Stock Code: 3313

# FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

Agenda Handbook of

2024 Shareholders' Meeting

Time: May 24, 2024, 9:00 a.m.

Address: 18F.-7, No. 248, Sec. 2, Yonghua Rd., Anping Dist., Tainan City,

Taiwan (R.O.C.) (Conference Room)

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# FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

# Meeting Procedures for 2024 Shareholders' Meeting

- I. Call the Meeting to Order
- II. Chairman's Opening Remarks
- III. Report Items
- IV. Ratification matters
- V. Election matters
- VI. Discussion matters
- VII. Extraordinary Motions
- VIII. Adjournment

# FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

### Agenda of 2024 Shareholders' Meeting

Form of Shareholders' Meeting: Physical

Date: Friday, May 24, 2024, 9:00 a.m.

Address: 18F.-7, No. 248, Sec. 2, Yonghua Rd., Anping Dist., Tainan City, Taiwan (R.O.C.) (Conference Room)

- I. Call the Meeting to Order (Report on Number of Shares Attended)
- II. Chairman's Opening Remarks
- III. Report Items
  - (I) 2023 Business Report
  - (II) The Audit Committee's Review Report on the 2023 Financial Statements
  - (III) Report on the Status of Private Placement of Securities.
- IV. Ratification matters
  - (I) 2023 Business Report and Financial Statements
  - (II) 2023 Loss Off-Setting Proposal
- V. Election matters
  - (I) Election of Directors
- VI. Discussion matters
  - (I) Amendments to the Articles of Incorporation.
  - (II) 2024 Cash Capital Increase by Private Placement
  - (III) Lifting the Non-Compete Restriction on Newly Elected Directors and Their Representatives
- VII. Extraordinary Motions
- VIII. Adjournment

# **Report Items**

- I. The 2023 business report is hereby submitted for approval.
   Description: Please refer to pages 12–15 of this handbook (Attachment 1) for the Company's 2023 Business Report.
- II. The Audit Committee's review report on the 2023 financial statements is hereby submitted for approval.Description: Please refer to page 16 (Attachment 2) of this handbook for the Audit Committee's Audit Report.
- III. Report on the status of private placement of securities is hereby submitted for approval. Description: Please refer to page 17-20 (Attachment 3) of this handbook for the status of 2023 private placement of common shares.

#### **Ratification matters**

#### **Proposal 1**

(Proposed by the Board of Directors)

The 2023 business report and financial statements are submitted for ratification.

- Description: (I) CPA Cheng-Lung Hsu and CPA Kuo-Tsung Chen of KPMG Taiwan audited the 2023 Parent Company Only Financial Statements and 2023 Consolidated Financial Statements and issued an independent auditors' report.
  - (II) Please refer to pages 12–15 (Attachment 1) and 21–37 (Attachment 4) of this handbook for the 2023 Business Report, and Independent Auditors' Report and financial statements.
  - (III) Submitted for ratification.

Resolution:

#### Proposal 2

(Proposed by the Board of Directors)

The 2023 loss off-setting proposal is submitted for ratification.

Description: (I) The Company's 2023 deficit compensation statement is as follows:

FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

**Deficit Compensation Statement** 

Unit: NT\$

Item	Amount
Opening accumulated deficits	(\$854,101,639)
Add: Disposal of equity instruments at fair value through other comprehensive income	345,982
Add: Net profit of the year	1,745,611
Closing accumulated deficits	(\$852,010,046)

Chairman: Yu-Ming Chang M

Peng-Kuang Tseng Accounting Manager: Yuan-

(II) Submitted for ratification.

Resolution:

#### **Election matters**

(Proposed by the Board of Directors)

Election of Directors.

Description: (I) The 11th term of office of the Company's directors was initially from August 18, 2021 to August 17, 2024. In order to meet the operational needs of the Company, it is proposed that the re-election of all directors be held at the annual shareholders' meeting in advance.

- (II) As provided in Article 16 of the Company's Articles of Incorporation, seven directors (four directors and three independent directors, respectively) are proposed to be elected under the nomination system, with a three-year term of office from May 24, 2024 to May 23, 2027; the term of office of the existing directors will expire upon the re-election of the directors at this annual shareholders' meeting.
- (III) Please refer the director (including independent director) candidates to page 38-40 (Attachment 5) of this handbook for the list of candidates.
- (IV) Submitted for election.

Election results:

#### **Discussion matters**

Proposal 1

(Proposed by the Board of Directors)

Cause of action: The amendments to the Articles of Incorporation are submitted for resolution.

Description: (I) In response to the future development adjustment of the Company, it is proposed to amend certain provisions of the Articles of Incorporation.

- (II) Please refer to pages 41-43 (Attachment 6) of this handbook for the table of comparison before and after the amendments.
- (III) Submitted for discussion.

Resolution:

#### **Proposal 2**

(Proposed by the Board of Directors)

The 2024 cash capital increase by private placement is submitted for resolution. Description:

- (I) For the purpose of developing construction projects (including but not limited to the acquisition of land, investment in construction projects), replenishing operating capital, paying off bank borrowings, developing new businesses and the capital needs for future development, in order to strengthen the Company's competitiveness and improve operational efficiency, the Company intends to conduct cash capital increase by private placement to issue common shares in accordance with Article 43-6 of the Securities and Exchange Act and the Directions for Public Companies Conducting Private Placements of Securities for a maximum amount of 80,000 thousand shares with a par value of NT\$10 per share. The Board of Directors is authorized to issue the shares in five installments within one year from the date of the resolution of the shareholders' meeting, depending on the capital market conditions.
- (II) The private placement conducted in accordance with Article 43-6 of the Securities and Exchange Act is as follows:
  - (1) Basis for and reasonableness of the pricing:
    - A. The reference price for the issuance of common shares in the cash capital increase by private placement is determined based on the higher of the simple average closing price of the common shares of the Company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any

- distribution of stock dividends, cash dividends or capital reduction, or the simple average closing price of the common shares of the Company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
- B. Percentage of private placement price: The price per share for the private placement may not be lower than the reference price as the basis for setting the price..
- C. The actual pricing date and the actual price of the private placement shall be within the range of the pricing basis and percentages resolved by the shareholders' meeting, and the Board of Directors is authorized to determine the price depending on the circumstances of the future negotiations with specific parties.
- D. The issuance conditions of the private placement of securities were established as the Securities and Exchange Act imposes a three-year transfer restriction on the private placement of securities and strictly regulates the qualifications of the placee. The price of the private placement is determined in accordance with the relevant regulations of the competent authorities and after considering the Company's operating performance, most recent net worth and recent stock price. The method of establishment should be reasonable.
- E. In accordance with the above pricing principles, however, if the actual issue price may be lower than the face value in the future as the price does not exceed the face value or is close to the face value in the centralized trading market, the pricing method should be reasonable in accordance with the relevant prevailing laws and regulations. In such case, the effect on shareholders' equity will be the cumulative loss arising from the difference between the actual private placement price and the face value. If the increase in the Company's cumulative loss results in an impact on shareholders' equity, it will be treated as a capital reduction to cover the loss or as a gain from future operations to cover the loss through the earnings or capital surplus, depending on the Company's future operations and market conditions.

#### (2) Selection method of specified personnel:

- A. The target of the private placement of common shares is limited to specific personnel who meet the requirements of Article 43-6 of the Securities and Exchange Act and the FSC's regulation Tai-Tsai-Zheng-Yi-Zi No. 0910003455 dated June 13, 2002 (91).
- B. If a placee is an insider or a related party, the tentative list is as follows:

a. List of places and their relationships with the Company:

Name of placee	Relationship with the Company
U-Best Innovative Technology Co., Ltd.	Chairman of the Company
Yu-Ming Chang	Chairman representative of the Company
Sun Yad Construction Co., Ltd.	Major shareholder of the Company
Chi Fu Investment Co., Ltd.	Director of the Company
Yang Chih-Ming	Related party of the Company
Shuo-Wen Chang	Second degree of kinship of the chairman representative of the Company
Myson Century, Inc.	The chairman is the same person as the chairman of the Company
Jing Hong Ltd.	The chairman is the same person as the chairman of the Company

Zhong Qing Technology Co., Ltd.	The chairman is the same person as the chairman of the Company
Voyage Investment Ltd.	The chairman is the same person as the chairman of the Company

b. If the placee is a representative, the following should be disclosed:

(a) U-Best Innovative Technology Co., Ltd.

Name of shareholder	Shareholding	Relationship with the Company
Sun Yad Construction Co., Ltd.	16.14%	Major shareholder of the Company
Voyage Investment Ltd.	2.50%	The chairman is the same person as the chairman of the Company
Myson Century, Inc.	2.15%	The chairman is the same person as the chairman of the Company
Tseng Chun-Jung	2.10%	None
Zhong Qing Technology Co., Ltd.	1.44%	The chairman is the same person as the chairman of the Company
Hsin-Li Chemical Industrial Corp.	1.43%	The chairman is the same person as the chairman of the Company
Sung Chuan-Kung	1.17%	None
Boromi Optronics Corp.	1.13%	Related party of the Company
Chen Su-Ling	0.99%	None
Su-Chu Chang Chao	0.85%	Second degree of kinship of the chairman representative of the Company

(b) Sun Yad Construction Co., Ltd.

Name of shareholder	Shareholding	Relationship with the Company
Zhong Qing Technology Co., Ltd.	8.16%	The chairman is the same person as the chairman of the Company
U-Best Innovative Technology Co., Ltd.	7.77%	Chairman of the Company
Voyage Investment Ltd.	4.45%	The chairman is the same person as the chairman of the Company
Ho Jui Investment Co., Ltd.	2.71%	The chairman is the same person as the chairman of the Company
Jing Hong Ltd.	1.20%	The chairman is the same person as the chairman of the Company
Chieh-Wei Tseng	1.13%	None
Yu-Ming Chang	1.06%	Chairman representative of the Company
FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.	0.97%	The Company
Ya-Chin Chen	0.96%	None
Su-Chu Chang Chao	0.85%	Second degree of kinship of the chairman representative of the Company

(c) Chi Fu Investment Co., Ltd.

	Name of shareholder	Shareholding	Relationship with the Company
	Yang Chih-Ming	80%	Related party of the Company
Ī	Tsai Mei-Chuan	20%	Related party of the Company

(d) Myson Century, Inc.

Name of shareholder	Shareholding	Relationship with the Company
Sun Yad Construction Co., Ltd.	17.06%	Major shareholder of the Company
Voyage Investment Ltd.	10.00%	The chairman is the same person as the chairman of the Company
Zhong Qing Technology Co., Ltd.	6.31%	The chairman is the same person as the chairman of the Company
Ho Jui Investment Co., Ltd.	5.32%	The chairman is the same person as the chairman of the Company
Yu-Ming Chang	5.13%	Chairman representative of the Company
Hung-Chin Yang	2.10%	None
Huang Sen-Yuan	1.70%	None
Chang Chun-Ming	1.49%	None
Metropolis Internet Technology	1.49%	Related party of the Company
Tung-Min Kao	1.34%	None

(e) Jing Hong Ltd.

Name of shareholder	Shareholding	Relationship with the Company
Vu Ming Chang	10%	Chairman representative of the
Yu-Ming Chang		Company
Chang Hui Fang	40%	Spouse of the chairman
Chang Hui-Feng	40%	representative of the Company
		First degree of kinship of the
Chang Pai-Hung	25%	chairman representative of the
-		Company
		First degree of kinship of the
Chang Jen-Wei	25%	chairman representative of the
		Company

(f) Zhong Qing Technology Co., Ltd.

Name of shareholder	Shareholding	Relationship with the Company
Yue-Hua Chang	1.78%	None
Chang Hui-Feng	11.37%	Spouse of the chairman representative of the Company
Yu-Ming Chang	38.23%	Chairman representative of the Company
Chang Pai-Hung	22.52%	First degree of kinship of the chairman representative of the Company
Chang Jen-Wei	26.09%	First degree of kinship of the chairman representative of the Company
Metropolis Internet	0.01%	Related party of the Company

Technology	

(g) Voyage Investment Ltd.

Name of shareholder	Shareholding	Relationship with the Company
Chang Hui-Feng	0.48%	Spouse of the chairman
Chang Hul-Peng	0.46%	representative of the Company
Chang Yu-Chen	11.00%	None
Lai Hsiu-Chiung	16.00%	None
Chang Yu-Ching	12.00%	None
		First degree of kinship of the
Chang Chao Su-Chu	6.28%	chairman representative of the
		Company
Chang Yue-Hua	10.28%	None
		First degree of kinship of the
Chang Pai-Hung	21.48%	chairman representative of the
		Company
		First degree of kinship of the
Chang Jen-Wei	21.48%	chairman representative of the
		Company
Vu Ming Chang	1.00%	Chairman representative of the
Yu-Ming Chang	1.00%	Company

(3) Selection method of a placee and purposes: The chairman is authorized to give primary consideration to those who can directly or indirectly benefit the Company's future operations and is selected from among specific personnel who meet the requirements of the competent authorities. In addition, the Company considers that the insiders or related parties are specific personnel who have a certain degree of understanding of the Company's operations. If they can participate in the private placement, they should be able to provide the necessary capital for the Company's operations in a short period of time and strengthen the Company's operations and competitiveness.

