

Stock Code: 3313

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

**2025 Annual General Meeting**

## **Meeting Handbook**

**Date & time: May 23, 2025, 1:00 p.m.**

**Address: 4F, No. 250, Sec. 2, Yonghua Rd., Anping Dist., Tainan City (Conference Room)**

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FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.  
Meeting Procedures for 2025 Shareholders' Meeting

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

**FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.**  
**Agenda of 2025 Shareholders' Meeting**

Form of Shareholders' Meeting: Physical

Date & time: May 23, 2025 (Friday), 1:00 p.m.

Address: 4F, No. 250, Sec. 2, Yonghua Rd., Anping Dist., Tainan City (Conference Room)

- I. Call the Meeting to Order (Report on Number of Shares Attended)
- II. Chairman's Opening Remarks
- III. Report Items
  - (I) 2024 Business Report.
  - (II) Audit Committee's Review Report on the 2024 Financial Statements.
  - (III) Motion for the Company to discontinue the 2024 private placement of common shares.
  - (IV) Report on the issuance of the 3rd secured convertible corporate bonds.
- IV. Ratification matters
  - (I) 2024 Business Report and Financial Statements.
  - (II) Motion for 2024 loss appropriation.
- V. Discussion matters
  - (I) Amendments to the Articles of Incorporation.
  - (II) Motion for amendment to the "Procedures for Endorsements/Guarantees and Loaning of Funds to Others".
  - (III) Motion for 2025 cash capital increase by private placement.
- VI. Extraordinary Motions
- VII. Adjournment

## Report Items

- I. The 2024 Business Report is hereby submitted for approval.  
Description: For the Company's 2024 Business Report, please refer to pages 10–12 (Attachment 1) of this handbook.
- II. The Audit Committee's Review Report on the 2024 Financial Statements is hereby submitted for approval.  
Description: Please refer to page 13 (Attachment 2) of this handbook for the Audit Committee's Audit Report.
- III. Motion for the Company to discontinue the 2024 private placement of common shares is hereby submitted for approval.  
Description: 1. The Company's Board of Directors was authorized to issue new shares within five tranches within one year from the date of the resolution of the AGM for the 2024 cash capital increase by private placement. The first to the fifth tranches of the issuance shall not exceed 10,000 thousand shares, 10,000 thousand shares, 20,000 thousand shares, 20,000 thousand shares and 20,000 thousand shares, respectively, and the effective period shall be until May 23, 2025.  
2. The private placement had not yet been conducted after the resolution of the 2024 AGM. As the deadline was approaching and considering the Company's operating and market conditions, there is no plan for continuing the private placement within the remaining period.
- IV. The report on the issuance of the 3rd secured convertible corporate bonds is hereby submitted for approval.  
Description: 1. The third secured convertible corporate bonds of the Company were declared effective by the Financial Supervisory Commission on October 29, 2024 with the Letter Jin-Guan-Zheng-Fa-Zi No. 11303589281. The listing on TPEx was approved by Letter Zheng-Gui-Zhai-Zi No. 11300110982 issued by TPEx on November 25, 2024, and the bonds have been listed on TPEx since November 29, 2024.  
2. The total face value is NT\$400 million, with a face value of NT\$100,000 per bond, an issuance period of three years, and coupon rate of 0%. The purpose of raising funds is to pay the construction projects of "Liu Xing" in Xingzuan Section and "Chengzhishu" in Da Chong Section.  
3. As of the book closure date, March 25, 2025, no creditor had applied for conversion of bonds to common shares.

## Ratification matters

### Motion 1

(Proposed by the Board of Directors)

Cause of motion: The 2024 Business report and Financial Statements, submitted for ratification.

Description: (I) CPA Yu-Lun Kao and CPA Chen-Lung Hsu of KPMG Taiwan audited the 2024 Parent Company Only Financial Statements and 2023 Consolidated Financial Statements and issued an independent auditors' report.

(II) Please refer to pages 10–12 (Attachment 1) and 14–26 (Attachment 3) of this handbook for the 2024 Business Report, and Independent Auditors' Report and financial statements.

(III) Submitted for ratification.

Resolution:

### Motion 2

(Proposed by the Board of Directors)

Cause of motion: Motion for 2024 loss appropriation, submitted for ratification.

Description: (I) The Company's 2024 Table of Loss Appropriation is as follows:

FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

Table of Loss Appropriation

2024

Unit: NT\$

Item	Amount
Opening accumulated deficits	(\$852,010,046)
Add: Net profit of the year	174,168,644
Less: The amount of net loss other than the net profit after tax is included in the undistributed earnings of the current year.	(1,886,409)
Closing accumulated deficits	(\$679,727,811)



Chairman:



Manager:



Accounting Manager:



(II) Submitted for ratification.

Resolution:

## Discussion matters

### Motion 1

(Proposed by the Board of Directors)

Cause of motion: Amendment to the Articles of Incorporation are submitted for resolution, submitted for voting.

Description: (I) Some provisions of the “Articles of Incorporation” are to be amended to accommodate the amendment to Article 14, Paragraph 6 of the Securities and Exchange Act - the Company shall specify in its Articles of Incorporation that a certain percentage of the annual profit shall be set aside for the entry-level employees for salary adjustment or remuneration distribution; and in accordance with Article 267 of the Company Act that clearer provisions shall be provided and text amended.

(II) For the table of comparison before and after the amendments, please refer to pages 27-29 (Attachment 4) of this handbook

(III) Submitted for discussion.

Resolution:

### Motion 2 (Proposed by the Board of Directors)

Cause of motion: Motion for amendment to the “Procedures for Endorsements/Guarantees and Loaning of Funds to Others”, submitted for voting.

Description: (I) Given the fact that the limit of the endorsement/guarantee amount specified in the original Procedures for Endorsements/Guarantees is no longer applicable due to the mutual guarantee requirement of the Company and the other operators in the same industry or the joint applicants in accordance with the contract, the guarantee amount is to be amended.

(II) For the table of comparison before and after the amendments, please refer to pages 30–33 of this handbook (Attachment 5).

(III) Submitted for discussion.

Resolution:

### Motion 3 (Proposed by the Board of Directors)

Cause of motion: 2025 cash capital increase by private placement, submitted for voting.

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 50,000 thousand shares with a par value of NT\$10 per share. The Board of Directors is authorized to issue the shares in three tranches 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 persons who meet the requirements of Article 43-6 of the Securities and Exchange Act and the Letter Jin-Guan-Zheng-Fa-Zi No. 1120383220 dated September 12, 2023 issued by the Financial Supervisory Commission.

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
Meisen Holdings Co., Ltd.	Chairman of the Company
U-Best Innovative Technology Co., Ltd.	Major shareholder 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
Chih-Ming Yang	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) Meisen Holdings Co., Ltd.

Name of shareholder	Shareholding	Relationship with the Company
Yu-Ming Chang	20%	Chairman representative of the Company
Chang Hui-Feng	20%	Spouse of the chairman representative of the Company
Chang Pai-Hung	30%	First degree of kinship of the chairman representative of the Company
Chang Jen-Wei	30%	First degree of kinship of the chairman representative of the Company

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

Name of shareholder	Shareholding	Relationship with the Company
Sun Yad Construction Co., Ltd.	13.37%	Major shareholder of the Company
Tseng Chun-Jung	1.24%	None
Hsin-Li Chemical Industrial Corp.	1.02%	The chairman is the same person as the chairman of the Company
Pei-Che Chen	1.02%	None
Chen Su-Ling	0.82%	None
Boromi Optronics Corp.	0.80%	The chairman is of second degree of kinship to the chairman representative of the Company
Cheng-Chuan Lin	0.72%	None
Citibank as custodian of Berkeley SBL/PB investment account	0.67%	None
Chen Wen-Kuang	0.67%	None
Jen-Chieh Chu	0.53%	None



## (c) Sun Yad Construction Co., Ltd.

Name of shareholder	Shareholding	Relationship with the Company
U-Best Innovative Technology Co., Ltd.	6.64%	Major shareholder of the Company
Citibank as custodian of Berkeley SBL/PB investment account	1.24%	None
Sheng-Chang Shih	1.24%	None
Jing Hong Ltd.	0.87%	The chairman is the same person as the chairman of the Company
MHSBC Bank (Taiwan) Ltd. as custodian of Merrill Lynch International	0.51%	None
Yu-Ming Chang	0.44%	Chairman representative of the Company
Teng-Tsai Tsai	0.40%	None
De-Hsun Yang	0.34%	None
Shih-Hsin Juan	0.33%	None
Ping-Kang Li	0.32%	None

## (d) Chi Fu Investment Co., Ltd.

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

## (e) Myson Century, Inc.

Name of shareholder	Shareholding	Relationship with the Company
Sun Yad Construction Co., Ltd.	17.06%	Major shareholder of the Company
Ho Jui Investment Co., Ltd.	8.94%	The chairman is the same person as the chairman of the Company
Voyage Investment Ltd.	8.90%	The chairman is the same person as the chairman of the Company
Hsin-Li Chemical Industrial Corp.	7.17%	The chairman is the same person as the chairman of the Company
Capital Securities Corporation as custodian for Ever-Long Securities Company Limited.	4.93%	None
Tung-Hung Lee	4.76%	President of the Company
Zhong Qing Technology Co., Ltd.	4.32%	The chairman is the same person as the chairman of the Company
Sung Chuan-Kung	2.65%	None
Shang Yu Construction Ltd.	1.89%	The chairman is of second degree of kinship to the chairman representative of the Company
Metropolis Internet Technology	1.50%	The chairman is of second degree of kinship to the chairman representative of the Company

## (f) Jing Hong Ltd.

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

(g) 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 Technology	0.01%	The chairman is of second degree of kinship to the chairman representative of the Company

(h) Voyage Investment Ltd.

Name of shareholder	Shareholding	Relationship with the Company
Chang Hui-Feng	0.48%	Spouse of the chairman representative of the Company
Chang Yu-Chen	11.00%	None
Lai Hsiu-Chiung	16.00%	None
Chang Yu-Ching	12.00%	None
Chang Chao Su-Chu	6.28%	First degree of kinship of the chairman representative of the Company
Yue-Hua Chang	10.28%	None
Chang Pai-Hung	21.48%	First degree of kinship of the chairman representative of the Company
Chang Jen-Wei	21.48%	First degree of kinship of the chairman representative of the Company
Yu-Ming Chang	1.00%	Chairman representative of the 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) Amount of the private placement: The maximum amount of private placement is 50,000 thousand common shares to be issued in three tranches 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:

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	20,000 thousand shares	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	Strengthen the Company's competitiveness and improve operational efficiency
2nd private placement	20,000 thousand shares		
3rd private placement	10,000 thousand shares		
With respect to the estimated number of shares for the 1st. 2nd and 3rd 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 50,000 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) Whether the Board's resolution on the private placement of securities within the preceding year has caused a material change in management: None.
- (VI) 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.
- (VII) 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.
- (VIII) Whether the independent directors have any objections or qualified opinions: None.
- (IX) For information on private placement, please visit the private placement section of MOPS (<https://mops.twse.com.tw/mops/#/web/t116sb01>).
- (X) Submitted for discussion.

Resolution:

## Extraordinary Motions

## Adjournment

## FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

## 2024 Business Report

The Company's consolidated operating revenue was NT\$36,764 thousand in 2024, a decrease of 18.20% from the consolidated operating revenue of NT\$44,944 thousand in 2023, mainly due to the decrease in the construction revenue of the consolidated subsidiary and the decrease in the profit from the disposal of financial assets in the current year. The gross operating margin was -1.05% in 2024, and the net operating loss was NT\$56,724 thousand. Due to the various factors such as the investment gain from the disposal of financial assets in the current year, the non-operating net profit was NT\$243,894 thousand. Therefore, the overall net profit before tax was NT\$187,170 thousand, the net profit for the current period was NT\$173,091 thousand, an increase of approximately NT\$175,384 thousand from the same period of last year, and the accumulated loss reached NT\$613,408 thousand.

