Stock No: 2065

Sheh Fung Screws Co., Ltd.

2026 Annual General Meeting

Meeting Handbook

Time: 9:00 a.m. on June 4, 2026

Location: No. 180, East Section, Wenan Road, Mituo District, Kaohsiung City (the Company's Mituo Plant)

Convention Method: Physical Shareholders' Meeting

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Sheh Fung Screws Co., Ltd.
2026 Annual Shareholders Meeting Procedure

I. Call the meeting to order

II. Chairperson takes the chair

III. Chairperson's remarks

IV. Report items

V. Ratification items

VI. Discussion items

VII. Extemporary motions

VIII. Adjournment

Sheh Fung Screws Co., Ltd.
Agenda of the 2026 Annual Shareholders' Meeting

Convention Method: Physical Shareholders' Meeting
Time: 9:00 a.m. on June 4, 2026 (Thursday)
Location: No. 180, East Section, Wenan Road, Mituo District, Kaohsiung City (the Company's Mituo Plant)

I. Report items:
1. 2025 business report.
2. Audit Committee's review report on the 2025 final accounts.
3. Report on the distribution of 2025 employee compensation and directors' remuneration.
4. Report on the cash dividends from 2025 earnings distribution and cash distribution from capital surplus.

II. Ratification items:
1. 2025 business report and final accounts.
2. 2025 earnings distribution.

III. Discussion items:
1. Proposed partial amendments to the Company's "Procedures for Acquisition or Disposal of Assets."

IV. Extemporary motions:

V. Adjournment

Report items

Item 1
Subject: 2025 business report, submitted for review.
Description: Please refer to Attachment 1 on pages 7 to 10 of this handbook for the Company's 2025 business report.

Item 2
Subject: Audit Committee's review report on the 2025 final accounts, submitted for review.
Description: Please refer to Attachment 2 on page 11 of this handbook for the Company's 2025 Audit Committee review report.

Item 3
Subject: Report on the distribution of 2025 employee compensation and directors' remuneration, submitted for review.
Description: I. Handled in accordance with Article 235-1 of the Company Act and Article 19-1 of the Company's Articles of Incorporation.

II. Following the board resolution dated March 6, 2026, the Company's profit before tax for 2025 (excluding directors' and employee compensation) was NT$116,221,264. It is proposed to appropriate NT$2,880,000 as directors' remuneration, representing 2.48% of the profit before tax for 2025 (excluding directors' and employee compensation), and NT$8,000,000 as employee compensation, representing 6.88% of the profit before tax for 2025 (excluding directors' and employee compensation). Of the employee compensation, NT$3,801,000 is allocated to rank-and-file employees, which accounts for 47.51% of the total employee compensation, consistent with the amount estimated in the books. All shall be paid in cash.

Item 4
Subject: Report on the 2025 cash dividends from earnings distribution and cash distribution from capital surplus, submitted for review.
Description: In accordance with the Company's Articles of Incorporation, the Board of Directors is authorized to resolve, after the end of each quarter, to distribute earnings and capital surplus in cash and report the same to the shareholders meeting. The amounts and distribution dates of the 2025 quarterly cash dividends and cash distribution from capital surplus approved by resolution of the Board of Directors are as follows:

2025	Approval date (year/month/day)	Distribution date (year/month/day)	Cash dividend per share (NT$)	Total cash dividend (NT$)
Q1	2025/05/09	-	No distribution	-
Q2	2025/08/12	-	No distribution	-
Q3	2025/11/07	-	No distribution	-
Q4	2026/03/06	2026/05/08	1.5 (Note)	92,275,061
Total			1.5	92,275,061

Note: The cash dividend per share comprised NT$0.8 per share from cash dividends from earnings distribution (NT$50,813,366) and NT$0.7 per share from cash distribution from capital surplus (NT$44,461,695), for a total cash dividend of NT$1.5 per share (NT$92,275,061).

Ratification items

Item 1

Proposed by the Board of Directors

Subject: 2025 business report and final accounts, submitted for ratification.

Description:
I. The Company's 2025 business report and the Parent Company Only Financial Statements and Consolidated Financial Statements audited and certified by CPAs Yan-Da Su and Chen-Lung Hsu of KPMG Taiwan have been reviewed by the Audit Committee and approved by resolution of the Board of Directors.
II. Attached please find the business report (please refer to Attachment 1 on pages 7 to 10), the independent auditors' report, the Parent Company Only Financial Statements and the Consolidated Financial Statements (please refer to Attachment 3 on pages 12 to 25), which are hereby submitted for ratification.

Resolutions:

Item 2

Proposed by the Board of Directors

Subject: 2025 earnings distribution, submitted for ratification.

Description:
I. The Company's 2025 earnings distribution proposal was prepared by the Board of Directors on March 6, 2026 in accordance with the Company Act and the Company's Articles of Incorporation, as detailed on the following page.
II. Submitted for ratification.

Sheh Fung Screws Co., Ltd.

2025 Earnings Distribution Table

Unit: NT$

Item	Amount
Beginning unappropriated retained earnings	$213,953,474
Add: Remeasurements of defined benefit plans for 2025 recognized in retained earnings	415,543
Add: Profit available for distribution	214,369,017
Add: Net profit after tax for 2025	70,671,546
Disposal of equity instruments measured at fair value through other comprehensive income	(75,609,508)
Less: Legal reserve appropriated (10%)	
Cumulative legal reserve already appropriated for the first three quarters of 2025	0
Annual difference in legal reserve to be appropriated	0
Less: Special reserve appropriated for equity reduction item	(148,654,681)
Unappropriated earnings available for distribution for the current period	60,776,374
Distribution items	
1. Shareholders' dividends - cash dividends	
Amount of 2025 interim earnings distribution already resolved for distribution	0
Shareholders' dividends - cash dividends (NT$0.80/share) (Note 1)	(50,813,366)
Ending unappropriated retained earnings	$9,963,008

Note 1: Shareholders' dividends - cash dividends: 63,516,707 shares * NT$0.80 = NT$50,813,366.

Chairman: Tai-Yuan Du　　Manager: Chun-Yen Chen　　Chief Accountant: Hsiu-Chu Chen

Resolutions:

Discussion items

Item 1

Proposed by the Board of Directors

Subject: Proposed partial amendments to the Company's "Procedures for Acquisition or Disposal of Assets," submitted for resolution.

Description: I. In response to organizational development and operational needs, it is proposed to partially amend the Company's "Procedures for Acquisition or Disposal of Assets."

II. Please refer to Attachment 4 on pages 26 to 27 of this handbook for the comparison table of the amended provisions, which is hereby submitted for resolution.

Resolutions:

Extemporary motions

Adjournment

Attachment I Business Report for 2025

Sheh Fung Screws Co., Ltd.
2025 Business Report

I. 2025 Business Report

1. 2025 Business Plan Implementation Results

In 2025, the global economy exhibited moderate growth with slowing momentum, influenced by a combination of a high-interest rate environment and geopolitical uncertainties. Major economies have maintained a prudent stance on monetary policy. Although global inflation has receded from its peak, the business operating environment continues to face many uncertainties due to ongoing interference from geopolitical conflicts and trade policy changes, as well as more severe extreme weather events.

In 2025, under the dual challenges of high tariffs imposed by the United States and the appreciation of the New Taiwan dollar, the Company's operating performance also faced the predicament of decline; however, profitability was affected by factors including the initial operating costs of the Vietnam plant and personnel training. The Company's consolidated net operating revenue for 2025 was NT$2,072,496 thousand, a decrease of 10.76% from 2024, and consolidated operating profit for 2025 was NT$99,350 thousand, a decrease of 56.64% from 2024.

2. Budget implementation status

The Company did not publish a public financial forecast for 2025, so there were no budget achievements to report.

3. Analysis of financial income and expenditure and profitability

(1) Financial income and expenditure (consolidated)

Unit: NT$ thousands

Item	2025	2024	Increase (decrease) amount	Increase (decrease) ratio %
Cash flow from operating activities	185,528	327,680	(142,152)	(43.38%)
Cash flow from investing activities	(698,680)	(101,239)	(597,441)	(590.13%)
Cash flow from financing activities	362,165	(252,312)	614,477	(243.54%)

(2) Profitability (consolidated)

Item		2025	2024
Return on assets (%)		2.92	6.75
Return on equity (%)		3.84	11.44
Ratio to paid-in capital	Operating profit	15.64	38.55
	Net profit before tax	16.58	47.17
Net profit (loss) margin (%)		3.41	8.85
Earnings per share (NT$)	Before adjustment	1.12	3.56
	After adjustment	1.11	3.26

4. Research and development status

In 2025, the Company continued to develop new related derivative functions and process technologies for existing products:

(1) Ductwork sheet metal self-tapping screws
(2) Aluminum sheet stainless steel self-drilling screws
(3) Labor-saving wood screw for European hardwood
(4) Australian twin-wing composite board screw

II. Summary of the 2026 business plan

1. Business Principles

(1) Strengthen global operations and resource allocation to enhance cross-regional production scheduling and order flexibility in response to market and supply chain dynamics.
(2) Deepen collaboration between R&D and manufacturing, shorten the new product introduction timeline, and improve R&D commercialization efficiency.

(3) Invest in smart manufacturing technology (e.g., automatic inspection, AI parameter adjustment) to improve production efficiency.
(4) Improve the timeliness and accuracy of data relating to production, quality, and delivery as an important basis for management decision-making and continuous improvement.
(5) Continue to adjust the product and customer structure while maintaining revenue scale, and gradually increase the proportion of high value-added products to improve the gross profit structure.
(6) Continually review and reduce waste and quality abnormality costs in the manufacturing process, and improve resource efficiency and overall production efficiency.
(7) Strengthen process standardization management and clearly define key process operations and quality control points to reduce the impact of variations in staff experience on product quality stability.
(8) Improve the timeliness of quality anomaly notification and feedback to shorten problem analysis and resolution time, and reduce the impact of quality anomalies on delivery and customer satisfaction.
(9) Continue to strengthen the autonomous production capability of overseas sites and enhance the maturity of process execution and quality management to improve overall supply flexibility and stability.
(10) Enhance the management and technical development of local overseas managerial officers to ensure effective transfer of core processes and management experience, supporting the long-term stable operation of overseas sites.
(11) Establish consistent production and quality standards across sites to enhance the comparability and consistency of process performance and quality standards at each production site.
(12) Reduce the risk of operational dependence on single key personnel and improve organizational stability and resilience through institutionalization and multi-skilled worker training.
(13) Integrate smart manufacturing and smart logistics to enhance operational and production efficiency, and leverage data analysis and smart manufacturing technology to improve production efficiency.

2. Expected Sales Volume and Basis Thereof
   (1) The Company estimated sales volume for 2026
   The Company's shipment target for 2026 is 28,525 metric tons.
   (2) Basis for the expected sales volume for 2026
      A. End-customer inventory adjustments over the past two years are nearing completion. However, ongoing global economic instability, compounded by tariff policies implemented by U.S. President Trump, is adding further complexity to the market. Therefore, end customers' procurement strategy remained relatively conservative, and order momentum in 2025 was also relatively stable. Explosive growth is not expected.
      B. The official commencement of production by the Vietnam subsidiary positively supports market development. In addition to reducing customers' sense of insecurity arising from geopolitical risks, it also provides customers with another option in the face of tariff trade wars, offering diversified solutions in terms of cost and taxation.
      C. The German-made production equipment has been installed and commenced production, helping improve production efficiency and quality stability, and assisting the sales side in developing the higher-value long-length screw market.
      D. Promote products that have obtained ETA certification to develop the high-end market.
      E. The appointment of agents and brand promotion are continuing.
      F. New product development and promotion.

3. Important Production and Sales Policies
   (1) Sales Strategy
   A. Continue to enhance the collaborative development model with customers and strengthen manufacturers' professionalism and flexibility.
   B. Continue to promote the strategic position and advantages of the Vietnam plant to reduce the risk of supply chain disruption caused by geopolitics and natural and man-made disasters.

C. Secure orders by adopting appropriate pricing strategies, quality assurance, and accurate delivery times.
D. Continue product certification to enhance the added value of products.
E. Provide additional services beyond products to improve customer satisfaction and loyalty.
F. Regularly hold video conferences and conduct customer visits to continue deepening customer relationship management.
G. Enhance the convenience of one-stop procurement.
H. Participate in important well-known exhibitions to increase market visibility.

(2) Production Strategy

A. Add digital boxes to the production lines to provide real-time visibility into machine production status.
B. Add multi-stroke forming machines to support automotive fastener production.
C. Add large-size thread rolling machines to accommodate large-size orders.
D. Digitalization of pre-process self-inspection to enhance quality requirements.
E. Automated powder spray nozzle equipment
F. Continue energy-saving planning and implementation.

(3) Quality Strategy

A. Establish a prevention-oriented approach and upgrade to pre-process and in-process control. Utilize FMEA, SPC, and process audit tools to identify and reduce quality risks early on, ensuring product quality and reducing rework and scrap costs.
B. Enhance supply chain management and collaborate with key suppliers on quality improvement plans to establish a stable supply chain system.
C. Develop a company-wide quality culture and implement a continuous improvement mechanism. Enhance the quality awareness of all employees through education and training and cross-departmental quality improvement activities, making quality a core competitive advantage of the enterprise rather than merely the responsibility of the quality assurance department.
D. Implement quality audits and internal control systems, enhance the transparency and compliance of quality management, and ensure operational compliance and stability.
E. Promote talent cultivation and enhancement of professional capabilities, and continue to plan professional quality training and competency development mechanisms to cultivate talent with process, system, and problem-solving capabilities, thereby strengthening the capabilities of the quality organization.

III. Future Development Strategies

1. Continue to optimize the product and customer structure, increase the proportion of stable orders and high value-added products, and reduce the long-term impact of price competition on operational performance.
2. Deepen manufacturing capability and the quality management system, and establish a replicable and scalable process foundation to support the Company's long-term stable growth.
3. Strengthen global operations and cross-site collaboration capability, improve supply flexibility and service consistency to meet customers' global needs.
4. Continue to invest in R&D and technology accumulation, establish differentiated products and core technology advantages, and enhance market entry barriers and brand value.
5. Promote the digitalization of operations and management, improve decision-making efficiency and forward-looking capability, and enhance the visibility and control of overall business management.
6. Strengthen the organizational system and talent development to build a capable and flexible management team, and reduce the impact of key personnel on operations.
7. Enhance operational resilience and risk management capabilities, diversify market, production capacity, and organizational risks, and ensure the Company's long-term stable operations.
8. Promote sustainable development under prudent operating principles, balance economic benefits, organizational growth, and long-term responsibilities, and create long-term corporate value.

IV. Impacts from the External Competitive Environment, Regulatory Environment, and Macroeconomic Environment

The overall operating environment in 2025 still faced multiple external challenges. In terms of industry competition, the global screw market remained highly competitive, with significant price pressure. Low-price competition showed no sign of easing, and product gross margin continued to be squeezed. Meanwhile, customers' procurement behavior became more prudent, with increasing requirements for price, quality, and delivery time. Order structures also became more dispersed than in the past, bringing a certain impact on operational stability.

