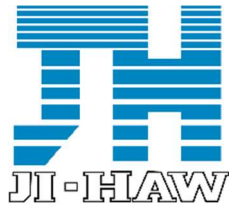


**Stock Code: 3011**



**Ji-Haw Industrial Co., Ltd.**

## **2024 1<sup>st</sup> Special Shareholders Meeting**

# **Meeting Handbook**

**Date: December 18, 2024**

**Location: No. 53, Baoxing Road, Xindian District, New Taipei City (Meeting Room of the Company)**

**Note:**

If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language version shall prevail.

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**Ji-Haw Industrial, Co., Ltd.**  
**2024 1<sup>st</sup> Special Shareholders Meeting**  
**Meeting Procedure**

- I. Announcement of Meeting**
- II. Chairman's Address**
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- IV. Extempore motions**
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**Ji-Haw Industrial, Co., Ltd.**  
**2024 1<sup>st</sup> Special Shareholders Meeting**  
**Meeting Agenda**

Time: December 18, 2024 (Wednesday) 10 a.m.

Location: No. 53, Baoxing Road, Xindian District, New Taipei City  
(Meeting Room of the Company)

Convening Method: Physical Shareholders' Meeting

I. Announcement of Meeting (Report on Attendance Shares)

II. Chairman's Address

III. Discussion items

(I) Proposal of common share issuing by private placement of cash capital increase.

(II) Proposal for the 2024 issuance of Restricted Stock Awards.

IV. Extempore motions

V. Adjournment

# Discussion items

Motion 1: Proposed by the Board of Directors

Subject: Proposal of common share issuing by private placement of cash capital increase.

Description:

- (I) To meet future development needs, the company plans to conduct a private placement of common stock through cash capital increase at an appropriate time, depending on market conditions and the company's funding requirements. In accordance with Article 43-6 of the "Securities and Exchange Act" and the "Directions for Public Companies Conducting Private Placements of Securities" the company intends to issue up to 20,000 thousand shares, to be conducted in two phases within one year from the date of the shareholders' meeting resolution.
- (II) In accordance with Article 43-6 of the "Securities and Exchange Act" and the "Directions for Public Companies Conducting Private Placements of Securities," the following provisions are established:

## 1. Basis and Rationale for Price Determination:

- (1) The reference price shall be calculated based on the following two benchmarks, with the higher one being set as the price.
  - A. The simple arithmetic average of the closing prices of ordinary shares for one, three, or five business days prior to the pricing date shall be calculated, excluding any stock dividends and distributions, and adding back the adjusted price after any capital reduction.
  - B. The simple arithmetic average of the closing prices of ordinary shares for the thirty business days prior to the pricing date shall be calculated, excluding any stock dividends and distributions, and adding back the adjusted price after any capital reduction.
- (2) The actual issuance price for this private placement shall not be lower than the par value of the shares.
  - A. If the subscriber is an insider or related party of the company, the issuance price shall be based on no less than 80% of the reference price, in accordance with the provisions of Article 4, Item 1, Subitem 2 of the "Directions for Public Companies Conducting Private Placements of Securities".
  - B. If the subscriber is a strategic investor, the issuance price shall be based on no less than 60% of the reference price. The basis and percentage for this pricing have been reviewed by the independent expert, Accountant Yu-qi Wu of Jiann Tuoh CPAs, who has issued an opinion letter regarding the basis and reasonableness of the private placement pricing.
  - C. The actual pricing date and the actual private placement price of the aforementioned securities shall be submitted to the shareholders' meeting for authorization, within the limits established by the shareholders' resolution, allowing the board of directors to decide based on future negotiations with specific parties and market conditions.

D. This private placement will be limited to a single pricing basis, and there shall be no situation where different issuance prices are applied to shares issued in the same offering.

- (3) The issuance conditions for the private placement of securities are established due to the three-year transfer restriction under the Securities and Exchange Act, as well as the strict regulations on the qualifications of subscribers. The pricing for this private placement is determined in accordance with relevant regulations from the competent authority, while also taking into account the company's operational performance, recent net worth, and recent stock prices. The method of determination is deemed reasonable.

2. Method for Selecting Specific Individuals: The participants in this private placement are limited to subscriber that meet the requirements of Article 43-6 of the "Securities and Exchange Act", Financial Supervisory Commission R.O.C. released letter NO.1120383220 dated September 12, 2023.

- (1) If the subscriber is an insider or related party of the company:

| Potential Subscribers | Relationship with the Company |
|-----------------------|-------------------------------|
| Hao-Ji Shi            | Chairman of the Company       |
| Bai Hu Zeng           | Director of the Company       |
| Chao Yang He          | Director of the Company       |
| Chen Kuo              | Director of the Company       |

- (2) If the subscriber is a strategic investor:

- A. Method and Purpose of Selection: Direct or indirect benefits to the company's future operations; leveraging the experience, technology, knowledge, brand, or channels of strategic investors through vertical or horizontal integration, or collaborative research and development of products or markets, which will facilitate future operational development and enhance the profitability of the company, whether individuals or legal entities.
- B. Necessity and Expected Benefits: Considering the transfer restrictions on privately placed securities can ensure a long-term cooperative relationship between the company and investors. By leveraging their experience, technology, knowledge, brand, or channels, these investors can assist the company in enhancing operational performance and future competitive advantages.

3. Reasons for Conducting Private Placement of Common Stock:

- (1) Reasons for Not Using Public Offering: Considering the conditions of the capital market, the timeliness and feasibility of raising capital, issuance costs, and the actual demand for attracting investors, private placement offers a rapid and straightforward approach. Therefore, it is proposed not to use public offering, but to seek authorization from the shareholders' meeting for the board of directors to conduct private placements as needed for the company's operations, effectively enhancing the mobility and flexibility of fundraising.

(2) Amount limit of the private placement: The total amount for strategic investors and insiders or related parties is capped at 20,000 thousand shares, with a par value of NT\$10 per share. The board of directors is authorized to determine the pricing and conduct the placements within one year from the date of the shareholders' meeting resolution, with a maximum of two placements in total.

(3) The company has requested Grand Fortune Securities Co., Ltd. to provide an evaluation report on the necessity and rationality of conducting the private placement. Please refer to Attachment 2 for the detailed opinion.

(4) Use of Funds from Private Placement of Common Stock and Expected Benefits:

| Frequency | Number of Shares in Private Placement | Use of Funds Raised from Private Placement   | Expected Benefits   |
|-----------|---------------------------------------|--|---|
| 1         | 10,000 thousand shares                | To enhance working capital, repay bank loans, make investments, or for other purposes. | To achieve sustainable development and expand market presence, securing stable long-term funding can reduce operating costs, improve financial structure, enhance management efficiency, and boost competitive advantages and shareholder equity. |
| 2         | 10,000 thousand shares                |  |   |

Regarding the aforementioned first and second anticipated private placements, during the actual implementation of each placement, the previously unissued shares and/or the subsequently anticipated issued shares may be fully or partially combined for issuance. However, the total number of shares issued shall not exceed 20,000 thousand shares.

- (III) If it is anticipated that the partial private placement cannot be completed by the deadline, or if there are no further plans for continued partial private placement within the remaining timeframe, the original plan will still be considered feasible and will be deemed as having received sufficient funds for the private placement of securities.
- (IV) The rights and obligations of the common stock from this private placement are the same as those of the common stock already issued by the company. However, according to the Securities and Exchange Act, the privately placed common stock cannot be freely transferred within three years from the date of delivery, except to the parties specified under Article 43-8 of the Securities and Exchange Act. The company will apply to the regulatory authority for public offering and listing after three years from the date of delivery, in accordance with the Securities and Exchange Act and relevant regulations.
- (V) The main content of this private placement plan, in addition to the pricing percentage, includes the actual issuance price, number of shares to be issued, issuance conditions, project plans, fundraising amount, expected progress, and anticipated benefits, as well as all other matters related to the issuance plan. It is proposed to seek approval from the shareholders' meeting to authorize the board of directors to adjust, determine, and execute these matters based on market conditions. In the future, if modifications are required by regulatory authorities or due to operational assessments or changes in the external environment, the board of directors is also authorized to handle these matters in their entirety.

(VI) To facilitate the cash capital increase through a private placement of ordinary shares, it is proposed to authorize the chairman of the board to handle all related matters and to represent the company in signing all contracts and documents related to the private placement of ordinary shares.

(VII) Submitted for discussion.

Resolution:

## Motion 2: Proposed by the Board of Directors

Subject: Proposal for the 2024 issuance of Restricted Stock Awards.

### Description:

- (I) In order to attract and retain the necessary professional talent, motivate employees, and enhance their sense of belonging to jointly create benefits for the company and its shareholders, and to ensure the alignment of employee interests with shareholder interests, the company intends to issue new shares with restricted rights for employees in accordance with Article 267 of the Company Act and the relevant provisions of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" (hereinafter referred to as the "Issuance Guidelines") issued by the Financial Supervisory Commission.
- (II) Projected total issuance amount: A maximum of 4,500,000 shares of common stock will be issued, with a par value of NT\$10 per share, totaling NT\$45,000,000. The issuance will be carried out in one or more tranches within one year from the date the regulatory authority's effective notification is received, based on actual needs. The actual number of shares issued and associated costs will be calculated based on the stock price at the time of issuance and will be determined by a resolution of the board of directors, with the actual number of shares issued announced separately.
- (III) Issuance criteria :
1. Expected issue price: The current issue is gratuitous.
  2. Vesting conditions: After employees are granted restricted stock, they must remain employed until the specified vesting periods are completed. They must also meet the following conditions: achieve an annual individual performance evaluation score of B (inclusive) or higher, adhere to the service code, and have no violations of the company's employment contract, work rules, non-compete and confidentiality agreements, or any contractual agreements with the company. The respective percentage of vested shares that can be achieved under these conditions is as follows:
    - (1) After one year of service after being allotted: 50% of the number of allotted shares, and must meet the conditions of B (inclusive) and above in the annual personal performance appraisal.
    - (2) After two years of service after being allocated: 50% of the number of allocated shares, and must meet the conditions of annual personal performance appraisal B (inclusive) and above.
  3. Types of Issued Shares: New Common Shares.
  4. Handling of Employees Who Do Not Meet Vesting Conditions or Inheritance Situations: If an employee fails to meet the vesting conditions, the company will repurchase their shares without compensation and proceed with cancellation. In exceptional circumstances (including but not limited to inheritance), the process will be handled in accordance with the regulations for the issuance of restricted employee rights shares.
- (IV) Eligibility Criteria and Allocation of Shares to Employees: The eligibility for the allocation of restricted employee rights shares is limited to full-time employees of the company and its domestic and foreign subsidiaries. The actual employees receiving the restricted

employee rights shares and the number of shares allocated will be determined based on factors such as length of service, job grade, performance evaluations, past and expected overall contributions or special achievements, and other relevant factors. The allocation standards will consider the company's operational needs and business development strategy and must be approved by the chairman before being submitted to the board of directors for approval. Employees with managerial roles or directors who are employees must first obtain the approval of the Compensation Committee, while non-managerial employees must obtain the approval of the Audit Committee. For any single warrant holder, the cumulative number of restricted employee rights shares acquired, combined with the cumulative number of shares purchasable through employee stock options issued by the company according to Article 56-1, Paragraph 1 of the Fundraising Regulations, shall not exceed 0.3% of the company's total issued shares. Additionally, the cumulative number of shares purchasable through employee stock options shall not exceed 1% of the company's total issued shares.