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. 2024 financial results and the Company's outlook for 2025 are as follows:

# I. 2024 Operating Performance (Consolidated Financial Statements)

## (I) Comparative Financial Statements

Unit: NT\$ Thousand

Item \ Year	2024.12.31	2023.12.31	Amount of increase (decrease)	Variance (%)
Current Assets	2,814,716	1,477,037	1,337,679	90.57
Financial assets at fair value through other comprehensive income - non-current	-	148,264	(148,264)	(100.00)
Financial assets at amortized cost - non-current	148,653	-	148,653	-
Property, plant and equipment	3,645	3,932	(287)	(7.30)
Investment property	66,070	74,007	(7,937)	(10.72)
Intangible assets	10,647	12,018	(1,371)	(11.41)
Other assets	4,142	3,427	715	20.86
Total assets	3,047,873	1,718,685	1,329,188	77.34
Current Liabilities	1,031,577	287,136	744,441	259.26
Non-Current Liabilities	377,575	302	377,273	124,924.83
Total liabilities	1,409,152	287,438	1,121,714	390.25
Total equity attributable to owners of the parent	1,637,859	1,431,194	206,665	14.44
Share Capital	1,687,708	1,687,708	-	0.00
Capital surplus	564,951	530,568	34,383	6.48
Retained Earnings	(613,408)	(785,690)	172,282	(21.93)
Other equity	(1,392)	(1,392)	-	-
Non-controlling equity	862	53	809	1,526.42
Total Equity	1,638,721	1,431,247	207,474	14.50

## (II) Comparative Operating Results

The net operating revenue in 2024 was NT\$36,764 thousand, a decrease of NT\$8,180 thousand from NT\$44,944 thousand in 2023, with a change rate of 18.20%. The gross profit in 2024 was NT\$385 thousand, a decrease of NT\$3,267 thousand from NT\$2,882 thousand in 2023, with a change rate of (113.36%). The gross profit margin in 2024 was (1.05%), from the margin of 6.41% in 2023, with a change of (116.38%). The details are as follows:

Unit: NT\$ Thousand

Item \ Year	2024	2023	Amount of increase (decrease)	Variance (%)
Operating revenue, net	36,764	44,944	(8,180)	(18.20)
Operating Costs	37,149	42,062	(4,913)	(11.68)
Operating profits	(385)	2,882	(3,267)	(113.36)
Operating expenses	56,339	64,820	(8,481)	(13.08)
Operating loss, net	(56,724)	(61,938)	5,214	(8.42)
Non-operating income and expenses	243,894	60,407	183,487	303.75
Profit (loss) before income tax	187,170	(1,531)	188,701	(12,325.34)
Income tax revenue (expense)	(14,079)	(762)	(13,317)	(1,747.64)
Profit (loss) for the current period	173,091	(2,293)	175,384	(7,648.67)
Other comprehensive income (loss, net)	0	346	(346)	(100.00)
Other comprehensive income/loss for the year	173,091	(1,947)	175,038	(8,990.14)

### (III) Financial and profitability analysis

#### 1. Financial analysis

Year		2024	2023	Increase (decrease) %
Analysis item				
Financial structure	Liability to asset ratio (%)	46.23	16.72	176.50
	Long-term funds to PPE ratio (%)	55,316.76	36,407.66	51.94
Solvency	Current ratio (%)	272.86	514.4	(46.96)
	Quick ratio (%)	68.24	288.63	(76.36)
	Interest coverage ratio	18.33	0.8	2,191.25

#### 2. Profitability analysis

Year		2024	2023	Increase (decrease) %
Analysis item				
Profitability	ROA (%)	7.63	0.22	3,368.18
	ROE (%)	11.28	(0.19)	(6,036.84)
	Income (loss) before tax to paid-in capital (%)	11.09	(0.09)	(12,422.22)
	Profit margin (%)	470.82	(5.10)	(9,331.76)
	Basic earnings (loss) per share (after tax) (NT\$)	1.03	0.01	10,200.00

#### 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. 2024 Business Plan Overview

### (I) Business policy

In 2024, the Company actively invested in land and housing development, purchased construction land, and increased construction projects to improve shareholders' profits. The Company seeks to expand its business in other fields to improve its operational flexibility and performance, and to effectively control expenses and various expenditures, and pursue the maximum use of resources.

### (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

We will continue to proactively purchase land for development, and in the future, the focus will be on renovation of unsafe and old buildings and urban renewal projects. Currently, the reserved land has advantages in terms of location, transportation, and living conditions, and it is expected that the Group's "brand power" and "product power" will bring in abundant revenue and profits for the Company.

### (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:



Accounting Manager:



## FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

### Audit Committee's Review Report

The Company's 2024 business report, financial statements (including consolidated financial statements) and loss appropriation proposal, of which the financial statements (including consolidated financial statements) have been audited by CPA Yu-Lun Kao and CPA Chen-Lung Hsu 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.  
2025 AGM

Convener of the Audit Committee: Yu-Wen Chen



February 27, 2025

## INDEPENDENT AUDITORS' REPORT

To: 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, 2024 and 2023, the consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the years ended December 31, 2024 and 2023, and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2024 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 recent transaction prices, 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 Group'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(21) 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.

### Other Matters

Feei Cheng Enterprise Co., Ltd. has prepared 2024 and 2023 parent company only financial statements. We have issued an audit report with unqualified opinion for reference.

### 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 the Audit Committee or 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 2024 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 Taiwan

CPA:

Certificate Number Approved	Jin-Guan-Zheng-Sheng-Zi No.
by Competent Authority in	: 1130332775
Charge of Securities	Jin-Guan-Zheng-Liu-Zi No.
	0960069825

February 27, 2025

FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD. and its Subsidiaries  
(Formerly: Feei Cherng Enterprise Co., Ltd.)  
Consolidated Balance Sheets  
December 31, 2024 and 2023

Unit: NT\$ Thousand

		2024.12.31		2023.12.31				Liabilities and Equity				Amount	%	Amount	%
Assets		Amount	%	Amount	%			Current Liabilities:							
Current Assets:						2100		Short-term borrowings (Notes 6(13)(26) and 8)		\$		833,700	27	234,700	14
1100	Cash and cash equivalents (Note 6(1))	\$	327,567	11	265,701	16	2130	Contract liabilities - current (Notes 6(20) and 9)				154,392	5	29,940	2
1110	Financial assets at fair value through profit or loss - current (Note 6(2)(14))		53,414	2	241,256	14	2170	Accounts payables				11,147	1	7,632	-
1136	Financial assets at amortized cost - current (Notes 6(4))		239,000	8	297,000	18	2180	Accounts payable - related parties (Note 7)				2	-	20	-
1140	Contract assets - current (Notes 6(20) and 7)		5,512	-	2,666	-	2200	Other Payables				6,952	-	10,512	1
1180	Accounts receivable - related parties, net (Notes 6(5)(20) and 7)		7,513	-	7,526	-	2220	Other payable - related parties (Note 7)				11,082	-	2,753	-
1200	Other Receivables		1,709	-	7,131	-	2230	Income Tax Liabilities in the Current Period				13,170	1	-	-
1220	Current tax assets		775	-	1,015	-	2300	Total Other Current Liabilities				1,132	-	1,579	-
130X	Inventories (Notes 6(6), 7 and 8)		2,103,346	69	644,737	38		Total Current Liabilities				1,031,577	34	287,136	17
1410	Prepayments		7,426	-	3,542	-		Non-Current Liabilities:							
1470	Other current assets (Notes 6(12) and 7)		68,454	2	6,463	-	2530	Payable corporate bonds (Note 6(14)(26) and 8)				375,756	12	-	-
	Total Current Assets		2,814,716	92	1,477,037	86	2570	Deferred tax liabilities (Note 6(17))				361	-	-	-
Non-current Assets:						2645	Guarantee deposits received (Note 6(26))					1,458	-	302	-
1510	Financial assets at fair value through profit or loss - non-current (Note 6(2))		-	-	148,264	9		Total Non-Current Liabilities				377,575	12	302	-
1536	Financial assets at amortized cost - non-current (Notes 6(4)(14) and 8)		148,653	5	-	-		Total Liabilities				1,409,152	46	287,438	17
1600	Property, plant and equipment (Note 6(8))		3,645	-	3,932	-		Equity attributable to owners of parent (Notes 6(3)(7)(14)(18)):							
1760	Investment property, net (Note 6(10))		66,070	2	74,007	4	3110	Share Capital				1,687,708	55	1,687,708	98
1780	Intangible assets (Notes 6(11) and 7)		10,647	1	12,018	1	3200	Capital surplus				564,951	19	530,568	31
1920	Refundable deposits (Note 7)		4,142	-	3,427	-	3300	Accumulated deficits				(613,408)	(20)	(785,690)	(46)
	Total Non-current Assets		233,157	8	241,648	14	3400	Other equity				(1,392)	-	(1,392)	-
								Total equity attributed to owners of parent				1,637,859	54	1,431,194	83
								Non-controlling interest (Notes 6(7)):							
							36XX	Non-controlling equity				862	-	53	-
								Total Equity				1,638,721	54	1,431,247	83
								Total Liabilities and Equity		\$		3,047,873	100	1,718,685	100
Total Assets		\$	3,047,873	100	1,718,685	100									

2024.12.31

2023.12.31

(See accompanying notes to consolidated financial statements)

Chairman: Yu-Ming Chang

Manager: Tung-Hung Lee

Accounting Manager: Yuan-Hsiang Han

**FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD. and its Subsidiaries**

**(Formerly: Feei Cherng Enterprise Co., Ltd.)**

**Consolidated Statement of Comprehensive Income**

**For the years ended December 31, 2024 and 2023**

**Unit: NT\$ Thousand**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (Notes 6(15)(20) and 7)</b>	\$ 36,764	100	44,944	100
5000	<b>Operating costs (Notes 6(6)(16), 7 and 12):</b>	37,149	101	42,062	94
5900	<b>Operating gross profit (loss)</b>	(385)	(1)	2,882	6
<b>Operating expenses (Notes 6(11)(16), 7 and 12):</b>					
6100	Marketing expenses	1,122	3	5,053	11
6200	Administrative expenses	55,217	150	59,767	133
	<b>Total operating expenses</b>	56,339	153	64,820	144
6900	<b>Loss from operations</b>	(56,724)	(154)	(61,938)	(138)
<b>Non-operating income and expenses (Notes 6(11)(14)(15)(22) and 7 and 9)</b>					
7100	Interest income	9,656	26	3,053	7
7010	Other revenue	1,880	5	6,606	15
7020	Other gains and losses	243,161	661	58,386	130
7050	Financial costs	(10,803)	(29)	(7,638)	(17)
	<b>Total non-operating income and expenses</b>	243,894	663	60,407	135
7900	<b>Income (loss) before tax</b>	187,170	509	(1,531)	(3)
7950	<b>Less: income tax expense (Note 6(17))</b>	14,079	38	762	2
8200	<b>Income (loss)</b>	173,091	471	(2,293)	(5)
<b>Other comprehensive income:</b>					
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>				
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Note 6(18))	-	-	346	1
8349	Less: Income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	-	-
8300	<b>Other comprehensive income for the current period</b>	-	-	346	1
8500	<b>Other comprehensive income/loss for the year</b>	\$ 173,091	471	(1,947)	(4)
<b>Current profit (loss) attributable to:</b>					
8610	Parent company	174,168	474	1,746	4
8620	Non-controlling equity	(1,077)	(3)	(4,039)	(9)
	<b>Income (loss)</b>	\$ 173,091	471	(2,293)	(5)
<b>Comprehensive income/loss attributable to:</b>					
8710	Parent company	174,168	474	2,092	5
8720	Non-controlling equity	(1,077)	(3)	(4,039)	(9)
	<b>Other comprehensive income/loss for the year</b>	\$ 173,091	471	(1,947)	(4)
<b>Earnings per share (Note 6(19))</b>					
9750	<b>Basic earnings per share (NT\$)</b>	\$ 1.03		0.01	
9850	<b>Diluted earnings per share (NT\$)</b>	\$ 1.02		0.01	

(See accompanying notes to consolidated financial statements)

**Chairman: Yu-Ming Chang**

**Manager: Tung-Hung Lee**

**Accounting Manager: Yuan-Hsiang Han**

**FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD. and its Subsidiaries**  
**(Formerly: Feei Cherng Enterprise Co., Ltd.)**  
**Consolidated Statement of Changes in Equity**  
**For the years ended December 31, 2024 and 2023**