#### (III) Reason for conducting private placement:

- (1) Reasons for not using public offering: Considering the timeliness, feasibility, and cost of issuance of fund-raising, and considering that the private placement of securities is restricted from free transfer within three years, which can ensure the long-term equity relationship between the Company and the placee, the Company intends to adopt private placement instead of public offering.
- (2) Limit on the private placement: The maximum number of common shares in a private placement is 80,000 thousand shares, to be issued in five installments within one year from the date of the resolution of the shareholders' meeting.
- (3) The estimated number of private placements, the use of funds for each private placement, and the expected benefits of each private placement:

Estimated number of private placements	Estimated number of shares	Use of funds for each private placement	Expected benefits	
1st private placement	10,000 thousand shares	For the purpose of developing construction		
2nd private placement		projects (including but not limited to the acquisition of land,	Strengthen the	
3rd private placement	20,000 thousand shares	investment in construction projects), replenishing operating	Company's competitiveness and improve operational	
4th private placement	20,000 thousand shares	capital, paying off bank borrowings, developing new businesses and the	efficiency	
5th private placement	20,000 thousand shares	capital needs for future development		

With respect to the estimated number of shares for the 1st, 2nd, 3rd, 4th and 5th private placement mentioned above, all or part of the previously unissued shares and/or the estimated number of shares to be issued subsequently may be issued at the time of each private placement, provided that the total number of shares to be issued does not exceed 80,000 thousand shares.

- (IV) The rights and obligations of the private placement of new shares: In principle, the rights and obligations are the same as those of the Company's issued common shares, except that the common shares of the private placement shall not be freely transferable within three years from the date of delivery, except as provided in Article 43-8 of the Securities and Exchange Act. After the expiration of three years from the date of delivery of the private placement of common shares, the Company shall apply for additional public offering procedures and over-the-counter trading in accordance with the relevant laws and regulations.
- (V) The main contents of the private placement plan, including the actual issuance price, the number of shares, the issuance conditions, the planned projects, the amount of proceeds, the estimated progress, the expected benefits, and all other matters related to the issuance plan in addition to the percentage of private placement price, are proposed to be approved by the shareholders' meeting. The Board of Directors is authorized to adjust, formulate and handle the plan in accordance with the market conditions, as well as handle any future amendments due to the instructions of the competent authorities or changes based on operational evaluation or objective circumstances.
- (VI) It is proposed that the shareholders' meeting approve the private placement and authorize the chairman or his designee to execute all deeds or documents on behalf of the Company in connection with this private placement of common shares and to do all things necessary for the issuance of this private placement of common shares.
- (VII) Whether the independent directors have any objections or qualified opinions: None.
- (VIII) Submitted for discussion.

#### Resolution:

#### **Proposal 3**

(Proposed by the Board of Directors)

Lifting the non-compete restriction on newly elected directors and their representatives is submitted for resolution.

- Description: (I) The Company proposes to request the approval of the shareholders' meeting to lift the non-compete restriction on newly elected directors and their representatives in accordance with Article 209 of the Company Act.
  - (II) Please refer to page 44-53 (Attachment 7) of this handbook for the list and item for lifting non-compete restriction.
  - (III) Submitted for discussion.

Resolution:

# **Extraordinary Motions**

# Adjournment

The consolidated revenue of the Company in 2023 was NT\$44,944 thousand, increased by 403.74% as compared to the consolidated revenue of NT\$8,922 thousand in 2022. The increase was mainly attributable to the increase in sales of building materials and the consolidated revenues from the construction income from subsidiaries. In 2023, the gross margin was 0.06%, and the net operating loss was NT\$61,938 thousand. Due to various factors including valuation gains on financial assets, the non-operating gain was NT\$60,407 thousand. Therefore, the Company's pre-tax loss was NT\$1,531 thousand, with net loss of NT\$2,293 thousand, which increased by NT\$171,103 thousand as compared to the net profit of NT\$173,396 thousand in the same period in 2022. The Company accumulated loss of NT\$852,010 thousand, which exceeded 50% of paid-in capital. The financial results are reported to the shareholders in accordance with relevant laws.

The Company's management team has timely adjusted its operations strategy according to the current status. In the future, the Company will not only focus on the existing bulk raw material trading business, but also dedicate efforts to adding new resources, expanding new businesses, and timely adjusting labor force. In addition, the Company has also continued to reduce various costs to enhance its operational efficiency and effectiveness. We look forward to continual support and confidence from all shareholders. 2023 financial results and the Company's outlook for 2024 are as follows:

#### I. 2023 Operating Performance (Consolidated Financial Statements)

#### (I) Comparative Financial Statements

Unit: NT\$ Thousand Year Amount of 2023.12.31 2022.12.31 Variance (%) Item increase (decrease) Current Assets 1,477,037 1,592,735 (115,698)(7.26)Financial assets at fair value through 148,264 106,641 41,623 39.03 other comprehensive income non-current Property, plant and equipment 3,932 82,599 (78,667)(95.24)769 Right-of-use assets 74,007 Investment property Intangible assets 12,018 17,526 (5,508)(31.43)3,427 2,549 34.44 Other assets 878 1,718,685 1,802,819 (84,134)(4.67)Total assets **Current Liabilities** 287,136 790,365 (503,229)(63.67) Non-Current Liabilities 302 2,924 (2,622)(89.67)Total liabilities 287,438 793,289 (505,851)(63.77)

Total equity attributable to owners of the parent	1,431,194	1,004,330	426,864	42.50
Share Capital	1,687,708	1,187,708	500,000	42.10
Capital surplus	530,568			
Retained Earnings	(785,690)	(787,782)	2,092	(0.27)
Other equity	(1,392)	(1,392)	-	-
Non-controlling equity	53	5,200	(5,147)	(98.98)
Total Equity	1,431,247	1,009,530	421,717	41.77

#### (II) Comparative Operating Results

The net operating revenue for 2023 was NT\$44,944 thousand, increased by NT\$36,022 thousand or by 403.74% as compared with that of NT\$8,922 thousand for 2022. Gross operating profit for 2023 was NT\$2,882 thousand, increased by NT\$2,861 thousand or by 13,623.81% as compared with that of NT\$21 thousand for 2022. The gross profit margin for 2023 was 6.41%, which increased by2570.83% as compared with that of 0.24% for 2022. The details are as follows:

Unit: NT\$ Thousand

Year Item	2023	2022	Amount of increase (decrease)	Variance (%)
Operating revenue, net	44,944	8,922	36,022	403.74
Operating Costs	42,062	8,901	33,161	372.55
Operating profits	2,882	21	2,861	13,623.81
Operating expenses	64,820	40,285	24,535	60.90
Operating loss, net	(61,938)	(40,264)	(21,674)	53.83
Non-operating income and expenses	60,407	(133,129)	193,536	(145.37)
Profit (loss) before income tax	(1,531)	(173,393)	171,862	(99.12)
Income tax revenue (expense)	762	(3)	765	(25,500.00)
Profit (loss) for the current period	(2,293)	(173,396)	171,103	(98.68)
Other comprehensive income (loss, net)	346	-	-	-
Other comprehensive income/loss for the year	(1,947)	(173,396)	171,449	(98.88)

#### (III) Financial and profitability analysis

#### 1. Financial analysis

Item	Year	2023	2022	Increase (decrease) %
Financial	Liability to asset ratio (%)	16.72	44.00	(62.00)
structure	Long-term funds to PPE ratio (%)	36,407.66	1,225.75	2,870.24
	Current ratio (%)	514.40	201.52	155.26
Solvency	Quick ratio (%)	288.63	121.21	138.12
	Interest coverage ratio	0.80	(31.04)	(102.58)

2. Profitability analysis

	ey unitery sis			
Item	Year	2023	2022	Increase (decrease) %
	ROA (%)	0.22	(11.29)	(101.95)
	ROE (%)	0.19	(15.86)	(101.20)
Profitability	Income (loss) before tax to paid-in capital (%)	(0.09)	(14.60)	(99.38)
Fioritability	Profit margin (%)	(5.10)	(1,943.47)	(99.74)
	Basic earnings (loss) per share (after tax) (NT\$)	0.01	(1.46)	(100.68)

#### 3. Research and development (R&D):

Given that the Company does not currently have a R&D department, and is mainly engaged in the businesses in construction industry; therefore, R&D investment is not applicable.

#### II. 2023 Business Plan

#### (I) Business policy

In 2023, apart from the Company's existing bulk raw material trading business, it will also timely adjust its business strategies and plans as well as actively invest in land and property development with the hope to expand to other markets, in order to improve the flexibility and efficiency of business operations, and with effective control on various expenditures, with the aim to maximize resource utilization.

#### (II) Important production and marketing policies

- 1. Continue to develop new businesses.
- 2. Improve and control the quality to protect the rights and interests of customers.
- 3. Integrate internal resources that are commonly shared to increase operational efficiency.

#### (III) Future development strategies

In addition to actively strengthening overall competitiveness, the Company has also been expanding new businesses, and dedicated efforts in reducing operating costs, with the hope to share its business results with shareholders.

#### (IV)Effects of external competition, legal environment, and overall business environment

The Company's daily operations are based on relevant domestic and foreign laws and regulations, keeping in line with domestic and foreign policy trends and changes in laws and regulations. Relevant information is collected to provide reference for the management's decision-making and adjustment of operational strategies.

The Company has always been flexible to changes in the overall economy by timely reviewing strategic policies, and pursues effective implementation. Although it continues to face environmental challenges, it has sustained robust performance in response to various

challenges and changes, with the hope to become profitable again, achieve employee care, fulfill social responsibilities, and provide shareholder returns.

We hope that all shareholders and VIPs will continue to express opinions to the Company, and provide support to the Company to achieve growth and improve business performance.

Chairman:



Manager:



Chief Accounting Officer



# FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

## Audit Committee's Review Report

The Company's 2023 business report, financial statements (including consolidated financial statements) and loss off-setting proposal, of which the financial statements (including consolidated financial statements) have been audited by CPA Cheng-Lung Hsu and CPA Kuo-Tsung Chen of KPMG Taiwan entrusted by the board of directors. After review, the audit committee found that there were no discrepancies in the above-mentioned accounting books and statements, and prepared a report in accordance with Article 14-4 of the Securities and Exchange Act, and Article 29 of the Company Act.

To:

FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD. 2024 Shareholders' Meeting

Convener of the Audit Committee: Hu Ching-Hsi



February 27, 2024

# Status of Private Placement of Common Shares

Item	1st private placem Issue Date: July 1								
Type of securities by private placement	Common shares	0, 2023							
Date and amount of private placement	Date approved by the shareholders meeting: May 26, 2023 Limit on the private placement: 20,000 thousand shares for the 1st private placement, 20,000 thousand shares for the 2nd private placement, and 10,000 thousand shares for the 3rd private placement.  September 19, 2023 was the price determination date of this private placement. In accordance with the resolution of the shareholders' meeting held on May 26, 2023, the reference price of NT\$10.37 for the private placement was calculated at the higher of the following two prices:  (1) Simple arithmetic average of the common shares closing prices on either 1, 3 or 5 business days prior to the pricing date, minus the free allotment ex-rights								
Basis for and reasonableness of the pricing	or 5 business days prior to the pricing date, minus the free allotment ex-rights and dividend, and adding back the capital reduction reverse ex-rights.  (2) Simple arithmetic average of the common shares closing prices on the 30 business days prior to the pricing date, minus the free allotment ex-rights and dividend, and adding back the capital reduction reverse ex-rights. The price of common stock for this private placement shall not be lower than 80% of the reference price and shall not below the par value and the net worth per share indicated in the latest financial statements audited and attested by CPAs. Therefore, the subscription price per share of this private placement is set at NT\$8.56 per share, which is 82.55% of the reference price and is not below the par value and the net worth per share of NT\$8.56 per share as indicated in the latest financial statements audited and attested by CPAs. The actual private placement common shares issue price, and pricing conditions are in compliance with relevant laws and regulations, with reference to the Company's business performance, the most recent net worth and share price, and are handled according to the Directions for Public Companies Conducting Private Placements of Securities. Therefore, the price should be reasonable.								
Selection of a placee for private placement	resolution of the s and Exchange Ac	shareholders meeting t. The Board of Dir	g in accordance ectors is fully au	ees for this private planets with Article 43-6 of athorized to handle the	the Securities nis matter.				
Reason for conducting private placement	Based on the status of the capital market, timeliness and feasibility of fundraising, and the actual needs to attract strategic investors and the regulation that privately placed securities cannot be freely traded within three years, private placement can ensure the long-term cooperation between the Company and strategic investors. Furthermore, authorizing the Board of Directors to conduct private placement for fundraising from specific personnel when necessary.								
Completion date	July 18, 2023								
Information on placee	Targets of the private	Qualifications	Subscription (shares)	Relationship with the Company	Participation in the				

	placement				operations of the Company			
	Yu-Ming Chang	Compliance with Article 43-6 of the Securities and Exchange Act	8,000,000	Chairman of the Company	None			
	Sun Yad Construction Co., Ltd.	Compliance with Article 43-6 of the Securities and Exchange Act	12,000,000	The chairman is the same person as the chairman of the Company	None			
Actual subscription price	NT\$8.56 per shar	re						
The difference between the actual subscription price and the reference price	The actual subscr per share.	ription price is no lo	wer than 80% (	of the reference price	of NT\$10.37			
The effect of private	operational effici		mpetitiveness,	npany's financial struc indicating that private uity.				
Status of use of the capital raised through the private placement of securities and the implementation progress of the plan	On July 4, 2023, directors, which vertilly paid up on JNT\$171,200 thou	On July 4, 2023, the Company issued 20,000,000 shares by resolution of the board of directors, which will be subscribed to by specific person(s). The allotment of shares is fully paid up on July 18, 2023. The total amount of this private placement was NT\$171,200 thousand. As of January 31, 2024, approximately NT\$16,322,890 of this private placement has been executed in accordance with the plan.						
Realization of the benefits of private placement	As of January 31, 2024, approximately NT\$16,322,890 of this private placement has been executed in accordance with the plan; the outstanding amount is approximately NT\$154,867,110. The benefit of the private placement has not yet been realized.							