In terms of the regulatory environment, laws and regulations relating to labor, environmental protection, and occupational safety in various countries have continued to become more stringent. The Company must invest more resources to respond to compliance requirements, and related management and operating costs have increased accordingly. In addition to complying with local regulations, overseas sites must also cooperate with the Group's internal management and internal control systems. The complexity of overall operations and management has increased compared with the past, posing challenges to organizational coordination and management efficiency.

In terms of the overall operating environment, global economic growth momentum has slowed, and the high-interest rate environment and geopolitical factors have increased market uncertainty. Customers' investment and inventory strategies have become more conservative, decision-making time for placing orders has lengthened, and order visibility has relatively declined. The above factors require the Company to exercise greater prudence in capacity planning, resource allocation, and operational decision-making to respond to market volatility risks.

In the face of the impact brought about by external competition, regulatory requirements, and changes in the overall operating environment, the Company in 2025 still adhered to prudent operating principles, continued to adjust its product and customer structure, strengthened internal management and production efficiency, and enhanced operational flexibility and risk control capabilities, in order to reduce the impact of changes in the external environment on overall operations and maintain the Company's long-term stable development.

Looking ahead, the Company will continue to promote an operational strategy with clear division of labor and complementarity based on the positioning of different sites. The Taiwan plant will continue to focus on deepening core processes, quality management, R&D technology, and management systems; strengthen the development capability for high value-added products, customized products, and new processes; and serve as the center of the Group's manufacturing technology, quality standards, and management systems, supporting overall operations and the development of overseas sites.

Through the division of labor, cooperation, and coordinated development between the Taiwan plant and the Vietnam plant, the Company will continue to enhance overall operational resilience and market competitiveness and, under prudent operating principles, gradually build an operational foundation capable of supporting mid- to long-term growth in response to future changes and challenges in the market environment.

Wish all Shareholders

Good health and every success

Chairman: Tai-Yuan Du

Managerial officer: Chun-Yen Chen

Chief Accounting Officer: Hsiu-Chu Chen

Attachment II Audit Committee's Review Report for 2025

Sheh Fung Screws Co., Ltd.
Audit Committee Report

The Board of Directors has prepared the Company's 2025 Parent Company Only Financial Statements and Consolidated Financial Statements, which have been audited by CPAs Yen-Ta Su and Chen-Lung Hsu of KPMG, who issued an auditors' report with an unqualified opinion and an other matter paragraph, and no nonconformities were found.

The aforementioned 2025 Parent Company Only Financial Statements and Consolidated Financial Statements, business report, and earnings distribution table prepared and submitted by the Board of Directors have been reviewed by the Audit Committee, which found no nonconformities. Accordingly, this report is submitted for review pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely

Sheh Fung Screws Co., Ltd. 2026 Annual General Meeting

Audit Committee Convener:

March 6, 2026

Attachment III 2025 Independent Auditors' Report and Financial Statements

Auditor's Report

To the Board of Directors of Sheh Fung Screws Co., Ltd.

Audit Opinions

We have audited the accompanying Balance Sheet of Shih Feng Screw Co., Ltd. (the "Company") as of December 31, 2025 and 2024, and the Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the years then ended, and relevant notes to the individual financial statements, including a summary of significant accounting policies.

In our opinion, based on our audit results and other auditors' reports (see Other Matters section), the accompanying individual financial statements present fairly, in all material respects, as of December 31, 2025 and 2024, and its financial performance and its cash flows for 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 auditing standards. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the individual 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 requirements. Based on our audit results and other auditors' reports, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other stipulations

Included in the above parent company only financial statements under investments accounted for using the equity method, the financial statements of Sanitar Co., Ltd. have not been audited by us, but were audited by other auditors. Therefore, in our opinion on the above parent company only financial statements for the year 2025, the amounts related to the financial statements of Sanitar Co., Ltd. are based on the audit reports of other auditors. As of December 31, 2025, the investment in Sanitar Co., Ltd. accounted for using the equity method represented 13.47% of total assets, and the share of the investee's profit or loss recognized under the equity method for 2025 accounted for 20.57% of profit before tax.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined that the following matters should be communicated as key audit matters in the audit report:

Assessment of obsolescence losses on inventory

Please refer to Note 4(7) to the individual financial statements for accounting policies regarding inventory; please refer to Note 5 to the individual financial statements for accounting estimates and assumption uncertainties related to inventory valuation; and please refer to Note 6(7) to the individual financial statements for relevant disclosures regarding inventory devaluation losses.

Description of key audit matters:

The inventory of the Company primarily consists of screws and their raw materials, used in construction projects and outdoor maintenance. The sales volume of relevant products may fluctuate significantly due to changes in market demand or peer competition, potentially leading to inventory obsolescence and a risk of costs exceeding net realizable value. Therefore, we consider obsolescence losses as a key audit of the Company's individual financial statements.

Corresponding audit procedures:

Our main audit procedures for the above key audits include understanding the inventory obsolescence evaluation policy adopted by management and comparing the actual status of obsolete inventory in the past to evaluate the accuracy of management's past estimates. We also obtain the inventory aging report and select a sample to verify inventory movement slips, testing the accuracy of the aging calculation. Furthermore, we recalculate the allowance for inventory obsolescence based on the obsolescence provision rates applicable to the inventory aging intervals, and evaluate whether the Company's disclosure of information related to the allowance for inventory losses is appropriate.

Responsibilities of Management and Governing Bodies for Individual Financial Statements

The responsibilities of management are to prepare individual financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, ensuring they present fairly, and to maintain the necessary internal controls related to their preparation to enable the preparation of individual financial statements free from material misstatement, whether due to fraud or error.

In preparing the individual 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 (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual 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 assurance but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. The misstatements might be due to fraud or error. If an individual or total amount misstated was reasonably expected to have an impact on the economic decision-making of users of the individual financial statements, the misstatement was deemed as material.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the individual 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 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, and 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 auditor’s report to the related disclosures in the individual 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the individual financial statements, including the disclosure, and whether the individual 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 the entities or business activities within the Company, to express an opinion on the individual financial statements. We are responsible for the direction, supervision, and performance of the Company's 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 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 individual financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report as the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG in Taiwan

CPA:

Approval Number from the Securities Authority : Jin-Guan-Zheng-Shen No. 1070304941
Jin-Guan-Zheng-Liu-Zi No. 0960069825

March 6, 2026

Sheh Fung Screws Co., Ltd.

Balance Sheet

December 31, 2025 and 2024

Unit: NT$ thousands

	Assets	2025.12.31 Amount	%	2024.12.31 Amount	%
11xx	**Current assets:**				
1100	Cash and cash equivalents (Note 6(1))	$ 259,425	8	292,224	10
1140	Financial assets at amortized cost - current (Notes 6(4) and 8)	2,500	-	-	-
1150	Net notes receivable (Note 6(5) and (20))	63	-	15	-
1170	Net accounts receivable (Note 6(5) and 20)	375,277	12	408,899	14
1200	Other receivables (Note 6(6))	11,701	-	12,729	-
1210	Other receivables - related parties (Notes 6(6) and 7)	482,565	15	422,899	14
1220	Current tax assets	3,166	-	-	-
1310	Inventory (Notes 6(7))	433,715	14	526,954	18
1410	Prepayments	7,362	-	9,873	-
	Total current assets	1,575,774	49	1,673,593	56
15xx	**Non-current assets:**				
1510	Financial assets at fair value through profit or loss - non-current (Note 6(2))	91,904	3	28,872	1
1517	Financial assets measured at fair value through other comprehensive income-non-current (Notes 6(3), (8) and 7)	183,055	6	262,609	9
1541	Financial assets at amortized cost - non-current (Notes 6(4) and 8)	-	-	2,500	-
1550	Investments accounted for using the equity method (Note 6(3), (8) and 7)	763,374	24	395,509	13
1600	Property, plant and equipment (Notes 6(9), (10), (13), 7 and 8)	538,104	17	580,825	20
1755	Right-of-use assets (Notes 6(9), (10) and (15))	28,695	1	29,572	1
1780	Intangible assets (Note 6(11))	3,301	-	3,203	-
1840	Deferred tax assets (Note 6(17))	1,710	-	3,587	-
1920	Refundable deposits	8,173	-	7,341	-
1981	Cash surrender value of life insurance	-	-	4,837	-
1990	Other non-current assets (Notes 6(9) and 9)	9,283	-	9,525	-
	Total non-current assets	1,627,599	51	1,328,380	44
1xxx	**Total assets**	$ 3,203,373	100	3,001,973	100

	Liabilities and equity	2025.12.31 Amount	%	2024.12.31 Amount	%
21xx	**Current liabilities:**				
2100	Short-term borrowings (Notes 6(12))	$ 330,000	10	170,000	6
2130	Contract liabilities - current (Note 6(20))	5,789	-	9,896	-
2150	Notes payable (Note 7)	-	-	111,518	4
2170	Accounts payable (Note 7)	59,430	2	47,534	1
2216	Dividend payable (Note 6(18))	-	-	29,477	1
2200	Other payables (Notes 6(21) and 7)	232,808	7	175,543	6
2230	Current tax liabilities	20,696	1	28,364	1
2280	Lease liabilities - current (Note 6(15))	9,169	-	7,843	-
2321	Corporate bonds due or with a put option within one year or one operating cycle (Note 6(14) and (18))	-	-	200,366	7
2322	Long-term borrowings due within one year (Notes 6(9), (13) and 8)	163,712	5	123,750	4
2399	Other current liabilities	1,777	-	1,795	-
	Total current liabilities	823,381	25	906,086	30
25xx	**Non-current liabilities:**				
2540	Long-term borrowings (Notes 6(9), (13), and 8)	574,114	18	170,809	6
2570	Deferred tax liabilities (Note 6(17))	4,321	-	2,469	-
2580	Lease liabilities - non-current (Note 6(15))	19,626	1	21,692	1
2640	Net defined benefit liability - non-current (Note 6(16))	2,592	-	3,116	-
2645	Guarantee deposits received	70	-	169	-
	Total non-current liabilities	600,723	19	198,255	7
2xxx	**Total liabilities**	1,424,104	44	1,104,341	37
31xx	**Shareholders' equity (Note 6(14), (16), (17) and (18)):**				
3100	Share capital	635,167	20	594,322	20
3200	Capital reserve	823,006	26	709,729	23
33xx	Retained earnings:				
3310	Legal reserve	260,320	8	256,642	9
3320	Special reserve	23,708	1	-	-
3350	Unappropriated earnings	209,431	6	360,647	12
	Subtotal of retained earnings	493,459	15	617,289	21
3400	Other equities	(172,363)	(5)	(23,708)	(1)
	Total equity	1,779,269	56	1,897,632	63
2-3xxx	**Total liabilities and equity**	$ 3,203,373	100	3,001,973	100

(Please refer to the notes to the individual financial statements attached)

Chairman: Du Tai-Yuan **Manager: Chen Chun-Yen** **Accounting Supervisor: Chen Hsiu-Chu**

Sheh Fung Screws Co., Ltd.

Statement of Comprehensive Income

January 1 to December 31, 2025 and 2024

Unit: NT$ thousands

		2025		2024	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (Notes 6(20) and 7)**	$ 1,952,424	100	2,300,914	100
5000	**Operating costs (Notes 6(7), (9), (10), (11), (15), (16), (21), 7, and 12)**	1,611,528	83	1,809,458	79
5900	**Gross profit**	340,896	17	491,456	21
6000	**Operating expenses (Notes 6(5), (9), (10), (11), (15), (16), (21), 7 and 12):**				
6100	Marketing expenses	40,178	2	44,101	2
6200	Management expenses	121,304	6	130,811	6
6300	Research and development expenses	10,843	1	11,343	-
6450	Expected credit loss (reversal gain)	55	-	(127)	-
	Total operating expenses	172,380	9	186,128	8
6900	**Net operating profit**	168,516	8	305,328	13
7000	**Non-operating income and expenses (Notes 6(2), (8), (14), (15), (22) and 7):**				
7100	Interest income	15,492	1	12,629	-
7010	Other revenue	30,455	2	15,724	1
7020	Other gains and losses	(14,563)	-	59,467	3
7050	Financial cost	(19,984)	(1)	(13,854)	(1)
7070	Share of profit or loss of subsidiaries and affiliates recognized using the equity method	(74,574)	(4)	(98,639)	(4)
	Total non-operating income and expenses	(63,174)	(2)	(24,673)	(1)
7900	**Net profits before tax**	105,342	6	280,655	12
7950	**Less: Income tax expense (Note 6(17))**	34,670	2	75,186	3
8200	**Net profits for the period**	70,672	4	205,469	9
8300	**Other comprehensive income:**				
8310	**Items not reclassified to profit or loss (Note 6(16), (17) and (18))**				
8311	Re-measurement of defined benefit plan	520	-	1,481	-
8316	Unrealized valuation gains or losses on equity instruments measured at fair value through other comprehensive income	(184,164)	(10)	(112,720)	(5)
8349	Income tax related to items not subject to reclassification	(104)	-	(296)	-
	Total items not reclassified to profit or loss items.	(183,748)	(10)	(111,535)	(5)
8360	**Items that may be reclassified to profit or loss subsequently (Note 6(8), (17) and (18))**				
8361	Exchange differences on translation of financial statements of foreign operating units	(32,921)	(2)	8,843	-
8380	Share of other comprehensive income of affiliates recognized using the equity method	(7,180)	-	-	-
8399	Income tax related to potentially reclassified items	-	-	-	-
	Total items potentially reclassified to profit or loss:	(40,101)	(2)	8,843	-
8300	**Other comprehensive income for the period (net of tax)**	(223,849)	(12)	(102,692)	(5)
8500	**Total comprehensive income for the period**	**$ (153,177)**	**(8)**	**102,777**	**4**
	Earnings per share (unit: NT$) (Note 6(19))				
9750	Basic earnings per share	**$**	**1.12**		**3.56**
9850	Diluted earnings per share	**$**	**1.11**		**3.26**

(Please refer to the notes to the individual financial statements attached)

Chairman: Du Tai-Yuan **Manager: Chen Chun-Yen** **Accounting Supervisor: Chen Hsiu-Chu**

Sheh Fung Screws Co., Ltd.