**Unit: NT\$ Thousand**

	Equity attributed to owners of the parent										Non-controlling equity	Total Equity
	Retained Earnings					Other equity item						
	Share capital - common stock	Capital surplus	Legal reserve	Accumulated deficits	Total	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Remeasurement on defined benefit plan	Total	Total equity attributed to owners of the parent			
Balance on January 1, 2023	\$ 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 on 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	
Changes in other capital reserves:												
Issuance of convertible bonds - conversion right	-	34,383	-	-	-	-	-	-	34,383	-	34,383	
Income (loss)	-	-	-	174,168	174,168	-	-	-	174,168	(1,077)	173,091	
Other comprehensive income for the current period	-	-	-	-	-	-	-	-	-	-	-	
Other comprehensive income/loss for the year	-	-	-	174,168	174,168	-	-	-	174,168	(1,077)	173,091	
Changes in ownership interests in subsidiaries	-	-	-	(1,886)	(1,886)	-	-	-	(1,886)	-	(1,886)	
Increase/decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	1,886	1,886	
Balance on December 31, 2024	\$ 1,687,708	564,951	66,320	(679,728)	(613,408)	-	(1,392)	(1,392)	1,637,859	862	1,638,721	

(See accompanying notes to consolidated financial statements)

Chairman: Yu-Ming Chang

Manager: Tung-Hung Lee

Accounting Manager: Yuan-Hsiang Han

**FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD. and its Subsidiaries**

**(Formerly: Feei Cherng Enterprise Co., Ltd.)**

**Consolidated Statement of Cash Flows**

**For the years ended December 31, 2024 and 2023**

**Unit: NT\$ Thousand**

	<u>2024</u>	<u>2023</u>
<b>Cash flow from operating activities:</b>		
Net income before tax for the current period (losses)	\$ 187,170	(1,531)
<b>Adjustments:</b>		
Profit/loss		
Depreciation expense	4,533	5,429
Amortization expenses	1,381	1,362
Net gain on financial assets at fair value through profit or loss	(251,836)	(61,232)
Interest expenses	10,803	7,638
Interest income	(9,656)	(3,053)
Dividend income	(14)	(4,902)
Impairment losses on non-financial assets	3,691	2,846
Unrealized foreign currency exchange gains	(1,538)	-
Total adjustments for profit/loss	(242,636)	(51,912)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in contract assets	(2,846)	(2,666)
Decrease (increase) in accounts receivable - related parties	13	(4,799)
Increase in inventories	(1,457,209)	(10,339)
Increase in prepayments	(3,884)	(3,191)
Increase in other current assets	(61,991)	(6,463)
Total changes in operating assets	(1,525,917)	(27,458)
Changes in operating liabilities:		
Increase in contract liabilities	124,452	29,940
Increase in accounts payable	3,515	7,256
Increase (decrease) in accounts payable - related parties	(18)	20
Decrease in other payables	(3,647)	(2,844)
Relations increase in other payables	8,329	2,738
Increase (decrease) in other current liabilities	(447)	1,150
Total changes in operating liabilities	132,184	38,260
Total changes in operating assets and liabilities	(1,393,733)	10,802
Total adjustments	(1,636,369)	(41,110)
Cash generated from operating activities	(1,449,199)	(42,641)
Interest received	8,109	3,053
Dividends received	14	4,902
Interest paid	(10,899)	(7,357)
Income tax paid	(308)	(684)
<b>Cash Flows from Operating Activities</b>	(1,452,283)	(42,727)
<b>Cash Flows from Investment Activities:</b>		
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	(525,376)	-
Disposal of financial assets at amortized cost	436,000	175,000
Acquisition of financial assets at fair value through profit or loss	(44,000)	(84,621)
Disposal of financial assets at fair value through profit or loss	639,647	91,271
Net cash used in acquisition of subsidiaries	-	(853)
Increase in refundable deposits	(715)	(1,640)
Acquisition of intangible assets	(10)	(283)
<b>Cash Inflow from Investment Activities</b>	505,546	179,220
<b>Cash Flow from Financing Activities:</b>		
Increase in short-term borrowings	599,000	18,107
Decrease in short-term borrowings	-	(534,634)
Decrease in short-term notes payable	-	(25,000)
Increase in deposits received	1,156	-
Decrease in guarantee deposits received	-	(22)
Issuance of corporate bonds	408,348	-
Repayment of the principal portion of lease liabilities	-	(789)
Cash capital increase	-	423,500
<b>Cash Inflow (Outflow) from Financing Activities</b>	1,008,504	(118,838)
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	99	-
<b>Net Increase in Cash and Cash Equivalents</b>	61,866	17,655
<b>Cash and Cash Equivalents as of January 1</b>	265,701	248,046
<b>Cash and Cash Equivalents as of December 31</b>	\$ <u>327,567</u>	<u>265,701</u>

## INDEPENDENT AUDITORS' REPORT

To: 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, 2024 and 2023, the statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years ended December 31, 2024 and 2023, and notes to parent company only financial statements including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, 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 for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2024 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 recent transaction prices, 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. Identify and assess the risks of material misstatement of the parent company only financial report, 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 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. 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 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. Evaluate 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. Obtain 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 Company 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 2024 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 Taiwan

CPA:

Certificate Number Approved by Competent Authority in Charge of Securities	:	Jin-Guan-Zheng-Sheng-Zi No. 1130332775
		Jin-Guan-Zheng-Liu-Zi No. 0960069825

February 27, 2025





**FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.**

**(Formerly: Feei Cherng Enterprise Co., Ltd.)**

**Statement of Comprehensive Income**

**For the years ended December 31, 2024 and 2023**

**Unit: NT\$ Thousand**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (Notes 6(16)(21) and 7)</b>	\$ 6,060	100	16,763	100
5000	<b>Operating costs (Notes 6(6) and 12)</b>	7,976	132	15,116	90
5900	<b>Operating gross profit (loss)</b>	(1,916)	(32)	1,647	10
	<b>Operating expenses (Notes 6(12)(17), 7 and 12):</b>				
6100	Marketing expenses	1,122	19	5,053	30
6200	Administrative expenses	22,087	364	23,535	140
	<b>Total operating expenses</b>	23,209	383	28,588	170
6900	<b>Loss from operations</b>	(25,125)	(415)	(26,941)	(160)
	<b>Non-operating income and expenses (Notes 6 (15) (16)(23) and 7):</b>				
7100	Interest income	9,468	156	2,936	18
7010	Other revenue	1,861	31	6,606	39
7020	Other gains and losses	249,586	4,118	58,386	348
7050	Financial costs	(10,803)	(178)	(7,638)	(46)
7070	Share of profit or loss of subsidiaries accounted for using the equity method	(36,740)	(606)	(30,841)	(184)
	<b>Total non-operating income and expenses</b>	213,372	3,521	29,449	175
7900	<b>Income before tax</b>	188,247	3,106	2,508	15
7950	<b>Less: income tax expense (Note 6(18))</b>	14,079	232	762	5
8200	<b>Profit for the year</b>	174,168	2,874	1,746	10
	<b>Other comprehensive income:</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>				
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Note 6(19))	-	-	346	2
8349	Less: Income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	-	-
8300	<b>Other comprehensive income for the current period</b>	-	-	346	2
8500	<b>Other comprehensive income/loss for the year</b>	\$ 174,168	2,874	2,092	12
	<b>Earnings (losses) per share (Note 6(20)):</b>				
9750	<b>Basic earnings per share (NTD)</b>	\$ 1.03		0.01	
9850	<b>Diluted earnings per share (NT\$)</b>	\$ 1.02		0.01	

(See accompanying notes to parent company only financial statements)

Chairman: Yu-Ming Chang

Manager: Tung-Hung Lee

Accounting Manager: Yuan-Hsiang Han

**FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.**

**(Formerly: Feei Cherng Enterprise Co., Ltd.)**

**Statement of Changes in Equity**

**For the years ended December 31, 2024 and 2023**

**Unit: NT\$ Thousand**

	Retained Earnings					Other equity item			
	Share capital - common stock	Capital surplus	Legal reserve	Accumulated deficits	Total	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Remeasurement of defined benefit plan	Total	Total Equity
<b>Balance at January 1, 2023</b>	<b>\$ 1,187,708</b>	<b>605,796</b>	<b>66,320</b>	<b>(854,102)</b>	<b>(787,782)</b>	<b>-</b>	<b>(1,392)</b>	<b>(1,392)</b>	<b>1,004,330</b>
Profit for the year	-	-	-	1,746	1,746	-	-	-	1,746
Other comprehensive income for the current 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)	-
<b>Balance at December 31, 2023</b>	<b>1,687,708</b>	<b>530,568</b>	<b>66,320</b>	<b>(852,010)</b>	<b>(785,690)</b>	<b>-</b>	<b>(1,392)</b>	<b>(1,392)</b>	<b>1,431,194</b>
Changes in other capital reserves:									
Issuance of convertible bonds - conversion right	-	34,383	-	-	-	-	-	-	34,383
Profit for the year	-	-	-	174,168	174,168	-	-	-	174,168
Other comprehensive income for the current period	-	-	-	-	-	-	-	-	-
Other comprehensive income/loss for the year	-	-	-	174,168	174,168	-	-	-	174,168
Changes in ownership interests in subsidiaries	-	-	-	(1,886)	(1,886)	-	-	-	(1,886)
<b>Balance on December 31, 2024</b>	<b>\$ 1,687,708</b>	<b>564,951</b>	<b>66,320</b>	<b>(679,728)</b>	<b>(613,408)</b>	<b>-</b>	<b>(1,392)</b>	<b>(1,392)</b>	<b>1,637,859</b>

(See accompanying notes to parent company only financial statements)

**Chairman: Yu-Ming Chang**

**Manager: Tung-Hung Lee**

**Accounting Manager: Yuan-Hsiang Han**

**FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.**

**(Formerly: Feei Cherng Enterprise Co., Ltd.)**

**Statement of Cash Flows**

**For the years ended December 31, 2024 and 2023**

**Unit: NT\$ Thousand**

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities:</b>		
Profit before income tax	\$ 188,247	2,508
<b>Adjustments:</b>		
Profit/loss		
Depreciation expense	4,533	5,429
Amortization expenses	81	62
Net gains on financial assets at fair value through profit or loss	(251,836)	(61,232)
Interest expenses	10,803	7,638
Interest income	(9,468)	(2,936)
Dividend income	(14)	(4,902)
Share of losses of subsidiaries accounted for using the equity method	36,740	30,841
Impairment losses on non-financial assets	3,691	2,846
Unrealized foreign currency exchange gain	(1,538)	-
Total adjustments for profit/loss	<u>(207,008)</u>	<u>(22,254)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in accounts receivable - related parties	2,838	(111)
Increase in inventories	(1,440,906)	(9,189)
Increase in prepayments	(4,303)	(1,048)
Increase in other current assets	<u>(58,570)</u>	<u>(6,463)</u>
Total changes in operating assets	<u>(1,500,941)</u>	<u>(16,811)</u>
Changes in operating liabilities:		
Increase in contract liabilities	124,452	29,940
Increase (decrease) in accounts payable	(1,032)	2,743
Decrease in other payables	(1,738)	(9,348)
Increase in other payables - related parties	578	2,199
Increase (decrease) in other current liabilities	<u>(280)</u>	<u>649</u>
Total changes in operating liabilities	<u>121,980</u>	<u>26,183</u>
Total changes in operating assets and liabilities	<u>(1,378,961)</u>	<u>9,372</u>
Total adjustments	<u>(1,585,969)</u>	<u>(12,882)</u>
Cash generated from operating activities	(1,397,722)	(10,374)
Interest received	7,921	2,936
Dividends received	14	4,902
Interest paid	(10,899)	(7,357)
Income tax paid	<u>(275)</u>	<u>(673)</u>
<b>Cash Flows from Operating Activities</b>	<u>(1,400,961)</u>	<u>(10,566)</u>
<b>Cash Flows from Investment Activities:</b>		
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	(525,376)	(467,000)
Disposal of financial assets at amortized cost	436,000	642,000
Acquisition of financial assets at fair value through profit or loss	(44,000)	(84,621)
Disposal of financial assets at fair value through profit or loss	639,647	91,271
Acquisition of investments using the equity method	-	(853)
Increase in refundable deposits	-	(1,357)
Decrease in refundable deposits	205	-
Acquisition of intangible assets	<u>(10)</u>	<u>(283)</u>
<b>Cash Inflow from Investment Activities</b>	<u>506,466</u>	<u>179,503</u>
<b>Cash Flow from Financing Activities:</b>		
Increase in short-term borrowings	599,000	18,107
Decrease in short-term borrowings	-	(534,634)
Decrease in short-term notes payable	-	(25,000)
Increase in deposits received	1,156	-
Decrease in guarantee deposits received	-	(22)
Issuance of corporate bonds	408,348	-
Repayment of the principal portion of lease liabilities	-	(789)
Cash capital increase	-	423,500
Acquisition of shares of subsidiaries	<u>(100,000)</u>	<u>-</u>
<b>Cash Inflow (Outflow) from Financing Activities</b>	<u>908,504</u>	<u>(118,838)</u>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<u>99</u>	<u>-</u>
<b>Net Increase in Cash and Cash Equivalents</b>	14,108	50,099
<b>Cash and Cash Equivalents as of January 1</b>	<u>265,434</u>	<u>215,335</u>
<b>Cash and Cash Equivalents as of December 31</b>	<u>\$ 279,542</u>	<u>265,434</u>