- (V) Necessity of Issuing Restricted Employee Rights Shares: The purpose of issuing these restricted employee rights shares is to attract and retain the necessary professional talent, incentivize employees, and enhance their commitment, thereby jointly creating benefits for the company and its shareholders.
- (VI) Potential Expense Amount, Earnings Per Share Dilution, and Other Impacts on Shareholder Equity: The total issuance of restricted employee rights shares amounts to 4,500,000 shares, representing 4% of the total shares currently issued and outstanding. These shares cannot be transferred until the vesting conditions are met. The company will assess the fair value of the shares on the grant date and recognize related expenses over the vesting period on an annual basis. Based on the closing price of NT\$27.85 for the company's common stock on October 15, 2024, the total potential expense, assuming all vesting conditions are met, is estimated to be NT\$125,325,000 (with the expected issuance date on July 1, 2025). The expense impacts for the years 2025 to 2027 are estimated to be NT\$46,997,000, NT\$62,662,000, and NT\$15,666,000, respectively. Calculating based on 112,719,251 shares of common stock outstanding as of October 15, 2024, the impact on earnings per share (EPS) for the years 2025 to 2027 is estimated to be NT\$0.41, NT\$0.53, and NT\$0.13, respectively.
- (VII) Other Important Provisions: The restricted employee rights shares issued by the company will be held in trust as a means of custody until the vesting conditions are met.
- (VIII) The restricted employee rights shares issued this time will be handled in accordance with relevant regulations and the issuance guidelines established by the company, including any associated restrictions and important provisions or unspecified matters. Please refer to Appendix 3 for the "2024 Regulations Governing the Issuance of Restricted Stock Awards for Employees".
- (IX) Submitted for discussion.

Resolution:

## **Extempore motions**

### **Adjournment**

**Attachment I, Opinion on the Reasonableness of the Price of Private Placement**

**Ji-Haw Industrial, Co., Ltd.**

**Opinion on the Reasonableness of the Price  
of Private Placement**

**Valuation reference date: October 1, 2024**

**Valuation report date: October 4, 2024**

## Summary of the opinion letter

1. Appointing party and recipient of the valuation report: Ji-Haw Industrial, Co., Ltd. (hereinafter referred to as "Ji-Haw").
2. Valuation target: The price of common stock equity of Ji-Haw (stock code 3011).
3. Purpose and use of the valuation: Ji-Haw aims to enhance operational capital, repay bank loans, expand its market presence, and address long-term funding needs by negotiating a private placement of common stock with specific investors, limited to no more than 20,000 thousand shares. The company has requested that the accountant provide an opinion on the reasonableness of the private placement price of the common stock, to serve as a reference for the board's evaluation of the price's reasonableness and for reporting to relevant authorities. This opinion letter is not intended for any other use.
4. Valuation reference date: October 1, 2024.
5. Conclusion of the opinion:

After considering quantifiable financial figures and objective market data, the accountant applied the market approach, the price-to-book ratio of comparable companies, and the price-to-earnings ratio. After factoring in the liquidity discount for private placement shares, the assessment concluded that the reasonable price range for Ji-Haw private placement of common stock should be between NT\$16.42 and NT\$17.86 per share. The proposed reference price for the private placement is NT\$28.87 per share, with a 60% price at NT\$17.32, which falls within the aforementioned reasonable price range for common stock. Therefore, if the issuer responds to the specific private placement price and it complies with the relevant pricing regulations while remaining within the reasonable price range for Ji-Haw common stock, it can be considered reasonable.

This opinion letter is prepared by the accountant from an independent expert perspective, using commonly adopted methods in the market, and is provided for reference only. The issuer's decision to respond to the specific private placement offer should be based on the investor's own judgment considering market conditions and individual circumstances.

JIANN TUOH & CO., C.P.A.

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October 4, 2024

## **Ji-Haw Industrial, Co., Ltd.**

### **Opinion on the Reasonableness of the Price of Private Placement**

#### **I. Introduction**

Ji-Haw Industrial, Co., Ltd. (hereinafter referred to as "Ji-Haw") was established in January 1983 and was listed on the Taiwan Stock Exchange in July 2002 (stock code: 3011). The main business activities of Ji-Haw include the manufacturing, processing, and sales of connecting cables related to computers and their peripherals, as well as electronic consumer products and communication equipment.

As of the second quarter of 2024, Ji-Haw has issued 112,719 thousand shares of common stock and plans to implement a cash capital increase through a private placement of common stock, with a maximum allocation of no more than 20,000 thousand shares, to be approved by the board of directors in October 2024. This private placement will be conducted within one year from the date of the extraordinary shareholders' meeting resolution. The actual pricing date and private placement price will be proposed to the shareholders' meeting for authorization, allowing the board of directors to determine the specifics based on future negotiations with particular parties and market conditions, within the range approved by the shareholders' meeting.

#### **II. Purpose of the Evaluation**

Ji-Haw aims to enhance operational capital, repay bank loans, expand its market presence, and address long-term funding needs. In accordance with Article 43-6 of the "Securities and Exchange Act" and the "Directions for Public Companies Conducting Private Placements of Securities" the company plans to approve a private placement for the issuance of new common stock in October 2024. The expected issuance amount will not exceed 20,000 thousand shares, with the private placement price set at no less than 60% of the reference price. The board of directors is authorized to determine the pricing date and private placement price based on future negotiations with specific parties and market conditions.

The accountant, commissioned by Ji-Haw, issues this opinion letter on the reasonableness of the price regarding the equity value of the company's publicly traded common stock, in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and the valuation standards set forth by the Republic of China. The financial statements referenced in this opinion letter for Ji-Haw and relevant peers are based on those audited or reviewed by accountants and publicly disclosed on the Market Observation Post System. The preparation of the financial statements is the responsibility of each company's management. The accountant has utilized the content of these financial statements for the evaluation but has not performed any audit procedures; therefore, no opinion is expressed on the content of the financial statements.

### III. Financial Condition of Ji-Haw

The financial condition of Ji-Haw is based on the consolidated financial statements audited and reviewed by accountants from the 111th year to the second quarter of the 113th year. The summary of Ji-Haw financial condition for this period is as follows:

#### (I) Condensed Consolidated Balance Sheets of Ji-Haw

Unit: NT\$ thousand

| Item/Year   | June 30,<br>2024 | December 31,<br>2023 | December 31,<br>2022 |
|---|------------------|----------------------|----------------------|
| Current assets                                      | 1,008,110        | 982,993              | 1,155,439            |
| Non-current assets                                  | 1,457,528        | 1,167,701            | 1,018,089            |
| Total assets  | 2,465,638        | 2,150,694            | 2,173,528            |
| Current liabilities                                 | 749,647          | 680,357              | 548,203              |
| Non-current liabilities                             | 247,596          | 134,605              | 141,226              |
| Total liabilities                                   | 997,243          | 814,962              | 689,429              |
| Share capital from common shares                    | 1,127,192        | 1,127,192            | 1,127,192            |
| Capital surplus                                     | 3,975            | 226,697              | 226,697              |
| Retained earnings                                   | 223,111          | 72,818               | 211,382              |
| Other equity  | 95,834           | (90,975)             | (81,172)             |
| Treasury stocks                                     | -                | -                    | -                    |
| Equity attributable to owners of the parent company | 1,450,112        | 1,335,732            | 1,484,099            |
| Non-controlling interests                           | 18,283           | -                    | -                    |
| Total equity  | 1,468,395        | 1,335,732            | 1,484,099            |
| Total liabilities and equity                        | 2,465,638        | 2,150,694            | 2,173,528            |
| Net value per share (NT\$)                          | 12.86            | 11.85                | 13.17                |

Source: MOPS and the consolidated financial statements for the years from 2022 to 2023 audited by CPAs, Consolidated financial statements for the second quarter of fiscal year 2024, reviewed by accountants published by Ji-Haw.

Note: Fiscal years 2022 and 2023 refer to the restated financial statements.