Statement of Changes in Equity

January 1 to December 31, 2025 and 2024

Unit: NT$ thousands

	Share capital	Capital reserve	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Unappropriated earnings	Retained earnings: Total	Other equity items: Exchange differences on translation of financial statements of foreign operating units	Other equity items: Unrealized valuation gains or losses on financial assets measured at fair value through other comprehensive income	Other equity items: Total	Total equity
Balance as of January 1, 2024	$ 533,998	504,445	234,809	-	340,973	575,782	(10,573)	90,742	80,169	1,694,394
Net profits for the period	-	-	-	-	205,469	205,469	-	-	-	205,469
Other comprehensive income for the period	-	-	-	-	1,185	1,185	8,843	(112,720)	(103,877)	(102,692)
Total comprehensive income for the period	-	-	-	-	206,654	206,654	8,843	(112,720)	(103,877)	102,777
Earnings appropriation and distribution:										
Appropriation of legal reserve	-	-	21,833	-	(21,833)	-	-	-	-	-
Common share cash dividends	-	-	-	-	(165,147)	(165,147)	-	-	-	(165,147)
Cash distribution from capital reserve	-	(27,134)	-	-	-	-	-	-	-	(27,134)
Conversion of convertible bonds	60,324	232,418	-	-	-	-	-	-	-	292,742
Balance as of December 31, 2024	**594,322**	**709,729**	**256,642**	**-**	**360,647**	**617,289**	**(1,730)**	**(21,978)**	**(23,708)**	**1,897,632**
Net profits for the period	-	-	-	-	70,672	70,672	-	-	-	70,672
Other comprehensive income for the period	-	-	-	-	416	416	(40,101)	(184,164)	(224,265)	(223,849)
Total comprehensive income for the period	-	-	-	-	71,088	71,088	(40,101)	(184,164)	(224,265)	(153,177)
Earnings appropriation and distribution:										
Appropriation of legal reserve	-	-	3,678	-	(3,678)	-	-	-	-	-
Appropriation to special reserve	-	-	-	23,708	(23,708)	-	-	-	-	-
Common share cash dividends	-	-	-	-	(119,308)	(119,308)	-	-	-	(119,308)
Cash distribution from capital reserve	-	(41,758)	-	-	-	-	-	-	-	(41,758)
Conversion of convertible bonds	40,845	152,343	-	-	-	-	-	-	-	193,188
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	(75,610)	(75,610)	-	75,610	75,610	-
Exercise of right of disgorgement	-	2,692	-	-	-	-	-	-	-	2,692
Balance as of December 31, 2025	**$ 635,167**	**823,006**	**260,320**	**23,708**	**209,431**	**493,459**	**(41,831)**	**(130,532)**	**(172,363)**	**1,779,269**

(Please refer to the notes to the individual financial statements attached)

Chairman: Du Tai-Yuan **Manager: Chen Chun-Yen** **Accounting Supervisor: Chen Hsiu-Chu**

Sheh Fung Screws Co., Ltd.
Statement of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: NT$ thousands

	2025	2024
Cash flow from operating activities:		
Net income before tax	$ 105,342	280,655
Adjustment items:		
Income/expense items		
Depreciation expenses	77,617	80,694
Amortization expenses	2,287	2,153
Expected credit loss (reversal gain)	55	(127)
Net loss (gain) on financial assets/liabilities measured at fair value through profit or loss	(13,032)	1,738
Interest expenses	19,984	13,854
Interest income	(15,492)	(12,629)
Dividend income	(9,524)	(7,143)
Share of (loss) or gain of subsidiaries accounted for using the equity method	74,574	98,639
Gains on disposals of property, plant and equipment	(1,538)	(2,741)
Lease modification benefit	-	(18)
Unrealized foreign exchange gains	(9,471)	(13,414)
Total income and expense items with no impact on cash flow	125,460	161,006
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Decrease (increase) in notes receivable	(48)	23
Decrease in accounts receivable	38,157	64,965
Other receivables decreased.	893	1,972
Other receivables - decrease (increase) in related parties	(28,246)	6,009
Decrease (increase) in inventory	93,239	(35,022)
Decrease (increase) in prepayments	2,511	(6,622)
Total net changes in assets from operating activities	106,506	31,325
Net changes in liabilities from operating activities:		
Decrease in financial liabilities held for trading	-	(610)
Increase (decrease) in current contract liabilities	(4,107)	554
Decrease in notes payable	(111,518)	(35,990)
Increase in accounts payable	11,890	2,254
Increase (decrease) in other payables	60,489	(12,061)
Increase (decrease) of other current liabilities	(18)	29
Decrease in net defined benefit liability	(4)	(28)
Total changes in liabilities from operating activities	(43,268)	(45,852)
Total changes in operating assets and liabilities	63,238	(14,527)
Total adjustments	188,698	146,479
Cash inflow from operations	294,040	427,134
Interest received	14,882	11,050
Dividends received	33,524	21,429
Interest paid	(19,709)	(9,665)
Income tax paid	(41,879)	(62,714)
Net cash inflow from operating activities	280,858	387,234
Cash flow from investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive income	(545,610)	(7,293)
Disposal of financial assets at fair value through other comprehensive income	441,000	-
Acquisition of financial assets measured at fair value through profit or loss	(50,000)	(30,000)
Acquisition of investments accounted for using the equity method	(506,540)	
Acquisition of property, plant and equipment	(25,388)	(32,764)
Proceeds from disposal of property, plant and equipment	3,276	4,967
Increase in other receivables-related parties	(26,684)	(107,410)
Acquisition of intangible assets	(156)	(1,000)
Increase in refundable deposits	(832)	(1,619)
Decrease (increase) in life insurance cash surrender value	4,837	(312)
Increase in other non-current assets	(6,520)	(5,385)
Net cash outflow from investment activities	(712,617)	(180,816)
Cash flow from financing activities:		
Increase in short-term loans	1,340,000	930,061
Decrease in short-term loans	(1,180,000)	(1,020,061)
Borrow long-term loans	610,000	150,000
Repayment of long-term loans	(166,733)	(91,513)
Lease principal payment	(9,653)	(8,176)
Decrease in guarantee deposits	(99)	(97)
Distribution of cash dividends	(190,543)	(241,455)
Repayment of corporate bonds at maturity	(7,600)	-
Exercise of right of disgorgement	2,692	-
Net cash inflow (outflow) from financing activities	398,064	(281,241)
Effect of foreign exchange rate changes on cash and cash equivalents	896	1,066
Decrease in cash and cash equivalents for the period	(32,799)	(73,757)
Beginning balance of cash and cash equivalents	292,224	365,981
Ending balance of cash and cash equivalents	$ 259,425	292,224

(Please refer to the notes to the individual financial statements attached)

Chairman: Du Tai-Yuan **Manager: Chen Chun-Yen** **Accounting Supervisor: Chen Hsiu-Chu**

Independent Auditor's Report

To the Board of Directors of Sheh Fung Screws Co., Ltd.

Audit Opinions

We have audited the accompanying Consolidated Balance Sheet of Sheh Fung Screws Co., Ltd. and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flows for the years then ended, and relevant notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audit results and the audit report of other auditors (please refer to the other stipulations paragraph), the above consolidated financial statements have been prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs, IASs, Interpretations, and Interpretation Bulletins endorsed and issued into effect by the FSC, and present fairly the consolidated financial position of the Sheh Fung Group as of December 31, 2025 and 2024, and its consolidated financial performance and consolidated cash flows for the periods from January 1 to December 31, 2025 and 2024.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. 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 Sheh Fung 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. Based on our audit results and the audit report of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Stipulations

Among the investments accounted for using the equity method included in the above consolidated financial statements for 2025, the financial statements of Sanitar Co., Ltd. were not audited by us but were audited by other auditors. Accordingly, the amounts related to the financial statements of Sanitar Co., Ltd. included in our opinion on the above consolidated financial statements for 2025 are based on the audit report of other auditors. As of December 31, 2025, the investment in Sanitar Co., Ltd. accounted for using the equity method represented 12.72% of consolidated total assets. The share of profit or loss of the associate recognized under the equity method from Sanitar Co., Ltd. in 2025 represented 20.57% of consolidated profit before tax.

Sheh Fung Screws Co., Ltd. has prepared its individual financial statements for 2025 and 2024. We have issued audit reports with an unqualified opinion with an other stipulations paragraph and an unqualified opinion, respectively, for reference.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the Sheh Fung Group for 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. The key audit matters that we have determined should be communicated in the audit report are as follows:

Assessment of obsolescence losses on inventory

Please refer to Note 4(8) to the consolidated financial statements for accounting policies regarding inventory; please refer to Note 5 to the consolidated financial statements for accounting estimates and assumption uncertainties related to inventory valuation; and please refer to Note 6(7) to the consolidated financial statements for relevant disclosures regarding inventory devaluation losses.

Description of key audit matters:

The inventory of Sheh Fung Group primarily consists of screws and their raw materials, used in construction projects and outdoor maintenance. The sales volume of relevant products may fluctuate significantly due to changes in market demand or peer competition, potentially leading to inventory obsolescence and a risk of costs exceeding net realizable value. Therefore, we consider obsolescence losses as a key audit of Sheh Fung Group’s consolidated financial statements.

Corresponding audit procedures:

Our main audit procedures for the above key audits include understanding the inventory obsolescence evaluation policy adopted by management and comparing the actual status of obsolete inventory in the past to evaluate the accuracy of management’s past estimates. We also obtain the inventory aging report and select a sample to verify inventory movement slips, testing the accuracy of the aging calculation. Furthermore, we recalculate the allowance for inventory obsolescence based on the obsolescence provision rates applicable to the inventory aging intervals, and evaluate whether the Company’s disclosure of information related to the allowance for inventory losses is appropriate.

Responsibilities of Management and Governing Bodies for Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs, IASs, Interpretations, and Interpretation Bulletins endorsed and issued into effect by the FSC, and for maintaining the necessary internal control relevant to the preparation of the consolidated financial statements to ensure that the consolidated financial statements are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing Sheh Fung 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) are responsible for overseeing Sheh Fung Group’s financial reporting process.

Auditor's 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 assurance but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. The misstatements might be due to fraud or error. If an individual or total amount misstated was reasonably expected to have an impact on the economic decision-making of users of the consolidated financial statements, the misstatement was deemed as material.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess 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 Sheh Fung Group’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, and whether a material uncertainty exists related to events or conditions that may cast significant doubt on Sheh Fung Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s 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 auditor's report. However, future events or conditions may cause Sheh Fung Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosure, 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 the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group's 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 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 consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report as the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG in Taiwan

CPA:

Approval Number from the : Securities Authority	Jin-Guan-Zheng-Shen No. 1070304941 Jin-Guan-Zheng-Liu No. 0960069825

March 6, 2026

Sheh Fung Screws Co., Ltd., and its subsidiaries

Consolidated Balance Sheet

December 31, 2025 and 2024

Unit: NT$ thousands

		2025.12.31		2024.12.31	
	Assets	**Amount**	**%**	**Amount**	**%**
11xx	**Current assets:**				
1100	Cash and cash equivalents (Note 6(1))	$ 270,106	8	387,299	12
1140	Financial assets at amortized cost - current (Notes 6(4), (13) and 8)	39,650	1	65,825	2
1150	Net notes receivable (Note 6(5) and (21))	63	-	15	-
1170	Net accounts receivable (Note 6(5) and (21))	415,906	12	413,309	13
1200	Other receivables (Note 6(6))	11,831	-	13,051	-
1220	Current tax assets	3,166	-	-	-
1310	Inventory (Notes 6(7))	495,928	15	577,816	18
1410	Prepayments (Note 6(12))	53,466	2	38,313	1
	Total current assets	1,290,116	38	1,495,628	46
15xx	**Non-current assets:**				
1510	Financial assets at fair value through profit or loss - non-current (Note 6(2))	91,904	3	28,872	1
1517	Financial assets measured at fair value through other comprehensive income - non-current (Notes 6(3) and (8))	183,055	5	262,609	8
1535	Financial assets at amortized cost - non-current (Notes 6(4) and 8)	-	-	2,500	-
1550	Investments accounted for using the equity method (Note 6(3), (8) and 7)	431,490	13	-	-
1600	Property, plant and equipment (Notes 6(9), (14), 8 and 9)	1,182,411	35	1,210,648	38
1755	Right-of-use assets (Notes 6(10), (14), (16) and 8)	169,377	5	185,800	6
1780	Intangible assets (Note 6(11))	3,301	-	3,203	-
1840	Deferred tax assets (Note 6(18))	1,710	-	3,587	-
1920	Refundable deposits	8,738	-	7,744	-
1981	Cash surrender value of life insurance	-	-	4,837	-
1990	Other non-current assets (Notes 6(9), (12) and 9)	29,136	1	27,653	1
	Total non-current assets	2,101,122	62	1,737,453	54
1xxx	**Total assets**	**$ 3,391,238**	**100**	**3,233,081**	**100**

		2025.12.31		2024.12.31	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**
21xx	**Current liabilities:**				
2100	Short-term borrowings (Notes 6(4), (13), and 8)	$ 330,000	10	170,000	5
2130	Contract liabilities - current (Note 6(21))	8,092	-	12,643	-
2150	Notes payable (Note 7)	-	-	111,518	3
2170	Accounts payable (Note 7)	61,782	2	51,635	2
2216	Dividend payable (Note 6(19))	-	-	29,477	1
2219	Other payables (Notes 6(22) and 7)	263,369	8	196,956	6
2230	Current tax liabilities	20,696	1	28,364	1
2280	Lease liabilities - current (Note 6(16))	9,169	-	7,843	-
2321	Corporate bonds due or with a put option within one year or one operating cycle (Note 6(15) and (19))	-	-	200,366	6
2322	Long-term borrowings due within one year (Notes 6(9), (10), (14) and 8)	190,595	5	152,705	5
2399	Other current liabilities	2,085	-	1,960	-
	Total current liabilities	885,788	26	963,467	29
25xx	**Non-current liabilities:**				
2540	Long-term borrowings (Notes 6(9), (10), (14), and 8)	699,572	21	344,536	11
2570	Deferred tax liabilities (Note 6(18))	4,321	-	2,469	-
2580	Lease liabilities - non-current (Note 6(16))	19,626	1	21,692	1
2640	Net defined benefit liability - non-current (Note 6(17))	2,592	-	3,116	-
2645	Guarantee deposits received	70	-	169	-
	Total non-current liabilities	726,181	22	371,982	12
2xxx	**Total liabilities**	1,611,969	48	1,335,449	41
31xx	**Equity attributable to owners of the parent company (Notes 6(8), (15), (18), and (19)):**				
3100	Share capital	635,167	19	594,322	18
3200	Capital reserve	823,006	24	709,729	22
33xx	Retained earnings:				
3310	Legal reserve	260,320	8	256,642	8
3320	Special reserve	23,708	-	-	-
3350	Unappropriated earnings	209,431	6	360,647	11
	Subtotal of retained earnings	493,459	14	617,289	19
3400	Other equities	(172,363)	(5)	(23,708)	-
3XXX	**Total equity**	1,779,269	52	1,897,632	59
2-3xxx	**Total liabilities and equity**	**$ 3,391,238**	**100**	**3,233,081**	**100**

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

Chairman: Du Tai-Yuan **Manager: Chen Chun-Yen** **Accounting Supervisor: Chen Hsiu-Chu**

Sheh Fung Screws Co., Ltd., and its subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2025 and 2024