(See accompanying notes to parent company only financial statements)

**Chairman: Yu-Ming Chang**

**Manager: Tung-Hung Lee**

**Accounting Manager: Yuan-Hsiang Han**

**FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.****Table of Comparison Before and after the Amendments to the Articles of Incorporation**

<b>Article No</b>	<b>Amended provisions</b>	<b>Current provisions</b>	<b>Explanation</b>
Article 2	<p>The Company's businesses are as follows:</p> <p>I. A401010 Livestock Farm Management.</p> <p>II. A401020 Raising of Livestock and Poultry.</p> <p>III. A401040 Livestock Service.</p> <p>IV. CC01080 Electronics Components Manufacturing.</p> <p>V. C101010 Slaughter.</p> <p>VI. C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food.</p> <p>VII. C199030 Instant Meal Box Food Manufacturing.</p> <p>VIII. C199990 Manufacture of Other Food Products Not Elsewhere Classified.</p> <p>IX. C201010 Feed Manufacturing.</p> <p>X. F101040 Wholesale of Livestock and Poultry.</p> <p>XI. F101050 Wholesale of Fishery Products.</p> <p>XII. F102170 Wholesale of Foods and Groceries.</p> <p>XIII. F103010 Wholesale of Animal Feeds.</p> <p>XIV. F119010 Wholesale of Electronic Materials.</p> <p>XV. F201020 Retail Sale of Livestock Products.</p> <p>XVI. F201030 Retail Sale of Fishery Products.</p> <p>XVII. F202010 Retail Sale of Feeds.</p> <p>XVIII. F203010 Retail Sale of Food, Grocery and Beverage.</p> <p>XIX. F603050 Automatic Control Equipment Engineering.</p> <p>XX. F401010 International Trade.</p> <p>XXI. I101070 Agriculture, Forestry, Fishing and Livestock Consulting.</p> <p>XXII. I101090 Food Consulting.</p> <p>XXIII. I103060 Management Consulting.</p> <p>XXIV. I301030 Electronic Information Supply Services.</p> <p>XXV. IG01010 Biotechnology Services.</p> <p>XXVI. F501060 Restaurants.</p> <p>XXVII. F501990 Other Catering.</p> <p>XXVIII. H701010 Housing and Building Development and Rental.</p> <p>XXIX. H701050 Investment, Development and Construction in Public Construction.</p> <p>XXX. H701060 New Towns, New Community Development.</p> <p>XXXI. H703090 Real Estate Business.</p> <p>XXXII. H703100 Real Estate Leasing.</p> <p>XXXIII. F111090 Wholesale of Building Materials.</p> <p>XXXIV. IZ99990 Other Industrial and Commercial Services</p> <p>XXXV. E801010 Indoor Decoration</p> <p>XXXVI. E801020 Doors and Windows Installation Engineering</p> <p>XXXVII. E801030 Indoor Light-gauge Steel Frame Engineering</p> <p>XXXVIII. E801040 Glass Installation Engineering</p> <p>XXXIX. E801070 Kitchenware and Sanitary Fixtures Installation Engineering</p> <p>XL. E901010 Painting Engineering</p> <p>XLI. E903010 Anti-Corrosion and Anti-Rust Engineering</p> <p>XLII. EZ99990 Other Engineering</p> <p>XLIII. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures</p> <p>XLIV. F107030 Wholesale of Cleaning Supplies</p> <p>XLV. F108040 Wholesale of Cosmetics</p> <p>XLVI. F113050 Wholesale of Computers and Clerical Machinery Equipment</p> <p>XLVII. F113070 Wholesale of Telecommunication Apparatus</p> <p>XLVIII. F118010 Wholesale of Computer Software</p> <p>XLIX. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures</p> <p>L. F206020 Retail Sale of Daily Commodities</p> <p>LI. F211010 Retail Sale of Building Materials</p> <p>LII. F213030 Retail Sale of Computers and Clerical Machinery Equipment</p> <p>LIII. F399040 Retail Sale No Storefront</p> <p>LIV. F501030 Beverage Shops</p> <p>LV. I301020 Data Processing Services</p> <p>LVI. I401010 General Advertisement Service</p> <p>LVII. I503010 Landscape and Interior Designing</p> <p>LVIII. JE01010 Rental and Leasing</p> <p>LIX. I301010 Information Software Services</p> <p>LX. I102010 Investment Consulting</p>	<p>The Company's businesses are as follows:</p> <p>I. A401010 Livestock Farm Management.</p> <p>II. A401020 Raising of Livestock and Poultry.</p> <p>III. A401040 Livestock Service.</p> <p>IV. CC01080 Electronics Components Manufacturing.</p> <p>V. C101010 Slaughter.</p> <p>VI. C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food.</p> <p>VII. C199030 Instant Meal Box Food Manufacturing.</p> <p>VIII. C199990 Manufacture of Other Food Products Not Elsewhere Classified.</p> <p>IX. C201010 Feed Manufacturing.</p> <p>X. F101040 Wholesale of Livestock and Poultry.</p> <p>XI. F101050 Wholesale of Fishery Products.</p> <p>XII. F102170 Wholesale of Foods and Groceries.</p> <p>XIII. F103010 Wholesale of Animal Feeds.</p> <p>XIV. F119010 Wholesale of Electronic Materials.</p> <p>XV. F201020 Retail Sale of Livestock Products.</p> <p>XVI. F201030 Retail Sale of Fishery Products.</p> <p>XVII. F202010 Retail Sale of Feeds.</p> <p>XVIII. F203010 Retail Sale of Food, Grocery and Beverage.</p> <p>XIX. F603050 Automatic Control Equipment Engineering.</p> <p>XX. F401010 International Trade.</p> <p>XXI. I101070 Agriculture, Forestry, Fishing and Livestock Consulting.</p> <p>XXII. I101090 Food Consulting.</p> <p>XXIII. I103060 Management Consulting.</p> <p>XXIV. I301030 Electronic Information Supply Services.</p> <p>XXV. IG01010 Biotechnology Services.</p> <p>XXVI. F501060 Restaurants.</p> <p>XXVII. F501990 Other Catering.</p> <p>XXVIII. H701010 Housing and Building Development and Rental.</p> <p>XXIX. H701050 Investment, Development and Construction in Public Construction.</p> <p>XXX. H701060 New Towns, New Community Development.</p> <p>XXXI. H703090 Real Estate Business.</p> <p>XXXII. H703100 Real Estate Leasing.</p> <p>XXXIII. F111090 Wholesale of Building Materials.</p> <p>XXXIV. IZ99990 Other Industrial and Commercial Services</p> <p>XXXV. E801010 Indoor Decoration</p> <p>XXXVI. E801020 Doors and Windows Installation Engineering</p> <p>XXXVII. E801030 Indoor Light-gauge Steel Frame Engineering</p> <p>XXXVIII. E801040 Glass Installation Engineering</p> <p>XXXIX. E801070 Kitchenware and Sanitary Fixtures Installation Engineering</p> <p>XL. E901010 Painting Engineering</p> <p>XLI. E903010 Anti-Corrosion and Anti-Rust Engineering</p> <p>XLII. EZ99990 Other Engineering</p> <p>XLIII. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures</p> <p>XLIV. F107030 Wholesale of Cleaning Supplies</p> <p>XLV. F108040 Wholesale of Cosmetics</p> <p>XLVI. F113050 Wholesale of Computers and Clerical Machinery Equipment</p> <p>XLVII. F113070 Wholesale of Telecommunication Apparatus</p> <p>XLVIII. F118010 Wholesale of Computer Software</p> <p>XLIX. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures</p> <p>L. F206020 Retail Sale of Daily Commodities</p> <p>LI. F211010 Retail Sale of Building Materials</p> <p>LII. F213030 Retail Sale of Computers and Clerical Machinery Equipment</p> <p>LIII. F399040 Retail Sale No Storefront</p> <p>LIV. F501030 Beverage Shops</p> <p>LV. I301020 Data Processing Services</p> <p>LVI. I401010 General Advertisement Service</p>	<p>Amendments are made in line with the Company's future development.</p>

Article No	Amended provisions	Current provisions	Explanation
	LXI. F201010 Retail Sale of Agricultural Products LXII. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories LXIII. F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies LXIV. F102030 Wholesale of Tobacco and Alcohol LXV. F203020 Retail Sale of Tobacco and Alcohol LXVI. F108031 Wholesale of Medical Devices LXVII. F208031 Retail sale of Medical Equipment LXVIII. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.	LVII. I503010 Landscape and Interior Designing LVIII. JE01010 Rental and Leasing LIX. I301010 Information Software Services LX. I102010 Investment Consulting LXI. F201010 Retail Sale of Agricultural Products LXII. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories LXIII. F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies LXIV. F102030 Wholesale of Tobacco and Alcohol LXV. F203020 Retail Sale of Tobacco and Alcohol LXVI. I301040 The Third Party Payment LXVII. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.	
Article 6-1	The Company repurchases treasury shares and transfers them to employees according to the Company Act. When issuing new shares, the Company retains the shares reserved for employee subscription, issues employee stock warrants, and issues new restricted employee shares. The targets entitled to receive the shares transferred, subscribed, and issued include the employees of the controlling or subordinate companies meeting certain criteria. The Board of Directors is authorized to determine the criteria.		New provision
Article 9	Changes to the contents of the shareholder register shall cease 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.	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.	Amendments are made in line with the Company's future development.
Article 16	<p>The Company has <b>five</b> 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).</p> <p>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.</p> <p>Independent directors and non-independent directors shall be elected together and the number of elected seats should be counted separately.</p> <p>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.</p> <p>The Company may purchase liability insurance for each term of the directors in respect of the scope of their duties.</p> <p>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.</p> <p><b>If the term of office of Directors expires and no election of a new Board could be held, the tenure for these Directors shall be extended until a Board of Directors is elected and assumed office.</b></p>	<p>The Company has <b>seven</b> 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).</p> <p>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.</p> <p>Independent directors and non-independent directors shall be elected together and the number of elected seats should be counted separately.</p> <p>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.</p> <p>The Company may purchase liability insurance for each term of the directors in respect of the scope of their duties.</p> <p>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.</p>	Amendments are made in line with the Company's future development.
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. <b>In accordance with the Articles of Incorporation, a vice chairman shall be elected in the same manner. The chairman and the vice chairman shall perform all the affairs of the Company in accordance with the laws, the Articles of Incorporation, resolutions of the shareholders' meetings and the Board of Directors.</b> 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.	<p>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.</p> <p>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.</p>	Amendments are made in line with the Company's future development.

