



Ticker: 1586

CHINA FINEBLANKING TECHNOLOGY CO.,LTD

2025 Extraordinary Shareholders' meeting

Meeting Handbook

Time: Feb 20, 2025

**Venue: No. 40, Xinggong Road, Shengang
Township, Changhua County**

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CHINA FINEBLANKING TECHNOLOGY

Procedure for the 2025 Extraordinary Shareholders' Meeting

Meeting time: 10:00 am on Feb 10, 2025 (Monday)

Venue: No. 40, Xinggong Road, Shengang Township, Changhua County

Convening method: Physical shareholders' meeting

I. Call the Meeting to Order

II. Chairperson's Remarks

III. Report Items

IV. Matters to be Discussed

V. Extemporary Motions

VI. Adjournment

China Fineblanking Technology Co., Ltd Agenda for 2025 Extraordinary Shareholders' Meeting

Time: 10:00 am on Feb 10, 2025 (Monday)

Venue: No. 40, Xinggong Road, Shengang Township, Changhua County

Convening method: Physical shareholders' meeting

- I. Call the Meeting to Order (reporting of the number of shares represented by attendance)**
- II. Chairperson's Remarks**
- III. Report Items**
 - (I). Report on execution of treasury stock buyback**
- IV. Matters to be Discussed**
 - (I). The issuance of common shares through capital increase by cash in private placement**
- V. Extemporaneous Motions**
- VI. Adjournment**

Report Items

Subject 1

Summary: Report on execution of treasury stock buyback.

Explanation: Please refer to pages 12-13 of this handbook (Attachment 1) for details regarding the purpose, quantity, price range, and execution status of the company's 11th, 12th, 13th, 14th, and 15th stock repurchase programs.

Matters to be Discussed

Subject 1

(proposed by the board)

Summary: The issuance of common shares through capital increase by cash in private placement.

Explanation:

- I. To enhance the company's competitiveness and respond to long-term operational development in the future, the company intends to conduct a private placement in accordance with Article 43-6 of the Securities and Exchange Act at an appropriate time, raising cash through the issuance of new shares. The funds will be used to supplement operating capital and repay bank loans. The total number of ordinary shares to be issued in the private placement will not exceed 30,000,000 shares, with a par value of NT\$10 per share. After approval by the shareholders' extraordinary meeting, the board of directors will be authorized to carry out the issuance in one or two tranches within one year from the resolution date of the extraordinary meeting.
- II. Relevant information regarding the private placement of ordinary shares is as follows:
 1. **Issuance Conditions:**
 - (I) Type of shares: Ordinary shares.
 - (II) Number of shares: The total number of shares to be issued will not exceed 30,000,000. The board of directors will be authorized to conduct the issuance in one or two tranches within one year from the resolution date of the shareholders' extraordinary meeting.
 - (III) Par value per share: NT\$10.
 - (IV) Total amount of private placement: Calculated based on the final private placement price and the actual number of shares issued.
 2. **Basis and Reasonableness of the Private Placement Price:**
 - (I) The price for the private placement of ordinary shares will be set at not less than 80% of the higher of the following two pricing benchmarks before the pricing date:
 - (1) The simple arithmetic average of the closing prices of the ordinary shares for one, three, or five business days prior to the pricing date, adjusted for stock dividend rights and ex-dividend adjustments, and added back any price adjustments for capital reduction.
 - (2) The simple arithmetic average of the closing prices of the ordinary shares for the thirty business days prior to the pricing date, adjusted for stock dividend rights and ex-dividend adjustments, and added back any price adjustments for capital reduction.
 - (II) The private placement price determination is in accordance with the "Matters to be Noted for Publicly Issued Companies Regarding Private Placement of Securities" and considers the company's future prospects, as well as strict restrictions on the transfer, timing, and amount of private placement securities. Given the three-year lock-up period and limited liquidity, the pricing method is considered reasonable and will not have a significant adverse impact on shareholder rights.
 - (III) The actual pricing date and final private placement price will be determined based on the principles outlined above, in compliance with legal requirements and within the pricing range approved by the shareholders' extraordinary meeting. The board of directors will be authorized to make the decision based on the specific circumstances and market conditions at that time.
 3. **Selection of Specific Investors:**
 - (I) The company has not yet finalized specific investors for the private placement. The private placement will be limited to investors who meet the criteria set forth in Article 43-6 of the Securities and Exchange Act and the Financial Supervisory Commission's Order No. 1120383220.
 - (II) **Choice of Strategic Investors, Necessity, and Expected Benefits:**

- (1) Selection method and purpose of the investors: In view of the company's long-term business operations and development needs, the company will select strategic investors who can help expand business, enhance technology, improve quality, reduce costs, increase efficiency, or integrate product development.
- (2) Necessity: Introducing strategic investments will enhance the company's long-term core competitiveness and operational performance, which is a necessary strategy for sustainable development.
- (3) Expected benefits: The company expects that the strategic investors' experience, products, services, knowledge, and market channels will help improve product service value, reduce costs, increase efficiency, and expand market share, which will enhance the company's future operating performance.