Unit: NT$ thousands

		2025		2024	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (Notes 6(21) and 7)**	$ 2,072,496	100	2,322,475	100
5000	**Operating costs (Notes 6(7), (9), (10), (11), (16), (17), (22), 7, and 12)**	1,769,961	85	1,886,482	81
5900	**Gross profit**	302,535	15	435,993	19
6000	**Operating expenses (Notes 6(5), (9), (10), (11), (16), (17), (22), 7 and 12):**				
6100	Marketing expenses	43,608	2	45,840	2
6200	Management expenses	147,817	7	149,828	7
6300	Research and development expenses	11,705	1	11,343	-
6450	Expected credit impairment loss (reversal gain)	55	-	(127)	-
	Total operating expenses	203,185	10	206,884	9
6900	**Net operating profit**	99,350	5	229,109	10
7000	**Non-operating income and expenses (Notes 6(2), (15), (16), (23) and 7):**				
7100	Interest income	12,170	1	11,107	-
7010	Other revenue	29,375	1	16,019	1
7020	Other gains and losses	(24,684)	(1)	46,955	2
7050	Financial cost	(32,539)	(2)	(22,827)	(1)
7060	Share of profit or loss of affiliates recognized under the equity method	21,670	1	-	-
	Total non-operating income and expenses	5,992	-	51,254	2
7900	**Net profits before tax**	105,342	5	280,363	12
7950	**Less: Income tax expense (Note 6(18))**	34,670	2	74,894	3
8200	**Net profits for the period**	70,672	3	205,469	9
8300	**Other comprehensive income (Notes 6(8), (18) and (19)):**				
8310	**Items not reclassified to profit or loss**				
8311	Re-measurement of defined benefit plan	520	-	1,481	-
8316	Unrealized valuation gains or losses on equity instruments measured at fair value through other comprehensive income	(184,164)	(9)	(112,720)	(5)
8349	Income tax related to items not subject to reclassification	(104)	-	(296)	-
	Total items not reclassified to profit or loss items.	(183,748)	(9)	(111,535)	(5)
8360	**Items that may be reclassified to profit or loss subsequently**				
8361	Exchange differences on translation of financial statements of foreign operating units	(32,921)	(2)	8,843	-
8370	Share of other comprehensive income of affiliates recognized under the equity method	(7,180)	-	-	-
8399	Income tax related to potentially reclassified items	-	-	-	-
	Total items potentially reclassified to profit or loss:	(40,101)	(2)	8,843	-
8300	**Other comprehensive income for the period (net of tax)**	(223,849)	(11)	(102,692)	(5)
8500	**Total comprehensive income for the period**	$ (153,177)	(8)	102,777	4
	Earnings per share (unit: NT$) (Note 6(20))				
9750	Basic earnings per share	$	1.12		3.56
9850	Diluted earnings per share	$	1.11		3.26

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

Chairman: Du Tai-Yuan **Manager: Chen Chun-Yen** **Accounting Supervisor: Chen Hsiu-Chu**

Sheh Fung Screws Co., Ltd., and its subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2025 and 2024

Unit: NT$ thousands

	Equity attributable to owners of the parent company									
			Retained earnings				Other equities			
	Share capital	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of financial statements of foreign operating units	Unrealized valuation gains or losses on financial assets measured at fair value through other comprehensive income	Total	Total equity
Balance as of January 1, 2024	$ 533,998	504,445	234,809	-	340,973	575,782	(10,573)	90,742	80,169	1,694,394
Net profits for the period	-	-	-	-	205,469	205,469	-	-	-	205,469
Other comprehensive income for the period	-	-	-	-	1,185	1,185	8,843	(112,720)	(103,877)	(102,692)
Total comprehensive income for the period	-	-	-	-	206,654	206,654	8,843	(112,720)	(103,877)	102,777
Earnings appropriation and distribution:										
Appropriation of legal reserve	-	-	21,833	-	(21,833)	-	-	-	-	-
Common share cash dividends	-	-	-	-	(165,147)	(165,147)	-	-	-	(165,147)
Cash distribution from capital reserves	-	(27,134)	-	-	-	-	-	-	-	(27,134)
Conversion of convertible bonds	60,324	232,418	-	-	-	-	-	-	-	292,742
Balance as of December 31, 2024	**594,322**	**709,729**	**256,642**	**-**	**360,647**	**617,289**	**(1,730)**	**(21,978)**	**(23,708)**	**1,897,632**
Net profits for the period	-	-	-	-	70,672	70,672	-	-	-	70,672
Other comprehensive income for the period	-	-	-	-	416	416	(40,101)	(184,164)	(224,265)	(223,849)
Total comprehensive income for the period	-	-	-	-	71,088	71,088	(40,101)	(184,164)	(224,265)	(153,177)
Earnings appropriation and distribution:										
Appropriation of legal reserve	-	-	3,678	-	(3,678)	-	-	-	-	-
Appropriation of special reserve	-	-	-	23,708	(23,708)	-	-	-	-	-
Common share cash dividends	-	-	-	-	(119,308)	(119,308)	-	-	-	(119,308)
Cash distribution from capital reserves	-	(41,758)	-	-	-	-	-	-	-	(41,758)
Conversion of convertible bonds	40,845	152,343	-	-	-	-	-	-	-	193,188
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	(75,610)	(75,610)	-	75,610	75,610	-
Exercise of right of disgorgement	-	2,692	-	-	-	-	-	-	-	2,692
Balance as of December 31, 2025	**$ 635,167**	**823,006**	**260,320**	**23,708**	**209,431**	**493,459**	**(41,831)**	**(130,532)**	**(172,363)**	**1,779,269**

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

Chairman: Du Tai-Yuan **Manager: Chen Chun-Yen** **Accounting Supervisor: Chen Hsiu-Chu**

Sheh Fung Screws Co., Ltd., and its subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: NT$ thousands

	2025	2024
Cash flow from operating activities:		
Net income before tax	$ 105,342	280,363
Adjustment items:		
Income/expense items		
Depreciation expenses	118,711	114,489
Amortization expenses	2,287	2,153
Expected credit impairment loss (reversal gain)	55	(127)
Net loss (gain) on financial assets/liabilities measured at fair value through profit or loss	(13,032)	1,738
Interest expenses	32,539	22,827
Interest income	(12,170)	(11,107)
Dividend income	(9,524)	(7,143)
Share of profit of affiliates recognized under the equity method	(21,670)	-
Gains on disposals of property, plant and equipment	(1,538)	(2,741)
Lease modification benefit	-	(18)
Unrealized foreign exchange gains	(14,139)	(5,898)
Total income and expense items with no impact on cash flow	81,519	114,173
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Decrease (increase) in notes receivable	(48)	23
Decrease in accounts receivable	1,567	60,579
Other receivables decreased.	840	8,170
Decrease (increase) in inventory	78,227	(71,239)
Decrease (increase) in prepayments	(21,787)	22,952
Total net changes in assets from operating activities	58,799	20,485
Net changes in liabilities from operating activities:		
Decrease in financial liabilities held for trading	-	(610)
Increase (decrease) in current contract liabilities	(4,551)	3,301
Decrease in notes payable	(111,518)	(35,990)
Increase in accounts payable	10,438	6,332
Increase (decrease) in other payables	73,797	(14,413)
Increase (decrease) of other current liabilities	(130)	158
Decrease in net defined benefit liability	(4)	(28)
Total changes in liabilities from operating activities	(31,968)	(41,250)
Total changes in operating assets and liabilities	26,831	(20,765)
Total adjustments	108,350	93,408
Cash inflow from operations	213,692	373,771
Interest received	12,486	13,032
Dividends received	33,524	21,429
Interest paid	(32,295)	(17,838)
Income tax paid	(41,879)	(62,714)
Net cash inflow from operating activities	185,528	327,680
Cash flow from investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive income	(545,610)	(7,293)
Disposal of financial assets at fair value through other comprehensive income	441,000	-
Acquisition of financial assets measured at amortized cost	-	(65,461)
Disposal of financial assets at amortized cost	24,004	194,338
Acquisition of financial assets measured at fair value through profit or loss	(50,000)	(30,000)
Acquisition of investments accounted for using the equity method	(441,000)	-
Acquisition of property, plant and equipment	(109,812)	(171,277)
Proceeds from disposal of property, plant and equipment	3,276	4,967
Acquisition of intangible assets	(156)	(1,000)
Increase in refundable deposits	(1,091)	(1,788)
Decrease (increase) in life insurance cash surrender value	4,837	(312)
Increase in other non-current assets	(24,128)	(23,413)
Net cash outflow from investment activities	(698,680)	(101,239)
Cash flow from financing activities:		
Increase in short-term loans	1,692,483	930,061
Decrease in short-term loans	(1,532,483)	(1,020,061)
Borrow long-term loans	610,000	178,929
Repayment of long-term loans	(202,632)	(91,513)
Lease principal payment	(9,653)	(8,176)
Decrease in guarantee deposits	(99)	(97)
Repayment of corporate bonds at maturity	(7,600)	-
Distribution of cash dividends	(190,543)	(241,455)
Exercise of right of disgorgement	2,692	-
Net cash inflow (outflow) from financing activities	362,165	(252,312)
Effect of foreign exchange rate changes on cash and cash equivalents	33,794	2,215
Decrease in cash and cash equivalents for the period	(117,193)	(23,656)
Beginning balance of cash and cash equivalents	387,299	410,955
Ending balance of cash and cash equivalents	$ 270,106	387,299

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

Chairman: Du Tai-Yuan **Manager: Chen Chun-Yen** **Accounting Supervisor: Chen Hsiu-Chu**

Attachment IV Comparison Table of Amendments to the Procedures for Acquisition or Disposal of Assets

Table of Comparison of Amendments to the Procedures for Acquisition or Disposal of Assets (8th)

Article Number	Amended Article	Amended Provisions	Basis for Amendment
Article 4	Determination of transaction terms and approval authority: I. The acquisition or disposal of securities investments expected to be held for less than one year shall be handled in accordance with the Company's regulations governing approval authority in order to respond to rapid changes in the market environment. II. The acquisition or disposal of securities investments expected to be held for one year (inclusive) or more, real property, equipment, membership certificates, intangible assets such as patent rights, copyrights, trademark rights, and franchise rights, and right-of-use assets, with an individual amount exceeding NT$30 million, shall be submitted to the Board of Directors for resolution and approval before proceeding; where the individual amount is NT$30 million (inclusive) or less, the Board of Directors shall authorize the Chairman of the Board to make the decision in accordance with the approval authority, provided that where the cumulative amount reaches NT$60 million (inclusive) within one year from the date of occurrence, it shall be submitted to the Board of Directors for resolution and approval before proceeding. III. Where the acquisition or disposal of the asset items referred to in the preceding paragraph requires a special resolution on material matters prescribed in Article 185 of the Company Act, it shall first be submitted to the Board of Directors for resolution and approval and then to the shareholders meeting for approval before proceeding. IV. Where the aforementioned approval requires a resolution of the Board of Directors, if any director expresses dissent and such dissent is recorded or stated in writing, the information on the director's dissent shall be provided to each independent director, and the opinions of each independent director shall also be fully considered, with their concurring or dissenting opinions and reasons therefor included in the meeting minutes.	Determination of transaction terms and approval authority: I. The acquisition or disposal of securities investments expected to be held for less than one year shall be handled in accordance with the Company's regulations governing approval authority in order to respond to rapid changes in the market environment. II. The acquisition or disposal of securities investments expected to be held for one year (inclusive) or more, real property, equipment, membership certificates, intangible assets such as patent rights, copyrights, trademark rights, and franchise rights, and right-of-use assets, with an individual amount exceeding NT$10 million, shall be submitted to the Board of Directors for resolution and approval before proceeding; where the individual amount is NT$10 million (inclusive) or less, the Board of Directors shall authorize the Chairman of the Board to make the decision. III. Where the acquisition or disposal of the asset items referred to in the preceding paragraph requires a special resolution on material matters prescribed in Article 185 of the Company Act, it shall first be submitted to the Board of Directors for resolution and approval and then to the shareholders meeting for approval before proceeding. IV. Where the aforementioned approval requires a resolution of the Board of Directors, if any director expresses dissent and such dissent is recorded or stated in writing, the information on the director's dissent shall be provided to each independent director, and the opinions of each independent director shall also be fully considered, with their concurring or dissenting opinions and reasons therefor included in the meeting minutes.	Revised in line with the Company's operations
Article 16	Supplementary Provisions These Procedures were established and implemented after being Approved by the Board of Directors on June 26, 2010 and Approved by the shareholders meeting on June 26, 2010. The first amendment to these Procedures was implemented after being Approved by the Board of Directors on April 12, 2012 and Approved by the shareholders meeting on June 5, 2012. The second amendment to these Procedures was implemented after being Approved by the Board of Directors on August 28, 2012 and Approved by the shareholders meeting on June 26, 2013. The third amendment to these Procedures was implemented after being Approved by the Board of Directors on March 11, 2014 and Approved by the shareholders meeting on June 12, 2014.	Supplementary Provisions These Procedures were established and implemented after being Approved by the Board of Directors on June 26, 2010 and Approved by the shareholders meeting on June 26, 2010. The first amendment to these Procedures was implemented after being Approved by the Board of Directors on April 12, 2012 and Approved by the shareholders meeting on June 5, 2012. The second amendment to these Procedures was implemented after being Approved by the Board of Directors on August 28, 2012 and Approved by the shareholders meeting on June 26, 2013. The third amendment to these Procedures was implemented after being Approved by the Board of Directors on March 11, 2014 and Approved by the shareholders meeting on June 12, 2014.	Added amendment dates

Article Number	Amended Article	Amended Provisions	Basis for Amendment
	The fourth amendment to these Procedures was implemented after being Approved by the Board of Directors on February 15, 2017 and Approved by the shareholders meeting on June 15, 2017. The fifth amendment to these Procedures was implemented after being Approved by the Board of Directors on March 8, 2019 and Approved by the shareholders meeting on June 18, 2019. The sixth amendment to these Procedures was implemented after being Approved by the Board of Directors on February 23, 2022 and Approved by the shareholders meeting on June 9, 2022. The seventh amendment to these Procedures was implemented after being Approved by the Board of Directors on December 15, 2023 and Approved by the shareholders meeting on May 24, 2024. **The eighth amendment to these Procedures was implemented after being Approved by the Board of Directors on November 7, 2025 and Approved by the shareholders meeting on May ○○, 2026.**	The fourth amendment to these Procedures was implemented after being Approved by the Board of Directors on February 15, 2017 and Approved by the shareholders meeting on June 15, 2017. The fifth amendment to these Procedures was implemented after being Approved by the Board of Directors on March 8, 2019 and Approved by the shareholders meeting on June 18, 2019. The sixth amendment to these Procedures was implemented after being Approved by the Board of Directors on February 23, 2022 and Approved by the shareholders meeting on June 9, 2022. The seventh amendment to these Procedures was implemented after being Approved by the Board of Directors on December 15, 2023 and Approved by the shareholders meeting on May 24, 2024.	