Article No	Amended provisions	Current provisions	Explanation
	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.	The notice as mentioned in the preceding paragraph shall be given in writing, electronically or by facsimile, stating the reason for the convening.	
Article 19	The Company's directors may be compensated for the performance of their duties 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. If there is profit, the Company shall allocate remuneration in accordance with Article 24.	The Company's directors may be compensated for the performance of their duties, <b>regardless of the Company's operating profit or loss, as determined by the Board of Directors</b> in accordance with their participation in and contribution to the Company's operations and with reference to the usual industry standards. <b>Not exceeding the remuneration for the highest paid executives as stipulated in the Company's regulations for salary assessment.</b> If there is profit, the Company shall allocate remuneration in accordance with Article 24.	Revised in accordance with the Company's current status.
Article 24	If the Company makes a profit in a year, an amount shall first be allocated to offset the accumulated losses, and then remuneration to employees and directors. The percentage of remuneration to employees shall not be less than 1% and shall not be higher than <b>10% of the aforementioned appropriated amount (the amount of 10% of the aforementioned appropriated amount shall be the remuneration for entry-employees)</b> , and remuneration to directors shall not be higher than 5%. 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. 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.	If the Company makes a profit in a year, an amount shall first be allocated to offset the accumulated losses, and then remuneration to employees and directors. The percentage of remuneration to employees shall not be less than 1% and shall not be higher than <b>15%</b> of the profit, and remuneration to directors shall not be higher than 5%. 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. 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.	To accommodate the amendment to Paragraph 6, Article 14 of the Securities and Exchange Act and the Company's future development.
Article 24-1	<b>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.</b> The Company's dividend to shareholders is distributed in two ways: stock dividends and cash dividends. The Company adopts a balanced and stable dividend policy. The Company allocates no less than 10% of the distributable earnings after the annual final accounts as dividend to shareholders. The cash dividends distributed shall not be less than <b>10% of the total dividends distributed in the current year.</b>	<b>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, but cash dividends shall be no less than 10% of the total dividends.</b>	Amendments are made in line with the Company's future development.
Article 28	The Articles of Incorporation were established on November 29, 1993. The 1st amendment was made on June 20, 1995. ..... The 31st amendment was made on May 24, 2024. <b>The 32nd amendment was made on May 23, 2025.</b>	The Articles of Incorporation were established on November 29, 1993. The 1st amendment was made on June 20, 1995. ..... The 31st amendment was made on May 24, 2024.	Number of amendments are added.

## FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

**Table of Comparison Before and After the Amendments to the "Procedures for Endorsements/Guarantees and Loaning of Funds to Others"**

Article No.	Amended provisions	Current provisions	Explanation
Article 4	<p>Amount of endorsements/guarantees</p> <p>The aggregate amount of endorsements/guarantees by the Company and its subsidiaries as a whole:</p> <p>I. The total amount of endorsements/guarantees by the Company shall not exceed <b>200%</b> of the net worth for the current period; the amount of endorsements/guarantees for a single enterprise shall not exceed <b>100%</b> of the net worth for the current period; however, for overseas single affiliated companies, the amount shall not exceed 30% of the net worth for the current period. The amount of endorsements/guarantees for business purposes may not exceed the total amount of the transactions with the Company (the amount of purchase or sale between the two parties, whichever is higher) in the most recent year.</p> <p>II. The total amount of endorsements/guarantees by the Company and its subsidiaries as a whole shall not exceed <b>200%</b> of the Company's net worth for the current period; for a single enterprise, the amount shall not exceed <b>100%</b> of the Company's net worth for the current period; the amount permitted to an overseas single affiliated company shall not exceed 40% of the Company's net worth for the current period; for overseas single affiliated companies, the amount shall not exceed 40% of the Company's net worth for the current period.</p> <p>III. The subsidiaries referred to in these Procedures are as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>IV. The net worth is based on the financial statements that have been audited or reviewed by a CPA in the most recent period.</p> <p>V. The Company's financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), therefore the net worth referred to in these Procedures is the equity attributable to the parent company in the balance sheet as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p>	<p>Amount of endorsements/guarantees</p> <p>The aggregate amount of endorsements/guarantees by the Company and its subsidiaries as a whole:</p> <p>I. The total amount of endorsements/guarantees by the Company shall not exceed <b>50%</b> of the net worth for the current period; the amount of endorsements/guarantees for a single enterprise shall not exceed <b>20%</b> of the net worth for the current period; however, for overseas single affiliated companies, the amount shall not exceed 30% of the net worth for the current period. The amount of endorsements/guarantees for business purposes may not exceed the total amount of the transactions with the Company (the amount of purchase or sale between the two parties, whichever is higher) in the most recent year.</p> <p>II. The total amount of endorsements/guarantees by the Company and its subsidiaries as a whole shall not exceed <b>50%</b> of the Company's net worth for the current period; for a single enterprise, the amount shall not exceed <b>20%</b> of the Company's net worth for the current period; the amount permitted to an overseas single affiliated company shall not exceed 40% of the Company's net worth for the current period; for overseas single affiliated companies, the amount shall not exceed 40% of the Company's net worth for the current period.</p> <p>III. The subsidiaries referred to in these Procedures are as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>IV. The net worth is based on the financial statements that have been audited or reviewed by a CPA in the most recent period.</p> <p>The Company's financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), therefore the net worth referred to in these Procedures is the equity attributable to the parent company in the balance sheet as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p>	<p>Amendments are made in line with the Company's future development.</p>
Article 5	<p>Decision-making and delegation of authority</p> <p>I. Any endorsement/guarantee made by the Company shall be approved by the Board of Directors in advance. However, the Board of Directors may authorize the chairman to approve an endorsement/guarantee up to <b>100%</b> of the net worth of the current period due to time limitation, and then report to the next Board meeting for ratification.</p> <p>II. When making endorsements/guarantees for others, the opinions of each independent director shall be fully considered. If the independent director has had any objection or reservation, it shall be stated in the board meeting minutes.</p> <p>III. If the Company has established an audit committee, the establishment or amendment of the Procedures for Endorsements/Guarantees shall be approved by the majority of the members of the audit committee, and submitted to the Board of Directors for resolution, and the second paragraph shall not apply.</p> <p>IV. If the approval of one-half or more of all audit committee members is not obtained, the Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting.</p> <p>V. All members of the audit committee referred to in Paragraph 3 and all directors referred to in the preceding paragraph shall be counted as actual incumbents.</p>	<p>Decision-making and delegation of authority</p> <p>I. Any endorsement/guarantee made by the Company shall be approved by the Board of Directors in advance. However, the Board of Directors may authorize the chairman to approve an endorsement/guarantee up to <b>30%</b> of the net worth of the current period due to time limitation, and then report to the next Board meeting for ratification.</p> <p>II. When making endorsements/guarantees for others, the opinions of each independent director shall be fully considered. If the independent director has had any objection or reservation, it shall be stated in the board meeting minutes.</p> <p>III. If the Company has established an audit committee, the establishment or amendment of the Procedures for Endorsements/Guarantees shall be approved by the majority of the members of the audit committee, and submitted to the Board of Directors for resolution, and the second paragraph shall not apply.</p> <p>IV. If the approval of one-half or more of all audit committee members is not obtained, the Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting.</p> <p>V. All members of the audit committee referred to in Paragraph 3 and all directors referred to in the preceding paragraph shall be counted as actual incumbents.</p>	<p>Amendments are made in line with the Company's future development.</p>
Article 6	<p>Procedures for making endorsements/guarantees</p> <p>I. When the company to whom the endorsement/guarantee is made needs to use the amount of an endorsement/guarantee within the limit, such company shall provide basic information and financial information, and fill in the application form and submit it to the <u>Financial Management Department</u> of the Company. The <u>Financial Management Department</u> shall make a detailed assessment and conduct credit investigations. Items to be assessed include: the necessity of and</p>	<p>Procedures for making endorsements/guarantees</p> <p>I. When the company to whom the endorsement/guarantee is made needs to use the amount of an endorsement/guarantee within the limit, such company shall provide basic information and financial information, and fill in the application form and submit it to the <u>Finance Department</u> of the Company. The <u>Finance Department</u> shall make a detailed assessment and conduct credit investigations. Items to be assessed include: the necessity of and reasonableness of the</p>	<p>Revised in accordance with the Company's current status.</p>



Article No.	Amended provisions	Current provisions	Explanation
	<p>reasonableness of the endorsement/guarantee, and the endorsement and guarantee made due to business dealings, whether the amount of the endorsement/guarantee is commensurate with the business dealing amount, the impact on the Company's operating risk, financial condition and shareholders' equity, and whether collateral should be obtained and evaluation of the value of the collateral. If the enterprise making the endorsement/guarantee is a subsidiary whose net worth is lower than one half of the paid-in capital of the Company, the relevant follow-up control measures should be clearly stated in the evaluation items. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under the this paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.</p> <p>II. If the cumulative balance of endorsements/guarantees is less than 30% of the net worth for the current period, the handling personnel of the Company's <b>Financial Management Department</b> shall compile the relevant information and the evaluation results as stated in the preceding paragraph to be submitted to the chairman and ratified by the next Board meeting. If the cumulative balance of endorsements/guarantees exceeds 30% of the net worth for the current period, the relevant information shall be submitted to the chairman and ratified by the next Board meeting.</p> <p>III. The record book for endorsements/guarantees established by the <b>Financial Management Department</b> shall be used to record the details of endorsements/guarantees, the amount, the date of approval by the Board of Directors or decision by the chairman, the date of endorsements/guarantees, matters to be carefully evaluated in accordance with these Procedures, the contents of the collateral and its appraised value, as well as the terms and conditions of the endorsement/guarantee shall be recorded in detail for future reference.</p> <p>IV. When a company for which the endorsement/guarantee is made makes a repayment, the Company shall be notified of the repayment information in order to release the Company's guarantee liability and record it in the memorandum book for endorsements/guarantees.</p> <p>V. The <b>Financial Management Department</b> shall evaluate or record the contingent loss for endorsements/guarantees, and shall adequately disclose information on endorsements/guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures and issue an adequate audit report.</p>	<p>endorsement/guarantee, and the endorsement and guarantee made due to business dealings, whether the amount of the endorsement/guarantee is commensurate with the business dealing amount, the impact on the Company's operating risk, financial condition and shareholders' equity, and whether collateral should be obtained and evaluation of the value of the collateral. If the enterprise making the endorsement/guarantee is a subsidiary whose net worth is lower than one half of the paid-in capital of the Company, the relevant follow-up control measures should be clearly stated in the evaluation items. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under the this paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.</p> <p>II. If the cumulative balance of endorsements/guarantees is less than 30% of the net worth for the current period, the handling personnel of the Company's <b>Finance Department</b> shall compile the relevant information and the evaluation results as stated in the preceding paragraph to be submitted to the chairman and ratified by the next Board meeting. If the cumulative balance of endorsements/guarantees exceeds 30% of the net worth for the current period, the relevant information shall be submitted to the chairman and ratified by the next Board meeting.</p> <p>III. The record book for endorsements/guarantees established by the <b>Finance Department</b> shall be used to record the details of endorsements/guarantees, the amount, the date of approval by the Board of Directors or decision by the chairman, the date of endorsements/guarantees, matters to be carefully evaluated in accordance with these Procedures, the contents of the collateral and its appraised value, as well as the terms and conditions of the endorsement/guarantee shall be recorded in detail for future reference.</p> <p>IV. When a company for which the endorsement/guarantee is made makes a repayment, the Company shall be notified of the repayment information in order to release the Company's guarantee liability and record it in the memorandum book for endorsements/guarantees.</p> <p>V. The <b>Finance Department</b> shall evaluate or record the contingent loss for endorsements/guarantees, and shall adequately disclose information on endorsements/guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures and issue an adequate audit report.</p>	
Article 8	<p>Matters needing attention when applying for endorsements/guarantees:</p> <p>I. The Company's internal auditors shall audit the Procedures for Endorsements/Guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the Audit Committee in writing of any material violation found.</p> <p>II. If the underlying subject of the endorsement and guarantee does not meet the requirements of these Procedures or the amount of the endorsement and guarantee of the Company exceeds the threshold due to changes in circumstances, the audit unit shall urge the <b>Financial Management Department</b> to formulate an improvement plan, and send the improvement plan to the Audit Committee, and report to the Board of Directors, and follow the schedule for completion and improvement.</p> <p>III. Where the Company needs to exceed the limits set out in the Procedures for Endorsements/Guarantees to satisfy its business requirements, and where the conditions set out in the Procedures for Endorsements/Guarantees are complied with, the Company shall obtain approval from the Board of Directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement/guarantee. The Company shall also amend the Procedures for Endorsements/Guarantees accordingly and submit the same to the shareholders meeting for ratification after the fact. If the shareholders meeting does not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit. During the discussion of the Board of</p>	<p>Matters needing attention when applying for endorsements/guarantees:</p> <p>I. The Company's internal auditors shall audit the Procedures for Endorsements/Guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the Audit Committee in writing of any material violation found.</p> <p>II. If the underlying subject of the endorsement and guarantee does not meet the requirements of this Procedure or the amount of the endorsement and guarantee exceeds the threshold due to changes in circumstances, the audit unit shall urge the <b>Finance Unit</b> to formulate an improvement plan, and send the improvement plan to the Audit Committee, and report to the Board of Directors, and follow the schedule for completion and improvement.</p> <p>III. Where the Company needs to exceed the limits set out in the Procedures for Endorsements/Guarantees to satisfy its business requirements, and where the conditions set out in the Procedures for Endorsements/Guarantees are complied with, the Company shall obtain approval from the Board of Directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement/guarantee. The Company shall also amend the Procedures for Endorsements/Guarantees accordingly and submit the same to the shareholders meeting for ratification after the fact. If the shareholders meeting does not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit. During the discussion of the Board of</p>	Revised in accordance with the Company's current status.