4. Necessity of the Private Placement:

- (I) **Reason for Not Using Public Offering:** Given the timeliness, feasibility, and cost of raising capital, and the three-year restriction on the transferability of private placement securities, the company can ensure a long-term equity relationship with investors. Considering future operational capital and business development needs, it is deemed necessary to raise funds through private placement at an appropriate time from specific investors to achieve the necessary capital infusion.
 - (II) **Private Placement Cap:** The private placement will be conducted in one or two tranches, with a total number of shares not exceeding 30,000,000. The shares that were not issued in previous rounds may be combined with those issued in future rounds. The par value of each share is NT\$10, and the total amount raised will be calculated based on the final private placement price and the actual number of shares issued.
 - (III) **Use of Funds from the Private Placement and Expected Benefits:** The funds raised in the private placement will be used to supplement operating capital and repay bank loans to meet long-term operational development needs. This will help improve the company's financial structure, provide flexible funding management, and enhance operational performance.
- III. The rights and obligations of the private placement ordinary shares will be the same as those of the company's already issued ordinary shares. However, according to the Securities and Exchange Act, the shares cannot be transferred for three years from the delivery date, except as permitted under Article 43-8 of the Securities and Exchange Act. After three years from the delivery date, the board of directors will decide whether to apply for listing and trading at the Taiwan Over-the-Counter Securities Exchange.
 - IV. The issue price, number of shares, conditions of the issuance, pricing date, capital increase reference date, planned items, fundraising amount, progress schedule, expected benefits, and other matters related to the private placement may be adjusted according to changes in regulations, operational assessments, or due to changes in objective conditions or laws. The shareholders' extraordinary meeting will authorize the board of directors to handle such matters.
 - V. In addition to the authorization above, the shareholders' extraordinary meeting will authorize the chairman or a person designated by the chairman to represent the company in signing, negotiating, and changing any contracts and documents related to the private placement of ordinary shares and to handle all necessary matters related to the private placement.
 - VI. After assessing the introduction of strategic investors, the company expects no significant changes in control. However, there may be changes in board seats. Therefore, in accordance with the "Matters to be Noted for Publicly Issued Companies Regarding Private Placement of Securities," the underwriter will provide an "Evaluation Opinion on the Necessity and Reasonableness of the Private Placement." Please refer to pages 9-16 of this document (Appendix II) for the underwriter's evaluation opinion.
 - VII. The company's private placement proposal for ordinary shares, in accordance with Article 43-6 of the Securities and Exchange Act, should be reviewed by the shareholders' extraordinary meeting, and the relevant matters will be disclosed at the Market Observation Post System (MOPS) website (URL: <http://mops.twse.com.tw/>).

Resolution:

Extemporary Motions

Adjournment

CHINA FINEBLANKING TECHNOLOGY
Execution of Repurchase of the Company's Stock

Buy back times	11	12	13
Types of shares repurchased	Ordinary shares	Ordinary shares	Ordinary shares
Purpose	Transfer of shares to employees	Transfer of shares to employees	Transfer of shares to employees
Estimated repurchase period	May 14, 2021 to July 13, 2021	January 17, 2022 to March 16, 2022	June 06, 2022 to August 05, 2022
The number and proportion of shares scheduled to be repurchased to the company's total issued shares (%)	3,000,000 shares 3.56%	2,000,000 shares 2.33%	2,000,000 shares 2.33%
Scheduled buy-back price range	NT\$28.56 to 69.43	NT\$28.25 to 61.65	NT\$26.46 to 58.22
Actual repurchase period	May 14, 2021 to July 12, 2021	January 20, 2022 to March 10, 2022	June 06, 2022 to August 04, 2022
The actual number and proportion of shares repurchased and the proportion to the company's total issued shares (%)	2,349,000 shares 2.79%	1,020,000 shares 1.19%	1,098,000 shares 1.28%
Average buyback price per share	NT\$42.94	NT\$40.79	NT\$38.28
Actual amount bought back	NT\$100,872,223	NT\$41,604,120	NT\$42,028,487
Execution of share repurchase	<input type="checkbox"/> Execution completed <input checked="" type="checkbox"/> Execution not completed Reason: In order to protect the rights and interests of shareholders, and consider the stable trend of the stock price during the repurchase period, the company adopts the principle of 'buy low but don't chase high' prices and the company buys stock back in batches depending on the change in stock price, so the number of treasury shares bought did not meet the target.	<input type="checkbox"/> Execution completed <input checked="" type="checkbox"/> Execution not completed Reason: In order to protect the rights and interests of shareholders, and consider the stable trend of the stock price during the repurchase period, the company adopts the principle of 'buy low but don't chase high' prices and the company buys stock back in batches depending on the change in stock price, so the number of treasury shares bought did not meet the target.	<input type="checkbox"/> Execution completed <input checked="" type="checkbox"/> Execution not completed Reason: In order to protect the rights and interests of shareholders, and consider the stable trend of the stock price during the repurchase period, the company adopts the principle of 'buy low but don't chase high' prices and the company buys stock back in batches depending on the change in stock price, so the number of treasury shares bought did not meet the target.
The number of shares that have been canceled and transferred for this repurchase	0 share	0 share	0 share
The number of shares that have not been canceled and transferred in this repurchase	2,349,000 shares	1,020,000 shares	1,098,000 shares
The amount of shares that have not been canceled and transferred in this repurchase	NT\$100,872,223	NT\$41,604,120	NT\$42,028,487

CHINA FINEBLANKING TECHNOLOGY
Execution of Repurchase of the Company's Stock

Buy back times	14	15	
Types of shares repurchased	Ordinary shares	Ordinary shares	
Purpose	Transfer of shares to employees	Transfer of shares to employees	
Estimated repurchase period	December 07, 2022 To February 06, 2023	August 14, 2024 To Spetember 12, 2024	
The number and proportion of shares scheduled to be repurchased to the company's total issued shares (%)	1,000,000 shares 1.16%	1,000,000 shares 1.16%	
Scheduled buy-back price range	NT\$23.66 to 50.42	NT\$23.66 to 50.42	
Actual repurchase period	December 09, 2022 to January 17, 2023	December 09, 2022 to January 17, 2023	
The actual number and proportion of shares repurchased and the proportion to the company's total issued shares (%)	587,000 shares 0.68%	500,000 shares 0.58%	
Average buyback price per share	NT\$33.85	NT\$31.90	
Actual amount bought back	NT\$19,868,690	NT\$15,950,045	
Execution of share repurchase	<input type="checkbox"/> Execution completed <input checked="" type="checkbox"/> Execution not completed Reason: In order to protect the rights and interests of shareholders, and consider the stable trend of the stock price during the repurchase period, the company adopts the principle of 'buy low but don't chase high' prices and the company buys stock back in batches depending on the change in stock price, so the number of treasury shares bought did not meet the target.	<input type="checkbox"/> Execution completed <input checked="" type="checkbox"/> Execution not completed Reason: In order to protect the rights and interests of shareholders, and consider the stable trend of the stock price during the repurchase period, the company adopts the principle of 'buy low but don't chase high' prices and the company buys stock back in batches depending on the change in stock price, so the number of treasury shares bought did not meet the target.	
The number of shares that have been canceled and transferred for this repurchase	0 share	0 share	
The number of shares that have not been canceled and transferred in this repurchase	587,000 shares	500,000 shares	
The amount of shares that have not been canceled and transferred in this repurchase	NT\$19,868,690	NT\$15,950,045	

(Attachment 2)

CHINA FINEBLANKING TECHNOLOGY CO., LTD.