Item	_	te placements in 20	)23						
Type of	Issue Date: Octob	per 3, 2023							
Type of securities by private placement	Common shares								
Date and amount									
of private	Date approved by	the shareholders n	neeting: May 26.	. 2023					
_	Limit on the private placement: 20,000 thousand shares for the 1st private placement, 20,000 thousand shares for the 2nd private placement, and 10,000 thousand shares for the 3rd private placement.								
Basis for and reasonableness of the pricing	with the resolution price of NT\$10.33 following two price of Simple at or 5 busing and dividence of the common reference indicated Therefore NT\$8.41 the par with the lates private processing the companion of th	n of the shareholde for the private places: arithmetic average of iness days prior to dend, and adding be arithmetic average of days prior to the place and adding back in stock for this prive price and shall not din the latest finance, the subscription laper share, which is value and the net we transfer to the placement commonnec with relevant laps's business performandled according the private placement and the statement commonnec with relevant laps's business performandled according the private placement and the placement commonnec with relevant laps's business performandled according the private placement and the placement commonnec with relevant laps's business performandled according the placement commonnec with relevant laps's business performandled according the placement commonnec with relevant laps's business performandled according the placement common the placement commonnec with relevant laps and the placement common laps and the placement laps and the placement common laps and the placement laps	of the common so the pricing date, ack the capital reduct the placement should be a statements a price per share of the capital statements a price per share of the capital statements are price per share of the capital and a shares issue price was and regulations and regulations to the Directions	rivate placement. In a on May 26, 2023, the culated at the higher shares closing prices minus the free allotreduction reverse extra chares closing prices us the free allotment at ion reverse ex-right hall not be lower than value and the net would and attested by this private placemere reference price and in NT\$8.41 per share at tested by CPAs. The ce, and pricing conditions, with reference to the recent net worth and a for Public Companies, the price should be	e reference of the on either 1, 3 ment ex-rights rights. on the 30 ex-rights and s. The price of a 80% of the rth per share by CPAs. The price of a set at a				
Selection of a placee for private placement	The Company sharesolution of the s	all select specific postareholders meetir	ersonnel as place	ees for this private pl with Article 43-6 of athorized to handle the	acement by the Securities				
Reason for conducting private placement	Based on the status of the capital market, timeliness and feasibility of fundraising, and the actual needs to attract strategic investors and the regulation that privately placed securities cannot be freely traded within three years, private placement can ensure the long-term cooperation between the Company and strategic investors. Furthermore, authorizing the Board of Directors to conduct private placement for fundraising from specific personnel when necessary.								
Completion date	October 3, 2023								
Information on placee	Targets of the private placement	Qualifications	Subscription (shares)	Relationship with the Company	Participation in the operations of				

					the Company					
	Yu-Ming Chang	Compliance with Article 43-6 of the Securities and Exchange Act	27,000,000	Chairman of the Company	None					
	Chang Hui-Feng	Compliance with Article 43-6 of the Securities and Exchange Act	3,000,000	Spouse of the Chairman of the Company	None					
Actual subscription price	NT\$8.41 per shar	re								
The difference between the actual subscription price and the reference price	The actual subscr per share.	The actual subscription price is no lower than 80% of the reference price of NT\$10.35 er share.								
The effect of private placement to the shareholders' equity	operational effici	This private placement will help strengthen the Company's financial structure, enhance operational efficiency and overall competitiveness, indicating that private placements should have a positive impact on the Company's equity.								
Status of use of the capital raised through the private placement of securities and the implementation progress of the plan	On September 19 board of directors shares is fully pai was NT\$252,300	On September 19, 2023, the Company issued 30,000,000 shares by resolution of the board of directors, which will be subscribed to by specific person(s). The allotment of shares is fully paid up on October 3, 2023. The total amount of this private placement was NT\$252,300 thousand. As of January 31, 2024, none of the funds from this private placement have been utilized.								
Realization of the benefits of private placement	None of the funds have been utilized, thus the benefit of the private placement has not yet been realized.									

#### INDEPENDENT AUDITORS' REPORT

The Board of Directors of FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

#### **Opinions**

We have audited the consolidated financial statements of FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, based on our audits and reports of other auditors (please refer to Other Matters section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

#### **Other Matters**

Among subsidiaries included in the consolidated financial statements of the Group, the financial statements of Samtec Engineering Co., Ltd. were not audited by us, but by other auditors. Therefore, the opinions expressed in the accompany consolidated financial statements by us concerning the amounts reported in the financial statements of Samtec Engineering Co., Ltd. are based on other auditors' reports. The total assets of Samtec Engineering Co., Ltd. as of December 31, 2023 accounted for 1.39% of the consolidated total assets; net revenues of Samtec Engineering Co., Ltd. for the year ended December 31, 2023 accounted for 62.70% of the consolidated net revenues.

Feei Cherng Enterprise Co., Ltd. has prepared 2023 parent company only financial statements. We have issued an audit report with unqualified opinion and other matters section for reference.

The 2022 consolidated financial statements were audited by other auditors, and on February 24, 2023, they issued an unqualified auditor's report thereon.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2023 consolidated financial statements of the Group. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

#### I. Inventory Valuation

Please refer to Note 4(8) Inventories for the accounting policy on inventory valuation. For the accounting estimates and assumptions used to determine the net realizable value of inventories, please refer to Note 5(1) Inventories; and for the explanation of the net realizable value of inventories, please refer to Note 6(6) Inventories.

#### Description of key audit matter:

Inventories of the Group are measured at the lower of cost or net realizable value. Since the real estate industry requires a significant amount of capital investment and has a long payback period, the industry is greatly affected by the political, economic and real estate tax reforms, which may result in the risk of the cost of inventories being higher than the net realizable value. Therefore, the inventory valuation is one of the key audit matters that we consider when performing our audits of the consolidated financial statements of the Group.

#### How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included converting average selling prices to net realizable value of inventories based on the latest Actual Price Registration of Real Estate Transactions announced by the Ministry of the Interior and obtaining transaction prices from the neighborhood, or obtaining appraisal results from real estate appraisers or market prices in order to evaluate the reasonableness of the allowance for decline in value of inventories or provision for obsolescence of inventories in the construction industry, and assessing whether the valuation of inventories had been performed in accordance with the Company's accounting policies. Also, we assess

the appropriateness to disclose the information related to the allowance for inventory losses.

#### II. Revenue recognition

Please refer to Note 4(14) Revenue Recognition for the accounting policy; Note 5(2) for the accounting estimates and assumptions uncertainty for revenue recognition assessment; and Note 6(22) for the description of revenues from customer contracts in the consolidated financial statements.

#### Description of key audit matter:

Revenue from construction contracts is recognized based on the proportion of contract cost incurred to the total estimated cost of contract at the reporting date. However, the estimated total cost of contract was determined by the management of the Group based on historical experience to estimate the reasonableness of the future costs to be incurred, which may affect the percentage of completion and the calculation of the construction profit or loss; therefore, it was included as one of our key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included selecting major contracts as samples to examine whether there were significant changes in the total contract prices and estimated total costs; examining the input costs estimated by management and comparing them with the actual input costs incurred when the projects were completed to assess the appropriateness of the estimation methods; sampling the relevant vouchers and supporting documents for certain projects to confirm the inputs used in calculating the construction completion status; and assessing whether the Group had properly disclosed the relevant information on the revenues.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRS, IAS, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including supervisors, are responsible for overseeing the financial reporting process of the Group.

#### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's

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

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

- 1. Identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.
- 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 5. Evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6. Obtained sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provided those charged with governance with a statement that we have complied with relevant

ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**KPMG** 

CPA:

Certificate Number Approved by Competent Authority in Charge of Securities February 27, 2024 Jin Guan Zheng Liu Zi No.: 0960069825 (89) Tai Tsai Zheng (6) No. 62474





## (formerly Feei Cherng Enterprise Co., Ltd.) Consolidated Balance Sheets

**December 31, 2023 and 2022** 

**Unit: NT\$ Thousand** 

			2023.12.31 2022. 12.31			31				2023.12.31			2022.12.31	
	Assets	Ame	ount	%	Amount	%		Liabilities and Equity	_	Amount	<u></u>	Amount	_%_	
	Current Assets:							Current Liabilities:						
1100	Cash and Cash Equivalents (Note 6(1))	\$	265,701	16	248,046	14	2100	Short-term borrowings (Notes 6(14)(28) and 8)	\$	234,700	14	751,227	42	
1110	Financial assets at fair value through profit or loss - current (Notes 6(2) and 8)		241,256	14	234,882	13	2110	Short-term notes payable (Notes 6(15)(28) and 8)		-	-	25,000	1	
1136	Financial assets at amortized cost - current (Notes 6(4) and 8)		297,000	18	472,000	26	2130	Contract liabilities - current (Notes 6(22) and 9)		29,940	2	-	-	
1140	Contract assets - current (Notes 6(22) and 7)		2,666	-	-	-	2170	Accounts payables		7,632	-	376	-	
1180	Accounts receivable - related parties, net (Notes 6(5)(22) and 7)		7,526	-	2,727	-	2180	Accounts payable - related parties (Note 7)		20	-	-	-	
1200	Other Receivables		7,131	-	331		2200	Other payables (Note 7)		10,512	1	12,552	1	
1220	Current tax assets		1,015	-	-	-	2220	Other payables - related parties (Note 7)		2,753	-	-	-	
130X	Inventories (Notes 6(6), 7 and 8)		644,737	38	634,398	35	2280	Lease liabilities - current (Notes 6(16)(28))		-	-	781	-	
1410	Prepayments		3,542	-	351		2300	Total Other Current Liabilities	_	1,579	-	429		
1470	Other current assets (Note 6(13))		6,463	-	-			<b>Total Current Liabilities</b>	_	287,136	17	790,365	44	
	Total Current Assets	1,	477,037	86	1,592,735	88		Non-Current Liabilities:						
	Non-current Assets:						2570	Deferred tax liabilities (Note 6(19))		-	-	2,600	-	
1510	Financial assets at fair value through profit or loss - non-current (Note 6(2))		148,264	9	106,641	6	2600	Other non-current liabilities (Note 6(28))	_	302	-	324		
1600	Property, plant and equipment (Note 6(9))		3,932	-	82,599	5		<b>Total Non-Current Liabilities</b>	_	302		2,924		
1755	Right-of-use assets (Note 6(10))		-	-	769	-		Total Liabilities	_	287,438	17	793,289	44	
1760	Investment property, net (Note 6(11))		74,007	4	-	-		Equity attributable to owners of parent (Note 6(20)):						
1780	Intangible assets (Note 6(12))		12,018	1	17,526	1	3110	Share Capital		1,687,708	98	1,187,708	66	
1840	Deferred tax assets (Note 6(19))		-	-	762	-	3200	Capital surplus		530,568	31	605,796	33	
1920	Refundable deposits (Note 7)		3,427	-	1,787		3300	Accumulated deficits		(785,690)	(46)	(787,782)	(43)	
	Total non-current assets		241,648	14	210,084	12	3400	Other equity	_	(1,392)	-	(1,392)		
								Total equity attributed to owners of parent	_	1,431,194	83	1,004,330	56	
								Non-controlling interest (Notes 6(7)(8)):						
							36XX	Non-controlling equity	_	53	-	5,200		
								Total Equity	_	1,431,247	83	1,009,530	56	
	Total Assets	<u>\$ 1,</u>	718,685	100	1,802,819	100		Total Liabilities and Equity	<u>\$</u>	1,718,685	100	1,802,819	<u>100</u>	

祐 路 水



### FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD. a

# (formerly Feei Cherng Enterprise Co., Ltd



For the years ended December 31, 2023 and 2022

**Unit: NT\$ Thousand** 

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			2023		2022	
		A	mount	%	Amount	%
4000	Operating revenue (Notes 6(22) and 7)	\$	44,944	100	8,922	100
5000	Operating costs (Notes 6(6) and 7)		42,062	94	8,901	100
5900	Operating profits		2,882	6	21	-
	Operating expenses (Notes 6(16)(18), 7 and 12)					
6100	Marketing expenses		5,053	11	443	5
6200	Administrative expenses		59,767	133	39,842	446
	Total operating expenses		64,820	144	40,285	451
6900	Loss from operations		(61,938)	(138)	(40,264)	(451)
	Non-operating income and expenses (Notes 6(12) (16 (24) and 7):					
7100	Interest income		3,053	7	4,296	48
7010	Other revenue		6,606	15	22,049	247
7020	Other gains and losses		58,386	130	(154,063)	(1,727)
7050	Financial costs		(7,638)	(17)	(5,411)	(60)
	Total non-operating income and expenses		60,407	135	(133,129)	(1,492)
7900	Loss before income tax		(1,531)	(3)	(173,393)	(1,943)
7950	<b>Less: income tax expense (Note 6(19))</b>		762	2	3	
8200	Loss for the year		(2,293)	(5)	(173,396)	(1,943)
	Other comprehensive income:					
8310	Items that will not be reclassified subsequently to					
	profit or loss (Notes 6(3)(20))					
8316	Unrealized gain (loss) on investments in equity					
	instruments at fair value through other					
	comprehensive income		346	1	-	-
8349	Less: Income tax relating to items that will not be					
	reclassified subsequently to profit or loss		-	-	_	-
8300	Other comprehensive income for the current period		346	1	-	-
8500	Other comprehensive income/loss for the year	\$	(1,947)	(4)	(173,396)	(1,943)
	Current profit (loss) attributable to:					
8610	Parent company	\$	1,746	4	(173,386)	(1,943)
8620	Non-controlling equity		(4,039)	(9)	(10)	-
		\$	(2,293)	(5)	(173,396)	(1,943)
	Comprehensive income/loss attributable to:					
8710	Parent company	\$	2,092	5	(173,386)	(1,943)
8720	Non-controlling equity		(4,039)	(9)	(10)	-
		\$	(1,947)	(4)	(173,396)	(1,943)
	Earnings (losses) per share (Note 6(21)):					
9750	Basic earnings (losses) per share (NT\$)	\$		0.01		(1.46)
9850	Diluted earnings (losses) per share (NT\$)	<u>\$</u>		0.01		(1.46)

(See accompanying notes to consolidated financial statements)

Chairman: Yu-Ming Chang Manager: Peng-Kuang Tseng Accounting Manager:



# FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD. aı

(formerly Feei Cherng Enterprise Co., Ltd. **Consolidated Statement of Changes in Equi** 