Article No.	Amended provisions	Current provisions	Explanation
	Directors referred to, the opinions of each independent director shall be taken into full consideration, and their supporting or opposing opinions and reasons shall be documented in the minutes of the Board meetings.	Directors referred to, the opinions of each independent director shall be taken into full consideration, and their supporting or opposing opinions and reasons shall be documented in the minutes of the Board meetings.	
Article 13	<p>Review procedures</p> <p>I. Application procedures</p> <p>(I) The borrower shall provide basic information and financial information, and fill in the application form, stating the use of funds, the period and amount of the loan, to be sent to the <u>Financial Department</u> of the Company.</p> <p>(II) Where a loan is made to a company with which the Company does business, the Company's <u>Financial Management Department</u> shall evaluate whether the amounts for the loan and business transactions are comparable. Where a short-term financing facility is necessary, the reason and circumstances for the loan shall be stated, and a credit check shall be conducted. The relevant information and the proposed lending conditions shall be presented to the head of the <u>Financial Management Department</u> and the General Manager of the Company, and then to the Board of Directors for resolution.</p> <p>(III) When loaning funds to others, the opinions of each independent director shall be fully considered. If the independent director has had any objection or reservation, it shall be stated in the board meeting minutes.</p> <p>(IV) If the Company has established an Audit Committee, the provisions of Paragraph 3 to Subparagraph 5 of Article 5 shall apply mutatis mutandis to the establishment or amendment of the Procedures for Loaning Funds to Others.</p>	<p>Review procedures</p> <p>I. Application procedures</p> <p>(I) The borrower shall provide basic information and financial information, and fill in the application form, stating the use of funds, the period and amount of the loan, to be sent to the <u>Finance Department</u> of the Company.</p> <p>(II) Where a loan is made to a company with which the Company does business, the Company's <u>Finance Department</u> shall evaluate whether the amounts for the loan and business transactions are comparable. Where a short-term financing facility is necessary, the reason and circumstances for the loan shall be stated, and a credit check shall be conducted. The relevant information and the proposed lending conditions shall be presented to the head of the <u>Finance Department</u> and the General Manager of the Company, and then to the Board of Directors for resolution.</p> <p>(III) When loaning funds to others, the opinions of each independent director shall be fully considered. If the independent director has had any objection or reservation, it shall be stated in the board meeting minutes.</p> <p>(IV) If the Company has established an Audit Committee, the provisions of Paragraph 3 to Subparagraph 5 of Article 5 shall apply mutatis mutandis to the establishment or amendment of the Procedures for Loaning Funds to Others.</p>	Revised in accordance with the Company's current status.
Article 16	<p>Registration and custody of cases</p> <p>I. The Company shall prepare a memorandum book for its fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the Board of Directors, lending/borrowing date, and matters to be carefully evaluated under these Procedures.</p> <p>II. After a loan is made, the loan officer shall put the contract, cashier's check and other certificates of claim, as well as collateral documents, insurance policies, correspondence documents into a bag for safekeeping. The contents in the bag and the name of the customer shall be stated on the bag to be submitted to the head of the <u>Financial Management Department</u> for inspection. After an inspection is performed and no mistakes are found, the registration book shall be signed and stamped by both parties for safekeeping.</p>	<p>Registration and custody of cases</p> <p>I. The Company shall prepare a memorandum book for its fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the Board of Directors, lending/borrowing date, and matters to be carefully evaluated under these Procedures.</p> <p>II. After a loan is made, the loan officer shall put the contract, cashier's check and other certificates of claim, as well as collateral documents, insurance policies, correspondence documents into a bag for safekeeping. The contents in the bag and the name of the customer shall be stated on the bag to be submitted to the head of the <u>Finance Department</u> for inspection. After an inspection is performed and no mistakes are found, the registration book shall be signed and stamped by both parties for safekeeping.</p>	Revised in accordance with the Company's current status.
Article 17	<p>Notes on loaning funds to others:</p> <p>I. Before making a loan of funds to others, the Company shall carefully evaluate whether the loan is in compliance with these Procedures. The Company may loan funds to others only after the evaluation results have been submitted to and resolved upon by the Board of Directors. The Company shall not empower any other person to make such decision.</p> <p>II. Loans of funds between the Company and its subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the Board of Directors pursuant to the preceding paragraph, and the chairman may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the Board of Directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down. The "certain monetary limit" mentioned in the preceding paragraph on authorization for loans extended by the public company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending company, except in cases of companies in compliance with Paragraph 2, Article 11.</p> <p>III. The Company's internal auditors shall audit the Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the audit committee in writing of any material violation found.</p> <p>IV. If the underlying subject of the loaning of funds of the Company does not meet the requirements of these Procedures</p>	<p>Notes on loaning funds to others:</p> <p>I. Before making a loan of funds to others, the Company shall carefully evaluate whether the loan is in compliance with these Procedures. The Company may loan funds to others only after the evaluation results have been submitted to and resolved upon by the Board of Directors. The Company shall not empower any other person to make such decision.</p> <p>II. Loans of funds between the Company and its subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the Board of Directors pursuant to the preceding paragraph, and the chairman may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the Board of Directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down. The "certain monetary limit" mentioned in the preceding paragraph on authorization for loans extended by the public company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the Company or the subsidiary audited or reviewed by CPAs, except in cases of companies in compliance with Paragraph 2, Article 11.</p> <p>III. The Company's internal auditors shall audit the Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the audit committee in writing of any material violation found.</p> <p>IV. If the underlying subject of the loaning of funds of the Company does not meet the requirements of these Procedures</p>	Revised in accordance with the Company's current status.

Article No.	Amended provisions	Current provisions	Explanation
	<p>or the amount of the loaning of funds exceeds the threshold due to changes in circumstances, the audit unit shall urge the <a href="#">Financial Management Department</a> to formulate an improvement plan, and send the improvement plan to the Audit Committee, and report to the Board of Directors, and follow the schedule for completion and improvement.</p> <p>V. The handling personnel shall have the details of the loaning of funds to other companies in the previous month prepared and presented for review before the 10th day of each month.</p> <p>VI. If the Company engages in short-term financing in accordance with the regulations, in addition to the provisions of the preceding paragraph, it shall also strengthen the risk assessment and set the limit of loans to the unsecured goods, companies in the same industry and related companies, or group companies, respectively.</p>	<p>or the amount of the loaning of funds exceeds the threshold due to changes in circumstances, the audit unit shall urge the <a href="#">Finance Department</a> to formulate an improvement plan, and send the improvement plan to the Audit Committee, and report to the Board of Directors, and follow the schedule for completion and improvement.</p> <p>V. The handling personnel shall have the details of the loaning of funds to other companies in the previous month prepared and presented for review before the 10th day of each month.</p> <p>VI. If the Company engages in short-term financing in accordance with the regulations, in addition to the provisions of the preceding paragraph, it shall also strengthen the risk assessment and set the limit of loans to the unsecured goods, companies in the same industry and related companies, or group companies, respectively.</p>	
Article 23	<p>History</p> <p>The procedures were established on April 27, 2003.</p> <p>The 1st amendment was made on May 12, 2006.</p> <p>The 2nd amendment was made on June 10, 2009.</p> <p>The 3rd amendment was made on February 9, 2010.</p> <p>The 4th amendment was made on June 15, 2010.</p> <p>The 5th amendment was made on June 11, 2013.</p> <p>The 6th amendment was made on June 21, 2018.</p> <p>The 7th amendment was made on June 21, 2019.</p> <p><a href="#">The 8th amendment was made on May 23, 2025.</a></p>	<p>History</p> <p>The procedures were established on April 27, 2003.</p> <p>The 1st amendment was made on May 12, 2006.</p> <p>The 2nd amendment was made on June 10, 2009.</p> <p>The 3rd amendment was made on February 9, 2010.</p> <p>The 4th amendment was made on June 15, 2010.</p> <p>The 5th amendment was made on June 11, 2013.</p> <p>The 6th amendment was made on June 21, 2018.</p> <p>The 7th amendment was made on June 21, 2019.</p>	Number of amendments are added.

**FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.****Articles of Incorporation (Before Amendments) 2024.05.24**

## Chapter 1 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:

- I. A401010 Livestock Farm Management.
- II. A401020 Raising of livestock and Poultry.
- III. A401040 Livestock Service.
- IV. CC01080 Electronics Components Manufacturing.
- V. C101010 Slaughter.
- VI. C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food.
- VII. C199030 Instant Meal Box Food Manufacturing.
- VIII. C199990 Manufacture of Other Food Products Not Elsewhere Classified.
- IX. C201010 Feed Manufacturing.
- X. F101040 Wholesale of Livestock and Poultry.
- XI. F101050 Wholesale of Fishery Products.
- XII. F102170 Wholesale of Foods and Groceries.
- XIII. F103010 Wholesale of Animal Feeds.
- XIV. F119010 Wholesale of Electronic Materials.
- XV. F201020 Retail Sale of Livestock Products.
- XVI. F201030 Retail Sale of Fishery Products.
- XVII. F202010 Retail Sale of Feeds.
- XVIII. F203010 Retail Sale of Food, Grocery and Beverage.
- XIX. E603050 Automatic Control Equipment Engineering.
- XX. F401010 International Trade.
- XXI. I101070 Agriculture, Forestry, Fishing and Livestock Consulting.
- XXII. I101090 Food Consulting.
- XXIII. I103060 Management Consulting.
- XXIV. I301030 Electronic Information Supply Services.
- XXV. IG01010 Biotechnology Services.
- XXVI. F501060 Restaurants.
- XXVII. F501990 Other Catering.
- XXVIII. H701010 Housing and Building Development and Rental.
- XXIX. H701050 Investment, Development and Construction in Public Construction.
- XXX. H701060 New Towns, New Community Development.
- XXXI. H703090 Real Estate Business.
- XXXII. H703100 Real Estate Leasing.
- XXXIII. F111090 Wholesale of Building Materials.
- XXXIV. IZ99990 Other Industrial and Commercial Services
- XXXV. E801010 Indoor Decoration
- XXXVI. E801020 Doors and Windows Installation Engineering
- XXXVII. E801030 Indoor Light-gauge Steel Frame Engineering
- XXXVIII. E801040 Glass Installation Engineering.
- XXXIX. E801070 Kitchenware and Sanitary Fixtures Installation Engineering
- XL. E901010 Painting Engineering
- XLI. E903010 Anti-Corrosion and Anti-Rust Engineering
- XLII. EZ99990 Other Engineering
- XLIII. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures
- XLIV. F107030 Wholesale of Cleaning Supplies.
- XLV. F108040 Wholesale of Cosmetics
- XLVI. F113050 Wholesale of Computers and Clerical Machinery Equipment

- XLVII. F113070 Wholesale of Telecommunication Apparatus
- XLVIII. F118010 Wholesale of Computer Software.
- XLIX. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
- L. F206020 Retail Sale of Daily Commodities.
- LI. F211010 Retail Sale of Building Materials
- LII. F213030 Retail Sale of Computers and Clerical Machinery Equipment
- LIII. F399040 Retail Sale No Storefront
- LIV. F501030 Beverage Shops
- LV. I301020 Data Processing Services
- LVI. I401010 General Advertisement Service
- LVII. I503010 Landscape and Interior Designing
- LVIII. JE01010 Rental and Leasing
- LIX. I301010 Information Software Services
- LX. I102010 Investment Consulting
- LXI. F201010 Retail Sale of Agricultural Products
- LXII. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- LXIII.
- LXIV. F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- LXV. F102030 Wholesale of Tobacco and Alcohol
- LXVI. F203020 Retail Sale of Tobacco and Alcohol
- LXVII. I301040 The Third Party Payment
- LXVIII. 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 2 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 3 Shareholders' Meeting

- 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 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 4 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 allocate remuneration 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 5 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 6 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.