Opinion Letter on the Necessity and Reasonableness of Private Placement of Common Shares Through Capital Increase by Cash

Author of the Opinion Letter: CHINA FINEBLANKING TECHNOLOGY CO., LTD.

Recipient of the Opinion Letter: CHINA FINEBLANKING TECHNOLOGY CO., LTD.

Designated Purpose of the Opinion Letter: Solely for use by CHINA FINEBLANKING
TECHNOLOGY CO., LTD. in conducting the
private placement of common shares of
securities in 2024.

Report Type: Opinion Letter on Necessity and Reasonableness

Evaluation Institution: Grand Fortune Securities Co.,Ltd.

December 20, 2024

CHINA FINEBLANKING TECHNOLOGY CO., LTD.

Evaluation Opinion on the Necessity and Reasonableness of the Private Placement of Common Shares Through Capital Increase by Cash in 2024

1. Introduction

CHINA FINEBLANKING TECHNOLOGY CO., LTD. (hereinafter referred to as "CFTC" or "the Company") intends to raise funds to strengthen its working capital and repay bank loans by conducting the first private placement of common shares in 2024, in accordance with Article 43-6 of the Securities and Exchange Act. The Company plans to hold a board of directors meeting on December 23, 2024, to approve the private placement of common shares. According to the proposal presented at the board meeting, the maximum amount to be issued is limited to 30,000,000 shares. After being approved by the first extraordinary shareholders' meeting in 2025 (hereinafter referred to as "the Shareholders' Meeting"), the private placement will be conducted within one year from the date of the Shareholders' Meeting resolution, in one or two tranches.

The private placement targets will be limited to specific persons who meet the requirements of Article 43-6 of the Securities and Exchange Act and the Financial Supervisory Commission's Order No. 1120383220, issued on September 12, 2023. The issue price will be based on not less than 80% of the reference price, and the Company intends to request authorization from the Shareholders' Meeting to set the final price range within the limits authorized by the resolution, based on future negotiations with specific persons and market conditions.

In accordance with the "Matters to Be Noted by Public Companies when Conducting Private Placements of Securities," if there is a change of more than one-third of the board seats within one year prior to the delivery of the securities, the Company must seek a securities underwriter's opinion on the necessity and reasonableness of the private placement. The Company anticipates that the strategic investors may acquire board seats, resulting in changes to the board. Therefore, the Company has commissioned the underwriter to provide an evaluation of the necessity and reasonableness of this private placement. The summarized evaluation opinions are as follows:

2. Underwriter's Evaluation Opinion

(1) Legality Assessment

The Company's financial report for 2023 shows a net loss after tax of NT\$54,313,000. This does not violate the restriction in Article 3 of the "Matters to Be Noted by Public Companies when Conducting Private Placements of Securities," which prohibits private placements for companies with a net loss after tax in the most recent fiscal year and accumulated losses. Reviewing the board proposal for the meeting on December 23, 2024, the private placement targets will be limited to specific persons as defined under Article 43-6 of the Securities and Exchange Act and the Financial Supervisory Commission's Order No. 1120383220. The issue price will be based on not less than 80% of the reference price. However, the final pricing date and the issue price will be authorized by the Shareholders' Meeting to be determined by the board of directors within the price range set by the Shareholders' Meeting, depending on future negotiations and market conditions. This is in compliance with the relevant regulations.

(2) Financial Condition of CFTC

The most recent consolidated balance sheet and income statement for the past two years and the latest period are presented as follows:

I.Consolidated Condensed Balance Sheet

Unit: NT\$ thousand

Accounts	2022.12.31	2023.12.31	2024.9.30
Current assets	2,100,121	2,043,954	1,974,129
Property, plant and equipment	1,973,742	1,832,208	1,772,592
Right-of-use assets	33,936	32,316	33,058
Intangible assets	10,050	7,592	7,813
Deferred tax assets	36,606	71,298	34,066
Other non-current assets	118,835	88,834	89,975
Total assets	4,273,290	4,076,202	3,911,682
Current liabilities	1,898,164	1,306,407	1,166,713
Non-Current liabilities	832,971	1,310,652	1,206,958
Total liabilities	2,731,135	2,617,059	2,373,671
Ordinary shares	858,988	863,123	868,495
Capital surplus	555,218	578,446	584,685
Retained earnings	420,840	346,316	370,223
Other equity interest	-97,144	-124,368	-65,068
Treasury shares	-195,747	-204,374	-220,324
Non-controlling interests	-	-	-
Total equity	1,542,155	1,459,143	1,538,011

Source of Information: The Company's financial reports have been audited or reviewed by certified public accountants.

II. Consolidated Condensed Balance Sheet

Unit: NT\$ thousand

Accounts	2022	2023	January-September 2024
Operating revenue	2,539,681	2,310,590	1,916,892
Operating costs	2,211,042	2,054,576	1,608,090
Gross profit from operations	328,639	256,014	308,802
Operating expenses	349,431	323,620	263,695
Net Operating income(loss)	-20,792	-67,606	45,107
Non-operating income and expenses	44,682	-5,800	-4,377
Profit(loss) from continuing operations before tax	23,890	-73,406	40,730
Income tax expenses(benefit)	-19,244	-19,093	6,259
Net profit (loss)	43,134	-54,313	34,471
EPS	0.52	-0.67	0.42

Source of Information: The Company's financial reports have been audited or reviewed by certified public accountants.

(3) Assessment of the Necessity and Rationality of this Private Placement

I. Assessment of Necessity

The company's main business involves the research, design, development, manufacturing, and sales of hard disk drive components and various automotive parts. Its main products include computer hard disk voice coil motor actuators, transmission parts, door locks, seats, hydraulic pumps, brakes, and high-end bicycle stamped parts. In the area of computer hard disk voice coil motor actuators, the rise of tablet computers and smartphones has led to the erosion of the PC and notebook markets, resulting in a decline in shipments of traditional hard disk drives (HDDs). In the automotive parts sector, some of the business has been affected by a decline in global consumer demand and slow economic growth, compressing profit margins. As a result, the company experienced negative operating income in 2022 and incurred losses in 2023. Given the current development trends in the industry, the company assesses that introducing specific investors who can help expand the business and improve product development efficiency may enhance the company's competitive advantage.