#### (II) Condensed Statements of Comprehensive Income of Ji-Haw

Unit: NT\$ thousand

| Item/Year                         | January to<br>June 2024 | 2023        | 2022        |
|-----------------------------------|-------------------------|-------------|-------------|
| Operating revenue                 | 546,701                 | 1,150,689   | 1,497,478   |
| Operating costs                   | (487,820)               | (1,007,204) | (1,306,737) |
| Gross profit                      | 58,881                  | 143,485     | 190,741     |
| Operating expense                 | (160,805)               | (299,750)   | (218,787)   |
| Operating profit (loss)           | (101,924)               | (156,265)   | (28,046)    |
| Non-operating income and expenses | 25,177                  | (19,729)    | 71,478      |
| Profit before income tax          | (76,747)                | (175,994)   | 43,432      |
| Income tax expense                | (688)                   | 44,598      | (56,918)    |
| Profit for the year               | (77,435)                | (131,396)   | (13,486)    |

| Item/Year  | January to<br>June 2024 | 2023      | 2022     |
|--|-------------------------|-----------|----------|
| -attributable to shareholders of<br>the parent company | (75,646)                | (131,396) | (13,486) |
| -attributable to noncontrolling<br>interests           | (1,789)                 | -         | -        |
| Other comprehensive income                             | 186,786                 | (10,324)  | 23,169   |
| Total comprehensive income                             | 109,351                 | (141,720) | 9,683    |
| -attributable to owners of<br>parent                   | 111,163                 | (141,720) | 9,683    |
| -attributable to noncontrolling<br>interests           | (1,812)                 | -         | -        |
| Earnings per share (NT\$)                              | (0.67)                  | (1.17)    | (0.12)   |

Source: MOPS and the consolidated financial statements for the years from 2022 to 2023 audited by CPAs, Consolidated financial statements for the second quarter of fiscal year 2024, reviewed by accountants published by Ji-Haw.

Note 1: Fiscal years 2022 and 2023 refer to the restated financial statements.

Note 2: Ji-Haw revenue for the past four quarters (from July 1, 2023 to June 30, 2024) was 1,116,594 thousand NT dollars, with revenue per share of 9.91 NT dollars.

#### IV. Equity Valuation

The key factors determining the common share value of an enterprise usually include assets, liabilities, fair value, net equity value, book value per share, market value per share, and earnings per share while the future trend of these factors are taken into account to reflect the advantages and disadvantages of the enterprise and its industry and form a proper basis of fair value for the evaluation of a reasonable equity value. Therefore, common evaluation models include: market-value approach, book-value approach, price-to-earnings ratio approach, adjusted market price approach, adjusted book value approach, reconciliation of book value approach, adjusted price-to-earnings ratio approach, income approach, asset approach or cost approach, etc. In addition, it is necessary to make reasonable adjustments or to factor based on various critical elements such as financial structure, key financial ratios, competitiveness analysis, industry analysis, etc., in order to assess a reasonable value per share.

In general market practice, the calculation methods for the trading reference price of common shares mainly include:

##### (I) Market approach:

This approach mainly refers to the historical prices, recent price-to-earnings ratios, and price-to-book ratios of shares traded on a centralized securities exchange market such as TWSE or TPEx and calculates the average price-to-earnings ratio and the price-to-book ratio using the data of companies that engage in relevant or similar businesses. An appropriate multiplier is then used to estimate the value of the subject, which is later taken as a base for the calculation of the underlying securities' reference price.

Main subjects:

Domestic and foreign TWSE or TPEx listed companies, companies preparing for an IPO, or companies with a business similar to existing listed companies and with certain liquidity.

## (II) Income approach:

The income approach uses the future income or net cash flows created by the subject as the valuation basis and converts the future income or net cash flows to the value of the subject through capitalization or discount. Therefore, income, cash flows, or the trend of dividends for the coming years of the subject is estimated based on the mid to long-term development trend forecast of the subject, and the reasonable equity price of an enterprise is then calculated by inputting a reasonable discount rate or a necessary return on equity ratio. The output is used as a reference for the calculation of the securities price of the subject.

Main subjects:

A company whose profitability, dividends, or cash inflows are stable or predictable.

## (III) Asset approach or cost approach:

Approach:

The asset approach reflects the overall value of an enterprise or its business by assessing the total value of individual assets and individual liabilities under the scope of the subject. The asset approach estimates the consideration needed to reorganize or acquire the subject of assessment on the premise of continuing operation. However, if the valuation is not on the premise of continuing operation or use, the overall liquidation value of the enterprise or its business is estimated. The asset approach shall be oriented on the balance sheet of the subject with the consideration of the off-balance-sheet assets and liabilities when assessing the overall value of the enterprise or its business.

Main subjects:

A company with well-defined assets and liabilities and a reasonable basis for fair value adjustment.

## V. Selection and evaluation of calculation method.

### (I) Selection of calculation method

I, the CPA, was commissioned by Ji-Haw to conduct an analysis using the data available up to October 1, 2024 (hereinafter referred to as the Assessment Reference Date) as the reasonable basis for evaluating Ji-Haw's common share value.

Among all approaches for share valuation, the income approach is excluded due to its use of the Company's estimates for future cash flows with higher uncertainty. The asset approach involves fair value evaluation of its assets and liabilities and can be easily influenced by the fair value measurement and assumptions used, so the asset approach is also excluded.

Ji-Haw is a listed company that has an open market price for its shares. The share price is correlated to the book value per share and earnings per share at a certain level. The price-to-book ratio can be easily used to project the Company's financial performance and is less likely to be influenced by trading market factors; the price-to-earnings ratio approach, on the other hand, suggests how the market price of shares reacts to the Company's profitability; the price-to-sales ratio approach is suitable for the comparison of companies within the same market or the same

industry where sales are less likely to be manipulated. The three aforementioned approaches are commonly used in the market approach. The price-to-earnings ratio method is excluded because of the highly volatile price-to-earnings ratios of Ji-Haw and its peers. As a result, we adopted the market-value method along with the price-to-book ratios and price-to-sales ratios of comparable companies to assess the reasonableness of Ji-Haw's common share price.

(II) Significant basic assumptions for the analysis and assessment

1. Referring to the peers disclosed on Ji-Haw's 2023 Annual Report, we selected the companies that have similar products or business scope to that of Ji-Haw and concluded the 5 comparable listed companies as follows for the assessment of reasonable price range of Ji-Haw's common shares:

| Code | Company name                       | Exchange market | Main products   |
|------|------------------------------------|-----------------|---|
| 5488 | SUNFPU TECHNOLOGY CO., LTD.        | TPEX            | Network cables 52.70%, Computer peripheral cables 46.85%, Others 0.45%  |
| 6134 | WANSHIH ELECTRONIC CO., LTD.       | TPEX            | Automobile Electronics 24.91%, Video Surveillance 24.38%, Netcomm Industrial Control 20.97%, Computer Wiring 11.77%, Other Products 7.40%, Medical Products 6.66%, TV Products 3.66%, SMT Modules 0.25% |
| 6158 | P-TWO INDUSTRIES INC.              | TPEX            | Connector 100%  |
| 2328 | Pan-International Industrial Corp. | TWSE            | Electronics Components Manufacturing & Assembly 59.95%, Consumer Electronics & Computer Peripherals 40.06%  |
| 2440 | Space Shuttle Hi-Fi Co., Ltd.      | TWSE            | Twisted Wire 91.13%, C Transmission Cable 8.83%, C Assembly Product 0.04%   |

Source: Extracts from the 2023 annual reports of the comparable companies above and the market statistics of Fubon Securities.

2. In consideration of the characteristics of the industry, the financial condition, and the business performance of comparable companies and Ji-Haw, we adopted the multipliers derived from the price-to-book ratio and the price-to-sales ratio as indicators for the calculation of the price multiplier. As this issuance is through a private placement, according to Article 43-8 of the Securities and Exchange Act, except to the persons or under the circumstances permitted in the Article, places of privately placed securities may not resell the securities within three years after the delivery date. After the restriction period, the Company shall file an application to the competent authorities for a retroactive public issuance of the privately placed common shares and listing, resulting in limited liquidity and significantly increased risk of said shares. Therefore, when assessing the reasonable price of the privately placed shares, we shall take into account the high liquidity risk associated and apply a "liquidity discount rate" of 25%±2.5% (Note 1) in the assessment of the reasonable common share price range of Ji-Haw.

Note 1: With reference to domestic practices, in which the common liquidity discount rates range from 10% to 30%; the Wang, Tai-Chang, Chen, Cheng-Hui and Chang, Su-Hsien (2012, November), concluded that the liquidity discount for unlisted companies and privately placed securities is around 29.39% in the "Research on the Evaluation of Shares of Unlisted Companies and Privately Placed Shares - Liquidity Discount Indicators" published on pages 6-22 of the Money Watching and Credit Rating.

### (III) Calculation of the subject's equity value

#### 1. Calculation using the market-value method:

The shares of Ji-Haw are listed on Taiwan Stock Exchange, and the closing price on the assessment reference date (the last non-holiday business day) and the average share prices of the 5 days, 10 days, 15 days, 30 days, 60 days, 90 days and 120 days before the reference day are listed below:

| Number of days            | Share price of Ji-Haw (NT\$) |
|---------------------------|------------------------------|
| Assessment reference date | 27.8                         |
| 5-day average             | 28.1                         |
| 10-day average            | 28.54                        |
| 15-day average            | 28.44                        |
| 30-day average            | 28.90                        |
| 60-day average            | 28.54                        |
| 90-day average            | 29.16                        |
| 120-day average           | 29.31                        |

Source: Data published by Taiwan Stock Exchange and compiled by independent experts.

#### 2. Calculation using the price-to-book method

##### (1) Price-to-book ratios of comparable companies:

| Company name                 | SP<br>(5488) | WanShih<br>(6134) | P-TWO<br>(6158) | PI<br>(2328) | SPACE<br>SHUTTLE<br>(2440) | Average price-<br>to-book ratio |
|------------------------------|--------------|-------------------|-----------------|--------------|----------------------------|---------------------------------|
| Assessment<br>reference date | 1.30         | 2.76              | 1.41            | 1.36         | 1.58                       | 1.68                            |
| 5-day average                | 1.35         | 2.72              | 1.42            | 1.35         | 1.58                       | 1.68                            |
| 10-day average               | 1.33         | 2.70              | 1.42            | 1.35         | 1.55                       | 1.67                            |
| 15-day average               | 1.30         | 2.67              | 1.41            | 1.34         | 1.54                       | 1.65                            |
| 30-day average               | 1.27         | 2.57              | 1.42            | 1.34         | 1.57                       | 1.63                            |
| 60-day average               | 1.26         | 2.37              | 1.42            | 1.38         | 1.68                       | 1.62                            |
| 90-day average               | 1.28         | 2.31              | 1.42            | 1.44         | 1.74                       | 1.64                            |
| 120-day average              | 1.26         | 2.23              | 1.42            | 1.41         | 1.77                       | 1.62                            |

Source: Data published by Taiwan Stock Exchange and Taipei Exchange and compiled by independent experts.