For the years ended December 31, 2023 and 2022

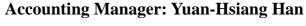
**Unit: NT\$ Thousand** 

				Equity attri	buted to owr	ners of the parent					
			Re	tained Earning	gs	Other Com	ponents of Equ	iity			
						Unrealized gain			Total		
						(loss) on financial	Remeasure		equity		
	Share					assets at fair value	ment of		attributed		
	capital -					through other	defined		to owners	Non-contr	Total
	common	Capital	Legal	Accumulat		comprehensive	benefit		of the	olling	Equity
	stock	surplus	reserve	ed deficits	Total	income	plan	Total	parent	interest	
Balance at January 1, 2022	<b>\$ 1,187,708</b>	605,796	66,320	(680,716)	(614,396)	-	(1,392)	(1,392)	1,177,716	-	1,177,716
Loss for the year	-	-	-	(173,386)	(173,386)	-	-	-	(173,386)	(10)	(173,396)
Other comprehensive income for the current period		-	-	-	-	-	-	-	-	-	
Other comprehensive income/loss for the year		-	-	(173,386)	(173,386)	-	-	-	(173,386)	(10)	(173,396)
Business combination		-	-	-	-	-	-	-	-	5,210	5,210
Balance at December 31, 2022	1,187,708	605,796	66,320	(854,102)	(787,782)	-	(1,392)	(1,392)	1,004,330	5,200	1,009,530
Income (loss)	-	-	-	1,746	1,746	-	-	-	1,746	(4,039)	(2,293)
Other comprehensive income for the current period		-	-	-	-	346	-	346	346	-	346
Other comprehensive income/loss for the year		-	-	1,746	1,746	346	-	346	2,092	(4,039)	(1,947)
Cash capital increase	500,000	(76,500)	-	-	-	-	-	-	423,500	-	423,500
From differences between equity purchase price and											
carrying amount arising from actual acquisition or											
disposal of subsidiaries	-	1,272	-	-	-	-	-	-	1,272	-	1,272
Increase/decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(1,108)	(1,108)
Disposal of equity instruments at fair value through											
other comprehensive income		-	-	346	346	(346)	-	(346)	-	-	
Balance at December 31, 2023	\$ 1,687,708	530,568	66,320	(852,010)	(785,690)	-	(1,392)	(1,392)	1,431,194	53	1,431,247

(See accompanying notes to consolidated financial statements)

Manager: Peng-Kuang Tseng







# FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD. an

# (formerly Feei Cherng Enterprise Co., Ltd.



### **Consolidated Statement of Cash Flows**

### For the years ended December 31, 2023 and 2022

**Unit: NT\$ Thousand** 

	2023		2022		
Cash Flows from Operating Activities: Loss before income tax	\$	(1,531)	(173,393)		
Adjustments for:	Ψ	(1,551)	(173,393)		
Profit/loss					
Depreciation expense		5,429	5,674		
Amortization expenses		1,362	25		
Net (gains) losses on financial assets at fair value through profit or loss		(61,232)	154,063		
Interest expenses		7,638	5,411		
Interest income		(3,053)	(4,296)		
Dividend income Impairment losses on non-financial assets		(4,902) 2,846	(13,760)		
Total adjustments for profit/loss		(51,912)	147,117		
Changes in operating assets and liabilities:		(31,712)	147,117		
Changes in operating assets:					
Increase in financial assets at fair value through profit or loss		-	(34,513)		
Increase in contract assets		(2,666)	-		
Increase in accounts receivable - related parties		(4,799)	(640)		
Decrease in other receivables		-	92		
Increase in inventories		(10,339)	(480,400)		
(Increase) decrease in prepayments		(3,191)	101		
Increase in other current assets		(6,463)	(515.260)		
Total changes in operating assets Changes in operating liabilities:		(27,458)	(515,360)		
Increase in contract liabilities		29,940	_		
Decrease in notes payable		27,740	(446)		
Increase in accounts payable		7,256	19		
Increase in accounts payable - related parties		20	-		
(Decrease) increase in other payables		(2,844)	4,758		
Increase (decrease) in other payables - related parties		2,738	(4,281)		
Increase in other current liabilities		1,150	-		
Total changes in operating liabilities		38,260	50		
Total changes in operating assets and liabilities		10,802	(515,310)		
Total adjustments		(41,110)	(368,193)		
Cash generated from operating activities Interest received		(42,641) 3,053	(541,586) 4,296		
Dividends received		4,902	13,760		
Interest paid		(7,357)	(5,411)		
Income tax paid		(684)	-		
Cash Flows from Operating Activities		(42,727)	(528,941)		
Cash Flows from Investment Activities:					
Acquisition of financial assets at fair value through other comprehensive income		(7,687)	-		
Disposal of financial assets at fair value through other comprehensive income		8,033	-		
Acquisition of financial assets at amortized cost		175 000	(150,000)		
Disposal of financial assets at amortized cost		175,000 (84,621)	-		
Acquisition of financial assets at fair value through profit or loss Disposal of financial assets at fair value through profit or loss		91,271	303		
Net cash used in acquisition of subsidiaries		(853)	(43,218)		
Acquisition of property, plant and equipment:		-	(90)		
Increase in refundable deposits		(1,640)	(200)		
Decrease in other receivables		-	32,710		
Acquisition of intangible assets		(283)	(122)		
Net cash generated from (used in) investing activities		179,220	(160,617)		
Cash Flows from Financing Activities:					
Increase in short-term borrowings		18,107	751,227		
Decrease in short-term borrowings		(534,634)	- 25.000		
Increase in short-term notes payable		(25,000)	25,000		
Decrease in short-term notes payable Increase in deposits received		(25,000)	24		
Decrease in guarantee deposits received		(22)	-		
Repayment of the principal portion of lease liabilities		(789)	(1,020)		
Cash capital increase		423,500	-		
Net cash (used in) generated from financing activities		(118,838)	775,231		
Increase in Cash and Cash Equivalents		17,655	85,673		
Cash and Cash Equivalents as of January 1		248,046	162,373		
Cash and Cash Equivalents as of December 31	<u>\$</u>	265,701	248,046		

(See accompanying notes to consolidated financial statements)

Manager: Peng-Kuang Tseng

**Accounting Manager: Yuan-Hsiang** Han



#### INDEPENDENT AUDITORS' REPORT

The Board of Directors of FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

#### **Opinions**

We have audited the parent company only financial statements of FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD. ("the Company"), which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years ended December 31, 2023 and 2022, and notes to parent company only financial statements including a summary of significant accounting policies.

In our opinion, based on our audits and reports of other auditors (please refer to Other Matters section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for each of the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

#### **Other Matters**

The investments accounted for using the equity method included in the financial statements of the Company, the financial statements of Samtec Engineering Co., Ltd. were not audited by us, but by other auditors. Therefore, the opinions expressed in the accompany parent company only financial statements by us concerning the amounts reported in the financial statements of Samtec Engineering Co., Ltd. are based on other auditors' reports. As of December 31, 2023, the investment accounted for

using the equity method in Samtec Engineering Co., Ltd. was 0.68% of the total assets. As of December 31, 2023, the share of income from subsidiaries, affiliated companies and joint ventures accounted for using the equity method in Samtec Engineering Co., Ltd. was (1,229.80)% of the profit before income tax.

The Company's 2022 financial statements were audited by other auditors, and on February 24, 2023, they issued an unqualified auditor's report thereon.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2023 parent company only financial statements of the Company. 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. We have determined the matters described below to be the key audit matters to be communicated in our report:

#### **Inventory Valuation**

Please refer to Note 4(7) Inventories for the accounting policy on inventory valuation. For the accounting estimates and assumptions used to determine the net realizable value of inventories, please refer to Note 5(1) Inventories; and for the explanation of the net realizable value of inventories, please refer to Note 6(6) Inventories.

#### Description of key audit matter:

Inventories of the Company are measured at the lower of cost or net realizable value. Since the real estate industry requires a significant amount of capital investment and has a long payback period, the industry is greatly affected by the political, economic and real estate tax reforms, which may result in the risk of the cost of inventories being higher than the net realizable value. Therefore, the inventory valuation is one of the key audit matters that we consider when performing our audits of the consolidated financial statements of the Company.

#### How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included converting average selling prices to net realizable value of inventories based on the latest Actual Price Registration of Real Estate Transactions announced by the Ministry of the Interior and obtaining transaction prices from the neighborhood, or obtaining appraisal results from real estate appraisers or market prices in order to evaluate the reasonableness of the allowance for decline in value of inventories or provision for obsolescence of inventories in the construction industry, and assessing whether the valuation of inventories had been performed in accordance with the Company's accounting policies. Also, we assess the appropriateness to disclose the information related to the allowance for inventory losses.

### Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the

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

Those charged with governance (inclusive of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

#### Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

- 5. Evaluated the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6. Obtained sufficient and appropriate audit evidence regarding the financial information of investees accounted for using the equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the 2023 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**KPMG** 

CPA:

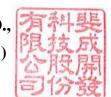
Certificate Number Approved by Competent Authority in Charge of Securities February 27, 2024

Jin Guan Zheng Liu Zi No. : 0960069825 (89) Tai Tsai Zheng (6) No. 62474

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# FEEI CHERNG DEVELOP TECHNOLOGY CO.,

# (formerly Feei Cherng Enterprise Co., Ltd.) Balance Sheets



December 31, 2023 and 2022

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								2023.12.31		2022.12.31		1
		2023.12.3		2022.12.3			Liabilities and Equity		Mount	<u></u> %	Amount	<u>%</u>
	Assets	Amount	<u>%</u>	Amount	<u>%</u>		Current Liabilities:					
	Current Assets:					2100	Short-term borrowings (Notes 6(14)(28) and 8)	\$	234,700	14	751,227	42
1100	Cash and Cash Equivalents (Note 6(1))	\$ 265,434	16	215,335	12	2110	Short-term notes payable (Notes 6(15)(28) and 8)		-	_	25,000	1
1110	Financial assets at fair value through profit or loss - current (Notes 6(2) and 8)	241,256	14	234,882	13	2130	Contract liabilities - current (Notes 6(22) and 9)		29,940	2	<u>-</u>	_
1136	Financial assets at amortized cost - current (Notes 6(4) and 8)	297,000	18	472,000	26	2170	Accounts payables		3,119	_	376	_
1180	Accounts receivable - related parties, net (Notes 6(5)(22) and 7)	2,838	-	2,727	-	2200	Other payables (Note 7)		3,785	_	12,329	1
1200	Other Receivables	7,131	-	331	-	2220	Other payables - related parties (Note 7)		2,214	_	_	_
1220	Current tax assets	1,004	-	-	-	2280	Lease liabilities - current (Notes 6(16)(28))		-	_	781	-
130X	Inventories (Notes 6(6), 7 and 8)	643,587	38	634,398	36	2300	Total Other Current Liabilities		1,078	-	429	
1410	Prepayments	1,398	-	350	-		Total Current Liabilities		274,836	16	790,142	44
1470	Other current assets (Note 6(13))	6,463	-	-			Non-Current Liabilities:					
	Total Current Assets	1,466,111	86	1,560,023	87	2645	Guarantee deposits received (Note 6(28))		302	_	324	<u> </u>
	Non-current Assets:						Total Non-Current Liabilities		302	-	324	<u> </u>
1510	Financial assets at fair value through profit or loss - non-current (Note 6(2))	148,264	. 9	106,641	6		Total Liabilities		275,138	16	790,466	44
1550	Investments accounted for using the equity method (Note 6(7))	11,606	1	43,168	2		Equity attributable to owners of parent (Notes 6(3)(8)(20)):					
1600	Property, plant and equipment (Note 6(9))	2,882	-	81,549	5	3110	Share Capital		1,687,708	99	1,187,708	66
1755	Right-of-use assets (Note 6(10))	-	-	769	-	3200	Capital surplus		530,568	31	605,796	34
1760	Investment property, net (Note 6(11))	74,007	4	-	-	3300	Accumulated deficits		(785,690)	(46)	(787,782)	(44)
1780	Intangible assets (Notes 6(12) and 7)	318	-	97	-	3400	Other equity		(1,392)	-	(1,392)	<u> </u>
1840	Deferred tax assets (Note 6(19))	-	-	762	-		Total equity attributed to owners of parent		1,431,194	84	1,004,330	56
1920	Refundable deposits (Note 7)	3,144	-	1,787			Total Equity		1,431,194	84	1,004,330	56
	Total non-current assets	240,221	14	234,773	13		Total Liabilities and Equity	\$	1,706,332	100	1,794,796	100
	Total Assets	<u>\$ 1,706,332</u>	100	1,794,796	100							

Chairman: Yu-Ming Chang 能加

(See accompanying notes to parent company only financial statements)

Manager: Peng-Kuang Tseng





## FEEI CHERNG DEVELOP TECHNOLOGY (

## (formerly Feei Cherng Enterprise Co., L1 Statement of Comprehensive Income



For the years ended December 31, 2023 and 2022

**Unit: NT\$ Thousand** 

		2023		2022	
		Amount	% _	Amount	%
4000	Operating revenue (Notes 6(22) and 7)	\$ 16,763	100	8,922	100
5000	Operating costs (Note 6(6))	15,116	90	8,901	99
5900	Operating profits	1,647	10	21	1
	<b>Operating expenses (Notes 6(12)(16)(18), 7 and 12):</b>				
6100	Marketing expenses	5,053	30	443	5
6200	Administrative expenses	23,535	140	39,781	446
	Total operating expenses	28,588	170	40,224	451
6900	Loss from operations	(26,941)	(160)	(40,203)	(450)
	Non-operating income and expenses (Notes 6(16)(24)				
	and 7)				
7100	Interest income	2,936	18	4,296	48
7010	Other revenue	6,606	39	22,048	247
7020	Other gains and losses	58,386	348	(154,063)	(1,727)
7050	Financial costs	(7,638)	(46)	(5,411)	(61)
7070	Share of loss of subsidiaries, affiliated companies and				
	joint ventures	(30,841)	(184)	(50)	
	Total non-operating income and expenses	29,449	175	(133,180)	(1,493)
7900	Income (loss) before tax	2,508	15	(173,383)	(1,943)
7950	Less: income tax expense (Note 6(19))	762	5	3	
8200	Income (loss)	1,746	10	(173,386)	(1,943)
	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to				
	profit or loss				
8316	Unrealized gain (loss) on investments in equity				
	instruments at fair value through other				
	comprehensive income (Note 6(20))	346	2	-	-
8349	Less: Income tax relating to items that will not be				
	reclassified subsequently to profit or loss		-	-	
8300	Other comprehensive income for the current period	346	2	-	
8500	Other comprehensive income/loss for the year	<b>\$</b> 2,092	12	(173,386)	(1,943)
	Earnings (losses) per share (Note 6(21)):				
9750	Basic earnings (losses) per share (NT\$)	<u>\$</u>	0.01		(1.46)
9850	Diluted earnings (losses) per share (NT\$)	<u>\$</u>	0.01		(1.46)