The funds raised from this private placement will mainly be used to strengthen operating capital and repay bank loans. By introducing long-term investors who will be beneficial to the company's future operations, the company can benefit from business expansion, improved efficiency, and better product development integration, which will enhance long-term competitiveness. Therefore, the necessity of conducting this private placement is reasonable.

Considering the timeliness, convenience, and cost-effectiveness of the capital

market and fundraising, and the transfer restrictions on privately placed securities for three years, the private placement method ensures a long-term partnership between the company and investors. Therefore, the private placement method is necessary.

II. Assessment of Rationality

The underwriter evaluates the rationality of this private placement proposal in the following three aspects:

(I) Rationality of the Private Placement Process

Upon reviewing the company's proposal for the board meeting scheduled on December 23, 2024, the proposed agenda, issuance procedures, pricing for the private placement, and selection of specific investors comply with the Securities and Exchange Act and related regulations, with no significant abnormalities.

(II) Rationality of the Type of Securities for Private Placement

The company intends to issue common stock as part of the private placement, which is a widely accepted form of security in the market and generally well-accepted by investors. Therefore, the selection of common stock for this private placement is rational.

(III) Rationality of the Expected Benefits from the Private Placement

The company's goal in conducting the private placement is to raise funds to strengthen operating capital and repay bank loans. This will improve technology, enhance quality, reduce costs, and increase efficiency, thus enhancing the company's long-term core competitiveness and operating performance. The restrictions on the transfer of privately placed securities will ensure a long-term partnership between the company and investors, which will assist in improving the company's performance and future competitive advantage. Overall, this private placement will positively benefit the company's operations and shareholder equity and is rational.

III. Selection of Investors and Feasibility and Necessity Assessment

(I) Selection of Investors

According to the company's proposal for the board meeting on December 23, 2024, the company has not yet identified specific investors. The investors for this private placement will be limited to those who meet the criteria set forth in Article 43-6 of the Securities and Exchange Act and the Financial Supervisory Commission's Order No. 1120383220, issued on September 12, 2023. The selected investors are those who can assist the company in expanding its business, improving product and technology development, and promoting long-term operational development.

(II) Feasibility and Necessity of Selecting Investors

The funds raised from this private placement will be used to strengthen operating capital and repay bank loans. Considering that the company aims to strengthen long-term development, stabilizing the capital infusion will reduce operational costs, improve the financial structure, and enhance the company's competitive advantage and shareholder equity. Therefore, the selection of investors for this private placement is feasible and necessary.

IV. Impact of the Private Placement on the Company's Operations, Finances, and Shareholder Equity

(I) Impact on the Company's Operations

The funds raised from the private placement will not only support daily operating needs and repay bank loans but will also improve the company's market competitiveness and expand business operations. Given the highly competitive

environment in the industry, and the continuous decline in the computer hard disk business, the private placement is expected to positively benefit the company's operations.

(II) Impact on the Company's Finances

The company plans to issue up to 30,000,000 shares of common stock as part of the private placement. If fully subscribed, the funds raised will strengthen the company's financial position. Additionally, through the investor's experience and technology, the company expects to reduce operational costs and improve efficiency, which will significantly improve its performance and competitiveness. Therefore, the private placement will have a positive impact on the company's finances.

(III) Impact on the Company's Shareholder Equity

If the private placement is fully subscribed, it will account for about 25% of the total shares issued after the placement. Given the intensified competition in the traditional hard disk business, the funds raised will help improve the company's financial structure, strengthen its position, and support long-term operations. Over time, this will positively benefit shareholder equity.

V.Summary of Assessment Opinions

In conclusion, the company's plan to use the funds raised from this private placement to strengthen operating capital and repay bank loans, with the goal of securing stable long-term funds for business development, product production efficiency, and enhancing shareholder equity, is necessary and reasonable for the company's long-term development. The underwriter has reviewed the company's proposal for the board meeting scheduled for December 23, 2024, and confirms that the issuance plan, procedures, pricing, and selection of specific investors comply with the Securities and Exchange Act and related regulations, with no significant abnormalities.

3. Other Statements

(1) This opinion is provided as a reference for the decision-making at the company's board meeting on December 23, 2024, and the shareholder meeting on February 10, 2025, regarding the private placement of common stock. It is not for any other use.

(2) This opinion is based on the proposal for the board meeting on December 23, 2024, the company's financial data, and information disclosed through the "Public Information Observatory." The underwriter does not bear any legal responsibility for any changes that may occur in the content of this opinion due to future changes in the company's plans or other factors. This is hereby declared.

Evaluator: Grand Fortune Securities Co.,Ltd

Representative: Huang Bingjun

(Appendix 1)

China Fineblanking Technology Co., Ltd. Articles of Incorporation



Chapter 1 General Provisions

- Article 1: The Company was incorporated according to the Company Act and named “和勤精機股份有限公司”. Its English name is CHINA FINEBLANKING TECHNOLOGY CO., LTD.
- Article 2: The Company’s scope of business is as follows:
- I. CQ01010 Mold Manufacturing Industry
 - II. CC01080 Electronic Components Manufacturing Industry
 - III. CC01110 Computer and Peripheral Equipment Manufacturing Industry
 - IV. CB01990 Other Machinery Manufacturing Industry
 - V. F401010 International Trade Industry
 - VI. CD01030 Automotive and Parts Manufacturing Industry
 - VII. CD01040 Motorcycle and Parts Manufacturing Industry
 - VIII. CD01050 Bicycle and Parts Manufacturing Industry
 - IX. CD01990 Other Transportation Equipment and Parts Manufacturing Industry
 - X. CA02060 Metal Container Manufacturing Industry
 - XI. F208031 Medical Equipment Retail Industry
 - XII. F108031 Medical Equipment Wholesale Industry
 - XIII. C399990 Other Textile and Products Manufacturing Industry
 - XIV. C805990 Other Plastic Products Manufacturing Industry
 - XV. F104110 Fabric, Clothing, Footwear, Hats, Umbrellas, and Accessories Wholesale Industry
 - XVI. F204110 Fabric, Clothing, Footwear, Hats, Umbrellas, and Accessories Retail Industry
 - XVII. ZZ99999 Business operations not prohibited or restricted by law, except for permitted businesses
- Article 3: The Company’s total outward investment is not subject to the limitation of 40% of paid-in capital specified by Article 13-1 of the Company Act.
- Article 4: The Company’s headquarters are located in Changhua County, Taiwan. Where necessary as determined by the board, the Company may set up branches overseas upon approval from competent authority.
- Article 5: Where necessary and required by business needs, the Company may provide guarantees to outside parties.