Note: Price-to-book ratio = closing price/ book value per share. The book value per share is based on the book value per share posted on MOPS for the most recent quarter.

##### (2) The net asset value per share of Ji-Haw as of June 30, 2024, is NT\$12.86.

Based on the Price-to-book Ratio Method, the estimated price per share of Ji-Haw's common stock is:

| Number of days            | Average multiplier | The price per Ji-Haw's common share calculated using the Price-to-book Ratio Method (NT\$) |
|---------------------------|--------------------|--|
| Assessment reference date | 1.68               | 21.6   |
| 5-day average             | 1.68               | 21.6   |
| 10-day average            | 1.67               | 21.48  |
| 15-day average            | 1.65               | 21.22  |
| 30-day average            | 1.63               | 20.96  |
| 60-day average            | 1.62               | 20.83  |
| 90-day average            | 1.64               | 21.09  |
| 120-day average           | 1.62               | 20.83  |

### 3. Calculation using the price-to-sales approach

#### (1) Price-to-sales ratios of comparable companies:

| Company name              | SP (5488) | WanShih (6134) | P-TWO (6158) | PI (2328) | SPACE SHUTTLE (2440) | Average price-to- sales ratio |
|---------------------------|-----------|----------------|--------------|-----------|----------------------|-------------------------------|
| Assessment reference date | 1.83      | 2.78           | 0.91         | 0.75      | 0.58                 | 1.38                          |
| 5-day average             | 1.66      | 2.91           | 0.93         | 0.76      | 0.66                 | 1.38                          |
| 10-day average            | 1.62      | 2.89           | 0.93         | 0.76      | 0.65                 | 1.37                          |
| 15-day average            | 1.59      | 2.86           | 0.93         | 0.75      | 0.64                 | 1.35                          |
| 30-day average            | 1.56      | 2.74           | 0.93         | 0.75      | 0.65                 | 1.33                          |
| 60-day average            | 1.53      | 2.46           | 0.93         | 0.76      | 0.70                 | 1.28                          |
| 90-day average            | 1.50      | 2.36           | 0.93         | 0.78      | 0.73                 | 1.26                          |
| 120-day average           | 1.37      | 2.24           | 0.93         | 0.75      | 0.75                 | 1.21                          |

Source: Data published by Taiwan Stock Exchange and Taipei Exchange and compiled by independent experts.

Note: Price-to-sales ratio = enterprise value / sales. The sales are based on the operating revenue posted on MOPS for the most recent year or the most recent 4 quarters.

#### (2) Ji-Haw's most recent four quarters (from July 2023 to June 2024)"was NT\$ 9.91, and the prices per Ji-Haw's common share calculated using the price-to-sales ratio approach are as follows:

| Number of days            | Average multiplier | The price per Ji-Haw's common share calculated using the price-to-sales ratio approach (NT\$) |
|---------------------------|--------------------|---|
| Assessment reference date | 1.38               | 13.68   |
| 5-day average             | 1.38               | 13.68   |
| 10-day average            | 1.37               | 13.58   |
| 15-day average            | 1.35               | 13.38   |
| 30-day average            | 1.33               | 12.18   |
| 60-day average            | 1.28               | 12.68   |
| 90-day average            | 1.26               | 12.49   |
| 120-day average           | 1.21               | 11.99   |

### 4. The common share price of Ji-Haw is calculated using the valuation model:

After evaluating using the market price method, the price-to-book ratio method, and the price-to-revenue ratio method, the auditor believes that since Ji-Haw is a listed company, its stock market price should be given a higher weight (50%). Both the price-to-book ratio method and the price-to-revenue ratio method are commonly used in practice and academia to assess the fair value of common stock. Therefore, equal weights (25%) are assigned to both the price-to-book ratio method and the

price-to-revenue ratio method. Additionally, considering a private placement stock liquidity discount rate of 25%, with a  $\pm 2.5\%$  range, or a discount rate of 22.5% to 27.5%, the estimated fair value range per share of Ji-Haw common stock is as follows:

| Time period               | Market-value approach (50%) | Price-to-book ratio approach (25%) | Price-to-sales ratio approach (25%) | Reasonable share price of Ji-Haw before discount (NT\$ ) | Reasonable share price of Ji-Haw discounted by 22.5% (NT\$) | Reasonable share price of Ji-Haw discounted by 27.5% (NT\$) |
|---------------------------|-----------------------------|------------------------------------|-------------------------------------|--|---|---|
| Assessment reference date | 27.80                       | 21.60                              | 13.68                               | 22.72  | 17.61   | 16.47   |
| 5-day average             | 28.10                       | 21.60                              | 13.68                               | 22.87  | 17.72   | 16.58   |
| 10-day average            | 28.54                       | 21.48                              | 13.58                               | 23.04  | 17.86   | 16.70   |
| 15-day average            | 28.44                       | 21.22                              | 13.38                               | 22.87  | 17.72   | 16.58   |
| 30-day average            | 28.90                       | 20.96                              | 13.18                               | 22.99  | 17.82   | 16.67   |
| 60-day average            | 28.54                       | 20.83                              | 12.68                               | 22.65  | 17.55   | 16.42   |
| 90-day average            | 29.16                       | 21.09                              | 12.49                               | 22.98  | 17.81   | 16.66   |
| 120-day average           | 29.31                       | 20.83                              | 11.99                               | 22.86  | 17.72   | 16.57   |

5. The reasonable share price range of uPI concluded after the assessment above:

Unit: NT\$

| Common shares of Ji-Haw Reasonable price range per share |       |       |
|--|-------|-------|
| Before discount  | 22.65 | 23.04 |
| After a discount of 22.5%-27.5%                          | 16.42 | 17.86 |

6. Since the pricing date has not been determined, according to the regulations for the private placement of securities by publicly listed companies, the reference price is determined by averaging the closing prices of the common stock over either the 1st, 3rd, or 5th business day prior to the pricing date, and comparing it with the average closing price of the common stock over the preceding 30 business days, with the higher of the two being used as the reference price. Ji-Haw plans to resolve at the Board of Directors meeting in October 2024 that the private placement issue price will be set at no less than 60% of the reference price. Furthermore, the company plans to submit the proposal for approval at the shareholders' extraordinary meeting in the same year, and authorize the Board of Directors to determine the pricing date and private placement price based on future negotiations with specific investors and market conditions. This opinion letter assumes October 4, 2024, as the tentative pricing date, and based on the aforementioned private placement regulations, the proposed reference price per share is NT\$28.87 (as shown below), with 60% of this price being NT\$17.32.

| Range of days                                   | Ji-Haw stock price (NT\$) |
|---|---------------------------|
| The average stock price of the previous 1 day   | 27.80                     |
| The average stock price of the previous 3 days  | 27.90                     |
| The average stock price of the previous 5 days  | 27.98                     |
| The average stock price of the previous 30 days | 28.87                     |

## VI. Conclusion

After considering the quantifiable financial data and objective market information, the auditor has evaluated using the market price method, the price-to-book ratio method of comparable companies, and the price-to-revenue ratio method, while also factoring in a liquidity discount rate for private placement stocks. Based on this evaluation, the estimated fair price range for Ji-Haw's common stock in the private placement should be between NT\$16.42 and NT\$17.86 per share. The proposed reference price for the private placement is NT\$28.87 per share, and 60% of this price is NT\$17.32 per share. Since this falls within the aforementioned fair price range for the private placement of common stock, the specific price proposed by the issuer in response to the private placement, if it complies with the relevant regulations for private placement pricing and falls within the fair price range, is considered reasonable.

## VII. Restrictions and statement on the use of this opinion and analysis on reasonableness

I, the CPA, only evaluate the reasonableness of the price of common shares as an independent third party and do not participate in person in the transaction and planning of any party in this case. All information in this Opinion was sourced from publicly available data such as MOPS, TWSE and TPEX and relevant information provided by the client. However, I do not express any opinion or take any responsibility for the adequacy or truthfulness of the information above.

I issue this opinion as an independent expert and conclude the price range using the common evaluation approaches of the market. The opinion is for reference only, and whether placees shall answer the placer's specific private placement shall depend on investors' decisions based on the conditions of the market and each investor.

This Opinion may not be used for any purpose other than as a reference by Ji-Haw's Board of Directors or in the filing to the competent authorities.

Sincerely,

Ji-Haw Industrial Co., Ltd.

JIANN TUOH & Co., C.P.A.

CPA Yu-Qi Wu

October 4, 2024

## Statement of Independence of financial expert

I am engaged by Ji-Haw Industrial Co., Ltd. to assess the reasonableness of equity valuation report of Ji-Haw Industrial Co., Ltd. and issue an opinion.

I performed the abovementioned engagement in accordance with the Expert Opinion Issuance Guidelines, "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and relevant laws and regulations with reference to the self-discipline regulations provided by the R.O.C. Statements of Valuation Standards or professional associations and make the following statement:

- I. The opinion issued and the data sources, parameters and information referred to therein are complete, correct and reasonable for being the basis of this opinion. However, I do not express any opinion or take any responsibility for the adequacy or truthfulness of the aforementioned data.
- II. Before undertaking this engagement, I affirmed my qualification with Article 5, paragraph 1 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and prudently assessed my professional qualification and practical experience under paragraph 2, subparagraph 1 of the same Article.
- III. When undertaking this engagement, I have thoroughly plan and perform adequate procedures in order to form a conclusion and issue an opinion therefrom. All procedures performed, data collected and the conclusion have been documented in the working paper of this engagement.
- IV. I performed the assessment of reasonable equity value report of Ji-Haw based on the professional and independent spirit, there is no prior arrangement for compensation or predetermined conclusions regarding the opinion.
- V. In order to perform the engagement above, I hereby declare that I am not in any of the following circumstances:
  - (I) My spouse or I am currently employed by any party of this transaction or by the securities underwriter engaged thereof to perform routine work for which my spouse or I receive a fixed salary.
  - (II) My spouse or I have previously served as an employee of any party of the transaction or the securities underwriter thereof, and have been discharged or resigned from the position for less than two years.
  - (III) The unit with which I or my spouse is employed and any party of the transaction are related parties of each other.
  - (IV) I am a spouse or a blood relative within the second degree of kinship of a party of the transaction or the responsible person or manager of the securities underwriter engaged.
  - (V) My spouse or I invest in a party of the transaction or the securities underwriter engaged or shares financial gains therewith;
  - (VI) My spouse or I am the CPA of a party of the transaction or the securities underwriter engaged.
  - (VII) The unit with which I or my spouse is employed has a business relationship with a party of the transaction or the securities underwriter engaged.