(See accompanying notes to parent company only financial statements)

Chairman: Yu-Ming Chang Manager: Peng-Kuang Accounting Manager:







**Yuan-Hsiang Han** 

## FEEI CHERNG DEVELOP TECHNOLOGY (

# (formerly Feei Cherng Enterprise Co., L. Statement of Changes in Equity

For the years ended December 31, 2023 and 2022

**Unit: NT\$ Thousand** 

			R	etained Earnings		Other	Components of Equi	ty	
						Unrealized gain		_	
						(loss) on financial			
						assets at fair value			
						through other	Remeasureme		
	Share capital -			Accumulated		comprehensive	nt of defined		
	common stock	Capital surplus	Legal reserve	deficits	Total	income	benefit plan	Total	Total Equity
Balance at January 1, 2022	\$ 1,187,708	605,796	66,320	(680,716)	(614,396)		(1,392)	(1,392)	1,177,716
Loss for the year	-	-	-	(173,386)	(173,386)	-	-	-	(173,386)
Other comprehensive income for the current	į.								
period		-	-	-	-	-	-	-	
Other comprehensive income/loss for the year		-	-	(173,386)	(173,386)	-	-	-	(173,386)
Balance at December 31, 2022	1,187,708	605,796	66,320	(854,102)	(787,782)	-	(1,392)	(1,392)	1,004,330
Profit for the year	-	-	-	1,746	1,746	-	-	-	1,746
Other comprehensive income for the current	t								
period		-	-	-	-	346	-	346	346
Other comprehensive income/loss for the year		-	-	1,746	1,746	346	-	346	2,092
Cash capital increase	500,000	(76,500)	-	-	-	-	-	-	423,500
From differences between equity purchase price and carrying amount arising from									
actual acquisition or disposal of subsidiaries	-	1,272	-	-	-	-	-	-	1,272
Disposal of equity instruments at fair value									
through other comprehensive income		-	-	346	346	(346)		(346)	
Balance at December 31, 2023	<b>\$ 1,687,708</b>	530,568	66,320	(852,010)	(785,690)	-	(1,392)	(1,392)	1,431,194

(See accompanying notes to parent company only financial statements)

Manager: Peng-Kuang Tseno

**Accounting Manager** 

元韻 -Hsiang Han



## FEEI CHERNG DEVELOP TECHNOLOGY

# (formerly Feei Cherng Enterprise Co., I

## **Statement of Cash Flows**

For the years ended December 31, 2023 and 2022

**Unit: NT\$ Thousand** 

		2023	2022
Cash Flows from Operating Activities: Profit (loss) before income tax	\$	2,508	(173,383)
Adjustments for:	Ψ	2,300	(173,363)
Profit/loss			
Depreciation expense		5,429	5,674
Amortization expenses		62	25
Net (gains) losses on financial assets at fair value through profit or loss		(61,232)	154,063
Interest expenses		7,638	5,411
Interest income		(2,936)	(4,296)
Dividend income		(4,902)	(13,760)
Share of loss of subsidiaries, affiliated companies and joint ventures		30,841	50
Impairment losses on non-financial assets		2,846	-
Total adjustments for profit/loss		(22,254)	147,167
Changes in operating assets and liabilities:			
Changes in operating assets:			(24.512)
Increase in financial assets at fair value through profit or loss		- (111)	(34,513)
Increase in accounts receivable - related parties  Decrease in other receivables		(111)	(640) 92
Increase in inventories		(9,189)	(480,400)
(Increase) decrease in prepayments		(1,048)	101
Increase in other current assets		(6,463)	-
Total changes in operating assets		(16,811)	(515,360)
Changes in operating liabilities:		(10,011)	(313,300)
Increase in contract liabilities		29,940	_
Decrease in notes payable		-	(446)
Increase in accounts payable		2,743	19
(Decrease) increase in other payables		(9,348)	4,697
Increase (decrease) in other payables - related parties		2,199	(4,281)
Increase in other current liabilities		649	
Total changes in operating liabilities		26,183	(11)
Total changes in operating assets and liabilities		9,372	(515,371)
Total adjustments		(12,882)	(368,204)
Cash generated from operating activities		(10,374)	(541,587)
Interest received		2,936	4,296
Dividends received		4,902	13,760
Interest paid		(7,357)	(5,411)
Income tax paid		(673)	(529,042)
Cash Flows from Operating Activities Cash Flows from Investment Activities:		(10,566)	(528,942)
Acquisition of financial assets at fair value through other comprehensive income		(7,687)	
Disposal of financial assets at fair value through other comprehensive income		8,033	-
Acquisition of financial assets at amortized cost		- 0,033	(150,000)
Disposal of financial assets at amortized cost		175,000	(130,000)
Acquisition of financial assets at fair value through profit or loss		(84,621)	_
Disposal of financial assets at fair value through profit or loss		91,271	303
Acquisition of investments using the equity method		(853)	(43,218)
Acquisition of property, plant and equipment:		-	(90)
Increase in refundable deposits		(1,357)	(200)
Acquisition of intangible assets		(283)	(122)
Net cash generated from (used in) investing activities		179,503	(193,327)
Cash Flows from Financing Activities:			
Increase in short-term borrowings		18,107	751,227
Decrease in short-term borrowings		(534,634)	-
Increase in short-term notes payable		-	25,000
Decrease in short-term notes payable		(25,000)	-
Increase in deposits received		- ,	24
Decrease in guarantee deposits received		(22)	- // 0-0:
Repayment of the principal portion of lease liabilities		(789)	(1,020)
Cash capital increase		423,500	775 001
Net cash (used in) generated from financing activities		(118,838)	775,231 52,062
Increase in Cash and Cash Equivalents Cash and Cash Equivalents as of January 1		50,099 215,335	52,962 162,373
Cash and Cash Equivalents as of December 31	•	265,434	215,335
Cash and Cash Equivalents as of December 31	<u>v</u>	<u> 403,434</u>	413,335

(See accompanying notes to parent company only financial statements)

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Manager: Peng-Kuang Tseng





# FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD. Directors and Independent Directors Candidates List

Serial No.	Category	Name	Education	Work experience	Current employment	Shares held	Name of juristic person represented
1	Director	Yu-Ming Chang	MBA, National Taiwan University	Chairman & President of Sun Yad Construction Co., Ltd. Chairman of U-Best Innovative Technology Co., Ltd. Chairman of Hsin-Li Chemical Industrial Corp. Chairman of FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD. Chairman of Myson Century, Inc.	Same as left	100,000	Meisen Holdings Co., Ltd.
2	Director	Peng-Kuang Tseng	Doctor, Department of Architecture, NCKU	Adjunct Assistant Professor, Chang Jung Christian University & Kun Shan University Juristic person representative of the director of U-BEST INNOVATIVE TECHNOLOGY CO., LTD. Juristic person representative of the director of Sun Yad Construction Co., Ltd. Vice President of Construction Business Group of SUN YAD CONSTRUCTION CO., LTD	President of the Company	100,000	Meisen Holdings Co., Ltd.

				Juristic person representative of the director of Myson Century, Inc. Juristic person representative of the director of FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD. President of FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.			
3	Director	Shuo-Wen Chang	Master of Computer Science and Information Engineering, Shu-Te University	Chairman of Boromi Optronics Corp. Chairman of Shang Yu Construction Ltd. Chairman of Metropolis Internet Technology President of Myson Century, Inc.	Same as left	29,041, 121	U-Best Innovative Technology Co., Ltd.
4	Director	Nan-Hao Huang	Feng Chia University	President of BOROMI OPTRONICS CORP. Assistant Vice President of Optoelectronics Business Group of SUN YAD TECHNOLOGY CO., LTD. President & Director of U-BEST INNOVATIVE TECHNOLOGY CO., LTD.	President & Director of U-BEST INNOVATIVE TECHNOLOG Y CO., LTD.	29,041, 121	U-Best Innovative Technology Co., Ltd.
5	Independe nt Director	Ching-Hsi Hu	Department of Economics, Tunghai	Specialist of Sunny Bank Ltd. Independent Director of U-BEST INNOVATIVE TECHNOLOGY CO., LTD.	None	0	

			University				
6	Independe nt Director	Yu-Wen Chen	Master, Department of Law, Fu Jen Catholic University	Chief Attorney & Director of Shin Ruei Attorneys at Law	Same as left	0	
7	Independe nt Director	Ju-Hui Yang	PhD in Economics, University of Cambridge, UK	Representative of Corporate Director, CTBC Investments Co., Ltd. Independent Director of BEDDING WORLD CO., LTD Independent Director of Myson Century, Inc.	Same as left	0	

**Table of Comparison Before and After the Amendments to the Articles of Incorporation** 

Provision		Amended provision		Current provision	Explanation
1 1 0 1 151011		Amended provision		Current provision	Explanation
Article 2	The Com	pany's businesses are as follows:	The Com	npany's businesses are as follows:	Amendments
	1.	A401010 Livestock Farm Management.	1.	A401010 Livestock Farm	are made in
	2.	A401020 Raising of livestock and Poultry.		Management.	line with the
	3.	A401040 Livestock Service.	2.	A401020 Raising of Iivestock and	
	4.	CC01080 Electronics Components		Poultry.	future
		Manufacturing.	3.	A401040 Livestock Service.	development.
	5.	C101010 Slaughter.	4.	CC01080 Electronics	
	6.	C103050 Manufacturing of Canning,	_	Components Manufacturing.	
	_	Freezing, Dehydration, Pickled of Food.	5.	C101010 Slaughter.	
	7.	C199030 Instant Meal Box Food	6.	C103050 Manufacturing of	
	0	Manufacturing.		Canning, Freezing, Dehydration,	
	8.	C199990 Manufacture of Other Food	-	Pickled of Food.	
	^	Products Not Elsewhere Classified.	7.	C199030 Instant Meal Box Food	
	9.	C201010 Feed Manufacturing.	0	Manufacturing.	
	10.	F101040 Wholesale of Livestock and	8.	C199990 Manufacture of Other	
	1.1	Poultry.		Food Products Not Elsewhere	
	11.	F101050 Wholesale of Fishery Products.	0	Classified.	
	12.	F102170 Wholesale of Foods and	9.	C201010 Feed Manufacturing.	
	12	Groceries. F103010 Wholesale of Animal Feeds.	10.	F101040 Wholesale of Livestock	
	13. 14.		11	and Poultry.	
	14.	F119010 Wholesale of Electronic Materials.	11.	F101050 Wholesale of Fishery Products.	
	15.	F201020 Retail Sale of Livestock	12.	F102170 Wholesale of Foods and	
	15.	Products.	12.	Groceries.	
	16.	F201030 Retail Sale of Fishery Products.	13.	F103010 Wholesale of Animal	
	10. 17.	F202010 Retail Sale of Feeds.	13.	Feeds.	
	18.	F203010 Retail Sale of Food, Grocery and	14.	F119010 Wholesale of Electronic	
	10.	Beverage.	11.	Materials.	
	19.	F603050 Automatic Control Equipment	15.	F201020 Retail Sale of Livestock	
	17.	Engineering.	10.	Products.	
	20.	F401010 International Trade.	16.	F201030 Retail Sale of Fishery	
	21.	I101070 Agriculture, Forestry, Fishing and		Products.	
		Livestock Consulting.	17.	F202010 Retail Sale of Feeds.	
	22.	I101090 Food Consulting.	18.	F203010 Retail Sale of Food,	
	23.	I103060 Management Consulting.		Grocery and Beverage.	
	24.	I301030 Electronic Information Supply	19.	F603050 Automatic Control	
		Services.		Equipment Engineering.	
	25.	IG01010 Biotechnology Services.	20.	F401010 International Trade.	
	26.	F501060 Restaurants.	21.	I101070 Agriculture, Forestry,	
	27.	F501990 Other Catering.		Fishing and Livestock Consulting.	
	28.	H701010 Housing and Building	22.	I101090 Food Consulting.	
		Development and Rental.	23.	I103060 Management Consulting.	
	29.	H701050 Investment, Development and	24.	I301030 Electronic Information	
		Construction in Public Construction.		Supply Services.	
	30.	H701060 New Towns, New Community	25.	IG01010 Biotechnology Services.	
	2 :	Development.	26.	F501060 Restaurants.	
	31.	H703090 Real Estate Business.	27.	F501990 Other Catering.	
	32.	H703100 Real Estate Leasing.	28.	H701010 Housing and Building	