Chapter 2 Shares

- Article 6: The Company’s authorized capital is NT\$1.5 billion, to be divided into 150 million shares at a face value of NT\$10 per share. The issuance of shares may be in different rounds, as needed and upon decisions from the board. NT\$20 million is reserved from the abovementioned capital for the issuance of warrants to employees at a total of 2 million shares, with a face value of NT\$10 per share. The warrants may be issued in multiple tranches as determined by the board. The Company may repurchase its own shares according to laws, upon the decision by the board.
- Article 7: The Company’s shares may be issued electronically. If the Company prints its own shares, it shall observe the Company Act and other applicable laws and regulations.

- The shares printed by the Company shall be inscribed and in adherence with the Company Act and other relevant laws and regulations.
- Article 7-1: The shares repurchased by the Company according to laws are transferable to the qualified employees of the companies the Company controls or the subordinates to the Company. The transferring terms and methods shall be determined by the board. The employees entitled to the warrants for the Company's shares include qualified employees of the companies the Company controls or the subordinates to the Company. The issuance terms and methods shall be determined by the board. The terms and methods of the subscription of the Company's new shares by employees, including qualified employees of the companies the Company controls or the subordinates to the Company, shall be determined by the board. The terms and methods of the Company's issuance of restricted new shares to employees, including qualified employees of the companies the Company controls or the subordinates to the Company, shall be determined by the board.
- Article 8: Any change to the Company's shareholders' register shall be suspended within 60 days before a general shareholders' meeting, within 30 days before an extraordinary shareholders' meeting, or 5 days before the base date of the scheduled issuance of stock or cash dividends or other interest.

Chapter 3 Shareholders' Meetings

- Article 9: The transferring, pledging, reporting of loss, inheritance and gifting of the Company's shares and reporting of loss of seals, requesting for change of seals or addresses by shareholders shall be handled according to regulations set forth by the competent authority. Unless otherwise required by laws and securities regulations, the Company adheres with the Regulations Governing the Administration of Shareholder Services of Public Companies after the public offer of the Company's shares.
- Article 10: Shareholders' meetings are classified into general (regular) and extraordinary (ad-hoc), and convened by the board according to laws. General shareholders' meetings shall be convened at least once a year and within six months after the end of each fiscal year. Extraordinary shareholders' meetings are convened when necessary. When the Company's shares are listed on either the Taiwan Exchange or the Taipei Exchange, electronic means shall be one of the methods for shareholders to exercise their voting rights at shareholders' meetings according to Article 177-1 of the Company Act.
- Article 11: If a shareholder is unable to attend a shareholders' meeting, the shareholder may appoint a proxy to attend the meeting, according to Article 177 of the Company Act, by providing the proxy form issued by the Company and stating the scope of the authorization.
- Article 12: The Company's Chairperson will chair the shareholders' meetings on behalf of the Company. When Chairperson is on leave or for any reason unable to exercise the powers of the chairperson, he/she will designate a director to be his/her deputy. Where Chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair. A shareholders' meeting convened by any party with convening power other than the board shall be chaired by the convener. If there are two or more conveners, they shall select among themselves one person to serve as chair.
- Article 13: Each share is attached with one voting right, except the restricted shares or the circumstances of no voting rights under the Company Act.
- Article 14: Unless otherwise specified by the Company Act, the adoption of a resolution requires the attendance of the shareholders who represent over half of the total number of issued shares and the consent of at least half of the voting rights among the attending shareholders.
- Article 15: Matters resolved at a shareholders' meeting shall be recorded in the meeting minutes and processed according to Article 183 of the Company Act.

Chapter 4 Directors and Audit Committee

- Article 16: The Company establishes five to nine directors, to be elected by shareholders from candidates nominated by the board. Each term is three years and re-election is allowed. The percentage of aggregate shareholdings by the Company's board should comply with relevant regulations set forth by the securities regulators. The Company may purchase liability insurance for directors in service to cover the liabilities incurred by carrying out businesses.
- Article 16-1: After the public offering of the Company's shares, the number of independent directors may not fall below three or less than one fifth of the board. Independent directors are elected by shareholders' meetings from the list of candidates provided by the board. The qualifications, shareholdings, limitation on other roles, nomination methods and other compliance matters shall follow relevant regulations set forth by the securities regulator.
- Article 16-2: The Company's board may establish audit, nomination, risk management or other functional committees to meet business needs, and other committees such as in environmental protection to fulfill corporate social responsibility and pursue sustainable operations.
- Article 16-3: The Company establishes Audit Committee. The Audit Committee or its members are responsible for the exercise of powers as supervisors according to the Company Act, the Securities and Exchange Act, and other laws. Audit Committee shall comprise of independent directors only.
- Article 17: If the election is not able to be performed before the expiry of the current term of directors, the term may be extended until the election of and duty-assumption by new directors.
- Article 18: If the number of vacant seats exceeds one third of the board, the board shall convene an extraordinary shareholders' meeting to elect replacements within thirty days of the event. The term of replacement directors is limited to the expiry of the current term for the seats. After the public offer of the Company's shares, an extraordinary shareholders' meeting shall be convened for the election of replacements within sixty days of the event.
- Article 19: Chairperson of the board should be elected by directors from among themselves in a meeting attended by at least two thirds of directors and with agreement from at least half of the attending directors. Chairperson executes the Company's affairs according to laws, Articles of Incorporation, and decisions from shareholders' meetings and the board. The first meeting of each board is convened by the director who won the highest number of election rights. All the other meetings shall be convened and chaired by Chairperson. When Chairperson is on leave or for any reason unable to exercise the powers, he/she will designate a director to be his/her deputy. Where Chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.
- Article 20: Directors' participation in a video-conferenced board meeting is deemed as attendance in person. If a director is on leave or for any reason unable to exercise his/her powers, the deputy shall handle matters according to Article 205 and Article 208 of the Company Act.
- Article 21: The Company pays directors the remunerations based on their involvement in operation and value of their contributions and on par with the industry standards in Taiwan and overseas.