Appraiser: CPA Yu-Qi Wu  
October 4, 2024

## **Resume of the financial expert**

Name: Yu-Qi Wu

Education and experience: Bachelor's in Accounting, Tunghai University

Master's in Accounting, National Taiwan University

Adjunct Lecturer in Accounting, Huaan University

Adjunct Lecturer in Accounting and Statistics, Takming  
University of Science and Technology

Adjunct Lecturer, National Taipei University of Business

Professional technicians of Professor Level, Tunghai University

Supervisor, Procrystal Technology Company Limited

Supervisor, JeiTai Industrial Co., Ltd.

Supervisor, ATE Energy International Co., Ltd.

Supervisor, I-Sheng Electric Wire & Cable Co., Ltd.

Independent Director, Her Chee Industrial Co., Ltd.

Independent Director, Hon Hai Precision Industry Co., Ltd.

Supervisor, Taipei CPA Association

Member of Professional Ethics Committee, the National  
Federation of CPA Associations of the Republic of China

Vice Chairman of the Committee for Member Disputes  
Mediation, the National Federation of CPA Associations of the  
Republic of China

Practicing Accountant, Jiann Tuoh & Co., C.P.A.

Certified Public Accountant No.: Bei-Shi-Kui-Zheng-Zi No. 1740

## **Attachment II, Necessity and Fairness Opinion of Private Placement**

### **Ji-Haw Industrial, Co., Ltd.**

#### **Necessity and Fairness Opinion of Private Placement**

Client: Ji-Haw Industrial, Co., Ltd.

Recipient: Ji-Haw Industrial, Co., Ltd.

Designated use of opinion: For Ji-Haw Industrial, Co., Ltd. to engage with private placement in 2024.

Reprot type: Necessity and Fairness Opinion of Private Placement

Appraiser: Grand Fortune Securities Co., Ltd.

Date: October 15,2024

# **Ji-Haw Industrial, Co., Ltd.**

## **Assessment Opinion on the Necessity and Reasonableness of the Private Placement of Common Stock for the Fiscal Year 2024**

### **I. Preface**

Ji-Haw Industrial, Co., Ltd. (hereinafter referred to as "Ji-Haw" or the "Company") intends to address its funding needs for operations, repayment of bank loans, and investments by proceeding with a private placement of common stock under Article 43-6 of the "Securities and Exchange Act". The Company plans to hold a board of directors meeting on October 25, 2024, to resolve the private placement of common stock. According to the proposal from the board meeting, the private placement will have a cap of up to 20 million shares, and, after approval by the Company's 1st Special shareholders' meeting (hereinafter referred to as the "1st Special Shareholders' Meeting") for the year 2024, it will be carried out in two tranches within one year from the date of the Shareholders' Meeting resolution.

If the private placement subscriber is an insider or related party of the company, the issuance price shall be based on no less than 80% of the reference price, in accordance with the provisions of Article 4, Item 1, Subitem 2 of the "Directions for Public Companies Conducting Private Placements of Securities". If the subscriber is a strategic investor, the issuance price shall be based on no less than 60% of the reference price. The basis and percentage for this pricing have been reviewed by the independent expert, Accountant Yu-qi Wu of Jiantuo CPAs, who has issued an opinion letter regarding the basis and reasonableness of the private placement pricing. The actual pricing date and the actual private placement price of the aforementioned securities shall be submitted to the shareholders' meeting for authorization, within the limits established by the shareholders' resolution, allowing the board of directors to decide based on future negotiations with specific parties and market conditions.

In accordance with the provision of the "Directions for Public Companies Conducting Private Placements of Securities" (hereinafter referred to as the "Directions"), if one-third or more of the board seats have changed during the period from 1 year preceding the day on which the Board of Directors resolves on the private placement of securities to 1 year from the delivery date of those privately placed securities, the company shall engage a securities underwriter to provide an assessment opinion on the necessity and reasonableness for conducting the private placement. According to the information provided by the Market Observation Post System, the Company held a shareholders' meeting on June 28, 2024, to elect an independent director. In the future, there is a possibility that a strategic investor may acquire a board seat in the Company. Therefore, the Company has engaged the underwriter to provide an assessment opinion on the necessity and reasonableness of the private placement. Below is a summary of the assessment opinion:

### **II. Securities underwriter's assessment opinion**

#### **(I) Assessment of Legality**

The Company's financial statements for the year 2023 show a net loss of NT\$131,396 thousand after tax. This does not fall under the restriction of Article 3 of the "Directions for Public Companies Conducting Private Placements of Securities," which stipulates that a public company with a net profit for the most recent fiscal year and no accumulated losses may not conduct a private placement of securities. Upon reviewing the proposal materials for the board

meeting on October 25, 2024, the proposed offering price for the private placement of common stock will not be lower than the par value. If the private placement targets are insiders or related parties of the Company, the offering price will be based on no less than 80% of the reference price, in compliance with Item 2, Paragraph 1, Article 4 of the "Directions for Public Companies Conducting Private Placements of Securities." If the private placement targets are strategic investors, the offering price will be based on no less than 60% of the reference price. The basis for and reasonableness of this pricing have been reviewed by the independent expert, Mr. Wu Yuqi, who has issued an opinion letter regarding the pricing basis and its fairness.

The subscribers for this private placement are also intended to be limited to specific persons who meet the requirements of Article 43-6 of the "Securities and Exchange Act", the Financial Supervisory Commission's Order No.1120383220 issued on September 12, 2023, and the relevant provisions of the "Directions for Public Companies Conducting Private Placements of Securities", in accordance with the applicable regulations.

- (II) Financial Condition of Ji-Haw, the company's consolidated simplified balance sheet and income statement for the most recent two years and the latest period are presented as follows:

1. Condensed Consolidated Balance Sheets

Unit: NT\$ thousand

| Item                                  | January 1,2024<br>(Revised financial<br>statements) | January 1,2023<br>(Revised financial<br>statements) | June 30,2024     |
|---------------------------------------|---|---|------------------|
| Current assets                        | 1,155,439   | 982,993   | 1,008,110        |
| Property, plant and equipment         | 261,602   | 297,446   | 360,673          |
| Other current assets                  | 756,487   | 870,255   | 1,096,855        |
| <b>Total assets</b>                   | <b>2,173,528</b>                                    | <b>2,150,694</b>                                    | <b>2,465,638</b> |
| Current liabilities                   | 548,203   | 680,357   | 749,647          |
| Non-current liabilities               | 141,226   | 134,605   | 247,596          |
| <b>Total liabilities</b>              | <b>689,429</b>                                      | <b>814,962</b>                                      | <b>997,243</b>   |
| Share capital                         | 1,127,192   | 1,127,192   | 1,127,192        |
| Capital surplus                       | 226,697   | 226,697   | 3,975            |
| Appropriated as legal capital reserve | 23,586  | 23,586  | -                |
| Special reserve                       | 218,029   | 218,029   | -                |
| Losses to be covered                  | -30,233   | -168,797  | 223,111          |
| Other equity                          | -81,172   | -90,975   | 95,834           |
| Non-controlling interests             | -   | -   | 18,283           |
| <b>Total equity</b>                   | <b>1,484,099</b>                                    | <b>1,335,732</b>                                    | <b>1,468,395</b> |

Source: Financial Statements audited or reviewed by CPAs of the Company

## 2. Condensed Consolidated Statements of Comprehensive Income

Unit: NT\$ thousand

| Item                               | 2022      | 2023      | January to June 2024 |
|------------------------------------|-----------|-----------|----------------------|
| Operating revenue                  | 1,497,478 | 1,150,689 | 546,701              |
| Operating costs                    | 1,306,737 | 1,007,204 | 487,820              |
| Gross profit                       | 190,741   | 143,485   | 58,881               |
| Operating expenses                 | 218,787   | 299,750   | 160,805              |
| Net operating loss                 | -28,046   | -156,265  | -101,924             |
| Non-operating income and expenses  | 71,478    | -19,729   | 25,177               |
| Profit (loss) before tax           | 43,432    | -175,994  | -76,747              |
| Income tax income (expense)        | -56,918   | 44,598    | -688                 |
| Net income (loss) for the period   | -13,486   | -131,396  | -77,435              |
| Earnings (losses) per share (NT\$) | -0.12     | -1.17     | -0.67                |

Source: Financial Statements audited or reviewed by CPAs of the Company

### (III) Assessment on the necessity and reasonableness for conducting the private placement

#### 1. Assessment on necessity

The Company's main business is the design, manufacturing, and sales of precision electronic connectors, sockets, and cables. Its product offerings are targeted at markets such as consumer electronics, automotive, industrial, and the Internet of Things (IoT). As smart technologies continue to evolve, although there has been an increase in end-user demand, most of the Company's core products are still affected by low-price competition, which has reduced profit margins. In recent years, the Company has experienced consecutive negative operating profits. Considering the current development trends in the connector industry, the Company has assessed that, in order to further enhance its business model that integrates technology and services, and create higher added value, it intends to introduce specific persons and strategic investors who meet legal requirements as the main targets for this private placement.

The funds raised from this private placement will primarily be used to strengthen working capital, repay bank loans, make reinvestments, or meet other funding needs. By introducing long-term investors who can contribute to the Company's future operations, the Company aims to achieve sustainable development and expand its market reach. With stable, long-term funding, the Company can reduce operating costs, improve its financial structure, enhance management efficiency, and strengthen its competitive advantages and shareholder equity. Therefore, the necessity of conducting this private placement is deemed reasonable.