Provision	Amended provision			Current provision	Explanation
	33.	F111090 Wholesale of Building Materials.		Development and Rental.	
	34.	IZ99990 Other Industrial and Commercial	29.	H701050 Investment,	
	<i>c</i>	Services		Development and Construction in	
	35.	E801010 Indoor Decoration		Public Construction.	
	36.	E801020 Doors and Windows Installation	30.	H701060 New Towns, New	
		Engineering		Community Development.	
	37.	E801030 Indoor Light-gauge Steel Frame	31.	H703090 Real Estate Business.	
		Engineering	32.	H703100 Real Estate Leasing.	
	38.	E801040 Glass Installation Engineering	33.	F111090 Wholesale of Building	
	39.	E801070 Kitchenware and Sanitary		Materials.	
		Fixtures Installation Engineering	34.	ZZ99999 All business activities	
	40.	E901010 Painting Engineering		that are not prohibited or	
	41.	E903010 Anti-Corrosion and Anti-Rust		restricted by law, except those that	
		Engineering		are subject to special approval.	
	42.	EZ99990 Other Engineering			
	43.	F105050 Wholesale of Furniture, Bedding			
	4.4	Kitchen Utensils and Fixtures			
	44.	F107030 Wholesale of Cleaning Supplies			
	45.	F113050 Wholesale of Commuters and			
	46.	F113050 Wholesale of Computers and			
	47.	Clerical Machinery Equipment F113070 Wholesale of Telecommunication			
	47.	Apparatus			
	48.	F118010 Wholesale of Computer Software			
	49.	F205040 Retail Sale of Furniture, Bedding			
	10.	Kitchen Utensils and Fixtures			
	50.	F206020 Retail Sale of Daily Commodities			
	51.	F211010 Retail Sale of Building Materials			
	52.	F213030 Retail Sale of Computers and			
		Clerical Machinery Equipment			
	53.	F399040 Retail Sale No Storefront			
	54.	F501030 Beverage Shops			
	55.	I301020 Data Processing Services			
	56.	I401010 General Advertisement Service			
	57.	I503010 Landscape and Interior Designing			
	58.	JE01010 Rental and Leasing			
	59.	I301010 Information Software Services			
	60.	I102010 Investment Consulting			
	61.	F201010 Retail Sale of Agricultural			
	(2)	Products F204110 Patril Sala of Clatha Comments			
	62.	F204110 Retail Sale of Cloths, Garments,			
		Shoes, Hats, Umbrellas and Clothing Accessories			
	63.	F209060 Retail Sale of Culture, Education,			
	05.	Musical Instruments and Educational			
		Entertainment Supplies			
	64.	F102030 Wholesale of Tobacco and			
	0 7.	Alcohol			
	65.	F203020 Retail Sale of Tobacco and			
		Alcohol			
	66.	I301040 The Third Party Payment			
	67.	ZZ99999 All business activities that are			
		not prohibited or restricted by law, except			
		those that are subject to special approval.			
		12			

Provision	Amended provision	Current provision	Explanation
24-1	To support the Company's long-term development, the Company would pay dividends when it can meet the future business development, consider a sound financial structure, maintain stable dividends, and protect the shareholders' reasonable returns, the Board of Directors prepares a proposal for the distribution of earnings in accordance with the Articles of Incorporation, which is to be made through the issuance of new shares and approved at the shareholders' meeting and by the competent authority. Distribution ratio of cash dividends and stock dividends: The Company pays dividends in the form of stock and cash. The Company adopts a balanced and stable dividend policy by setting aside at least 30% of the distributable earnings each year as stockholders' bonuses; however, if the distributable earnings are less than 10% of the paid-in capital, the Company's board of directors may decide not to distribute the dividends. The dividends may be distributed in the form of stock or cash. The cash dividends shall not be less than 10% of the total dividends.	takes into account the environment and industry growth, and corresponding to future capital needs and long-term financial planning, the Company adopts the residual dividend policy for dividend distribution. After the Company provides for the projected capital needs by using retained earnings, the remaining shall be distributed in the form of	To respond to the Corporate Governance Review 3.12, the dividend policy has been amended to disclose a specific and clear dividend policy.
	The Articles of Incorporation were established on November 29, 1993.  The 1st amendment was made on June 20, 1995.  The 30th amendment was made on May 27, 2022.  The 31st amendment was made on May 24, 2024.	The Articles of Incorporation were established on November 29, 1993. The 1st amendment was made on June 20, 1995	Number of amendments are added.

# **Directors Concurrently Holding Positions in Other Companies**

Job Title of Candidate	Name	Concurrently holding positions in other companies	Main business activities of other companies	Possible conflict of interest	Remark
Director Representative	Yu-Ming Chang	Chairman & President of Sun Yad Construction Co., Ltd.  Chairman of U-Best Innovative Technology Co., Ltd.	Manufacture of Plastic Sheets, Pipes and Tubes/Wholesale of Chemical Feedstock/Electronics Components Manufacturing/International Trade/Retail Sale of Computer Software/Wholesale of Computer Software/Information Software Services/General Advertisement Service/Wholesale of Computers and Clerical Machinery Equipment/Regular Hotel/Restaurants/Housing and Building Development and Rental/Investment, Development and Construction in Public Construction/New Towns, New Community Development/Real Estate Business/Real Estate Leasing/Wholesale of Building Materials/Glass and Glass Products Manufacturing  Synthetic Resin and Plastic Manufacturing/Industrial and Additive Manufacturing/Wholesale of Chemical Feedstock/International Trade/Processed Paper Manufacturing/Manufacture of Plastic Films and Bags/Parking area Operators/Housing and Building Development and Rental/Industrial Factory Development and Rental/Specific Area Development/Investment, Development and Construction in Public Construction/New Towns, New Community Development/Process Zone Expropriation and Urban Land Readjustment Agency/Real Estate Business/Real	None.	Representative of Meisen Holdings Co., Ltd.

Job Title of Candidate	Name	Concurrently holding positions in other companies	Main business activities of other companies	Possible conflict of interest	Remark
		Chairman of Hsin-Li	Estate Leasing/Wholesale of Building Materials/Regular Hotel  1. Processing, manufacturing and trading of various		
		Chemical Industrial Corp.	<ol> <li>fiber plastic skins and plastic sheets.</li> <li>Manufacturing and trading of various plastic materials and auxiliary materials.</li> <li>Processing, trading, and exporting of plastics and plastic products.</li> <li>Manufacturing, processing, and trading of synthetic resins, plasticizers, adhesives, fixatives, inks, plastic dyes, plastic pigments, textile auxiliaries, papermaking auxiliaries, and plastic additives.</li> <li>Manufacture and trading of raw materials and auxiliary materials for the plastics industry.</li> <li>Processing, manufacturing and trading of non-woven fabrics.</li> <li>Import/export of the aforementioned products and raw materials.</li> </ol>		
		Chairman of Myson Century, Inc.	Electronics Components Manufacturing/Information Software Services/Product Designing/Other Industrial and Commercial Services/International Trade/Indoor Decoration/Doors and Windows Installation Engineering/Indoor Light-gauge Steel Frame Engineering/Glass Installation Engineering/Kitchenware and Sanitary Fixtures Installation Engineering/Painting Engineering/Anti-Corrosion and Anti-Rust Engineering/Other Engineering/Wholesale of Foods and Groceries/Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures/Wholesale of Cleaning		

Job Title of Candidate	Name	Concurrently holding positions in other companies	Main business activities of other companies	Possible conflict of interest	Remark
			Supplies/Wholesale of Cosmetics/Wholesale of Building Materials/Wholesale of Computers and Clerical Machinery Equipment/Wholesale of Telecommunication Apparatus/Wholesale of Computer Software/Wholesale of Electronic Materials/Retail Sale of Food, Grocery and Beverage/Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures/Wholesale of Electronic Materials/Retail Sale of Cleaning Supplies/Retail Sale of Cosmetics/Retail Sale of Building Materials/Retail Sale of Computers and Clerical Machinery Equipment/Retail Sale No Storefront/Beverage Shops/Restaurants/Housing and Building Development and Rental/Real Estate Business/Real Estate Leasing/Management Consulting/Data Processing Services/Electronic Information Supply Services/General Advertisement Service/Landscape and Interior Designing/Rental and Leasing		
Director Representative	Tseng Peng-Kuang	Juristic person representative of the director of Sun Yad Construction Co., Ltd. Vice President of Construction Business Group of SUN YAD CONSTRUCTION CO., LTD	Manufacture of Plastic Sheets, Pipes and Tubes/Wholesale of Chemical Feedstock/Electronics Components Manufacturing/International Trade/Retail Sale of Computer Software/Wholesale of Computer Software/Information Software Services/General Advertisement Service/Wholesale of Computers and Clerical Machinery Equipment/Regular Hotel/Restaurants/Housing and Building Development and Rental/Investment, Development and Construction in Public Construction/New Towns, New Community Development/Real Estate Business/Real Estate Leasing/Wholesale of Building Materials/Glass and	None.	Representative of Meisen Holdings Co., Ltd.

Job Title of Candidate	Name	Concurrently holding positions in other companies	positions in other Main business activities of other companies		Remark
		Juristic person representative of the director of U-BEST INNOVATIVE TECHNOLOGY CO., LTD.	Glass Products Manufacturing  Synthetic Resin and Plastic Manufacturing/Industrial and Additive Manufacturing/Wholesale of Chemical Feedstock/International Trade/Processed Paper Manufacturing/Manufacture of Plastic Films and Bags/Parking area Operators/Housing and Building Development and Rental/Industrial Factory Development and Rental/Specific Area Development/Investment, Development and Construction in Public Construction/New Towns, New Community Development/Process Zone Expropriation and Urban Land Readjustment Agency/Real Estate Business/Real Estate Leasing/Wholesale of Building Materials/Regular Hotel		
		Juristic person representative of the director of Myson Century, Inc.	Electronics Components Manufacturing/Information Software Services/Product Designing/Other Industrial and Commercial Services/International Trade/Indoor Decoration/Doors and Windows Installation Engineering/Indoor Light-gauge Steel Frame Engineering/Glass Installation Engineering/Kitchenware and Sanitary Fixtures Installation Engineering/Painting Engineering/Anti-Corrosion and Anti-Rust Engineering/Other Engineering/Wholesale of Foods and Groceries/Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures/Wholesale of Cleaning Supplies/Wholesale of Cosmetics/Wholesale of Building Materials/Wholesale of Computers and Clerical Machinery Equipment/Wholesale of Telecommunication Apparatus/Wholesale of Computer Software/Wholesale		

Job Title of Candidate	Name	Concurrently holding positions in other companies	Main business activities of other companies		Remark
			of Electronic Materials/Retail Sale of Food, Grocery and Beverage/Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures/Wholesale of Electronic Materials/Retail Sale of Cleaning Supplies/Retail Sale of Cosmetics/Retail Sale of Building Materials/Retail Sale of Computers and Clerical Machinery Equipment/Retail Sale No Storefront/Beverage Shops/Restaurants/Housing and Building Development and Rental/Real Estate Business/Real Estate Leasing/Management Consulting/Data Processing Services/Electronic Information Supply Services/General Advertisement Service/Landscape and Interior Designing/Rental and Leasing		
Director Representative	Shuo-Wen Chang	Juristic person representative of the director of Sun Yad Construction Co., Ltd.  Juristic person representative of the director of U-BEST	Manufacture of Plastic Sheets, Pipes and Tubes/Wholesale of Chemical Feedstock/Electronics Components Manufacturing/International Trade/Retail Sale of Computer Software/Wholesale of Computer Software/Information Software Services/General Advertisement Service/Wholesale of Computers and Clerical Machinery Equipment/Regular Hotel/Restaurants/Housing and Building Development and Rental/Investment, Development and Construction in Public Construction/New Towns, New Community Development/Real Estate Business/Real Estate Leasing/Wholesale of Building Materials/Glass and Glass Products Manufacturing Synthetic Resin and Plastic Manufacturing/Industrial and Additive Manufacturing/Wholesale of Chemical Feedstock/International Trade/Processed Paper	None.	Representative of U-Best Innovative Technology Co., Ltd.

Job Title of Candidate	Name	Concurrently holding positions in other companies	Main business activities of other companies	Possible conflict of interest	Remark
		INNOVATIVE TECHNOLOGY CO., LTD.	Manufacturing/Manufacture of Plastic Films and Bags/Parking area Operators/Housing and Building Development and Rental/Industrial Factory Development and Rental/Specific Area Development/Investment, Development and Construction in Public Construction/New Towns, New Community Development/Process Zone Expropriation and Urban Land Readjustment Agency/Real Estate Business/Real Estate Leasing/Wholesale of Building Materials/Regular Hotel		
		Chairman of Boromi Optronics Corp.	Glass and Glass Products Manufacturing/Electronics Components Manufacturing/Optical Instruments Manufacturing/Instrument and Meters Installation Engineering/Wholesale of Paints, Coating and Varnishes/Wholesale of Precision Instruments/Wholesale of Computers and Clerical Machinery Equipment/Wholesale of Electronic Materials/Wholesale of Building Materials/Retail Sale of Building Materials/International Trade/Housing and Building Development and Rental/New Towns, New Community Development/Investment, Development and Construction in Public Construction/Real Estate Business/Real Estate Leasing/Regular Hotel/Electric Appliance Installation/Automatic Control Equipment Engineering/Lighting Equipments Construction/Electric Welding Engineering/Machinery Installation/Indoor Decoration/Doors and Windows Installation Engineering/Indoor Light-gauge Steel Frame Engineering/Glass Installation Engineering/Indoor		

Job Title of Candidate	Name	Concurrently holding positions in other companies	Main business activities of other companies		Remark
		Chairman of Shang Yu Construction Ltd.	Decoration/Kitchenware and Sanitary Fixtures Installation Engineering/Painting Engineering/Anti-Corrosion and Anti-Rust Engineering/Other Engineering/Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures/Wholesale of Hardware/Wholesale of Plumbing Materials/Wholesale of Electrical Appliances/Wholesale of Refractory Materials/Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures/Retail Sale of Hardware/Retail Sale of Plumbing Materials/Retail Sale of Electrical Appliances/Retail Sale of Refractory Materials/Landscape and Interior Designing/Buildings Cleaning Service  Comprehensive Construction Activities/Dredging industry/Sandstone, Silt Sea Throwing/Quarrying/Waste Treatment/Waste Disposal/Housing and Building Development and Rental	interest	
Director Representative	Nan-Hao Huang	President & Director of U-BEST INNOVATIVE TECHNOLOGY CO., LTD.	Synthetic Resin and Plastic Manufacturing/Industrial and Additive Manufacturing/Wholesale of Chemical Feedstock/International Trade/Processed Paper Manufacturing/Manufacture of Plastic Films and Bags/Parking area Operators/Housing and Building Development and Rental/Industrial Factory Development and Rental/Specific Area Development/Investment, Development and Construction in Public Construction/New Towns, New Community Development/Process Zone Expropriation and Urban Land Readjustment Agency/Real Estate Business/Real Estate Leasing/Wholesale of Building Materials/Regular	None.	Representative of U-Best Innovative Technology Co., Ltd.