Chapter 5 Managers

- Article 22: The Company may establish a number of managers, whose appointment, dismissal and remunerations shall be determined by the board attended by more than half of directors and with consent from more than half of attending directors. Depending on business needs, the Company may hire consultants, with commissioning from Chairperson.
- Article 23: At the end of each fiscal year, the board should prepare the following reports and submit to Audit Committee for review thirty days before the general shareholders'

meeting. These reports shall be presented to the general shareholders' meeting for rectification.

1. Business Report
2. Financial Statements
3. Proposal for earnings distribution or cumulative losses offsetting

Chapter 6 Accounting

- Article 24: In case of profits for the year, the Company should allocate no less than 2% as remuneration to employees and no higher than 5% as remuneration to directors and supervisors. In case of any outstanding cumulative losses, the Company should first reserve a sum to offset the losses. Remunerations to employees may be issued with shares or with cash, as determined by the board, and may be issued to qualified employees of the companies the Company controls or the subordinates to the Company. The qualification for remunerations is determined by the board. The distribution of remunerations to employees, directors and supervisors should be reported to the shareholders' meeting.
- Article 24-1: Any earnings in a fiscal year shall be first utilized for tax payments and then for offsetting prior losses before setting aside a legal reserve at 10% of the remaining and undistributed earnings during the period. However, the appropriation of the legal reserve may be exempt if the legal reserve has reached the same amount as paid-in capital. If required by laws, a special reserve may be recognized or reversed. Any remaining earnings, along with cumulative undistributed earnings, may be distributed as dividends to shareholders based on the proposal from the board and resolution by the shareholders' meeting.
- The Board of Directors may be authorized by the Company to distribute dividends and bonuses or all or part of the statutory surplus reserve and capital reserve in the form of cash distribution at a Board of Directors Meeting attended by more than two-thirds of the directors and with the consent of more than half of the directors present and then report to the shareholders' meeting.
- The company's dividend policy is based on the current and future development plans, considering the investment environment, capital needs and foreign competition conditions, and taking into account shareholders' interests and other factors, as well as shareholders' interest. No less than 10% of the distributable earnings each year should be distributed as dividends. However, distributions may not be made if the cumulative distributable earnings are less than 1% of the paid-in capital. Earnings may be distributed in the form of cash dividends or stock dividends. Cash dividends may not fall below 10% of the total dividends.
- Article 25: After the public offer of the Company's share, any proposal to become a private company should be discussed and resolved by the shareholders' meeting. This article stays valid as long as the Company is listed on the Emerging Stock Market, the Taipei Exchange, or the Taiwan Stock Exchange.

Chapter 7 Supplementary Provisions

- Article 26: Any issues not covered by the Articles of Incorporation shall be handled according to the Company Act.
- The Company's Rules of Organization and Bylaw of Operations shall be established by the board.
- Article 27: The Articles of Incorporation were established on November 3, 1992. First amendment on July 9, 1994; second amendment on May 16, 1996; third amendment on June 13, 1997; fourth amendment on November 30, 1997; fifth amendment on October 20, 1998; sixth amendment on October 16, 1999; seventh amendment on December 21, 2000; eighth amendment on May 27, 2002; ninth amendment on September 7, 2003 Tenth amendment on June 26, 2004 Eleventh amendment on June 17, 2005 Twelfth amendment on July 29, 2005 Thirteenth amendment on June 26, 2006 Fourteenth amendment on December 21, 2006 Fifteenth amendment on May 22, 2007 Sixteenth amendment on June 22, 2010 Seventeenth amendment on June 28, 2011 Eighteenth amendment on June 25, 2012 Nineteenth amendment on June 28,

2013 Twentieth amendment on June 2, 2015 Twenty first amendment on May 19,
2016 Twenty second amendment on July 13, 2017 Twenty third amendment on May
23, 2018 Twenty fourth amendment on May 24, 2019 Twenty fifth amendment on
May 28, 2020 Twenty sixth amendment on May 30, 2024

CHINA FINEBLANKING TECHNOLOGY



Chairman: Huang Yi-Xiang



CHINA FINEBLANKING TECHNOLOGY
Rules of Procedure for Shareholders Meetings



1. Basis: Establishment in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
2. Purpose: Establishment of a robust corporate governance system and strengthen the supervisory and management functions
3. Applicability: Unless otherwise required by laws or the Articles of Incorporation, the Company's shareholders' meetings should observe these rules.
4. Management authorization and responsibility:
 - 4.1. Formulation, amendment, and abolishment: Finance Department
 - 4.2. Management responsibility: Finance Department
5. Operational procedures:
 - 5.1. Convening and notices of shareholders' meetings:
 - 5.1.1. Unless otherwise specified by laws, shareholders' meetings are convened by the board. The meeting notice, the proxy form, the agenda summarizing proposed rectifications, discussions, election/dissimil of directors and relevant materials should be produced into electronic files and submitted to the Market Observation Post System (MOPS) thirty days before a general shareholders' meeting or fifteen days before an extraordinary shareholders' meeting. Meeting Handbook and supplementary materials should be produced electronic files and submitted to the Market Observation Post System (MOPS) twenty one days before a general shareholders' meeting or fifteen days before an extraordinary shareholders' meeting. Meeting Handbook and supplementary materials should be available at the Company and the stock transfer agent commissioned by the Company fifteen days before the shareholders' meeting and distributed at the shareholders' meeting.
 - 5.1.2. Notices and announcements should state the reasons for calling of the meetings. With consent from the parties concerned, the notices may be sent electronically.
 - 5.1.3. 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, non-competition clauses, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extemporary motion; Its main content shall be placed on the website designated by the securities authority or the company, and its website address shall be specified in the notice.