Appendix 1

Sheh Fung Screws Co., Ltd. Articles of Incorporation

Chapter 1 General provisions

Article 1: The Company is incorporated in accordance with the Company Act and is named "Sheh Fung Screws Co., Ltd." Its English name is "SHEH FUNG SCREWS CO., LTD."

Article 2: The Company's business activities are as follows:

1. CA02030 Manufacture of screws, nuts, screw nails, and rivets.
2. CB01010 Machinery and equipment manufacturing.
3. F401010 International trade.
4. ZZ99999 Businesses other than licensed businesses that are not prohibited or restricted by laws or regulations.

Article 3: The Company has its head office in Kaohsiung City, and may, when necessary, establish branches domestically and abroad upon resolution by the Board of Directors.

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

Article 4-1: The total amount of the Company's reinvestment shall not be subject to the restriction under the Company Act that it may not exceed a certain percentage of the total paid-in capital.

The Company may provide guarantees for other companies in accordance with the Procedures for Endorsement and Guarantee, which shall be separately prescribed.

Chapter 2 Shares

Article 5: The total capital of the Company is set at NT$1.2 billion, divided into 120 million shares at NT$10 par value per share. Shares that have not yet been issued shall be issued in installments by the Board of Directors as required by business needs.

Article 6: Deleted.

Article 7: The Company's shares shall all be registered, and shall be issued after being signed or sealed by the directors representing the Company and duly certified in accordance with law. After the Company publicly issues shares, it may issue shares in uncertificated form, provided that registration shall be made with the centralized securities depository institution.

Article 8: Registration of share transfer shall be suspended within 30 days prior to a regular shareholders meeting, within 15 days prior to a special shareholders meeting, or within 5 days prior to the record date fixed by the Company for distribution of dividends, bonuses, or other benefits.

After the Company publicly issues shares, no change may be made to the entries in the shareholders register referred to in the preceding paragraph within 60 days prior to a regular shareholders meeting or within 30 days prior to a special shareholders meeting.

Chapter 3 Shareholders meeting

Article 9: The shareholders meeting shall consist of regular meetings and special meetings. A regular meeting shall be convened once each year by the Board of Directors in accordance with law within six months after the close of each fiscal year, and a special meeting shall be convened in accordance with law when necessary.

When the Company holds a shareholders meeting, it may do so by video conference (including virtual shareholders meetings and hybrid shareholders meetings) or by other means announced by the central competent authority. Where a shareholders meeting is held by video conference, shareholders participating in the meeting by video shall be deemed present in person. The conditions, operating procedures, and other matters to be complied with in relation to the Company's convening of a shareholders meeting by video conference (including virtual shareholders meetings and hybrid shareholders meetings) or by other means announced by the central competent authority shall be handled in accordance with the regulations of the securities competent authority.

Article 10: If a shareholder is unable to attend a shareholders meeting for any reason, the shareholder may issue a proxy form printed by the Company, specifying the scope of authorization, and appoint a proxy to attend the meeting by signing or affixing a seal thereto.

Article 11: Each share of the Company's shareholders shall have one voting right, except for shares with no voting right under Article 179, paragraph 2 of the Company Act and relevant laws and regulations.
After the Company's shares are listed on the stock exchange or OTC market (excluding the emerging stock stage), voting rights may be exercised in writing or by electronic means at a shareholders meeting; the method of exercising such rights shall be handled in accordance with relevant laws and regulations.

Article 11-1: If the Company intends to cancel its public offering, it shall do so upon approval at a shareholders meeting attended by shareholders representing more than two-thirds of the total number of issued shares, with the consent of a majority of the voting rights represented by the attending shareholders.
In the event that the total number of shares represented by shareholders present at a shareholders' meeting is less than the quorum required in the preceding paragraph, a resolution may be adopted with the approval of two-thirds of the voting rights exercised by shareholders representing a majority of the outstanding shares.

Article 12: Deleted.

Chapter 4 Directors and the Audit Committee

Article 13: The Company shall have five to seven directors, with a term of office of three years. A candidate nomination system shall be adopted, and the shareholders meeting shall elect directors from the list of candidates. Directors may be re-elected. The Company may, upon resolution by the Board of Directors, purchase directors' and officers' liability insurance for directors.
Among the number of directors of the Company, there shall be at least two independent directors, and they shall not be less than one-fifth of the total number of director seats. The professional qualifications, shareholdings, restrictions on concurrent positions, and other matters to be complied with by independent directors shall be governed by the relevant regulations of the securities competent authority.

Article 13-1: The Company shall establish the Audit Committee, which shall be composed of all independent directors, and the number of members shall not be fewer than three. From the date of establishment of the Audit Committee, the Audit Committee or the members thereof shall be responsible for exercising the powers of supervisors under the Company Act, the Securities and Exchange Act, and other applicable laws and regulations.

Article 14: The Board of Directors shall be organized by the directors. One chairperson shall be elected from among the directors by and with the attendance of more than two-thirds of the directors and the consent of a majority of the attending directors. The chairperson shall represent the Company externally.

Article 15: If the chairman of the board is on leave or unable to perform their duties, a delegate shall be appointed in accordance with Article 208 of the Company Act. If a director is unable to attend a meeting of the Board of Directors for any reason, the director may issue a proxy, specifying the scope of authorization for the reasons for convening the meeting, to appoint another director to attend the meeting on the director's behalf, provided that each director may accept the proxy of one person only. Where a meeting of the Board of Directors is held by video conference, directors participating in the meeting by video shall be deemed present in person.

Article 16: When the Company's directors perform duties for the Company, the Company may pay remuneration regardless of whether the Company operates at a profit or loss. Such remuneration is authorized to be determined by the Board of Directors based on the degree of participation in the Company's operations and the value of the contribution, with reference to industry standards.

Article 16-1: A meeting of the Company's Board of Directors shall be convened with the reasons stated and notice given to each director and supervisor seven days prior to the meeting; provided that in emergency circumstances, a meeting may be convened at any time.

The notice of convocation referred to in the preceding paragraph may be made in writing, by email, or by fax.

Chapter 5 Managers

Article 17: The Company may appoint managerial officers, and their appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 18: At the end of each fiscal year, the Board of Directors shall prepare various statements and records, including (I) a business report, (II) financial statements, and (III) a proposal for distribution of earnings or offsetting of losses, and shall submit them to the regular shareholders meeting in accordance with law for ratification.

Article 19: Deleted.

Article 19-1: If the Company's annual final accounts show a profit for the year, no less than 1% shall be appropriated as employee compensation and no more than 6% as directors' compensation; of the amount of employee compensation referred to in the preceding paragraph, no less than 20% shall be appropriated for distribution to grassroots employees. However, if the Company still has accumulated losses, an amount shall be reserved in advance to offset the losses.

The employee compensation referred to in the preceding paragraph may be distributed in shares or cash, and the recipients may include employees of subordinate companies meeting certain conditions; the conditions and distribution method are authorized to be determined by the Board of Directors.

Article 20: The Company's distribution of earnings or appropriation to cover losses shall be made after the end of each quarter.

When the Company distributes earnings pursuant to the preceding paragraph, it shall first estimate and reserve taxes payable, offset losses in accordance with law, and appropriate the legal reserve. However, if the legal reserve has reached the Company's total capital, no further appropriation is required; and after appropriating or reversing the special reserve pursuant to Article 41 of the Securities and Exchange Act, the balance thereof, together with undistributed earnings at the beginning of the period, may be used in light of business conditions and a balanced dividend policy. The Board of Directors shall prepare a proposal for earnings distribution, submit it to the Audit Committee for review, and then submit it to the shareholders meeting for resolution.

Pursuant to Article 240 of the Company Act, the Company authorizes the Board of Directors, by the attendance of more than two-thirds of the directors and the resolution of a majority of the attending directors, to distribute all or part of the dividends or bonuses payable to shareholders, or all or part of the legal reserve and capital reserve under Article 241 of the Company Act, in cash, and to report the same to the shareholders meeting. If shares are to be distributed, it shall be submitted to the shareholders meeting for resolution.

Article 21: If the Company's annual final accounts show a surplus for the year, it shall first pay taxes, offset accumulated losses, and then appropriate 10% as legal reserve, unless the accumulated legal reserve has reached the Company's total paid-in capital. The Company shall also appropriate or reverse the special reserve in accordance with laws and regulations or as required by the competent authority. If there is still a surplus, the balance thereof, together with accumulated undistributed earnings from previous years, shall be prepared by the Board of Directors as a proposal for earnings distribution and submitted to the shareholders meeting for resolution; if all or part of the dividends and bonuses to be distributed are to be paid in cash, the Board of Directors is authorized to do so by the attendance of more than two-thirds of the directors and the resolution of a majority of the attending directors, and shall report the same to the shareholders meeting.

The Company's dividend policy shall align with its current and future development plans, taking into consideration the investment environment, capital needs, domestic and international competitive conditions, and the interests of shareholders. Distribution of annual earnings shall give priority to cash dividends, though stock dividends may also be distributed. The total amount of dividends distributed shall not be less than 50% of the distributable earnings for the year, of which cash dividends shall not be less than 10% of the total dividends distributed for the year.

Chapter 7 Supplementary provisions

Article 22: Any matters not covered in these Articles of Incorporation shall be handled in accordance with the Company Act and other laws and regulations.

Article 23: These Articles of Incorporation were established on August 9, 1973.
The first revision was made on July 28, 1977.
The second revision was made on February 15, 1979.
The third revision was made on March 17, 1982.
The fourth revision was made on June 21, 1985.
The fifth revision was made on February 8, 1986.
The sixth revision was made on November 1, 1988.
The seventh revision was made on November 17, 1989.
The eighth revision was made on February 26, 1990.
The ninth revision was made on July 4, 1990.
The tenth revision was made on November 8, 1993.
The eleventh revision was made on October 1, 1994.
The twelfth revision was made on December 27, 1994.
The thirteenth revision was made on April 21, 1999.
The fourteenth revision was made on September 17, 1999.
The fifteenth revision was made on December 31, 2001.
The sixteenth revision was made on May 4, 2007.
The seventeenth revision was made on June 29, 2007.
The eighteenth revision was made on June 27, 2008.
The nineteenth amendment was made on June 26, 2010.
The twentieth amendment was made on November 26, 2010.
The twenty-first amendment was made on May 27, 2011.
The twenty-second amendment was made on June 5, 2012.
The twenty-third amendment was made on June 26, 2013.
The twenty-fourth amendment was made on September 8, 2015.
The twenty-fifth amendment was made on June 22, 2016.
The twenty-sixth amendment was made on June 18, 2019.
The twenty-seventh amendment was made on July 16, 2021.
The twenty-eighth amendment was made on June 9, 2022.
The twenty-ninth amendment was made on June 5, 2025.

Sheh Fung Screws Co., Ltd.

Chairman: Tai-Yuan Du

Appendix II

Sheh Fung Screws Co., Ltd.
Procedures for Acquisition or Disposal of Assets (Before Amendment)

Article 1 Purpose and legal basis:

These Procedures are prescribed in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and relevant laws and regulations in order to strengthen the management of the Company's assets, protect investments, and ensure information disclosure.

Article 2 Definitions and scope:

I. The scope of "assets" as referred to in these Procedures is as follows:
   (I) Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing funds, depositary receipts, call (put) warrants, beneficiary securities, and asset-backed securities.
   (II) Real property (including land, houses and buildings, investment property, and inventory of the construction industry), equipment, membership certificates, and intangible assets such as patent rights, copyrights, trademark rights, and franchise rights, right-of-use assets, and claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables)
   (III) Derivatives.
   (IV) Assets acquired or disposed of through merger, demerger, acquisition, or transfer of shares in accordance with law.
   (V) Other material assets.

II. "Derivatives" as referred to in these Procedures means forward contracts, options contracts, futures contracts, leveraged margin contracts, swap contracts, combinations of the foregoing contracts, or hybrid contracts or structured products embedded with derivatives, the value of which is derived from specific interest rates, prices of financial instruments, commodity prices, exchange rates, price or rate indices, credit ratings or credit indices, or other variables. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, or long-term purchase (sales) contracts.

III. "Assets acquired or disposed of through merger, demerger, acquisition, or transfer of shares in accordance with law" as referred to in these Procedures means assets acquired or disposed of through merger, demerger, or acquisition conducted pursuant to the Business Mergers and Acquisitions Act or other laws, or through issuance of new shares to acquire shares of another company pursuant to Article 156-3 of the Company Act (hereinafter referred to as "transfer of shares").

IV. "Related party" as referred to in these Procedures shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

V. "Subsidiary" as referred to in these Procedures shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

VI. "Professional appraiser" as referred to in these Procedures means a real property appraiser or any other person authorized by law to engage in the appraisal of real property or equipment.

VII. "Date of occurrence" as referred to in these Procedures means the earlier of the date of contract signing, payment, consignment trade, transfer, resolution of the Board of Directors, or any other date sufficient to determine the counterparty and transaction amount. However, for investments requiring approval from the competent authority, the earlier of the foregoing date or the date of approval by the competent authority shall apply.

VIII. "Investment in the Mainland Area" as referred to in these Procedures means Mainland investment as defined under the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area promulgated by the Investment Commission of the Ministry of Economic Affairs.

IX. Professional investors: Financial holding companies, banks, insurance companies, bills finance companies, trust enterprises, securities firms engaging in proprietary trading or underwriting business, futures firms engaging in proprietary trading, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies established in accordance with law and regulated by the local financial competent authority.

X. Stock exchange: A domestic stock exchange means Taiwan Stock Exchange Corporation; a foreign stock exchange means any organized securities market regulated by the securities competent authority of that country.

XI. Securities firm's place of business: A domestic securities firm's place of business means a place where a securities firm has established a trading counter pursuant to the Regulations Governing Trading of Securities at Securities Firms' Places of Business; a foreign securities firm's place of business means the place of business of a financial institution regulated by a foreign securities competent authority and permitted to engage in securities business.

Article 3 Authorized limits:

The Company and each subsidiary may, in accordance with regulations, acquire, dispose of, or continue to hold each category of assets referred to in these Procedures; provided that the amount held of securities investments, non-operating real property and equipment, and right-of-use assets thereof, membership certificates, and intangible assets such as patent rights, copyrights, trademark rights, and franchise rights shall be subject to the limits prescribed by the Company. If such prescribed limit is exceeded, the acquisition shall be processed only after a special proposal has been submitted to and Approved by the Board of Directors.

I. Authorized limits of the Company

(I) The total amount held in securities investments, non-operating real property and equipment, and right-of-use assets thereof, membership certificates, and intangible assets such as patent rights, copyrights, trademark rights, and franchise rights shall be limited to 0.75 times the Company's net worth.

(II) The total amount held in securities investments expected to be held for one year or more shall be limited to 0.5 times the Company's net worth; the amount held in any single securities investment expected to be held for one year or more shall be limited to 25% of the Company's net worth.