Job Title of Candidate	Name	Concurrently holding positions in other companies	Main business activities of other companies	Possible conflict of interest	Remark
		Juristic person representative of the director of HSINLI CHEMICAL INDUSTRIAL CORP.	<ol> <li>Processing, manufacturing and trading of various fiber plastic skins and plastic sheets.</li> <li>Manufacturing and trading of various plastic materials and auxiliary materials.</li> <li>Processing, trading, and exporting of plastics and plastic products.</li> <li>Manufacturing, processing, and trading of synthetic resins, plasticizers, adhesives, fixatives, inks, plastic dyes, plastic pigments, textile auxiliaries, papermaking auxiliaries, and plastic additives.</li> <li>Manufacture and trading of raw materials and auxiliary materials for the plastics industry.</li> <li>Processing, manufacturing and trading of non-woven fabrics.</li> <li>Import/export of the aforementioned products and raw materials.</li> </ol>		
Representative of Director	Chien- Hsien Tsai	Responsible person of Hui Li Attorneys At Law	Legal consultation and other legal services	None	Reprensentative of Chi Fu Investment Co., Ltd.
Independent Director	Ching-Hsi Hu	Independent Director of U-BEST INNOVATIVE TECHNOLOGY CO., LTD.	Synthetic Resin and Plastic Manufacturing/Industrial and Additive Manufacturing/Wholesale of Chemical Feedstock/International Trade/Processed Paper Manufacturing/Manufacture of Plastic Films and Bags/Parking area Operators/Housing and Building Development and Rental/Industrial Factory Development and Rental/Specific Area Development/Investment, Development and Construction in Public	None.	

Job Title of Candidate	Name	Concurrently holding positions in other companies	Main business activities of other companies	Possible conflict of interest	Remark
			Construction/New Towns, New Community Development/Process Zone Expropriation and Urban Land Readjustment Agency/Real Estate Business/Real Estate Leasing/Wholesale of Building Materials/Regular Hotel		
		Representative of Corporate Director, CTBC Investments Co., Ltd.	Securities Investment Trust/Securities Investment Advisor		
		Independent Director of BEDDING WORLD CO., LTD Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures/International Trade/Information Software Services/Data Processing Services/Electronic Information Supply Services/Product Designing/Landscape and Interior Designing/Furniture and Decorations Manufacturing			
Independent Director	Ju-Hui Yang	Independent Director of Myson Century, Inc.	Electronics Components Manufacturing/Information Software Services/Product Designing/Other Industrial and Commercial Services/International Trade/Indoor Decoration/Doors and Windows Installation Engineering/Indoor Light-gauge Steel Frame Engineering/Glass Installation Engineering/Kitchenware and Sanitary Fixtures Installation Engineering/Painting Engineering/Anti-Corrosion and Anti-Rust Engineering/Other Engineering/Wholesale of Foods and	None.	
			Groceries/Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures/Wholesale of Cleaning Supplies/Wholesale of Cosmetics/Wholesale of Building Materials/Wholesale of Computers and Clerical Machinery Equipment/Wholesale of Telecommunication		

Job Title of Candidate	Name	Concurrently holding positions in other companies	Main business activities of other companies	Possible conflict of interest	Remark
			Apparatus/Wholesale of Computer Software/Wholesale of Electronic Materials/Retail Sale of Food, Grocery and Beverage/Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures/Wholesale of Electronic Materials/Retail Sale of Cleaning Supplies/Retail Sale of Cosmetics/Retail Sale of Building Materials/Retail Sale of Computers and Clerical Machinery Equipment/Retail Sale No Storefront/Beverage Shops/Restaurants/Housing and Building Development and Rental/Real Estate Business/Real Estate Leasing/Management Consulting/Data Processing Services/Electronic Information Supply Services/General Advertisement Service/Landscape and Interior Designing/Rental and Leasing		
Independent Director	Hsuan Chi	Director of Sheng Kang Capital Ltd.  Director, LIAN FA INTERNATIONAL DINING BUSINESS CORP.	Management Consulting/Investment/Investment Consulting  Manufacture of Dairy Products/Manufacturing of Canning, Freezing, Dehydration, Pickled of Food/Manufacture of Bakery and Steam Products/Beverage Manufacturing/Edible Ice Manufacturing/Indoor Decoration/Wholesale of Nonalcoholic Beverages/Wholesale of Tea Leaves/Wholesale of Foods and Groceries/Retail Sale of Agricultural Products/Retail Sale of Livestock Products/Retail Sale of Fishery Products/Retail Sale of Food, Grocery and Beverage/Retail Sale of Tobacco and Alcohol/International Trade/Beverage Shops/Restaurants/Food Consulting/Management Consulting	None	

## Feei Cherng Enterprise Co., Ltd.

## **Articles of Incorporation (Before Amendments)** May 26, 2023

#### CHAPTER I General Provisions

- Article 1: The Company is incorporated in accordance with the Company Act and named FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.
- Article 2: The Company's businesses are as follows:
  - 1. A401010 Livestock Farm Management.
  - 2. A401020 Raising of Iivestock and Poultry.
  - 3. A401040 Livestock Service.
  - 4. CC01080 Electronics Components Manufacturing.
  - 5. C101010 Slaughter.
  - 6. C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food.
  - 7. C199030 Instant Meal Box Food Manufacturing.
  - 8. C199990 Manufacture of Other Food Products Not Elsewhere Classified.
  - 9. C201010 Feed Manufacturing.
  - 10. F101040 Wholesale of Livestock and Poultry.
  - 11. F101050 Wholesale of Fishery Products.
  - 12. F102170 Wholesale of Foods and Groceries.
  - 13. F103010 Wholesale of Animal Feeds.
  - 14. F119010 Wholesale of Electronic Materials.
  - 15. F201020 Retail Sale of Livestock Products.
  - 16. F201030 Retail Sale of Fishery Products.
  - 17. F202010 Retail Sale of Feeds.
  - 18. F203010 Retail Sale of Food, Grocery and Beverage.
  - 19. F603050 Automatic Control Equipment Engineering.
  - 20. F401010 International Trade.
  - 21. I101070 Agriculture, Forestry, Fishing and Livestock Consulting.
  - 22. I101090 Food Consulting.
  - 23. I103060 Management Consulting.
  - 24. I301030 Electronic Information Supply Services.
  - 25. IG01010 Biotechnology Services.
  - 26. F501060 Restaurants.
  - 27. F501990 Other Catering.

- 28. H701010 Housing and Building Development and Rental.
- 29. H701050 Investment, Development and Construction in Public Construction.
- 30. H701060 New Towns, New Community Development.
- 31. H703090 Real Estate Business.
- 32. H703100 Real Estate Leasing.
- 33. F111090 Wholesale of Building Materials.
- 34. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company's headquarters is located in Tainan City. The Company may establish branches or offices in various regions at home and abroad upon the resolution of the Board of Directors based on the actual needs.
- Article 4: In accordance with the securities management regulations, the Company may enter into external guarantees or provide guarantees on property.
- Article 5: Depending on the business needs, the reinvestment in other businesses of the Company is subject to the resolution of the board of directors. The total amount of reinvestment may exceed 40% of the Company's paid-in capital, and not subject to the restrictions set forth in Article 13 of the Company Act.

#### CHAPTER II Shares

Article 6: The Company's total capital is NT\$3.5 billion, which is divided into 350 million shares with a par value of NT\$10 per share, and the Board of Directors is authorized to issue shares in tranches. Of these shares, 35 million shares are reserved for the exercise of stock options by employees for the employee stock warrants.

When the Company intends to cancel the public offering, a special resolution shall be submitted to the shareholders' meeting. This provision shall remain unchanged during the listing period.

- Article 7: The share certificates of the Company shall without exception be in registered form, which shall be affixed with the signatures or personal seals of the director representing the Company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance thereof. The Company may be exempted from printing any share certificate for the shares issued, but it shall register the issued shares with TDCC.
- Article 8: The transfer, transmission, inheritance, gift, creation of pledge, loss and extinction of the Company's shares are governed by the Company Act and related laws and regulations.

## CHAPTER III Shareholders' Meetings

- Article 9: The change of name and transfer of shares shall be suspended 60 days before a shareholders' meeting, 30 days before an extraordinary shareholders' meeting, or within five days before the Company decides to pay out dividends, bonuses, or other benefits.
- Article 10: There are annual general and extraordinary shareholders' meetings. The Board of Directors shall convene the annual general meeting once a year within six months after the end of each fiscal year. Extraordinary meetings may be convened at any time as needed. When a shareholders' meeting is convened, electronic means shall be included as one of the channels for shareholders to exercise their voting rights. The related operations shall be handled in accordance with the regulations of the competent authorities.
- Article 10-1. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is absent, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to not make such a designation, the directors shall elect from among themselves one person to serve as the chair. If a shareholders' meeting is convened by a party with power to convene 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 elect a chair from among themselves.
- Article 10-2. The shareholders shall be notified of the date and place of the shareholders' meeting and the reason for the meeting at least 30 days in advance, and the extraordinary meeting at least 15 days in advance. An announcement shall also be made. Notice of a shareholders' meeting may be given by electronic means with the consent of the shareholders. For shareholders holding less than 1,000 registered shares, the notice as mentioned in the preceding paragraph may be made by way of an announcement.
- Article 10-3. The Company may hold a shareholders' meeting by video conference or other means announced by the central competent authority. The conditions, operating procedures and other matters to be complied with for the convening of a video shareholders' meeting shall be in accordance with the regulations of the competent securities authorities.
- Article 11: Any shareholder who is unable to attend a shareholders' meeting for any reason may appoint a proxy to attend the meeting by presenting a proxy form printed by the Company, indicating the scope of the authorization. In addition to the provisions of Article 177 of the Company Act, a shareholder may appoint a proxy

to attend the meeting in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholders Meetings of Public Companies" that is announced by the competent authority.

- Article 12: The Company's shareholders have one vote per share, but have no voting rights under Article 179 of the Company Act and related laws and regulations.
- Article 13: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.
- Article 14: Matters relating to the resolutions by a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.

The distribution of the minutes of shareholders' meeting as required in the preceding Paragraph may be effected by announcements.

Article 15: Unless otherwise provided in the Company Act, the chairman of the shareholders' meeting shall be the chairman of the board of directors. If for any reason the chairman of the shareholders' meeting needs to be represented by another person, it shall be handled in accordance with the provisions of the Company Act.

#### CHAPTER IV Directors

Article 16: The Company has seven to nine directors with a three-year term of office. The election of directors is based on a candidate nomination system. The candidates shall be elected by the shareholders' meeting from a list of candidates and shall be eligible for re-election. (The total number of registered shares held by all directors shall not be less than a certain percentage of the total number of shares received by the Company. The percentage shall be in accordance with the regulations of the competent authorities).

The number of independent directors shall not be less than three and not less than one-fifth of the number of directorships in the previous quota of directors.

Independent directors and non-independent directors shall be elected together and the number of elected seats should be counted separately.

Independent directors' professional qualifications, shareholdings, restrictions on part-time jobs, determination of independence, methods of nomination and selection, the exercise of powers, and other procedures for compliance shall be handled in accordance with the Company Act and regulations of the competent securities authorities.

The Company may purchase liability insurance for each term of the directors in

respect of the scope of their duties.

When the number of vacancies in the board of directors equals one-third of the total number of directors, or when all independent directors are dismissed, the board of directors shall call, within 60 days, a special shareholders meeting to elect succeeding directors to fill the vacancies for the remaining service time of the dismissed directors.

Article 17: The Board of Directors shall be organized by the directors. The Chairman shall be elected by more than half of the directors present at a board meeting attended by at least two-thirds of all directors from among themselves. The Chairman shall represent the Company externally. If a director is unable to attend a board meeting in person, he or she may appoint another director to attend on his or her behalf in accordance with Article 205 of the Company Act. In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

The Board of Directors' meeting shall be convened on a quarterly basis and shall notify the directors seven days prior to the meeting. However, in case of emergency, the meeting may be convened at any time.

The notice as mentioned in the preceding paragraph shall be given in writing, electronically or by facsimile, stating the reason for the convening.

- Article 18: If the chairman of the board of directors is absent from work or unable to exercise his or her duties for any reason, his or her proxy shall be in accordance with Article 208 of the Company Act.
- Article 19: The Company's directors may be compensated for the performance of their duties, regardless of the Company's operating profit or loss, as determined by the Board of Directors in accordance with their participation in and contribution to the Company's operations and with reference to the usual industry standards. Not exceeding the remuneration for the highest paid executives as stipulated in the Company's regulations for salary assessment. If there is profit, the Company shall allocated remunerations in accordance with Article 24.
- Article 20: The procedures for nomination of director candidates are in accordance with the provisions of the Company Act, the Securities and Exchange Act and related laws and regulations.
- Article 21: The Company may establish various functional committees, the rules of organization of which shall be determined by the Board of Directors in accordance with the relevant laws and regulations.

#### CHAPTER V Managers

Article 22: The Company may have several chief executive officers, presidents, vice presidents and managers in place. Their appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

The authority and scope of the manager's management and signature for the Company shall be separately determined by the Board of Directors.