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 7 Supplementary Provisions

Article 25: The Board of Directors shall establish important internal organizational rules, regulations, by-laws and measures of the Company.

Article 26: Matters not specified in the Articles of Incorporation shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 27: These Articles of Incorporation shall become effective upon the resolution of the shareholders' meeting.

Article 28: 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.  
The 31st amendment was made on May 24, 2024.

## FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

### Motion for amendment to the "Procedures for Endorsements/Guarantees and Loaning of Funds to Others" (Before Amendments) 2019.06.21

**Article 1: Purpose**

These Procedures have been adopted for compliance when the Company loans funds to other companies ("borrower") for endorsement/endorsement or business needs in accordance with Letter Tai-Cai-Zheng (6) No. 0910161959 issued by the Securities and Futures Commission of the Ministry of Finance.

**Article 2: Scope of endorsements/guarantees**

The endorsements and guarantees referred to in these Procedures include:

- I. Financing endorsements/guarantees: Bill discount financing; endorsement or guarantee made to meet the financing needs of another company; and issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the Company.
- II. Customs duty endorsement/guarantee: An endorsement or guarantee for the company itself or another company with respect to customs duty matters.
- III. Other endorsements/guarantees: Endorsements or guarantees beyond the scope of the above two subparagraphs.
- IV. Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with these Procedures.

**Article 3: Companies for which the Company may make endorsements/guarantees**

The Company may make endorsements/guarantees for the following companies:

- I. A company with which the Company does business.
  - II. A company in which the Company directly and indirectly holds more than 50% of the voting shares.
  - III. A company that directly and indirectly holds more than 50% of the voting shares in the Company.
- Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Company. Provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

The Company is not subject to the restrictions of the preceding paragraph if all the capital contributing shareholders make endorsements/guarantees for an investee company due to a joint investment relationship, and the endorsement/guarantee is made in proportion to their shareholding ratio.

Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the Company, or through a company in which the Company holds 100% of the voting shares.

**Article 4: Amount of endorsements/guarantees**

The aggregate amount of endorsements/guarantees by the Company and its subsidiaries as a whole:

- I. The total amount of endorsements/guarantees by the Company shall not exceed 50% of the net worth for the current period; the amount of endorsements/guarantees for a single enterprise shall not exceed 20% of the net worth for the current period; however, for overseas single affiliated companies, the amount shall not exceed 30% of the net worth for the current period. The amount of endorsements/guarantees for business purposes may not exceed the total amount of the transactions with the Company (the amount of purchase or sale between the two parties, whichever is higher) in the most recent year.
- II. The total amount of endorsements/guarantees by the Company and its subsidiaries as a whole shall not exceed 50% of the Company's net worth for the current period; for a single enterprise, the amount shall not exceed 20% of the Company's net worth for the current period; the amount permitted to an overseas single affiliated company shall not exceed 40% of the Company's net worth for the current period; for overseas single affiliated companies, the amount shall not exceed 40% of the Company's net worth for the current period.
- III. The subsidiaries referred to in these Procedures are as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. The net worth is based on the financial statements that have been audited or reviewed by a CPA in the most recent period.
- V. The Company's financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), therefore the net worth referred to in these Procedures is the equity attributable to the parent company in the balance sheet as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**Article 5: Decision-making and delegation of authority**

- I. Any endorsement/guarantee made by the Company shall be approved by the Board of Directors in advance. However, the Board of Directors may authorize the chairman to approve an endorsement/guarantee up to 30%

of the net worth of the current period due to time limitation, and then report to the next Board meeting for ratification.

- II. When making endorsements/guarantees for others, the opinions of each independent director shall be fully considered. If the independent director has had any objection or reservation, it shall be stated in the board meeting minutes.
- III. If the Company has established an audit committee, the establishment or amendment of the Procedures for Endorsements/Guarantees shall be approved by the majority of the members of the audit committee, and submitted to the Board of Directors for resolution, and the second paragraph shall not apply.
- IV. If the approval of one-half or more of all audit committee members is not obtained, the Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting.
- V. All members of the audit committee referred to in Paragraph 3 and all directors referred to in the preceding paragraph shall be counted as actual incumbents.

Article 6: Procedures for making endorsements/guarantees

- I. When the company to whom the endorsement/guarantee is made needs to use the amount of an endorsement/guarantee within the limit, such company shall provide basic information and financial information, and fill in the application form and submit it to the Finance Department of the Company. The Finance Department shall make a detailed assessment and conduct credit investigations. Items to be assessed include: the necessity of and reasonableness of the endorsement/guarantee, and the endorsement and guarantee made due to business dealings, whether the amount of the endorsement/guarantee is commensurate with the business dealing amount, the impact on the Company's operating risk, financial condition and shareholders' equity, and whether collateral should be obtained and evaluation of the value of the collateral. If the enterprise making the endorsement/guarantee is a subsidiary whose net worth is lower than one half of the paid-in capital of the Company, the relevant follow-up control measures should be clearly stated in the evaluation items. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under the this paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.
- II. If the cumulative balance of endorsements/guarantees is less than 30% of the net worth for the current period, the handling personnel of the Company's Finance Department shall compile the relevant information and the evaluation results as stated in the preceding paragraph to be submitted to the chairman and ratified by the next Board meeting. If the cumulative balance of endorsements/guarantees exceeds 30% of the net worth for the current period, the relevant information shall be submitted to the chairman and ratified by the next Board meeting.
- III. The record book for endorsements/guarantees established by the Finance Department shall be used to record the details of endorsements/guarantees, the amount, the date of approval by the Board of Directors or decision by the chairman, the date of endorsements/guarantees, matters to be carefully evaluated in accordance with these Procedures, the contents of the collateral and its appraised value, as well as the terms and conditions of the endorsement/guarantee shall be recorded in detail for future reference.
- IV. When a company for which the endorsement/guarantee is made makes a repayment, the Company shall be notified of the repayment information in order to release the Company's guarantee liability and record it in the memorandum book for endorsements/guarantees.
- V. The Finance Department shall evaluate or record the contingent loss for endorsements/guarantees, and shall adequately disclose information on endorsements/guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures and issue an adequate audit report.

Article 7: Procedures for use and custody of seals

The corporate chop registered with the Ministry of Economic Affairs is the dedicated chop for endorsements/guarantees. The seal shall be kept by a person approved by the Board of Directors. An endorsement/guarantee shall be made in accordance with the Company's prescribed procedures for the use of seals or the signing of bills. When the Company provides guarantee to a foreign company, the letter of guarantee issued by the company shall be signed by a person authorized by the Board of Directors.

Article 8: Matters needing attention when applying for endorsements/guarantees:

- I. The Company's internal auditors shall audit the Procedures for Endorsements/Guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the Audit Committee in writing of any material violation found.
- II. If the underlying subject of the endorsement and guarantee does not meet the requirements of this Procedure or the amount of the endorsement and guarantee exceeds the threshold due to changes in circumstances, the audit unit shall urge the Finance Unit to formulate an improvement plan, and send the improvement plan to the Audit Committee, and report to the Board of Directors, and follow the schedule for completion and improvement.

- III. Where the Company needs to exceed the limits set out in the Procedures for Endorsements/Guarantees to satisfy its business requirements, and where the conditions set out in the Procedures for Endorsements/Guarantees are complied with, the Company shall obtain approval from the Board of Directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement/guarantee. The Company shall also amend the Procedures for Endorsements/Guarantees accordingly and submit the same to the shareholders meeting for ratification after the fact. If the shareholders meeting does not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit. During the discussion of the Board of Directors referred to, the opinions of each independent director shall be taken into full consideration, and their supporting or opposing opinions and reasons shall be documented in the minutes of the Board meetings.

Article 9: Time limit and content of announcement and report

- I. The Company shall announce and report the previous month's balances of endorsements/guarantees of its head office and subsidiaries by the 10th day of each month.
- II. If the Company's balance of endorsements/guarantees reaches one of the following levels it shall announce and report such event on MOPS within two days commencing immediately from the date of occurrence:
- (I) The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50% or more of the Company's net worth as stated in its latest financial statement.
  - (II) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net worth as stated in its latest financial statement.
  - (III) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, and amount of loans, such enterprise reaches 30% or more of the Company's net worth as stated in its latest financial statement.
  - (IV) The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the Company's net worth as stated in its latest financial statement.
- III. The "date of occurrence" as used in these Procedures means the date of contract signing, date of payment, dates of resolutions adopted by the Board of Directors, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier.
- IV. The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce on MOPS.

Article 10: Procedures for controlling and managing endorsements/guarantees by subsidiaries

- I. Where a subsidiary of the Company intends to make endorsements/guarantees for others, the subsidiary shall formulate its own Procedures for Endorsements/Guarantees. However, the net worth shall be calculated based on the net worth of the subsidiary.
- II. Prior to making any endorsement/guarantee pursuant to Subparagraph 3, Paragraph 1 of Article 3, a subsidiary in which the Company holds, directly or indirectly, 90% or more of the voting shares shall submit the endorsement/guarantee to the Company's Board of Directors for a resolution. Provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.
- III. The subsidiary shall prepare a detailed statement of endorsements/guarantees made for others of the previous month before the 10th (exclusive) day of each month, and submit it to the Company for review.
- IV. The internal auditors of the subsidiaries shall audit the Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the audit unit of the Company. The Company's audit unit shall promptly notify the audit committee in writing of any material violation found.
- V. Auditors performing an audit on a subsidiary of the Company in accordance with the annual audit plan shall also understand the implementation of such subsidiary's Procedures for Endorsements/Guarantees for Others. Any deficiencies found shall be continuously tracked for improvement with a report on the tracking compiled which is to be submitted to the general manager.

Article 11: Borrower and lender, and the aggregate amount of loans and the limit for each borrower

- I. According to the Company Act, the Company's funds shall not be loaned to shareholders or any other person, except under the following circumstances:
- (I) A company or firm that has business dealings with the Company; "business dealings" as used herein mean the purchase or sale of goods by the Company.
  - (II) A company or firm with the need for short-term financing facilities; the limit is 20% of the Company's shares held by a company or firm with the need for short-term financing facilities. The amount of financing shall not exceed 40% of the net worth of the borrower. "Short-term" as used herein means the period of one year or one business cycle (the longer of the two) as referred to in the letter referred to above by the Ministry of Economic Affairs.

- II. The loaning of funds between the Company and the overseas companies in which the Company directly or indirectly holds 100% of the voting shares, or the loaning of funds between the Company and the overseas companies in which the Company directly or indirectly holds 100% of the voting shares by a public company is not subject to the restrictions of Subparagraph 2, Paragraph 1.
- III. The aggregate amount of loans and the limit of each borrower
  - (I) The aggregate amount of loans to a company with which the Company does business shall not exceed 20% of the Company's net worth. The amount loaned to a single borrower shall not exceed 20% of the total amount of the business transactions between the two parties in the most recent year. The "business transaction amount" as used herein means the higher of purchases or sales between the two parties
  - (II) For the loan of funds to companies or firms with the need for short-term financing facilities, the aggregate amount of loan shall not exceed 20% of the Company's net worth. The amount loaned to a single borrower shall not exceed 10% of the net worth of the Company.

Article 12:

Duration of loans and calculation of interest

- I. The maximum amount permitted to a single borrower shall not exceed one year or one business cycle (whichever is longer) from the date of the loan.
- II. The interest on loans is calculated on a daily basis, and the sum of the daily loan balance (i.e. the total amount) is first multiplied by the annual interest rate, and then divided by 365. The annual percentage rate shall not be lower than the Company's average short-term bank loan interest rate.
- III. Unless otherwise specified, the interest on loans is paid monthly. The borrower shall pay interest on the agreed payment date.

Article 13:

Review procedures

I. Application procedures

- (I) The borrower shall provide basic information and financial information, and fill in the application form, stating the use of funds, the period and amount of the loan, to be sent to the Finance Department of the Company.
- (II) Where a loan is made to a company with which the Company does business, the Company's Finance Department shall evaluate whether the amounts for the loan and business transactions are comparable. Where a short-term financing facility is necessary, the reason and circumstances for the loan shall be stated, and a credit check shall be conducted. The relevant information and the proposed lending conditions shall be presented to the head of the Finance Department and the General Manager of the Company, and then to the Board of Directors for resolution.
- (III) When loaning funds to others, the opinions of each independent director shall be fully considered. If the independent director has had any objection or reservation, it shall be stated in the board meeting minutes.
- (IV) If the Company has established an Audit Committee, the provisions of Paragraph 3 to Subparagraph 5 of Article 5 shall apply mutatis mutandis to the establishment or amendment of the Procedures for Loaning Funds to Others.