Considering the timeliness, convenience, and issuance costs of raising capital in the financial markets, as well as the transfer restriction on privately placed securities within three years, which ensures a long-term cooperative relationship between the Company and its investors, the decision to raise capital through a private placement and introduce private investors is deemed necessary.

## 2. Assessment of reasonableness

We have assessed the reasonableness of conducting the Private Placement from the following three aspects:

### (1) Reasonableness on the procedures for the private placement

Upon reviewing the proposal materials for the board meeting scheduled on October 25, 2024, the agenda, issuance procedures, pricing of the private placement, and the selection method for specific subscribers are all in compliance with the "Securities and Exchange Act" and relevant regulations, with no significant abnormalities found.

### (2) Reasonableness on the types of securities to be privately placed

The Company intends to conduct a private placement of common stock, which is a type of securities commonly issued in the market and widely accepted by investors. Therefore, the type of securities selected for this private placement is deemed reasonable.

### (3) Reasonableness on the anticipated benefits from the Private Placement

The Company intends to introduce long-term investors through this private placement to strengthen working capital, repay bank loans, make reinvestments, or for other uses of funds. It is expected that the injection of long-term capital will enhance the Company's management efficiency, improve operational effectiveness, reduce business risks, and strengthen the financial structure. Considering the transfer restrictions on privately placed securities, which ensure a long-term cooperative relationship between the Company and its investors, the investors' industry development experience and resources will help the Company improve operational performance and future competitive advantages. Overall, this private placement is deemed to have a positive impact on the Company's operations and shareholder equity and is therefore considered reasonable.

## 3. Assessment of the selection of placees and the feasibility and necessity thereof

### (1) Selection of placees

According to the proposal materials for the board meeting scheduled on October 25, 2024, the subscribers for this private placement will be limited to specific persons who meet the requirements of Article 43-6 of the Securities and Exchange Act, the Financial Supervisory Commission's Order No. 1120383220 issued on September 12, 2023, and the relevant provisions of the "Directions for Public Companies Conducting Private Placements of Securities" and other applicable regulations. The selection method and purpose for specific subscribers, in addition to the potential consultation with insiders or related parties to strengthen the stability of the management team, also include the intention to introduce strategic investors. These investors are expected to bring valuable experience, technology, knowledge, brand, or distribution channels, and through vertical or

horizontal integration within the industry or joint research and development of products or markets, contribute to the Company's future operational development and profitability.

## (2) Feasibility and Necessity of the Subscribers

The funds raised from this private placement will be used to strengthen working capital or meet the Company's future business growth funding needs. Considering the Company's goal of sustainable development and market expansion, obtaining stable, long-term capital will help reduce operating costs, improve the financial structure, enhance management efficiency, and strengthen competitive advantages and shareholder equity. The Company also intends to introduce strategic investors, hoping to leverage their industry resources from the upstream and downstream supply chain. Through vertical and horizontal industry integration or joint research and development of products or markets, this will benefit future operational development, thereby enhancing the Company's competitiveness, profitability, and shareholder equity. Therefore, the consultation with potential subscribers for this private placement is both feasible and necessary.

## 4. Impact of the Private Placement on the Company's Business, Financials, and Shareholder Equity

### (1) Impact on the Company's Business

Through this private placement, the Company intends to introduce funds from long-term investors. By collaborating with strategic investors, the Company aims to enhance vertical or horizontal integration with upstream and downstream industries, expand markets, and jointly research and develop new products and markets, thus generating mutual benefits. The funds raised from this private placement will not only support daily operational needs, repay bank loans, and improve the financial structure, but also enable the expansion of new businesses, with the goal of increasing the Company's revenue and profitability. This is expected to have a positive impact on future operations. Therefore, the private placement is anticipated to bring positive benefits to the Company's business operations.

### (2) Impact on the Company's Financials

The Company intends to conduct a private placement of common stock, with a total of up to 20,000,000 shares. The private placement subscribers may include strategic investors, insiders, or related parties. If the full amount is raised, it will strengthen the Company's operational structure. Given the highly competitive industry environment in which the Company operates, and the fact that the Company has posted negative operating profits for several consecutive years, the private placement is expected to have a positive impact on its financial position. If the subscribers are strategic investors, the offering price will be based on no less than 60% of the reference price. With the strategic investors' experience and expertise, the Company expects to reduce costs and improve efficiency, which should effectively enhance the Company's operational performance and profitability. Therefore, this private placement is expected to have a positive impact on the Company's financials.

### (3) Impact on Shareholder Equity

The private placement will be capped at 20,000,000 shares. If the full amount is issued, the private placement of common stock will account for 15.07% of the Company's total outstanding shares, which is 132,719,251 shares after the issuance. This is not expected to have a significant impact. Given that the Company's operating profits have been negative in recent years, the funds raised from this private placement are expected to provide benefits to the Company's financials and operations. In the long term, this will also have a positive effect on shareholder equity. If the Company aims to introduce strategic investors through this private placement to meet long-term operational development needs, the experience and resources brought by the investors will help vertically or horizontally integrate the upstream and downstream industries, improving the Company's competitiveness and technological capabilities. This will enhance the Company's operational performance and, in turn, increase shareholder value. Although the private placement may lead to changes in board seats, the restriction on the transferability of privately placed securities for three years ensures a long-term cooperative relationship between the Company and its strategic investors. Therefore, this private placement is expected to have a positive impact on the Company's shareholder equity.

### 5. Summary of the Assessment Opinion

In conclusion, considering that the funds raised from the Company's private placement will be used to strengthen operating capital, repay bank loans, and for investment purposes, the Company expects to secure stable, long-term funding to expand its market reach and create long-term value for shareholders. Given that the primary objective of this private placement is to leverage the investors' experience and resources to strengthen operational scale and overall competitiveness, thereby enhancing shareholder equity, the private placement is deemed both necessary and reasonable for the Company's long-term development. Furthermore, after reviewing the proposal materials for the board meeting on October 25, 2024, the underwriter confirms that the Company's issuance plan, issuance procedures, pricing methods, and selection of specific investors are in compliance with the Securities and Exchange Act and relevant regulations, with no significant abnormalities identified.

### III. Other Statements

- (I) The contents of this opinion letter are intended solely as a reference for Ji-Haw Industrial Co., Ltd.'s Board of Directors resolution on October 25, 2024, and the shareholders' extraordinary meeting resolution on December 16, 2024, regarding the private placement of common stock. It is not to be used for any other purpose.
- (II) The contents of this opinion letter are based on the proposal materials provided by Ji-Haw Industrial Co., Ltd. for the Board of Directors meeting scheduled for October 25, 2024, as well as the Company's financial data and information published through the "Market Observation Post System" (MOPS). The Company disclaims any legal responsibility for any changes to the contents of this opinion letter resulting from future modifications to the Company's private placement plan or other circumstances. This is hereby stated.

Appraiser:

Grand Fortune Securities Co., Ltd.

Representative: Bing-Jun Huang

October 15, 2024

(This seal can only be used for the Opinion on the Necessity and Reasonableness for Conducting a Private Placement by Ji-Haw Industrial, Co., Ltd. in 2024.)

## **Attachment III, 2024 Regulations Governing the Issuance of Restricted Stock Awards for Employees**

### **Ji-Haw Industrial, Co., Ltd.**

#### **2024 Regulations Governing the Issuance of Restricted Stock Awards for Employees**

##### **Article 1 Purpose of Issuance:**

To attract and retain the necessary professional talent, incentivize employees, and enhance employee commitment to jointly create benefits for the company and its shareholders, ensuring the alignment of employee interests with shareholder interests, the company has established the "2024 Regulations Governing the Issuance of Restricted Stock Awards for Employees" (hereinafter referred to as "this regulation") in accordance with Article 267, Paragraph 9 of the Company Act and the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" (hereinafter referred to as the "Issuance Regulations") issued by the Financial Supervisory Commission.

##### **Article 2 Period of Issuance:**

Within one year from the date of receipt of the effective notification from the regulatory authority, the issuance may be carried out in one or more tranches based on actual needs. The actual issuance date will be determined by the chairman, as authorized by the board of directors.

##### **Article 3 Eligibility Criteria for Employee Allocation:**

- I. This reward program applies to full-time employees of the company and its domestic and foreign subsidiaries who are employed on the grant date of the restricted stock awards and meet certain performance criteria.
- II. The number of restricted employee rights shares allocated will be determined based on allocation criteria that consider factors such as length of service, job level, overall contributions, operational status, and other relevant factors. Before submitting for board approval, the allocation must be approved by the chairman. Employees with managerial roles or directors who are employees must first obtain the approval of the Compensation Committee, while non-managerial employees must obtain the approval of the Audit Committee.
- III. The total number of restricted employee rights shares that a single employee can cumulatively acquire, combined with the cumulative number of shares purchasable through employee stock options issued by the company according to Article 56-1, Paragraph 1 of "this regulation," shall not exceed 0.3% of the total issued shares of the company. Additionally, the cumulative number of shares purchasable through employee stock options issued according to Article 56-1, Paragraph 1 of "this regulation" shall not exceed 1% of the company's total issued shares. However, if the regulatory authority or legislation raises the limit for the allocation of restricted employee rights shares to a single employee in the future, this will be handled in accordance with the regulations set by the regulatory authority or legislation.

Article 4 Total Amount of Issuance:

A total of 4,500,000 shares of common stock will be issued, with a par value of NT\$10 per share, resulting in a total issuance amount of NT\$45,000,000.

Article 5 Conditions for Issuance of Restricted Employee Rights Shares and Restrictions on Shareholder Rights:

I. Issuance Price: The current issue is gratuitous.

II. Types of Issued Shares: New Common Shares.

III. Vesting Conditions: After employees are allocated restricted employee rights shares in accordance with this regulation, they must remain employed until the following vesting periods are fulfilled. Additionally, they must meet the annual individual performance evaluation results of at least a B grade or higher, and must not have violated the company's labor contract, work rules, non-compete agreement, confidentiality agreement, or any contractual provisions with the company. The percentage of shares that can be vested under these conditions is as follows:

1. After one year of service after being allotted: 50% of the number of allotted shares, and must meet the conditions of B (inclusive) and above in the annual personal performance appraisal.
2. After two years of service after being allocated: 50% of the number of allocated shares, and must meet the conditions of annual personal performance appraisal B (inclusive) and above.

