Task Description
 - 5.1 Convening shareholders meetings and shareholders meeting notices
 - 5.1.1 Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.
 - 5.1.2 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 recognition, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System before 30 days before the date of a general 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 general 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 handbooks and supplemental meeting materials and made them available for review by shareholders at any time. The meeting handbooks and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby, as well as distributed on-site at the meeting place.
 - 5.1.3 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.
 - 5.1.4 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 Company, or any matter under paragraph 1, Article 185 of the Company Act, Securities and Exchange Act Article 26-1, Article 43-6 and Article 56-1 and Article 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.
 - 5.1.5 Where the election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.
 - 5.1.6 A shareholder holding one percent or more of the total number of issued shares may submit a proposal to the Company for consideration at a general shareholders' meeting, limited to one proposal per shareholder. Proposals containing more than one item will not be included in the agenda. If a shareholder's proposal falls under any subparagraph of Article 172-1, paragraph 4 of the Company Act, the board of directors may exclude it from the agenda. Additionally, shareholder proposals aimed at urging the company to enhance public interests or fulfill social responsibilities shall still be processed in accordance with the relevant provisions of Article 172-1 of the Company Act. Prior to the book closure date before a general 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.
 - 5.1.7 Prior to the book closure date before a general 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.
- 5.1.8 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 general shareholders' meeting and take part in the discussion of the proposal.
 - 5.1.9 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.
 - 5.2 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.
 - 5.2.1 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.
 - 5.2.2 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.
 - 5.3 Principles determining the time and place of a shareholders' meeting

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.
 - 5.4 Preparation of documents such as the attendance book
 - 5.4.1 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.
 - 5.4.2 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 shall be assigned to handle the registrations.
 - 5.4.3 Shareholders or their proxies (hereinafter referred to as "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 presented by shareholders beyond those showing eligibility to attend. Solicitors soliciting proxy forms shall also bring identification documents for verification.
 - 5.4.4 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.
 - 5.4.5 The Company shall furnish attending shareholders with the meeting handbook, 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.
 - 5.4.6 When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. A juristic person being entrusted to attend a shareholders meeting may designate only one representative to represent it in the meeting.
 - 5.5 The chair and non-voting participants of a shareholders meeting
 - 5.5.1 In case the chairperson of the Board of Directors is on leave or absent or can not exercise his/her power and authority for any cause, the vice chairperson shall act on his/her behalf. In case there is no vice chairperson, or the vice chairperson is also on leave or absent or unable to exercise his/her power and authority for any cause, the chairperson of the Board of Directors shall designate one of the managing directors, or where there is no managing directors, one of the directors to act on his behalf. In the absence of such a designation, the managing directors or the directors shall elect from among themselves an acting chairman of the board of directors.
 - 5.5.2 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 who serves as chair.
 - 5.5.3 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, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

- 5.5.4 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.
- 5.5.5 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.
- 5.6 Documentation of a shareholders meeting by audio or video
 - 5.6.1 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.
 - 5.6.2 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.
- 5.7 Attendance at shareholders' meetings shall be calculated based on the 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.
 - 5.7.1 The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of non-voting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned.
 - 5.7.2 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.
 - 5.7.3 When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.
- 5.8 Discussion of proposals
 - 5.8.1 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.
 - 5.8.2 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.
 - 5.8.3 The chair shall not adjourn the meeting without a resolution before the conclusion of the agenda of the preceding two paragraphs (including extraordinary motions); if the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board shall promptly assist the shareholders attending the meeting in accordance with the statutory procedures to The shareholders present at the meeting, with more than half of the voting rights, nominate one person to chair the meeting and continue the meeting.
 - 5.8.4 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, and schedule sufficient time for voting.
- 5.9 Shareholder speech
 - 5.9.1 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.
 - 5.9.2 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.
 - 5.9.3 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.
 - 5.9.4 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.

- 5.9.5 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.
- 5.9.6 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- 5.10 Calculation of voting shares and recusal system
 - 5.10.1 Voting at a shareholders' meeting shall be calculated based on the number of shares.
 - 5.10.2 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.
 - 5.10.3 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 a proxy for any other shareholder.
 - 5.10.4 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.
 - 5.10.5 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 a 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.
- 5.11 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 paragraph 2, Article 179 of the Company Act.
 - 5.11.1 When this company convenes a shareholder meeting, it should adopt a method for shareholders to exercise their voting rights in writing or electronically. The procedure for exercising voting rights in writing or electronically should be stated in the notice convening the shareholder meeting. Shareholders who exercise their voting rights in writing or electronically are considered as being present at the shareholder meeting. However, regarding ad hoc motions and amendments to original proposals at the meeting, such actions are considered as abstentions; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.
 - 5.11.2 A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a 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.
 - 5.11.3 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 declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known, by the same means by which the voting rights were exercised, before 2 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.
 - 5.11.4 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, 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 number of votes for and against and the number of abstentions, shall be entered into the MOPS.
 - 5.11.5 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 it 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.
 - 5.11.6 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.
 - 5.11.7 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 of the vote shall be made.
- 5.12 Election
 - 5.12.1 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.
- 5.12.2 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 recording shall be retained until the conclusion of the litigation.
- 5.13 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 shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.
- 5.13.1 The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
- 5.13.2 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 voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.
- 5.14 Public disclosure
- 5.14.1 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 shall make an express disclosure of the same at the place of the shareholders meeting.
- 5.14.2 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.
- 5.15 Maintaining order at the meeting place
- 5.15.1 Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
- 5.15.2 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."
- 5.15.3 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.
- 5.15.4 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.
- 5.16 Recess and resumption of a shareholders meeting
- 5.16.1 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.
- 5.16.2 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.
- 5.16.3 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.
6. 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.

Shareholding of Directors

I. Number of shares in accordance with the shareholder register as of the date of share transfer suspension for the 2026 general shareholders meeting:

Job Title	Name	Number of shares held as of 2026.4.12	Shareholding ratio
Chairperson	He Ying Investment Co., Ltd. Representative: LEE, CHIN-LAN	8,869,525	12.54%
Director	He Ying Investment Co., Ltd. Representative: WU,HSIN-CHENG	8,869,525	13.54%
Director	Junyi Investment Co., Ltd. Representative: WU, JEN-SHAN	7,411,030	10.48%
Director	Junyi Investment Co., Ltd. Representative: WU,YI-SHAN	7,411,030	10.48%
Director	WU,KUEI-YING	-	-
Independent Director	HUNG,TUNG-HSIUNG	-	-
Independent Director	CHENG,TSUN	-	-
Independent Director	CHANGYUAN-CHEN	-	-
Independent Director	CHIU,SHAO-CHEN	-	-

2. In accordance with Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies:

The total number of shares held by all directors of the Company shall not be less than 5,652,420 shares.

Information on proposals made by shareholders who own at least 1% of the Company's issued shares

1. According to Article 172-1 of the Company Act, shareholders who hold more than 1% of the total number of issued shares of the Company may submit proposals in writing to the Company's general shareholders' meeting of 2026. Proposal period: April 2, 2026 to April 13, 2026.
2. Proposals proposed by shareholders who hold more than 1% of the Company's issued shares for the general shareholders' meeting of 2026: None.