(III) The total amount held in securities investments expected to be held for less than one year shall be limited to 25% of the Company's net worth; the amount held in any single securities investment expected to be held for less than one year shall be limited to 10% of the Company's net worth.

(IV) The total amount held in non-operating real property and equipment, and right-of-use assets thereof, membership certificates, and intangible assets such as patent rights, copyrights, trademark rights, and franchise rights shall be limited to 5% of the Company's net worth; the amount of any single non-operating real property and other fixed assets, membership certificate, and intangible asset shall be limited to 2.5% of the Company's net worth.

II. Authorized limits of subsidiaries

(I) The total amount held in securities investments, non-operating real property and equipment, and right-of-use assets thereof, membership certificates, and intangible assets such as patent rights, copyrights, trademark rights, and franchise rights shall be limited to 0.75 times the net worth of each subsidiary.

(II) The total amount held in securities investments expected to be held for one year or more shall be limited to 0.5 times the net worth of each subsidiary; the amount held in any single securities investment expected to be held for one year or more shall be limited to 25% of the net worth of each subsidiary.

(III) The total amount of securities investments held for less than one year shall be limited to 25% of each subsidiary's net worth; the amount held in any single securities investment expected to be held for less than one year shall be limited to 10% of each subsidiary's net worth.

(IV) The total amount held in non-operating real property and equipment, and right-of-use assets thereof, membership certificates, and intangible assets such as patent rights, copyrights, trademark rights, and franchise rights by each subsidiary shall be limited to 5% of the net worth of each subsidiary; the amount of any single non-operating asset item shall be limited to 2.5% of the net worth of each subsidiary.

The above net worth items shall be based on the amounts in the Company's most recent financial reports audited or reviewed by a certified public accountant.

Article 4 Determination of transaction terms and approval authority:

I. The acquisition or disposal of securities investments expected to be held for less than one year shall be handled in accordance with the Company's regulations governing approval authority in order to respond to rapid changes in the market environment.

II. The acquisition or disposal of securities investments expected to be held for one year or more, real property, equipment, membership certificates, intangible assets such as patent rights, copyrights, trademark rights, and franchise rights, and right-of-use assets, where the amount of a single item is more than NT$30 million, shall be handled after being Approved by resolution of the Board of Directors; where the amount of a single item is NT$30 million or less, the Board of Directors authorizes the chairperson to make the decision, and if the cumulative amount within one year from the date of occurrence reaches NT$60 million or more, it shall be handled after being Approved by resolution of the Board of Directors.

III. Where the acquisition or disposal of the asset items referred to in the preceding paragraph requires a special resolution on material matters prescribed in Article 185 of the Company Act, it shall first be submitted to the Board of Directors for resolution and approval and then to the shareholders meeting for approval before proceeding.

IV. Where the aforementioned approval requires a resolution of the Board of Directors, if any director expresses dissent and such dissent is recorded or stated in writing, the information on the director's dissent shall be provided to each independent director, and the opinions of each independent director shall also be fully considered, with their concurring or dissenting opinions and reasons therefor included in the meeting minutes.

Article 5 Procedures for acquisition or disposal of securities investments:

I. Evaluation and Operating Procedures

For the acquisition or disposal of the Company's securities, the executing unit shall establish an investment evaluation project team and coordinate with the finance unit to complete an analysis report on fund raising and use of funding sources; unless the securities have publicly quoted prices in an active market or otherwise provided by the competent authority, the most recent financial statements of the target company audited or reviewed by a certified public accountant shall first be obtained as reference for evaluating the transaction price, feasibility analysis and study shall be conducted, and a specific investment plan and implementation proposal shall be formulated and submitted to the approving unit for approval. All relevant operating procedures shall be handled in accordance with the relevant provisions of the investment cycle under the Company's internal control system.

II. Executing unit

The acquisition or disposal of securities investments shall be handled by the executing unit designated by the chairperson.

III. Obtaining expert opinions

When the Company acquires or disposes of securities, it shall, prior to the date of occurrence, obtain the target company's most recent financial statements audited or reviewed by a certified public accountant as reference for evaluating the transaction price; in addition, where the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more, a certified public accountant shall be engaged prior to the date of occurrence to express an opinion on the reasonableness of the transaction price. If the certified public accountant needs to use an expert's report, it shall be handled in accordance with Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation of the Republic of China (hereinafter referred to as the "Accounting Research and Development Foundation"). However, this does not apply if the securities have publicly quoted prices in an active market or if otherwise provided by the competent authority.

Article 6 Procedures for acquisition or disposal of real property, equipment, membership certificates, and intangible assets such as patent rights, copyrights, trademark rights, and franchise rights, and right-of-use assets:

I. Evaluation and Operating Procedures

When the Company acquires or disposes of real property, equipment, membership certificates, and intangible assets such as patent rights, copyrights, trademark rights, and franchise rights, and right-of-use assets, the executing unit shall submit a departmental investment budget in accordance with regulations and conduct evaluation and analysis of the investment target. A feasibility analysis and study shall be conducted with respect to the pre-investment status, investment motive and purpose, investment cost, estimated payback period, and investment benefit analysis, and a specific investment plan and implementation proposal shall be formulated and submitted to the approving unit for approval. All relevant operating procedures shall be handled in accordance with the relevant provisions governing fixed assets and other cycles under the Company's internal control system.

II. Executing unit

The acquisition or disposal of real property or right-of-use assets thereof shall be handled by the executing unit designated by the chairperson. The acquisition or disposal of equipment, membership certificates, and intangible assets such as patent rights, copyrights, trademark rights, and franchise rights, or right-of-use assets thereof, shall be handled by the user unit or the unit designated by the chairperson.

III. Valuation or Appraisal Opinion Report

(I) Appraisal report for real property, equipment, or right-of-use assets thereof:

Where the Company acquires or disposes of real property, equipment, or right-of-use assets thereof, except for transactions with domestic government agencies, self-construction on owned land, construction on leased land, or acquisition or disposal of machinery and equipment for business use, and the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more, it shall obtain an appraisal report issued by a professional appraiser prior to the date of occurrence, and shall comply with the following provisions:

1. Where, due to special circumstances, a limited price, specific price, or special price must be used as the reference basis for the transaction price, the transaction shall first be Approved by resolution of the Board of Directors; the same shall apply where there is any subsequent change in the transaction terms.
2. Where the transaction amount reaches NT$1 billion or more, appraisals shall be obtained from two or more professional appraisers.
3. Where any of the following circumstances exists in the appraisal results of the professional appraisers, unless all appraisal results for acquired assets are higher than the transaction price or all appraisal results for disposed assets are lower than the transaction amount, a certified public accountant shall be engaged to express a specific opinion on the reasons for the difference and the fairness of the transaction price:
   (1) The difference between the appraisal result and the transaction amount reaches 20% or more of the transaction amount.

(2) The difference between the appraisal results of two or more professional appraisers reaches 10% or more of the transaction amount.

4. The date of the report issued by the professional appraiser and the date of establishment of the contract shall not be more than three months apart. However, if the same period's publicly announced current value is applicable and no more than six months have elapsed, an opinion letter may be issued by the original professional appraiser.

5. Where real property investment is acquired or disposed of through court auction procedures, the supporting documents issued by the court may be used in lieu of an appraisal report.

(II) Expert appraisal opinion report for intangible assets or right-of-use assets thereof or membership certificates

Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or membership certificates, except for transactions with domestic government agencies, and the amount reaches 20% of the Company's paid-in capital or NT$300 million or more, it shall engage a certified public accountant prior to the date of occurrence to express an opinion on the reasonableness of the transaction price.

Article 7 Procedures for related party transactions:

I. In the event that the Company acquires or disposes of assets with a related party, in addition to handling the relevant resolution procedures and evaluating the reasonableness of transaction terms in accordance with the preceding article and this article, where the transaction amount reaches 10% or more of the Company's total assets, it shall also obtain an appraisal report issued by a professional appraiser or an opinion from a certified public accountant in accordance with the provisions of the preceding section.

In determining whether the transaction counterparty is a related party, attention shall be paid not only to its legal form but also to the substantive relationship.

II. Where the Company acquires or disposes of real property or right-of-use assets thereof with a related party, or acquires or disposes of assets other than real property or right-of-use assets thereof with a related party and the transaction amount reaches 20% of the Company's paid-in capital, 10% of total assets, or NT$300 million or more, except for the trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the following information shall be submitted to and Approved by the Board of Directors and ratified by supervisors before signing the transaction contract and making payment:

(I) The purpose, necessity, and expected benefits of the acquisition or disposal of assets.

(II) The reasons for selecting a related party as the transaction counterparty.

(III) Where real property is acquired from a related party, relevant information for assessing the reasonableness of the proposed transaction terms in accordance with paragraphs 3, 6, and 7 of this article.

(IV) Matters relating to the date and price at which the related party originally acquired the asset, the transaction counterparty, and its relationship with the Company and the related party.

(V) A forecast schedule of monthly cash receipts and expenditures for each month of the forthcoming year commencing from the expected contract month, and an evaluation of the necessity of the transaction and the reasonableness of the use of funds.

(VI) The appraisal report issued by a professional appraiser obtained pursuant to the preceding article, or the certified public accountant's opinion.

(VII) Restrictive conditions and other material agreed matters regarding the transaction.

For the acquisition or disposal of machinery and equipment for business use between the Company and its subsidiaries, the Board of Directors may, pursuant to Article 4, paragraph 2, authorize the chairperson to make decisions in advance within a certain amount, and thereafter submit them to the most recent Board of Directors meeting for ratification.

Where independent directors have been appointed, when matters are submitted to the Board of Directors for discussion pursuant to the preceding paragraph, the opinions of each independent director shall be fully considered, and if any independent director has dissenting or qualified opinions, such opinions shall be stated in the minutes of the Board of Directors meeting.

Where the Audit Committee has been established, matters that under paragraph 1 shall be ratified by supervisors shall first be subject to the consent of more than one-half of all members of the Audit Committee and then submitted to the Board of Directors for resolution, with Article 6, paragraphs 4 and 5 applied mutatis mutandis.

Where the Company or a subsidiary engages in a transaction under paragraph 1 and the transaction amount reaches 10% or more of the total assets of a public company, the information set out in each subparagraph of paragraph 1 shall be submitted to the shareholders meeting for approval before the transaction contract may be signed and payment made. However, this does not apply to transactions between a public company and its parent company or subsidiaries, or between subsidiaries.

III. Where the Company acquires or disposes of real property or right-of-use assets thereof with a related party, the reasonableness of the transaction cost shall be evaluated according to the following methods (where land and a house under the same subject matter are purchased together, the cost of the land and the house may be separately evaluated by any of the following methods):

(I) Based on the transaction price of the related party, plus necessary financing interest and costs to be borne by the buyer in accordance with law. The necessary financing interest cost shall be imputed based on the weighted average interest rate on the borrowings in the year in which the Company purchased the asset, provided that it may not exceed the maximum borrowing rate for non-financial industries announced by the Ministry of Finance.

(II) Where the related party has previously created a mortgage on the subject asset to borrow from a financial institution, the total appraised lending value of the subject asset by the financial institution; provided that the actual cumulative amount lent by the financial institution against the subject asset shall have reached 70% or more of the total appraised lending value and the lending period shall have exceeded one year. However, this shall not apply where the financial institution and one of the transaction parties are related parties to each other.

IV. In acquiring or disposing of real property or right-of-use assets thereof from or to a related party, in addition to evaluating the cost of the real property or right-of-use assets thereof in accordance with the preceding paragraph, the Company shall also engage a certified public accountant to review it and express a specific opinion.

V. Where the Company acquires or disposes of real property from or to a related party under any of the following circumstances, the preceding two paragraphs shall not apply, but paragraph 2 shall still be complied with:

(I) The related party acquired the real property or right-of-use assets thereof through inheritance or gift.

(II) More than five years have elapsed between the date on which the related party contracted to acquire the real property or right-of-use assets thereof and the contract date of the current transaction.

(III) The Company acquires real property by entering into a joint construction contract with a related party, or by engaging a related party to build real property on the Company's own land or leased land.

VI. Where the Company acquires or disposes of real property or right-of-use assets thereof from or to a related party, and the appraisal results under paragraph 3 of this article are all lower than the transaction price, paragraph 7 shall apply. However, this shall not apply where, due to any of the following circumstances, objective evidence is presented and specific opinions on reasonableness are obtained from a professional real property appraiser and a certified public accountant:

(I) Where the related party acquired undeveloped land or leased land for construction, evidence may be submitted showing compliance with any of the following conditions:

1. The undeveloped land is evaluated in accordance with the method set out in paragraph 3 of this article, and the house is valued based on the related party's construction cost plus a reasonable construction profit, and the total exceeds the actual transaction price. The term reasonable construction profit shall be based on the lower of the average gross profit margin of the related party's construction division in the most recent three years or the latest gross profit margin of the construction industry announced by the Ministry of Finance.
2. Other transaction cases completed by non-related parties within one year for other floors of the same land and building or in adjacent areas, with similar area and equivalent transaction conditions after evaluation based on reasonable floor or area price differences as customary in real property transactions.
3. Other lease cases by non-related parties within one year for other floors of the same land and building, where equivalent transaction conditions are inferred based on reasonable floor price differences as customary in real property leasing.

(II) Evidence is submitted showing that the transaction conditions for the purchase of real property from a related party are equivalent to those of other transaction cases completed by non-related parties in adjacent areas within one year and with similar area.

(III) For purposes of (I) and (II), "transaction cases in adjacent areas" means, in principle, cases on the same or adjacent block and within a radius of no more than 500 meters from the transaction target, or with similar publicly announced current value; "similar area" means, in principle, that the area of other completed transactions by non-related parties is no less than 50% of the area of the transaction target; and "within one year" means the one-year period retroactively calculated from the date of occurrence of the current acquisition of real property.

VII. Where the Company acquires or disposes of real property or right-of-use assets thereof from or to a related party, and the appraisal results under paragraphs 3 and 6 of this article are all lower than the transaction price, or where there is other evidence showing that the transaction is not in line with normal business practice, the following matters shall be handled:

(I) The difference between the real property transaction price or the price of its right-of-use assets and the appraised cost shall be appropriated as a special reserve pursuant to Article 41, paragraph 1 of the Securities and Exchange Act, and may not be distributed or used for capitalization by issuance of new shares. The special reserve appropriated pursuant to the preceding provisions may be used only after the asset purchased at a high price has been recognized for impairment loss, disposed of, appropriately compensated, or restored to its original condition, or where other evidence confirms that there is no unreasonableness, and after approval by the competent authority.

(II) Supervisors shall handle the matter in accordance with Article 218 of the Company Act.

(III) The handling status under (I) and (II) shall be reported to the shareholders meeting, and the details of the transaction shall be disclosed in the annual report and prospectus.