IV. Measures to be taken when employees fail to meet the vesting conditions:

1. When employees do not meet the conditions established in Article 3, the company will reclaim their shares free of charge and proceed with cancellation.
2. Voluntary resignation, termination, dismissal, and retirement: Any unvested restricted stock will be deemed to have not met the vesting conditions effective from the date of resignation or retirement, and the company will reclaim the shares free of charge and proceed with cancellation.
3. Leave of absence without pay: If an employee is granted a leave of absence without pay during the period of receiving restricted stock, the employee will be considered to have not met the vesting conditions during this period. Upon returning to their original position, the restoration of their rights will be subject to approval by the chairman, who will reassess the vesting conditions, distribution ratio, and timelines within the allocated shares.
4. In the event of general death or disability resulting from a work-related accident that prevents the employee from continuing in their position:
  - (1) If an employee is unable to continue in their position due to disability resulting from a work-related accident, any unvested restricted stock will be fully vested at the time of resignation.
  - (2) In the event of death due to a work-related accident or general death, any unvested restricted stock will fully vest. Heirs may apply to receive the vested shares or associated rights upon completing the necessary legal procedures and providing relevant documentation.

5. Job transfer: When an employee requests a transfer to a subsidiary included in the consolidated financial statements, the restricted stock will be treated as if the employee voluntarily resigned. However, for employees assigned to a subsidiary by the company due to operational needs, their restricted stock will not be affected by the transfer.
  6. If the company undergoes organizational restructuring in accordance with the Mergers and Acquisitions Act, any unvested restricted stock will be considered as either meeting or not meeting the vesting conditions, as well as the applicable vesting ratio, subject to approval by the board of directors.
  7. If an employee has made outstanding contributions or is in special circumstances at the time of termination of employment, any unvested restricted stock will be considered as either meeting or not meeting the vesting conditions and the applicable vesting ratio. The chairman of the company is authorized to individually determine this based on the actual situation.
- V. The restricted stock that the company reclaims without compensation will be canceled.
- VI. Circumstances under which share rights are restricted prior to meeting vesting conditions:
1. Before the employee has met the vesting conditions after being allocated new shares, they are not allowed to sell, pledge, transfer, gift, encumber, or otherwise dispose of the shares that are subject to restrictions on employee rights, except through inheritance.
  2. Before the employee has met the vesting conditions after being allocated new shares, their rights to attend shareholder meetings, propose items, speak, vote, and participate in elections shall be the same as those of the company's issued common shares, and shall be executed in accordance with the trust custody agreement.
  3. The restricted employee rights shares allocated to the employee under these regulations shall not have rights to profit distribution, including but not limited to dividends, legal reserves, and capital reserves, before the vesting conditions are met. The relevant operational procedures shall be executed in accordance with the trust custody agreement.
  4. The record date for the company's bonus shares allocated free of charge, cash dividend transfer suspension date, cash capital increase subscription transfer suspension date, the shareholder meeting transfer suspension period stipulated in Article 165, Paragraph 3 of the Company Act, or any other legally mandated transfer suspension period due to factual occurrences will remain in effect until the rights distribution record date. Employees who meet the vesting conditions during this period will have their restricted shares released according to the time and procedures specified in the trust custody agreement or relevant regulations.
  5. If the company carries out a cash capital reduction or any other non-statutory capital reduction during the vesting period, the restricted employee rights shares shall be canceled in proportion to the reduction. In the case of a cash capital reduction, the returned cash must be placed in trust and can only be delivered to the employee upon meeting

the vesting conditions and deadlines. However, if the vesting conditions are not met by the deadline, the company will reclaim the cash.

VII. Other agreements:

1. After the issuance of restricted stock, it must be held in a stock trust. Until the vesting conditions are met, employees may not request the return of the restricted stock from the trustee for any reason or in any manner.
2. During the period that the restricted stock is held in trust, the company or a designated representative will have full authority to act on behalf of the employees in dealings with the stock trust custodian. This includes, but is not limited to, negotiating, signing, amending, extending, terminating the trust agreement, and providing instructions regarding the delivery, use, and disposal of the trust assets.

Article 6: Signing and confidentiality:

- I. Employees receiving restricted stock must complete the signing of the "Restricted Stock Receipt Agreement" and follow the related trust custody procedures as notified by the company's designated department before they are considered to have acquired the restricted stock. Failure to complete the required document signing will be deemed as a waiver of the restricted stock rights.
- II. Employees and any holders of restricted stock and associated rights obtained under this policy must comply with the provisions of this policy and the "Restricted Stock Receipt Agreement." Violations will be considered as not meeting the vesting conditions. Additionally, employees must adhere to the company's confidentiality regulations regarding compensation and may not inquire about or disclose information related to the restricted stock, including amounts granted or personal benefits, to others. In case of violations, the company reserves the right to reclaim and cancel any unvested restricted stock that has not met the vesting conditions.

Article 7: Taxes

The taxation related to the restricted stock granted under this policy shall be handled in accordance with the laws and regulations of the Republic of China and the country where the employee is located at that time.

Article 8: Other Important Matters

- I. This policy shall be implemented upon approval by more than two-thirds of the directors present at the board meeting, with a majority of the attending directors in favor, and after filing with the relevant authorities. If amendments are necessary due to changes in laws, regulatory requirements, or other factors, the chairman is authorized to revise this policy, which must then be submitted to the board for ratification before issuance.
- II. For any matters not covered by this policy, unless otherwise provided by law, the board of directors or its authorized representatives are fully empowered to amend or execute this policy in accordance with relevant laws.

## **Appendix I - Articles of Incorporation**

### **Ji-Haw Industrial, Co., Ltd.**

#### **Articles of Incorporation**

##### **Chapter 1 General Provisions**

Article 1: The Company has been duly incorporated in accordance with the provisions of the Company Act,

The English name of the Company is JI-HAW INDUSTRIAL CO., LTD.

Article 2: The Company's business shall include the following:

- I. B202010 Non-metallic Mining.
- II. C801110 Fertilizer Manufacturing.
- III. C802070 Pesticide manufacturing.
- IV. C802100 Cosmetics Manufacturing.
- V. C802990 Other Chemical Products Manufacturing.
- VI. C901010 Ceramics and Ceramic Products Manufacturing.
- VII. CC01020 Electric Wires and Cables Manufacturing.
- VIII. CC01080 Electronic Components Manufacturing.
- IX. CC01110 Computer and Peripheral Equipment Manufacturing.
- X. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing.
- XI. F106030 Wholesale of Molds.
- XII. F107050 Wholesale of Fertilizers.
- XIII. F108011 Wholesale of Traditional Chinese Medicine.
- XIV. F108021 Wholesale of Western Medicines.
- XV. F108031 Wholesale of Medical Devices.
- XVI. F108040 Wholesale of Cosmetics.
- XVII. F199990 Other Wholesale.
- XVIII. F207050 Retail Sale of Fertilizer.
- XIX. F208040 Retail Sale of Cosmetics.
- XX. F299990 Other Retail Sale.

- XXI. F119010 Wholesale of Electronic Materials.
- XXII. F206030 Retail Sale of Molds.
- XXIII. F219010 Retail Sale of Electronic Materials.
- XXIV. F118010 Wholesale of Information Software.
- XXV. F218010 Retail Sale of Information Software.
- XXVI. F213030 Retail sale of Computers and Business Machines.
- XXVII. F113050 Wholesale of Computers and Clerical Machinery Equipment.
- XXVIII. F399040 Retail trade without storefront.
- XXIX. F401010 International Trade.
- XXX. I301010 Information Software Services.
- XXXI. I301020 Data Processing Services.
- XXXII. I301030 Electronic Information Supply Services.
- XXXIII. I199990 Other Consulting Services.
- XXXIV. IG01010 Biotechnology Services.
- XXXV. IZ99990 Other Industrial and Commercial Services.
- XXXVI. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The total amount of the Company's investment may exceed 40% of the paid-in capital and may provide endorsements and guarantees externally for business.

Article 4: The Company's head office is located in New Taipei City. Where necessary, an overseas branch may be set up by resolution of the Board of Directors.

## Chapter II Shares

Article 5: The total capital of the Company is set at NTD 1.8 billion, divided into 180 million shares, with each share priced at NTD 10. The board of directors is authorized to issue shares in phases as business needs arise.

Within the total capital, NTD 270 million, equivalent to 27 million shares, is reserved for the issuance of employee stock options. The board of directors is authorized to decide on the phased issuance of these shares within the reserved capital of NTD 270 million, totaling 27 million shares.

Regarding the aforementioned

If the Company plans to issue employee stock options at a subscription price lower than the closing price of the Company's common stock on the issue date, it must be approved by a shareholders' meeting attended by shareholders representing more than half of the total issued shares, with at

least two-thirds of the voting rights of the attending shareholders agreeing before issuance.

If the Company intends to transfer shares it has repurchased to employees at a price lower than the average price of the actually repurchased shares, it must be preceded by approval at the most recent shareholders' meeting attended by shareholders representing more than half of the total issued shares, with at least two-thirds of the voting rights of the attending shareholders in agreement.

The Company may issue restricted employee right shares to employees of controlling or subsidiary companies who meet certain conditions.

Article 6: The shares of the Company shall be registered. Their certificates shall bear the signatures or seals of the directors representing the Company and may only be issued after they have been legally certified.

Article 7: The shares issued by the Company are exempted from printing, any such certificates, provided that such new shares are kept in custody by or registered with a securities depository body, and shall be handled in accordance with the requirements of such depository body.

Article 8: There shall be no change to the name of any shareholder or transfer of any share within 60 days before an annual general meeting is convened or 30 days before a special shareholders' meeting is convened, or within 5 days before the record date on which the Company has decided to distribute dividends and bonuses or other benefits.