#### CHAPTER VI Accounting

- Article 23: The Board of Directors at the end of each fiscal year shall prepare the following reports for the ratification of the shareholders' meeting in accordance with the legal procedure.
  - (1) Business report.
  - (2) Financial statements.
  - (3) Proposal for the distribution of earnings and appropriation for making up losses.
- Article 24: If the Company's earned profits in the current fiscal year, a reserve is allotted to be used to make up for the Company's accumulated losses, and then 1%-15% shall be allocated as employee compensation, while the Company shall set aside no more than 5% for the remuneration of directors. The form and amount of distribution of the compensation for employees and directors shall be reported to the shareholders' meeting after resolution by the board of directors. The receivers of employee compensation shall include employees of affiliated companies that meet certain conditions. The relevant regulations shall be established by the Board of Directors. Where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, where such legal reserve amounts to the total paid-in capital, this provision shall not apply. In addition, a special reserve shall be set aside according to relevant laws and regulations or the competent authority. Any remaining profit shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends.
- Article 25: Pursuant to Article 240 of the Company Act, the Company authorizes the distributable bonuses and the legal reserve and capital reserve stipulated in Article 241 of the Company Act, in whole or in part to be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Article 24-1: Since the Company is currently at growth stage, it takes into account the environment and industry growth, and corresponding to future capital needs and long-term financial planning, the Company adopts the residual dividend policy for dividend distribution. After the Company provides for the projected capital needs by using retained earnings, the remaining shall be distributed in the form of cash dividends or stock dividends; provided that cash dividends shall be no less than 10% of the total dividends.

## CHAPTER VII Supplementary provisions

Article 26: The Board of Directors shall establish important internal organizational rules, regulations, by-laws and measures of the Company.

Article 27: Matters not specified in the Articles of Incorporation shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 28: These Articles of Incorporation shall become effective upon the resolution of the shareholders' meeting.

The Articles of Incorporation were established on November 29, 1993.

The 1st amendment was made on June 20, 1995.

The 2nd amendment was made on August 9, 1995.

The 3rd amendment was made on October 27, 1997.

The 4th amendment was made on November 27, 1997.

The 5th amendment was made on October 25, 1997.

The 6th amendment was made on November 22, 1998.

The 7th amendment was made on September 10, 1999.

The 8th amendment was made on March 18, 2000.

The 9th amendment was made on February 12, 2001.

The 10th amendment was made on December 8, 2001.

The 11th amendment was made on May 4, 2002.

The 12th amendment was made on December 21, 2002.

The 13th amendment was made on May 31, 2003.

The 14th amendment was made on June 30, 2004.

The 15th amendment was made on June 10, 2005.

The 16th amendment was made on May 12, 2006.

The 17th amendment was made on June 15, 2007.

The 18th amendment was made on June 10, 2009.

The 19th amendment was made on February 9, 2010.

The 20th amendment was made on June 15, 2010.

The 21st amendment was made on May 30, 2011.

The 22nd amendment was made on June 18, 2012.

The 23rd amendment was made on June 11, 2013.

The 24th amendment was made on June 7, 2016.

The 25th amendment was made on June 14, 2017.

The 26th amendment was made on June 21, 2018.

The 27th amendment was made on June 21, 2019.

The 28th amendment was made on June 30, 2020.

The 29th amendment was made on August 18, 2021.

The 30th amendment was made on May 26, 2023.

## Rules and Procedures for Shareholders' Meetings June 30, 2020

- Article 1 Unless otherwise stipulated by laws or regulations, the rules of procedure for the Company's shareholders' meeting shall be governed by these Rules.
- Article 2 The shareholders referred to in these rules of procedures shall mean the shareholders themselves and the attending proxies entrusted by the shareholders.
- Article 3 (Convening of shareholders' meetings, notice of meetings and shareholders' proposals)

  Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.

30 days before the convening of a shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting notice, proxy form, information on proposals for ratification, matters for discussion, election or dismissal of directors, and other matters on the shareholders' meeting agenda and upload them to the Market Observation Post System (MOPS). Meanwhile, 21 days before the Company convenes an shareholders' meeting or 15 days before an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting handbook and the supplementary materials and upload them to the MOPS. Fifteen days before the Company convenes a shareholders' meeting, it shall prepare the shareholders' meeting handbook and supplementary materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its professional shareholder service agency, and shall be distributed at the shareholders' meeting.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and the public announcement. With the consent of the addressee, the meeting notice may be given in an electronic form.

Matters pertaining to election or discharge of directors, alteration of 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, dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185 hereof shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions; the essential contents may be posted on the website designated

by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.

Where an election of all directors or supervisors and their inauguration date shall be stated in the notice of 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.

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 shareholders' meeting. However, only one proposal is allowed. Any proposal with more than one item will not be included in the motion. However, a shareholder proposal proposed under Paragraph One for urging a company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors. 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.

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

Each of such proposals is 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 shareholders' meeting of shareholders and take part in the discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

## Article 4 (Attendance at shareholders' meetings and proxy)

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.

Each 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 at least five days before the date of the shareholders' meeting. When a duplicate proxy form is served, the one received earliest shall prevail, unless a declaration is made to cancel the previous

proxy form.

Once a proxy form is received by the Company, if a shareholder wishes to attend the shareholders' meeting in person or to exercise their voting rights in writing or by electronic means, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5 (Principles for the venue and time 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 independent directors' opinions with respect to the place and time of the meeting.

Article 6 (Preparation of a sign-in book and other documents)

The Company shall specify in the meeting notice the time and place for the sign-in of the shareholders and other related matters.

The shareholders' meeting reporting time referred to in the preceding paragraph shall be 30 minutes prior to the meeting started. There should be clear signs at the reporting place with adequate staff assigned to handle the process.

Shareholders or a proxy appointed by a shareholder (hereinafter referred to as the shareholders) shall attend the shareholders' meetings with their attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attendance presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

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

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

Article 7 (Chair of the shareholders' meeting and attendees in a non-voting capacity)

Where the Company's shareholders' meetings is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one director to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as

chair.

When a director serves as the chair, as referred to in the preceding paragraph, the director shall have held that position for six months or more with great understanding of the Company's financial position and business conditions. The same shall apply for a representative of a institutional director to serve as the chair.

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

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

The Company may appoint its attorneys, CPAs, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8 (Evidence of the audio or video recordings of the shareholders' meeting)

The Company shall make an audio or video recording of the entire process of the shareholders' meeting from shareholders' sign-in, the proceedings of the meeting, as well as the process of voting and vote counting. The audio and video recording in the preceding paragraph shall be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9 (Counting of the shares represented by shareholders present at the shareholders' meeting)

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

The chair shall call the meeting to order at the scheduled meeting time; however, the chair may have the meeting postponed if the attending shareholders do not represent more than half of the total shares issued. The meeting postponement is limited to 2 times for a total of less than 1 hour. If less than one-third of the total number of issued shares are present after two postponements, the meeting will be adjourned by the chairman.

If there are not enough shareholders representing at least one third of issued shares attending the meeting after two postponements, tentative resolutions may be passed in accordance with Article 175, paragraph 1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority

of the total number of outstanding shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

#### Article 10 Motion discussions

If a shareholders' meeting is convened by the board of directors, the agenda shall be set by the board of directors. The relevant motions (including extraordinary motions and amendments to original motions) shall be voted on a case-by-case basis. The meeting shall proceed in accordance with the agenda, which cannot be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene other than the Board of Directors.

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

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

#### Article 11 (Shareholder speech)

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

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes; if the shareholder's speech violates the rules or exceeds the scope of the motion, the chair may have the shareholder stop the speech.

Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped.

When an institutional shareholder appoints two or more representatives to attend a

shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

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

#### Article 12 (Counting of voting shares and a recusal policy)

Votes cast at shareholders' meetings shall be calculated based on numbers of shares.

With respect to resolutions by a shareholders' meeting, the number of shares held by a shareholder without voting rights shall not be calculated as part of the total number of outstanding shares.

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

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

With the exception of a trust enterprise or a stock affairs agency 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 the issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the counting.

#### Article 13 (Methods for voting, scrutineering, and vote counting)

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

The Company shall convene a shareholders' meeting by electronic means and may exercise its voting rights in writing;

The method of exercising the voting rights by written or electronic means shall be set forth in the notice of the shareholders' meeting.

A shareholder's exercise of voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived their rights with respect to the extempore motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extempore motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least 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.

In case a shareholder who has exercised his/her/its voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, he/she/it shall, two days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his/her/its voting power, serve a separate declaration of intention to rescind his/her/its previous declaration of intention made in exercising the voting power under the preceding Paragraph Two. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail. If the shareholder exercises the voting right in writing or by electronic means and appoints a proxy with a proxy form to attend the shareholders' meeting, the voting right exercised by the attending proxy at the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, 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 vote by the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered on the MOPS.

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

Scrutineers and vote counting personnel for the voting on proposals shall be appointed by the chair, provided all scrutineers be shareholders of the Company.

Vote counting for proposals or elections at a shareholders' meeting 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 recorded.

## Article 14 (Election Matters)

When the shareholders' meeting elects directors, the election of directors shall be conducted in accordance with the Company's Regulations Governing the Election of Directors and Independent Directors. The election results shall be announced on site, including the list of elected directors and the number of their elected rights.

The ballots for the election referred to in the preceding paragraph shall be sealed with the

signatures of the scrutineers 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.

#### Article 15 (Meeting minutes and documents to be signed)

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

Said distribution may be announced through the MOPS.

The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Company.

## Article 16 (External announcement)

The number of shares solicited by the requester and the number of shares represented by proxy shall be clearly disclosed in the shareholders' meeting on the date of the shareholders' meeting in a statistical form prepared in accordance with the prescribed format.

If any resolutions by the shareholders' meeting are material information as stipulated by laws and regulations or the Taipei Exchange, the Company shall upload the content to the MOPS prior to a deadline.

#### Article 17 (Maintenance of the order of the venue)

Staff handling administrative affairs of a shareholders' meeting shall wear an identification badge or an armband.

The chair may direct the proctors or security personnel to help maintain order at the meeting place.

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

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

## Article 18 (Recess, resumption of meeting and adjournment)

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

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

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

The meeting is adjourned when the chairman declares the meeting closed in accordance with the agenda. Shareholders may not elect another chair to continue the meeting at the original meeting place or at another place after the meeting was adjourned.

## Article 19 (Supplementary provisions)

These Rules and all amendments thereto shall be enforced upon approval by a shareholders' meeting.

#### Article 20 (History)

The rules of procedures were established on May 31, 2003.

The 1st amendment was made on June 10, 2005.

The 2nd amendment was made on May 12, 2006.

The 3rd amendment was made on June 13, 2008.

The 4th amendment was made on June 10, 2009.

The 5th amendment was made on June 18, 2012.

The 6th amendment was made on June 11, 2013.

The 7th amendment was made on June 18, 2015.

The 8th amendment was made on June 21, 2018.

The 9th amendment was made on June 30, 2020.

## **The Regulations Governing Election of Directors** August, 18, 2021

- Article 1 Except as otherwise provided in the Company Act and the Company's Articles of Incorporation, elections of directors shall be conducted in accordance with the Regulations.
- Article 2 The election of the Company's directors is conducted in a shareholders' meeting. The holder of the right to convene the shareholders' meeting shall prepare ballots, corresponding to the number of directors to be elected, with the number of votes indicated therefor, and then the ballots shall be marked down among the attending shareholders at the shareholders' meeting. may be replaced by the attendance card number printed on the ballot.

When the Company elects its directors, it shall adopt a system of nomination from among the candidates who are nominated for directors by the shareholders in accordance with Article 192-1 of the Company Act. In the election of the Company's directors, independent directors and non-independent directors shall be elected at the same time but counted separately.

- Article 3 The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 4 The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 5 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.
- Article 6 The <u>ballot boxes</u> for election shall be prepared by the person convening the shareholders' meeting and shall be inspected in public by the vote monitoring personnel before voting commences.
- Article 7 A ballot shall be invalid under any of the following circumstances.
  - (I) Ballots that have not been put into the ballot boxes.
  - (II) A ballot that does not require the person with the right to convene.

- (III) A blank ballot is placed in the ballot box.
- (IV)The candidate entered on the ballot does not conform to the director candidate list.
- (V) Ballots that have other writings embedded in addition to the number of voting rights allocated.
- Article 8 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the list of persons elected as Directors shall be announced by the chair on-site.
- Article 9 Matters not specified in these Procedures shall be handled in accordance with the Company Act and relevant laws and regulations.
- Article 10 These Procedures shall take effect after having been approved by the Shareholders' Meeting. Subsequent amendments thereto shall be effected in the same manner.

## **Shareholdings of Directors**

- I. The Company's paid-in capital is NT\$1,687,707,760, and the number of issued shares is 168,770,776.
- II. In accordance with Article 26 of the Securities and Exchange Act and Article 2 of the Rules Governing the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, all directors shall hold a minimum of 10,126,246 shares.
- III. The shareholdings of individual shareholders and all directors (including independent directors) as recorded in the shareholders' register as of the date of closure of the shareholders' meeting are as follows:

March 26, 2024

Job title	Name	Date elected	Quantity of shares	Shareholding
Director	U-BEST INNOVATIVE TECHNOLOGY CO., LTD. Representative: Yu-Ming Chang	August 18, 2021	28,882,121	17.11%
Director	U-BEST INNOVATIVE TECHNOLOGY CO., LTD. Representative: Tseng Peng-Kuang	August 18, 2021	28,882,121	17.11%
Director	Meisen Holdings Co., Ltd. Representative: Shuo-Wen Chang	May 26, 2023	100,000	0.06%
Director	Chi Fu Investment Co., Ltd. Representative: Tsai Chien-Hsien	August 18, 2021	10,000,000	5.92%
Independent Director	Hu Ching-Hsi	August 18, 2021	-	-
Independent Director	Chen Yu-Wen	August 18, 2021	-	-
Independent Director	Ju-Hui Yang	August 18, 2021	-	-
	Number of shares held by all direct	38,982,121	23.10%	