If the reason for calling a shareholders' meeting includes the complete election of directors and supervisors and specified the date for the elected to assume office, the same shareholders' meeting may not change the date for assumption of office via an extemporary motion or other methods after the completion of election at the shareholders' meeting.
 - 5.1.4. A shareholder holding one percent or more of the total number of the issued shares may submit to the Company a proposal for discussion at a general shareholders' meeting. The number of items so proposed is limited only to one, and no proposal containing more than one item will be included in the meeting agenda. A shareholder's proposal in alignment with any circumstance under any subparagraph of paragraph 4 of Article 172-1 of the Company Act may not be included in the meeting agenda by the Board of Directors. Shareholders may propose suggestions to the Company for the enhancement of public interest or the Company's fulfilment of its social responsibility, and such proposal should be limited to one only according to the procedural requirements set forth by Article 172-1 of the Company Act. None of the additional proposals shall be included in the motion.
 - 5.1.5. The Company should announce the methods (in writing or electronically), venues and time period for accepting proposals from shareholders before the book closure date of a regular shareholders' meeting. The acceptance period shall not be less than ten days.
 - 5.1.6. Each proposal from shareholders is limited to 300 Chinese characters. A proposal exceeding 300 Chinese characters will not be included in the motion. A shareholder who has submitted a

- proposal should attend the shareholders' meeting in person or authorize a party to attend to discuss the proposal.
- 5.1.7. The Company should inform the results of proposals to the proposing shareholders before sending out the notices for the shareholders' meeting and list the accepted proposals in the meeting agenda as part of the notice. The board should explain at the shareholders' meeting the reasons for not including certain shareholders' proposals.
- 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. A shareholder may issue only one proxy form and appoint only one proxy. The proxy form should arrive at the Company at least five days before the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail. Unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to the Company, if the shareholder intends to attend in person or would like to exercise voting rights in writing or electronically, a written notice of proxy cancellation shall be submitted to the Company at least two days before the shareholders' meeting. If the cancellation notice is submitted overdue, votes cast at the meeting by the proxy shall prevail.
- 5.3. The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and appropriate for a shareholders' meeting. The meeting may not start earlier than 9 a.m. or later than 3 pm. The opinions from independent directors should be fully considered regarding the time and venue of shareholders' meetings.
- 5.4. Preparation of attendance books for sign-ins, etc.:
- 5.4.1. The Company should specify the sign-in time, venue and other issues of attention in the notices for shareholders' meetings.
- 5.4.2. The processing of shareholders' sign-ins should allow for at least thirty minutes before the meeting starts. The sign-in location should be accompanied with a clear sign and attended by sufficient and suitable personnel.
- 5.4.3. Shareholders or proxies authorized by shareholders (collectively referred to as "shareholders") should enter the shareholders' meeting by presenting an attendance pass, sign-in card or other attendance certificates. The Company may not impose additional requirements at will on attendance documents. Proxy solicitors should bring identification documents for checking in.
- 5.4.4. The Company should prepare the attendance book for sign-ins by shareholders, or accept sign-in cards in lieu of signing in.
- 5.4.5. The Company should distribute copies of Meeting Handbook, the annual report, attendance passes, speaker's slips and ballots to attending shareholders. Director election ballots should be provided for the election of directors.
- 5.4.6. There may be more than one representative from a government agency shareholder or a legal person shareholder in the attendance of a shareholders' meeting. When a legal person is appointed to attend as proxy, it may designate only one person to attend the shareholders' meeting.
- 5.5. Chairman of the shareholders' meeting, present personnel:
- 5.5.1. If a shareholders' meeting is convened by the board, the meeting shall be chaired by Chairperson. When Chairperson is on leave or for any reason unable to exercise the powers of the chairperson, Vice Chairperson shall act as the deputy. If there is no Vice Chairperson or Vice Chairperson is also on leave or unable to exercise the powers, Chairperson shall designate an executive director to be his/her deputy or a director to be his/her deputy if there is no executive director. Where Chairperson does not make such a designation, the executive directors or directors shall select from among themselves one person to serve as chair. The executive director or the director acting as the deputy chair mentioned above should have served for at least six months and established an understanding of the Company's finance and business. The above criteria are applicable to a legal person shareholder's representative on the board.
- 5.5.2. If a shareholders' meeting is convened by the board, the meeting shall be ideally chaired by Chairperson. At least half of the board directors and at least one member from each functional committee should attend on behalf of the committee. The attendance shall be recorded in the minutes of shareholders' meetings.
- 5.5.3. If a shareholders' meeting is convened by a party with power to convene but other than the board, 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.
- 5.5.4. Where necessary, the Company may employ lawyers, accountants or other professionals to attend shareholders' meetings.

- 5.6. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.
The aforesaid audio and video data should be retained for at least one year. However, the record keeping period will end after the conclusion of litigation filed by shareholders according to Article 189 of the Company Act.
- 5.7. Calculation of shares represented by attending shareholders and meeting procedure:
- 5.7.1. The attendance of shareholders' meetings should be based on shares represented. Shares represented shall be calculated based on the attendance book records or sign-in cards handed in plus the number of shares with voting rights exercised in writing or electronically.
- 5.7.2. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent at least half 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 up to one hour may be made. If the attending shareholders still represent less than one third of the total number of issued shares after two postponements, the chair shall declare the meeting adjourned for want of quorum.
- 5.7.3. If the quorum is not met after two postponements as described 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 175-1 of the Company Act. All shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.
- 5.7.4. Prior to conclusion of the meeting, if the attending shareholders has reached at least half of the total number of issued shares, the chair may resubmit the tentative resolution for voting by the shareholders' meeting pursuant to Article 174 of the Company Act.
- 5.8. Discussion:
- 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. Votes shall be cast on each separate proposal in the agenda (including extemporary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
- 5.8.2. The above requirements are applicable to the shareholders' meetings convened by those with convening powers other than the board.
- 5.8.3. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extemporary motions), unless with a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, other members of the board shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of at least half of the votes represented by the attending shareholders, and then continue the meeting.
- 5.8.4. The chair should provide sufficient opportunities for explanation and discussion of proposals, amendments by shareholders, or extemporary motions. Once the chair deems that it is time for votes, he/she may announce the discussion closed and call for a vote, by allowing for adequate and appropriate voting time.
- 5.9. Speaking by shareholders:
- 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. An attending shareholder who has submitted a speaker's slip but does not speak shall be deemed to have not spoken. When the content of the speech does not match 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 five minutes. However, this can be extended for another three minutes, with the chair's consent. If the shareholder's speech violates the rules or exceeds the scope of the agenda, 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 speaking shareholder. The chair shall stop any violation of this rule.
- 5.9.5. When a legal 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. Votes calculation and the recusal system:

- 5.10.1. The calculation of votes by a shareholders' meeting should be based on shares represented.
- 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. Shareholders may not exercise voting rights for themselves or on behalf of other shareholders in issues which their personal interest may be detrimental to the Company's interest.
- 5.10.4. The number of shares for which voting rights may not be exercised under the preceding paragraph will not be included in the voting rights represented by attending shareholders.
- 5.10.5. Except for a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. The voting rights in excess of that percentage will not be calculated.

5.11. Voting, scrutineering and votes calculation:

- 5.11.1. A shareholder is entitled to one vote for each share held, except when the shares are restricted or deemed non-voting under Article 179-2 of the Company Act.
- 5.11.2. When the Company holds a shareholder meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. The shareholders exercising voting rights in writing or electronically are deemed to be attending the shareholders' meeting in person. However, they are deemed as abstaining from voting for extemporary motions or modified proposals in that shareholders' meeting. Therefore, the Company should avoid the proposal of extemporary motions or the modification of original proposals.
- 5.11.3. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, Unless a declaration is made to cancel the previous indication.
- 5.11.4. 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 or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, at least two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. If a shareholder has exercised voting rights in writing or electronically and also authorized a proxy to attend the shareholders' meeting, the votes cast at the meeting by the proxy shall prevail.
- 5.11.5. 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. The chair or designated personnel should announce the total number of voting rights represented by the attending shareholders for the casting of votes on each proposal. After shareholders have completed the voting for individual proposals, the results of the votes cast for, against and abstained should be entered into the Market Observation Post System (MOPS) on the same day after the end of the shareholders' meeting.
- 5.11.6. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will be deemed rejected, and no further voting shall be required.
- 5.11.7. Vote monitoring and counting personnel for the vote on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.
- 5.11.8. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

5.12. Election Matters:

- 5.12.1. The election of directors by the shareholders' meeting shall follow the Company's relevant procedures and requirements. The results should be announced immediately onsite, including the list of elected directors and votes attracted.

- 5.12.2. The ballots for the abovementioned election shall be signed and sealed by the scrutineers and properly retained for at least one year. However, the record keeping period will end after the conclusion of litigation filed by shareholders according to Article 189 of the Company Act.
- 5.13. Meeting minutes and sign-offs:
 - 5.13.1. Matters resolved at a shareholders' meeting shall be recorded in meeting minutes. The meeting minutes shall be signed or stamped by the chair of the meeting and distributed to each shareholder within 20 days after the meeting. Meeting minutes may be produced and distributed in electronic form. The Company may distribute shareholders' meeting minutes via the announcement on the Market Observation Post System (MOPS). The meeting minute shall accurately record the year, month, day, the meeting venue, the chair's name, the methods for resolutions adoption, and a summary of the deliberations and voting results (including percentages), and the number of votes for each candidate if there is an election for directors. Meeting minutes shall be retained for the Company's duration of the existence.
- 5.14. Announcements:
 - 5.14.1. On the day of the shareholders' meeting, the Company should prepare a tally form according to statutory requirements so that proxy solicitors may clearly disclose the number of shares collected and proxy representatives can specify the number of shares represented at the venue of the shareholders' meeting.
 - 5.14.2. If the resolutions by shareholders' meetings are, according to laws, Taiwan Stock Exchange Corporation or Taipei Exchange regulations, material information, the Company should transmit the contents to on the Market Observation Post System (MOPS) within required timeframes.
- 5.15. Maintenance of order at venues:
 - 5.15.1. Staff handling administrative affairs of a shareholders' meeting shall wear identification badges 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 onsite, they shall wear an identification badges or arm bands bearing the word "Proctor".
 - 5.15.3. If a shareholder attempts to speak through any device other than the public address equipment provided 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. Breaks and meeting resumption
 - 5.16.1. When a meeting is in progress, the chair may announce a break depending 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, to resume the meeting.
 - 5.16.2. If the agenda of a shareholders' meeting (including extemporary motions) has not been concluded but the venue is no longer available for continued use, 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. Supplementary Provisions:
 - 6.1. These rules and subsequent amendments take effect upon the approval by a shareholders' meeting.
 - 6.2. These rules came into force on June 2, 2007.
 - First amendment on June 2, 2015
 - Second amendment on May 28, 2020
 - The third revision was on July 30, 2021.

Shareholdings by all the board directors

- (I) The company has established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, with all independent directors replacing the supervisors.
- (II) According to Article 26 of the Securities and Exchange Act and the regulations on the stock ownership ratio and auditing procedures for directors and supervisors of public companies, when more than two independent directors are appointed, the stock ownership ratio of all directors excluding independent directors must be reduced to 80%. The minimum number of shares to be held by all directors excluding independent directors is 6,947,957 shares
- (III) As of the cut-off date for shareholder transfer (January 12, 2025), the company has issued a total of 86,849,467 shares. The actual shareholding status of the individual and all directors, as recorded in the shareholder register, is as follows:

Title	Name	No. of shares held shown on shareholder register as of book closure date	As % of the total number of issued shares (%)
Chairman	Huang Yi-Xiang	2,013,681	2.32
Director	Hsieh Ling	5,811,630	6.69
Director	Chia-Chuan Investment	6,082,869	7.00
Director	Jacky Lo	1,424,730	1.64
Independent director	Tsai Mei-E	0	0
Independent director	Huang Chin-Huang	0	0
Independent director	Chen Fu-Pang	0	0
Independent director	Zheng Fengcong	0	0
Shares held by all directors other than independent directors		15,332,910	17.65