II. Credit investigation

- (I) For the first-time borrowers, the borrower shall provide basic information and financial information for the credit investigation.
- (II) If it is a loan renewal, the credit survey shall be conducted again when the loan renewal is proposed. In case of a major or urgent event, the credit survey shall be conducted at any time depending on the actual needs.
- (III) If the borrower is financially sound and the annual financial statements have been audited by a CPA, the survey report less than one year old can be used, together with the CPA's audit report for the period, as a reference for the loan.
- (IV) When the Company conducts credit investigation on the borrower, it shall also assess the impact of the loaning of funds on the Company's operational risks, financial condition, and shareholders' equity.

III. Approval and notification of loans

- (I) After the credit check and evaluation are completed and the Board of Directors disapproves the loan, the handling personnel shall respond to the borrower as soon as possible with the reasons for rejection.
- (II) After the credit check and evaluation are completed and the Board of Directors approves the loan, the handling personnel shall notify the borrower in writing of the Company's lending conditions, including the amount, term, interest rate, collateral, and guarantor, etc. The borrower should complete the contract signing within the deadline.

#### IV. Contract signing and guarantee

- (I) For the loaning of funds, the handling personnel shall draft the contract clauses, and the supervisor shall review and send to the legal advisor for approval before signing the contract.
- (II) The content of the contract shall be consistent with the approved credit terms. After the borrower and the joint guarantor sign the contract, the handling personnel shall complete the confirmation process.

#### V. Collaterals and pledge valuation and rights setting

If a loan case is evaluated to require collateral, the borrower should provide collateral and go through the procedure of setting up pledge or mortgage. The Company is also required to evaluate the value of the collateral to ensure the Company's credit rights.

#### VI. Insurance

- (I) Except for land and securities, all collateral shall be covered by fire insurance and related insurance. The amount of insurance shall not be less than the collateral pledge. The policy shall specify that the Company is the beneficiary. The name, quantity, location, insurance conditions, insurance policy number and other information on the subject matter of the policy shall be consistent with the original loan conditions of the Company.
- (II) The clerk should pay attention to notify the borrower for renewal of the insurance before the expiry date.

#### VII. Payment

Once the terms of the loan are approved and the borrower signs the contract, and the registration of the collateral mortgage is completed, the funds can be distributed after all formalities are verified and found correct.

#### Article 14: Repayment

After a loan has been allocated, the financial, business, and credit condition of the borrower and the guarantor shall be monitored on a regular basis. If collateral has been provided, it shall also be monitored for any changes in its value. One month before a loan is due, the borrower shall be notified to repay the principal and interest on maturity.

- I. When the borrower repays the loan at or before it becomes due, the interest payable shall first be calculated and repaid together with the principal amount before the promissory note loan may be canceled and returned to the borrower.
- II. If the borrower has applied to cancel the mortgage, it shall be checked whether there is a balance of the loan prior to agreeing to the cancellation of the mortgage.

#### Article 15: Procedures for collecting overdue debts

- I. Overdue loans as referred to are the loans that are overdue in principal or interest for more than three months, or less than three months, but the debtor has been notified or disposed of the collateral. Overdue loans shall be transferred to the account of overdue receivables within six months after the settlement period.
- II. Non-performing credit and non-accrual credit shall be actively cleared up in accordance with the following provisions:
  - (I) After the debtor's financial and business condition has been reviewed and found that it remains operationally viable, the repayment terms of the original credit agreement may be amended in view of the credit balance outstanding and approved by the Board of Directors.
  - (II) If the debtor is considered to be unable to fully repay the principal, the Company may, according to the authorized amount set forth by the Board of Directors, make a proposal based on the facts. If the debtor is approved by the person with the right to do so, the Company may enter into a settlement with the debtor and then report it to the Board of Directors for reference.
  - (III) If a foreign creditor is unable to make full repayment on time due to the change of foreign exchange laws by the foreign government, a special report may be submitted to and approved by the Board of Directors.
- III. If the loan is overdue and transferred to the collection, the interest shall be stopped. However, the Company shall continue to collect the overdue receivables pursuant to the contract, and mark down the interest column in the account of each overdue receivable or make a memorandum of interest. If the interest receivable accrued on the overdue loan has not been transferred to the account of overdue receivable, it should be combined with the principal and transferred to the account of overdue receivable.
- IV. When any of the following circumstances applies to non-performing or non-accrual credit, the credit shall be written off as bad debt after deduction of the estimated recoverable portion:
  - (I) All or part of the debt is unrecoverable due to the dissolution, flight, settlement, or bankruptcy of the debtor or other reason.

- (II) The property of the collateral and the principal and the debtor is of low value or cannot be paid after deducting the priority mortgage or the borrower's right, or the execution cost is close to or exceeds the recoverable amount, and the execution is not effective.
- (III) Where there no buyers for the collateral and the property of the primary and secondary debtor after being auctioned at successively lower prices.
- (IV) More than two years have elapsed since the maturity date of the non-performing or non-accrual credit and collection efforts have failed.
- (V) The cancellation of overdue loans and non-performing loans shall be approved by the Board of Directors and notified to the Audit Committee. However, if the competent authority requires the transfer of the loan, the loan shall be transferred to bad debt and reported to the next Board of Directors, with notification to the Audit Committee for reference.

Article 16: Registration and custody of cases

- I. The Company shall prepare a memorandum book for its fund-lending activities and truthfully record the following information: borrower, amount, date of approval by the Board of Directors, lending/borrowing date, and matters to be carefully evaluated under these Procedures.
- II. After a loan is made, the loan officer shall put the contract, cashier's check and other certificates of claim, as well as collateral documents, insurance policies, correspondence documents into a bag for safekeeping. The contents in the bag and the name of the customer shall be stated on the bag to be submitted to the head of the Finance Department for inspection. After an inspection is performed and no mistakes are found, the registration book shall be signed and stamped by both parties for safekeeping.

Article 17: Notes on loaning funds to others:

- I. Before making a loan of funds to others, the Company shall carefully evaluate whether the loan is in compliance with these Procedures. The Company may loan funds to others only after the evaluation results have been submitted to and resolved upon by the Board of Directors. The Company shall not empower any other person to make such decision.
- II. Loans of funds between the Company and its subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the Board of Directors pursuant to the preceding paragraph, and the chairman may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the Board of Directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down. The "certain monetary limit" mentioned in the preceding paragraph on authorization for loans extended by the public company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the Company or the subsidiary audited or reviewed by CPAs, except in cases of companies in compliance with Paragraph 2, Article 11.
- III. Loans of funds between the Company and its subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the Board of Directors pursuant to the preceding paragraph, and the chairman may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the Board of Directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.
- IV. If the underlying subject of the loaning of funds of the Company does not meet the requirements of these Procedures or the amount of the loaning of funds exceeds the threshold due to changes in circumstances, the audit unit shall urge the Finance Department to formulate an improvement plan, and send the improvement plan to the Audit Committee, and report to the Board of Directors, and follow the schedule for completion and improvement.
- V. The handling personnel shall have the details of the loaning of funds to other companies in the previous month prepared and presented for review before the 10th day of each month.
- VI. If the Company engages in short-term financing in accordance with the regulations, in addition to the provisions of the preceding paragraph, it shall also strengthen the risk assessment and set the limit of loans to the unsecured goods, companies in the same industry and related companies, or group companies, respectively.

Article 18: Procedures for controlling and managing loans of funds to others by subsidiaries

- I. A subsidiary of the Company intending to loan funds to others shall also adopt these Procedures and loaning funds shall be handled under these Procedures. However, the net worth is calculated based on the net value of such subsidiary.
- II. The subsidiaries shall prepare a breakdown of loans to others of the previous month by the 10th day of each month (exclusive).
- III. The internal auditors of the subsidiaries shall audit the Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the audit unit of the Company. The Company's audit unit shall promptly notify

the audit committee in writing of any material violation found.

- IV. Auditors performing an audit on a subsidiary of the Company in accordance with the annual audit plan shall also understand the implementation of such subsidiary's Procedures for Loaning Funds to Others. Any deficiencies found shall be continuously tracked for improvement with a report on the tracking compiled which is to be submitted to the general manager.

Article 19: Information disclosure on loaning of funds to others

- I. The Company shall announce and report the previous month's loaning of funds to others of its head office and subsidiaries by the 10th day of each month.
- II. If the Company's loaning of funds to others reaches one of the following levels it shall announce and report such event on MOPS within two days commencing immediately from the date of occurrence:
- (I) The aggregate balance of the loaning of funds to others by the Company and its subsidiaries reaches 20% or more of the Company's net worth as stated in its latest financial statement.
  - (II) The balance of the loaning of funds to others by the Company and its subsidiaries for a single enterprise reaches 10% or more of the Company's net worth as stated in its latest financial statement.
  - (III) The amount of new loans made by the Company or its subsidiaries reaches NT\$10 million or more, and reaches 2% or more of the Company's net worth as stated in its latest financial statement.
- III. The "date of occurrence" as used in these Procedures means the date of contract signing, date of payment, dates of resolutions adopted by the Board of Directors, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier.
- IV. The Company shall announce and report on behalf of any subsidiary thereof that is not a domestic public company any matters set forth in Subparagraph 3, Paragraph 2.
- V. The Company shall evaluate the status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.

Article 20: Disciplinary actions

Where the company officer or the personnel in charge violate these Procedures, they shall be reported and appraised in accordance with the Company's Personnel Management Regulations and Employee Handbook and will be disciplined according to the severity of the situation.

Article 21: Implementation and amendments

These Procedures shall be approved by the Audit Committee, and shall be passed by the Board of Directors, and implemented after being submitted to the shareholders' meeting for approval. If any Director expresses dissent and there is a record or written statement, the Company shall send the dissenting opinion to the Audit Committee and submit it to the shareholders' meeting for discussion, and shall be amended in the same manner. When the Board of Directors discusses these Procedures pursuant to the preceding paragraph, the opinions of each independent director shall be taken into full consideration, and their supporting or opposing opinions and reasons shall be documented in the minutes of the Board meetings.

Article 22: Forms:

- 1. Memorandum for Endorsements/Guarantees (FF-4-02).
- 2. Memorandum for Loaning of Funds (FF-4-10).

Article 23: History

The procedures were established on April 27, 2003.  
The 1st amendment was made on May 12, 2006.  
The 2nd amendment was made on June 10, 2009.  
The 3rd amendment was made on February 9, 2010.  
The 4th amendment was made on June 15, 2010.  
The 5th amendment was made on June 11, 2013.  
The 6th amendment was made on June 21, 2018.  
The 7th amendment was made on June 21, 2019.



**FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.****Rules and Procedures for Shareholders' Meetings 2020.06.30**

- 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 an 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.

**FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.**  
**Shareholdings of Directors**

- I. As of March 25, 2025, the Company's paid-in capital is NT\$2,050,607,760, and the number of issued shares is 205,060,776.
- 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 12,000,000 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:

Job Title	Name	Date elected	Quantity of shares	Shareholding
Director	Meisen Holdings Co., Ltd. Representative: Yu-Ming Chang	2024.05.24	100,000	0.05%
Director	Meisen Holdings Co., Ltd. Representative: Peng-Kuang Tseng	2024.05.24	100,000	0.05%
Director	U-BEST INNOVATIVE TECHNOLOGY CO., LTD. Representative: Huang Nan-Hao	2024.05.24	28,396,121	13.85%
Director	Chi Fu Investment Co., Ltd. Representative: Chien-Hsien Tsai	2024.05.24	10,000,000	4.88%
Independent Director	Yu-Wen Chen	2024.05.24	-	-
Independent Director	Chung-Yue Lian	2024.10.21	-	-
Independent Director	Cheng-Chen Yeh	2024.10.21	-	-
Independent Director	Yi-Chun Tuan	2024.10.21	-	-
Number of shares held by all directors			38,496,121	18.78%

**Impact of Bonus Share Issuance on Business Performance, EPS, and Shareholder Return Rate:**

Not applicable as there were no stock dividend distributed in the current fiscal year.