Article 7-1 The calculation of transaction amounts under the preceding three articles shall be handled in accordance with Article 10, paragraph 1, subparagraph 6.

Article 8 Procedures for acquisition or disposal of derivatives:
To be handled in accordance with the relevant provisions of the "Procedures for Engaging in Transactions of Derivative Financial Products."

Article 9 Procedures for merger, demerger, acquisition, or share transfer:

I. Evaluation and Operating Procedures

(I) When the Company conducts a merger, demerger, acquisition, or share transfer, it should engage attorneys, certified public accountants, and underwriters to jointly study the expected timetable for statutory procedures, and organize a project team to execute the matter in accordance with statutory procedures. Before convening the Board of Directors for resolution, the Company shall engage a certified public accountant, attorney, or securities underwriter to express an opinion on the reasonableness of the share exchange ratio, acquisition price, or cash or other property to be distributed to shareholders, and submit the same to the Board of Directors for discussion and approval.

However, where the Company merges with a subsidiary in which it directly or indirectly holds 100% of the issued shares or total capital, or where subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or total capital merge with each other, the reasonableness opinion issued by the aforementioned expert is not required.

(II) The Company shall prepare a public document to be delivered to shareholders before the shareholders meeting, setting out the important agreed content and relevant matters of the merger, demerger, or acquisition, together with the expert opinion under paragraph 1, subparagraph (I) of this article and the notice of the shareholders meeting, as reference for shareholders in deciding whether to approve the merger, demerger, or acquisition. However, this does not apply where, under other laws, a shareholders meeting is not required to resolve on merger, demerger, or acquisition matters. In addition, where the shareholders meeting of any company participating in a merger, demerger, or acquisition cannot be convened or cannot adopt a resolution due to insufficient attendance, insufficient voting rights, or other legal restrictions, or where the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger, or acquisition shall immediately make a public explanation of the cause of occurrence, subsequent handling operations, and the expected date for convening the shareholders meeting.

II. Other matters requiring attention

(I) Date of Board of Directors meeting: Unless otherwise provided by other laws or unless special factors have been reported in advance to and approved by the competent authority, companies participating in a merger, demerger, or acquisition shall convene a meeting of the Board of Directors and a shareholders meeting on the same day to resolve matters relating to the merger, demerger, or acquisition. Companies participating in a transfer of shares shall, unless otherwise provided by other laws or unless special factors have been reported in advance to and approved by the competent authority, convene a meeting of the Board of Directors on the same day.

(II) Prior confidentiality undertaking: All persons participating in or aware of the Company's merger, demerger, acquisition, or share transfer plan shall issue a written confidentiality undertaking. Before the information is made public, they may not disclose the content of the plan externally, nor may they buy or sell, in their own name or in the name of another, the shares and other equity-type securities of any company related to the merger, demerger, acquisition, or share transfer.

(III) Principles for determining and changing the share exchange ratio or acquisition price: Companies participating in a merger, demerger, acquisition, or share transfer shall, before both parties convene their Boards of Directors for resolution, engage a certified public accountant, attorney, or securities underwriter to express an opinion on the reasonableness of the share exchange ratio, acquisition price, or cash or other property to be distributed to shareholders, and submit the same to the Board of Directors for discussion and approval. In principle, the share exchange ratio or acquisition price may not be changed arbitrarily; however, this restriction shall not apply where conditions permitting such change have been specified in the contract and have been publicly disclosed. The conditions under which the share exchange ratio or acquisition price may be changed are as follows:

1. Cash capital increase, issuance of convertible corporate bonds, stock dividends, issuance of corporate bonds with warrants, preferred shares with warrants, warrants, and other equity-type securities.
2. Disposal of material assets of the Company or other acts affecting the Company's finance or business.
3. Occurrence of major disasters, major technological changes, or other events affecting shareholders' equity or securities prices.
4. Adjustment due to either company participating in the merger, demerger, acquisition, or share transfer repurchasing treasury shares in accordance with law.
5. Increase or decrease in the entities participating in the merger, demerger, acquisition, or share

transfer, or change in the number of such parties.

6. Other conditions permitting change as specified in the contract and publicly disclosed.

(IV) Matters to be stated in the contract: In addition to the provisions of Article 317-1 of the Company Act and Article 22 of the Business Mergers and Acquisitions Act, the contract of a company participating in a merger, demerger, acquisition, or share transfer shall also state the following matters.

1. Handling of breach of contract.
2. Principles for handling equity-type securities previously issued or treasury shares previously repurchased by a company that is extinguished by merger or is demerged.
3. The number of treasury shares that a participating company may repurchase in accordance with law after the record date for calculating the share exchange ratio, and the principles for handling them.
4. The method for handling changes in the participating entities or the number of participating parties.
5. Expected progress of plan implementation and expected completion schedule.
6. Relevant handling procedures such as the expected date for convening the shareholders meeting as required by law if the plan is not completed by the scheduled deadline.

(V) Where there is a change in the number of companies participating in a merger, demerger, acquisition, or share transfer: If, after information has been publicly disclosed, any company participating in a merger, demerger, acquisition, or share transfer intends to further conduct a merger, demerger, acquisition, or share transfer with another company, then except where the number of participating companies decreases and the shareholders meeting has adopted a resolution authorizing the Board of Directors to change its authority, in which case the participating companies may be exempted from reconvening the shareholders meeting for another resolution, the procedures or legal acts already completed in the original merger, demerger, acquisition, or share transfer case shall be redone by all participating companies.

(VI) Where a company participating in a merger, demerger, acquisition, or share transfer is not a public company, the Company shall sign an agreement with it and handle the matter in accordance with the provisions of paragraph 2, subparagraph (I) of this article regarding the date of convening the Board of Directors, subparagraph (II) regarding prior confidentiality undertaking, and subparagraph (V) regarding changes in the number of companies participating in the merger, demerger, acquisition, or share transfer.

(VII) A listed company or a company whose shares are traded at a securities firm's place of business participating in a merger, demerger, acquisition, or share transfer shall prepare a complete written record of the following information and retain it for five years for inspection.

1. Basic information of personnel: Including the title, name, and national identification card number of all persons participating in or aware of the merger, demerger, acquisition, or share transfer plan or execution thereof before the information is made public (or passport number for foreign nationals).
2. Dates of important matters: Including the dates of signing letters of intent or memoranda, engaging financial or legal advisers, signing contracts, and Board of Directors meetings.
3. Important documents and minutes: Including documents such as merger, demerger, acquisition, or share transfer plans, letters of intent or memoranda, important contracts, and minutes of Board of Directors meetings.

(VIII) A listed company or a company whose shares are traded at a securities firm's place of business participating in a merger, demerger, acquisition, or share transfer shall, within two days from the date of approval by resolution of the Board of Directors, report to the competent authority for recordation via the Internet information system in the prescribed format the information under paragraph 2, subparagraph (VII), items 1 and 2 of this article.

(IX) Where a company participating in a merger, demerger, acquisition, or share transfer is not a listed company or a company whose shares are traded at a securities firm's place of business, the listed company or company whose shares are traded at a securities firm's place of business shall sign an agreement with it and handle the matter in accordance with paragraph 2, subparagraphs (VII) and (VIII) of this article.

Article 10 Information disclosure procedures:

I. Items to be publicly announced and reported, and the standards for such announcement and reporting

(I) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof with a related party, where the transaction amount reaches 20% of the Company's paid-in capital, 10% of total assets, or NT$300 million or more. However, this does not apply to trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

(II) Conducting merger, demerger, acquisition, or share transfer.

(III) Losses from engaging in derivatives trading reaching the upper limit on total or individual contract losses set forth in the applicable procedures.

(IV) Asset transactions other than those in the preceding four subparagraphs, or investments in the Mainland Area, where the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more. However, this shall not apply to the following circumstances:

1. Purchase or sale of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of the Republic of China.
2. Purchase or sale of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
3. The acquired or disposed asset is equipment or right-of-use assets thereof for business use, the transaction counterparty is not a related party, and the transaction amount is less than NT$500 million.
4. Acquisition of real property by self-construction on owned land, construction on leased land, allocation of housing units under joint construction, allocation of ownership percentages under joint construction, or separate sale under joint construction, where the transaction counterparty is not a related party and the transaction amount the Company expects to invest is less than NT$500 million.

(V) The transaction amount referred to in the preceding paragraph shall be calculated as follows, and "within one year" means the one-year period retroactively calculated from the date of occurrence of the current transaction; any part already publicly announced in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies need not be included again.

1. The amount of each transaction.
2. The cumulative amount of transactions for acquisition or disposal of the same type of underlying asset with the same counterparty within one year.
3. The cumulative amount within one year of acquisitions or disposals of real property or right-of-use assets thereof under the same development project, with acquisitions and disposals calculated separately.
4. The cumulative amount within one year of acquisitions or disposals of the same securities, with acquisitions and disposals calculated separately.

(VI) The Company shall, by the 10th day of each month, enter into the information reporting website designated by the competent authority, in the prescribed format, information on derivatives trading by the Company and its subsidiaries that are not domestic public companies as of the end of the preceding month.

II. Time limits for public announcement and reporting

Where the Company acquires or disposes of assets and the transaction falls under the items required to be publicly announced under paragraph 1 of this article and reaches the standards for public announcement and reporting under this article, it shall make the public announcement and reporting within two days from the date of occurrence.

III. Procedures for public announcement and reporting

(I) The Company shall make public announcements and reports of the relevant information on the website designated by the competent authority.

(II) If there is any error or omission in an item that the Company is required to publicly announce pursuant to regulations and the item is corrected at the time of announcement, the Company shall, within two days from the date it becomes aware thereof, re-make the public announcement and report for all items.

(III) Where the Company acquires or disposes of assets, it shall keep at the Company the relevant contracts, minutes, log books, appraisal reports, and opinion letters issued by certified public accountants, attorneys, or securities underwriters, and shall retain them for at least five years unless otherwise provided by other laws.

(IV) After the Company has made a public announcement and report of a transaction in accordance with the preceding article, if any of the following circumstances occurs, the Company shall, within two days from the date of occurrence, make a public announcement and report of the relevant information on the website designated by the competent authority:

1. There is any amendment, termination, or rescission of the relevant contract originally signed for the transaction.
2. The merger, demerger, acquisition, or share transfer is not completed according to the schedule set forth in the contract.
3. There is a change to the content originally publicly announced and reported.

Article 11 Format and content of public announcement:

The format and content of public announcements to be made in relation to the acquisition or disposal of assets shall be handled in accordance with the regulations of the competent authority.

Article 12 The Company's subsidiaries shall handle matters in accordance with the following provisions:

Where a subsidiary of the Company is not a public company, and its acquisition or disposal of assets reaches the standards for public announcement and reporting, the Company shall also make the public announcement and report. In the standards for public announcement and reporting applicable to subsidiaries, the phrase "reaches 20% of the Company's paid-in capital or 10% of total assets" shall be based on the paid-in capital and total assets of the Company.

Article 13 Penalties:

Employees of the Company who violate these Procedures and other relevant laws and regulations may be subject to appropriate disciplinary action in accordance with the Company's personnel rules on rewards and penalties, depending on the severity of the circumstances.

Article 14 Other matters requiring attention:

I. Where the Company obtains an appraisal report or an opinion letter from a certified public accountant, attorney, or securities underwriter, the professional appraiser and appraisal personnel thereof, certified public accountant, attorney, or securities underwriter shall comply with the following provisions:

(I) They must not have been finally sentenced to imprisonment for one year or more for violation of this Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this restriction shall not apply where three years have elapsed since completion of execution, expiration of probation, or pardon.

(II) They may not be a related party to any party to the transaction or have a substantive related-party relationship.

(III) Where the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal personnel may not be related parties to each other or have substantive related-party relationships.

When issuing an appraisal report or opinion letter, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the respective industry associations to which they belong and the following matters:

(I) Before accepting a case, they shall prudently assess their own professional competence, practical experience, and independence.

(II) When carrying out a case, they shall properly plan and implement appropriate operating procedures so as to form a conclusion and issue the report or opinion letter accordingly; and the procedures performed, data collected, and conclusions shall be truthfully recorded in the case working papers.

(III) They shall assess, item by item, the appropriateness and reasonableness of the sources of data, parameters, and information used, as the basis for issuing the appraisal report or opinion letter.

(IV) Declarations shall include matters such as confirmation that the relevant personnel possess professionalism and independence, that the information used has been assessed as appropriate and reasonable, and that relevant laws and regulations have been complied with.

II. Where assets are acquired or disposed of through court auction procedures, the supporting documents issued by the court may be used in lieu of an appraisal report or an opinion from a certified public accountant.

III. Any matters not covered by these Procedures shall be handled in accordance with relevant laws and regulations and the Company's relevant internal rules. If the competent authority revises the originally promulgated regulations or rulings in respect of the Procedures for Acquisition or Disposal of Assets, the Company shall comply with the provisions of the new regulations or rulings.

IV. The provision in these Standards concerning 10% of total assets shall be calculated based on the total assets amount in the most recent Parent Company Only Financial Statements or separate financial reports prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 15 Implementation and amendments:

These Procedures shall be implemented after being Approved by the Board of Directors, sent to each supervisor, and submitted to the shareholders meeting for approval; the same shall apply to amendments. If any director expresses dissent and there is a record or written statement thereof, the information on the director's dissent shall also be sent to each supervisor.

When the relevant materials are submitted to the Board of Directors for discussion pursuant to the preceding paragraph, the opinions of each independent director shall be fully considered, and if any independent director has dissenting or qualified opinions, such opinions shall be stated in the minutes of the Board of Directors meeting.

Where the Company has established the Audit Committee in accordance with law, the establishment or amendment of the Procedures for Acquisition or Disposal of Assets shall be subject to the consent of more than one-half of all members of the Audit Committee and then submitted to the Board of Directors for resolution.

If the matter in the preceding paragraph is not approved by more than one-half of all members of the Audit Committee, it may be approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be stated in the minutes of the Board of Directors meeting.

The terms "all members of the Audit Committee" in the preceding paragraph and "all directors" in the preceding paragraph shall be calculated based on the actual incumbents.

The provisions of these Procedures relating to independent directors and the Audit Committee shall be implemented from the date of establishment by the Company.

Article 16 Supplementary provisions

These Procedures were established and implemented after being Approved by the Board of Directors on June 26, 2010 and Approved by the shareholders meeting on June 26, 2010.

The first amendment to these Procedures was implemented after being Approved by the Board of Directors on April 12, 2012 and Approved by the shareholders meeting on June 5, 2012.

The second amendment to these Procedures was implemented after being Approved by the Board of Directors on August 28, 2012 and Approved by the shareholders meeting on June 26, 2013.

The third amendment to these Procedures was implemented after being Approved by the Board of Directors on March 11, 2014 and Approved by the shareholders meeting on June 12, 2014.

The fourth amendment to these Procedures was implemented after being Approved by the Board of Directors on February 15, 2017 and Approved by the shareholders meeting on June 15, 2017.

The fifth amendment to these Procedures was implemented after being Approved by the Board of Directors on March 8, 2019 and Approved by the shareholders meeting on June 18, 2019.

The sixth amendment to these Procedures was implemented after being Approved by the Board of Directors on February 23, 2022 and Approved by the shareholders meeting on June 9, 2022.

The seventh amendment to these Procedures was implemented after being Approved by the Board of Directors on December 15, 2023 and Approved by the shareholders meeting on May 24, 2024.

Appendix III

Sheh Fung Screws Co., Ltd.
Rules of Procedure for Shareholders Meetings

I. Unless otherwise provided by laws or regulations or the Articles of Incorporation, the Rules of Procedure for the Company's shareholders meetings shall be governed by these Rules. Unless otherwise provided by the competent securities authority, meetings held by video conference shall be conducted in accordance with these Rules.

II. The Company shall specify in the meeting notice the time for shareholder registration, the place of registration, and other matters requiring attention.
The time for shareholder registration referred to in the preceding paragraph shall commence at least 30 minutes before the meeting begins; the registration place shall be clearly marked and staffed by adequate and competent personnel.
Shareholders attending in person or by proxy entrusted by shareholders (hereinafter referred to as shareholders) shall attend the shareholders meeting with the attendance certificate, sign-in card, or other attendance documents. The Company may not arbitrarily require additional supporting documents beyond those showing eligibility to attend. Proxy solicitors soliciting proxy forms shall also carry identification documents for verification.
Shareholders, proxy solicitors, and proxy agents (hereinafter collectively referred to as shareholders) attending the shareholders meeting shall submit a sign-in card for registration.
Where the shareholders meeting is convened by video conference, shareholders intending to attend by video conference shall register with the Company two days before the shareholders meeting. For a shareholders meeting held by video conference, registration shall be accepted on the video conference platform of the shareholders meeting beginning 30 minutes before the meeting starts. Shareholders who complete registration shall be deemed to have attended the shareholders meeting in person.

III. Attendance and voting at shareholders' meetings shall be calculated based on the number of shares. The number of shares in attendance shall be calculated based on the sign-in cards submitted, the number of shares registered on the video conference platform, plus the number of shares for which voting rights are exercised in writing or by electronic means.

IV. The place of a shareholders meeting shall be at the location of the Company or a place convenient for shareholders to attend and suitable for convening a shareholders meeting. The meeting shall not begin earlier than 9:00 a.m. or later than 3:00 p.m.
When the Company convenes a virtual shareholders meeting, it is not subject to the restriction on the place of meeting set forth in the preceding paragraph. When the Company convenes a virtual shareholders meeting, it shall provide appropriate alternative measures for shareholders who have difficulty attending the shareholders meeting by video conference. Any change in the method of convening the Company's shareholders meeting shall be approved by the Board of Directors and made no later than before the meeting notice of the shareholders meeting is dispatched.

V. If a shareholders meeting is convened by the Board of Directors, the chairperson shall be the Chairman of the Board. If the Chairman of the Board is on leave or unable to exercise his duties for any reason, the Vice Chairman shall act on his behalf. If there is no Vice Chairman or if the Vice Chairman is also on leave or unable to exercise his duties for any reason, the Chairman of the Board shall designate one managing director to act on his behalf; if there is no managing director, one director shall be designated to act on his behalf. If the Chairman of the Board does not designate a proxy, the managing directors or directors shall elect one person from among themselves to act on his behalf.
Where the chairperson referred to in the preceding paragraph is acted for by a managing director or director, such person shall have held such office for more than six months and be familiar with the financial and business conditions of the Company. The same shall apply where the chairperson is a representative of a juristic person director.
For a shareholders meeting convened by the Board of Directors, the Chairman of the Board should preside over the meeting in person, and a majority of the directors on the Board of Directors, at least one supervisor in person, and at least one representative of each type of functional committee should attend in person, and the

attendance shall be recorded in the minutes of the shareholders meeting.

If a shareholders meeting is convened by any person with convening power other than the Board of Directors, the chairperson shall be such convener. Where there are two or more conveners, they shall elect one person from among themselves to serve as chairperson.

VI. The Company may appoint its retained attorneys, accountants, or related personnel to attend the shareholders' meeting.

VII. The Company shall make uninterrupted audio and video recordings of the entire process of shareholder registration, the proceedings of the meeting, and the vote counting process, commencing from the time it begins accepting shareholder registration. The audio and video materials referred to in the preceding paragraph shall be retained for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, they shall be retained until the conclusion of the litigation.

Where the shareholders meeting is held by video conference, the Company shall record and retain the data regarding shareholders' registration, sign-up, check-in, questions raised, voting, and the Company's vote counting results, and shall make uninterrupted audio and video recordings of the entire video conference.

During the period of the Company's existence, it shall keep the data and audio and video recordings referred to in the preceding paragraph properly, and shall provide the audio and video recordings to the party entrusted to handle the affairs of the video conference for safekeeping.

VIII. At the scheduled meeting time, the chairperson shall immediately announce the commencement of the meeting and simultaneously disclose relevant information such as the number of shares without voting rights and the number of shares present. When the scheduled meeting time has arrived, the chairperson shall immediately announce the commencement of the meeting. However, if the shareholders present do not represent more than one-half of the total issued shares, the chairperson may announce a postponement of the meeting. Such postponement may be made no more than twice, and the total postponement time may not exceed one hour. If after two postponements the quorum is still insufficient, but shareholders representing more than one-third of the total issued shares are present, the chairperson shall announce a postponement of the meeting; where the shareholders meeting is held by video conference, the Company shall additionally announce the postponement on the video conference platform of the shareholders meeting.

If after two postponements referred to in the preceding paragraph the quorum is still insufficient, but shareholders representing more than one-third of the total issued shares are present, a tentative resolution may be adopted in accordance with Article 175, paragraph 1 of the Company Act, and all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month; where the shareholders meeting is held by video conference, shareholders intending to attend by video conference shall re-register with the Company two days before the shareholders meeting.

If before the close of the meeting, the number of shares represented by the shareholders present reaches more than one-half of the total issued shares, the chairperson may resubmit the tentative resolution to the meeting for a vote in accordance with Article 174 of the Company Act.

IX. If a shareholders' meeting is convened by the Board of Directors, the agenda shall be set by the Board of Directors. Each proposal (including extraordinary motions and amendments to original proposals) shall be voted on separately. The meeting shall proceed in accordance with the scheduled agenda, which shall not be changed without a resolution of the shareholders' meeting.

If a shareholders meeting is convened by a person with convening power other than the Board of Directors, the provisions of the preceding paragraph shall apply mutatis mutandis.

Before the agenda set forth in the preceding two paragraphs (including extraordinary motions) is concluded, the chairperson may not adjourn the meeting without a resolution. If the chairperson adjourns the meeting in violation of the Rules of Procedure, the other members of the Board of Directors shall promptly assist the shareholders present in electing, by consent of a majority of the voting rights represented by the shareholders present and in accordance with legal procedures, one person to serve as chairperson and continue the meeting.

X. Before speaking, a shareholder present shall fill out a speaker's slip stating the summary of the speech, the shareholder account number (or attendance certificate number), and the account name, and the chairperson shall determine the order of speaking.

A shareholder present who submits only a speaker's slip but does not actually speak shall be deemed not to have spoken. If the content of the speech is inconsistent with that stated on the speaker's slip, the content of the actual speech shall prevail.

When a shareholder present is speaking, other shareholders may not speak to interfere unless they have obtained the consent of both the chairperson and the speaking shareholder; the chairperson shall stop any violator.

XI. For the same proposal, each shareholder may not speak more than twice unless otherwise permitted by the chairperson, and each speech may not exceed five minutes.

If a shareholder's speech violates the provisions of the preceding paragraph or exceeds the scope of the agenda item, the chairperson may stop the speech.

Where the shareholders meeting is held by video conference, shareholders participating by video conference may, from the time the chairperson announces the commencement of the meeting until the chairperson announces the adjournment of the meeting, raise questions in text on the video conference platform of the shareholders meeting. The number of questions raised for each proposal may not exceed two, and each question shall be limited to 200 words. The provisions of the preceding article and the preceding two paragraphs of this article shall not apply.

XII. Where a juristic person is entrusted to attend a shareholders' meeting, it may appoint only one representative to attend.

Where a juristic-person shareholder appoints two or more representatives to attend a shareholders meeting, only one person may be designated to speak on the same proposal.

XIII. After a shareholder present has spoken, the chairperson may respond in person or designate a relevant person to respond.

XIV. The chairperson shall provide sufficient opportunity for explanation and discussion of proposals and of amendments or extraordinary motions proposed by shareholders, and when the chairperson considers that a proposal has reached the point where a vote may be taken, the chairperson may announce the close of discussion and submit the proposal to a vote.

XV. The vote-monitoring and vote-counting personnel for proposals shall be appointed by the chairperson, provided that the vote-monitoring personnel shall be shareholders.

The vote counting for voting or election proposals at a shareholders meeting shall be conducted in a public area within the meeting venue, and upon completion of the count, the voting results shall be announced on-site, including the number of voting rights counted, the list of directors and supervisors elected and the number of voting rights with which they were elected, and the list of directors and supervisors not elected and the number of election rights they received, and shall be recorded.

XVI. During the meeting, the chairperson may announce a recess at an appropriate time.

XVII. Voting at a shareholders meeting shall be calculated based on the number of shares. Each share held by a shareholder carries one voting right; however, where voting rights are restricted or there are no voting rights, the relevant provisions of laws and regulations and the Company's Articles of Incorporation shall apply.

XVIII. When the Company convenes a shareholders meeting, it shall adopt electronic means and may adopt written means for the exercise of voting rights; where voting rights are exercised in writing or by electronic means, the method of exercise shall be specified in the notice of convocation of the shareholders meeting. Shareholders who exercise voting rights in writing or by electronic means shall be deemed to have attended the shareholders meeting in person. However, with respect to extraordinary motions and amendments to the original proposals at that shareholders meeting, they shall be deemed to have abstained; therefore, the Company should avoid proposing extraordinary motions and amendments to the original proposals.

For those who exercise voting rights in writing or by electronic means under the preceding paragraph, the expression of intent shall be delivered to the Company two days before the shareholders meeting. If there are duplicate expressions of intent, the one first delivered shall prevail. However, this shall not apply where a declaration is made to revoke the previous expression of intent.

After a shareholder has exercised voting rights in writing or by electronic means, if the shareholder intends to attend the shareholders meeting in person, the shareholder shall revoke the expression of intent for the exercise of voting rights referred to in the preceding paragraph by the same method used to exercise the voting rights two days before the shareholders meeting; if the revocation is made after the deadline, the voting rights exercised in writing or by electronic means shall prevail. If voting rights are exercised in writing or by electronic means and a proxy is appointed by proxy form to attend the shareholders meeting, the voting rights exercised by the proxy appointed to attend shall prevail.

Unless otherwise provided in the Company Act or the Company's Articles of Incorporation, a proposal shall be approved by a majority of the voting rights represented by the shareholders present.

Where the shareholders meeting is held by video conference, the Company shall, immediately after the end of voting, disclose the voting results and election results of each proposal on the video conference platform of the shareholders meeting in accordance with the regulations, and shall continue to disclose the same for at least 15 minutes after the chairperson announces the adjournment of the meeting.

XVIII. If there is an amendment or a substitute proposal to the same proposal, the chairperson shall determine the order of voting together with the original proposal. If one of them has been approved, the other proposals shall be deemed rejected, and no further voting shall be required.

XX. The number of shares solicited by proxy solicitors, the number of shares represented by proxy agents, and the number of shares attended by shareholders in writing or by electronic means shall be compiled by the Company in a statistical statement in the prescribed format on the date of the shareholders meeting and clearly displayed at the meeting venue; where the shareholders meeting is held by video conference, the Company shall upload the foregoing information to the video conference platform of the shareholders meeting at least 30 minutes before the meeting starts, and shall continue to disclose the same until the end of the meeting.

When the Company convenes a shareholders meeting by video conference, it shall, upon announcing the commencement of the meeting, disclose the total number of shares represented by the shareholders present on the video conference platform. The same shall apply where the total number of shares and voting rights represented by the shareholders present are otherwise counted during the meeting.

XXI. Where the shareholders meeting is held by video conference, the chairperson shall, upon announcing the commencement of the meeting, additionally announce that, except for circumstances where no postponement or continuation of the meeting is required as provided in Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if before the chairperson announces the adjournment of the meeting, any obstruction to the video conference platform or participation by video conference occurs due to natural disaster, incident, or other force majeure and continues for more than 30 minutes, the date for postponement or continuation of the meeting shall be set within five days, and Article 182 of the Company Act shall not apply.

XXII. The chairperson may direct proctors (or security personnel) to assist in maintaining order at the meeting venue. Where proctors or security personnel assist in maintaining order at the venue, they shall wear armbands bearing the words "Proctor" or identification cards.

Where sound amplification equipment is provided at the venue, if a shareholder speaks using equipment not provided by the Company, the chairperson may stop the shareholder from speaking.

If a shareholder violates the Rules of Procedure, disobeys the chairperson's correction, obstructs the proceedings of the meeting, and refuses to cease after being stopped, the chairperson may direct proctors or security personnel to escort the shareholder out of the venue.

XXIII. Any matters not provided for in these Rules shall be handled in accordance with the Company Act, the Company's Articles of Incorporation, and other relevant laws and regulations.

XXIV. These Rules shall come into force after being Approved by the shareholders meeting, and the same shall apply to amendments thereto.

XXV. These Rules were Approved by the shareholders meeting on June 26, 2010.
These Rules were first amended by the shareholders meeting on September 8, 2015.
These Rules were second amended by the shareholders meeting on June 9, 2020.
These Rules were third amended by the shareholders meeting on July 16, 2021.
These Rules were fourth amended by the shareholders meeting on June 16, 2023.

Appendix IV

Shareholding of Directors and Independent Directors

I. The Company's paid-in capital is NT$635,167,070, and the total number of issued shares is 63,516,707. Pursuant to Article 2, Paragraph 1 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," all directors are legally required to hold a minimum of 5,081,336 shares. The Company has established the Audit Committee; therefore, the statutory minimum shareholding requirement for all supervisors is not applicable.

II. As of the book closure date for the 2026 annual shareholders meeting (April 6, 2026), the number of shares held by each individual director and all directors as recorded in the shareholders register is as follows:

Title	Name	Number of shares
Chairman	Tai-Yuan Du	165,000
Director	Sheh Fung Investment Co., Ltd. Representative: Chun-Yen Chen	4,615,788
Director	Chin-Ling Du	0
Director	Wei-Sheng Investment Co., Ltd. Representative of corporate director: Po-Han Du	3,213,502
Independent Director	Hui-Ling Fang	0
Independent Director	Jun-Yong Hong	0
Independent Director	Chiu-Hua Tai	0
Total shareholdings of all directors		7,994,290