### Chapter III Shareholders' Meeting

Article 9: Shareholders' meetings are divided into general meetings and special meetings. A general meeting shall be convened once a year within 6 months after the end of fiscal year, while a special meeting shall be convened when necessary in accordance with the relevant laws. The Company's shareholders' meetings may be conducted via video conferencing or other methods announced by the central regulatory authority.

A notice to convene a general meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date and no later than 15 days prior to the scheduled meeting date for a special meeting, with the date and place of meeting and cause for the meeting included in the notice.

With the consent of the addressee, the meeting notice may be given in electronic form. The notice of the preceding paragraph may be effected by means of public announcement for shareholders holding less than 1,000 registered shares.

Article 10: For shareholders who cannot attend shareholders' meeting for any reason, he/she may issue a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. In addition to the provisions set forth in Article 177 of the Company Act, proxies for attendance at shareholders' meetings are handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies".

- Article 11: Unless otherwise provided in the Company Act, shareholders of the Company are entitled to one vote per share.
- Article 12: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, and are handled in accordance with the provisions set forth in Article 183 of the Company Act.
- Article 13: When convening shareholders' meetings, the Company may allow shareholders to exercise their voting rights in writing or electronically. Shareholders who vote in this manner are considered to be personally present at the meeting. However, for any spontaneous motions and amendments to the original proposals at that meeting, they are considered to have abstained. Their expression of intent shall be handled in accordance with Article 177-2 of the Company Law.

#### Chapter IV Directors

- Article 14: The Company shall have 7-9 directors, each with a term of three years, and they are eligible for re-election. The election of directors shall adopt the candidate nomination system stipulated by Article 192-1 of the Company Law. Shareholders shall elect directors from the list of director candidates. The total shareholding percentage of all directors shall comply with the regulations set by the securities regulatory authority.

In accordance with Article 14-4 of the Securities Exchange Act, the Company has established an Audit Committee, which consists of all independent directors. The exercise of powers and related matters of the Audit Committee shall be handled in accordance with relevant legal provisions.

- Article 14-1: Of the aforementioned number of directors in the Company, at least three must be independent directors. Regarding the professional qualifications, shareholding, restrictions on holding concurrent positions, nomination and election methods, and other compliance matters of independent directors, they shall be in accordance with the regulations of the securities regulatory authority. In the election of directors, each share has voting rights equal to the number of directors to be elected. Votes can be concentrated to elect one person or distributed to elect several. The election of directors is determined by those receiving the most votes representing the highest number of voting rights. Independent directors and non-independent directors should be elected together, with separate calculations for the number of positions won.
- Article 14-2: The Company has established special committees for audit, remuneration or other functions in accordance with the law. The Audit Committee is composed of all independent directors and is responsible for carrying out the duties of a supervisor in accordance with the Company Act, the Securities and Exchange Act, other relevant laws and regulations, and the Company's relevant regulations.
- Article 15: The Board of Directors shall consist of the Company's directors. The Chairman shall be elected by a majority of the directors attending a meeting of the Board of Directors at which at least two-thirds of directors are present. The Vice Chairman is elected in the same manner. The Chairman shall represent the Company externally.

- Article 15-1: The remuneration of all directors is authorized to be determined by the board of directors based on the extent of the directors' involvement in the company's operations and the value of their contributions, taking into account the usual levels in the same industry. The Company may purchase liability insurance for directors to cover the legal liabilities they may incur in the execution of their duties during their term.
- Article 16: If the Chairman is on leave or unable to perform his/her duties for whatever reason, his/her proxy shall be handled pursuant to the provisions of Article 208 of the Company Act.
- Article 16-1: When the board of directors meets, it is convened by the chairman or his/her representative, who also acts as the chair. Decisions, unless otherwise specified by the Company Law, require the consent of a majority of the directors. When a director is not able to attend a Board meeting for any reason, he/she shall issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting, and the appointed proxy is subject to only one person.
- Article 16-2: The board of directors shall meet once every quarter. Directors should be notified of the agenda seven days in advance of the meeting; however, meetings may be convened at any time in case of emergencies. The Board shall notify the directors and supervisors for convention by written notice, fax or electronic mean.

## Chapter V Managers

- Article 17: The Company may appoint a company officer, whose appointment, discharge and compensation shall be subject to the provisions of Article 29 of the Company Act.

## Chapter VI Accounting

- Article 18: At the close of each fiscal year, the Board of Directors shall prepare (1) business report (2) financial statements and (3) a proposal of earnings distribution or recovery of losses, and they shall be submitted to the general meeting of shareholders for ratification.
- Article 19: If the Company is profitable for the year, it should allocate 3% to 15% for employee remuneration and 1% to 5% for director remuneration. However, if there are accumulated losses, funds should be reserved first to offset these losses.
- The remuneration for employees mentioned in the previous clause may be in the form of stocks or cash, and may include employees of controlling or subsidiary companies who meet certain conditions. The conditions and distribution methods are authorized to be decided by the board of directors.
- Article 19-1: If there is a profit for the year, the Company shall first pay taxes and cover previous losses, then 10% of the net profit after tax shall be set aside as legal reserve, except for when the accumulated legal reserve has reached the Company's total paid-in capital. Special reserve may be set aside or reversed as required by the Company's operating needs or the law or regulations. Any balance thereof still available shall, the Board of Directors shall allocate 10% to 100% of the undistributed earnings and prepare an earnings distribution proposal to be submitted to the shareholders' meeting for ratification.

The cash dividends may not be less than 30% of the total dividends; however, if the cash dividends are less than NT\$0.1 per share, dividends may be distributed in the form of shares. The rates for earnings distribution are adjusted by resolution of the shareholders meeting depending on the actual profit of the year, capital budget and the Company's state of capital.

When the said earnings distribution is made in the form of cash dividends, the Board of Directors is authorized to reach resolution and to report to the shareholders' meeting.

Article 19-2: If the Company distributes cash using statutory retained earnings reserve (limited to the portion of the reserve exceeding 25% of the paid-in capital) and all or part of the capital reserve that meets the requirements of the Company Law, the board of directors may be authorized to distribute it by special resolution and report to the shareholders' meeting.

## Chapter VII Supplementary Provisions

Article 20: Matters not provided for in these Articles of Incorporation are handled in accordance with the Company Act and other applicable laws and regulations.

Article 21: These Articles of Incorporation were established on December 29, 1982.

The 1st amendment was made on August 10, 1983.

The 2nd amendment was made on October 11, 1984.

The 3rd amendment was made on November 13, 1984.

The 4th amendment was made on September 16, 1985.

The 5th amendment was made on June 15, 1986.

The 6th amendment was made on November 17, 1986.

The 7th amendment was made on December 7, 1988.

The 8th amendment was made on March 1, 1990.

The 9th amendment was made on January 15, 1995.

The 10th amendment was made on October 1, 1997.

The 11th amendment was made on December 10, 1997.

The 12th amendment was made on January 7, 1998.

The 13th amendment was made on April 13, 1998.

The 14th amendment was made on August 5, 1998.

The 15th amendment was made on September 15, 1998.

The 16th amendment was made on December 7, 1998.

The 17th amendment was made on June 15, 1999.

The 18th amendment was made on July 22, 1999.

The 19th amendment was made on June 30, 2000.

The 20th amendment was made on May 22, 2001.

The 21st amendment was made on May 31, 2002.

The 22nd amendment was made on May 31, 2002.

The 23rd amendment was made on June 27, 2003.  
The 24th amendment was made on June 28, 2004.  
The 25th amendment was made on June 14, 2006.  
The 26th amendment was made on June 13, 2008.  
The 27th amendment was made on June 17, 2010.  
The 28th amendment was made on June 15, 2011.  
The 29th amendment was made on June 15, 2012.  
The 30th amendment was made on June 14, 2013.  
The 31st amendment was made on June 17, 2014.  
The 32nd amendment was made on June 15, 2015.  
The 33rd amendment was made on June 13, 2016.  
The 34th amendment was made on June 14, 2017.  
The 35th amendment was made on June 14, 2019.  
The 36th amendment was made on June 15, 2020.  
The 37th amendment was made on June 20, 2022.  
The 38th amendment was made on June 29, 2023.

## **Appendix II, Rules of Shareholders' Meeting**

### **Ji-Haw Industrial, Co., Ltd.**

#### **Rules of Shareholders' Meeting**

Approved by the board of directors on June 29, 2023.

- I. The rules for the Company's shareholders' meetings, unless otherwise specified by law or the articles of incorporation, shall be conducted in accordance with these rules.
- II. Shareholders or their proxies (hereinafter referred to as shareholders) must sign in upon attendance, and the signing-in process is replaced by an attendance card.

Attendance and voting at the shareholders' meeting shall be based on the number of shares.

The number of shares present is calculated based on the submitted attendance cards, plus the number of shares exercising voting rights in writing or electronically.

- III. Unless otherwise provided by law, the Company's shareholders' meeting is convened by the board of directors.

When the Company holds a shareholders' meeting via video conference, unless otherwise stipulated by the public company's stock affairs handling standards, it should be specified in the articles of incorporation, decided by the board of directors, and the video shareholders' meeting should be conducted with a resolution passed by at least two-thirds of the directors present and more than half of those directors agreeing.

Any changes to the method of convening the Company's shareholders' meeting must be resolved by the board of directors and completed at the latest before the notice of the meeting is sent to shareholders.

The Company must send electronic files of the shareholders' meeting notice, proxy forms, cases for acknowledgment, discussion items, and issues regarding the election or dismissal of directors, along with explanations of each agenda item to the public information observation station, 30 days before the annual general meeting or 15 days before a special meeting. Additionally, 21 days before the annual general meeting or 15 days before a special meeting, the shareholders' meeting handbook and supplementary meeting materials must be sent as electronic files to the public information observation station. 15 days before the shareholders' meeting, the current shareholders' meeting handbook and supplementary meeting materials should be readily available for shareholders to access at any time and displayed at the Company and the professional stock affairs agency appointed by the Company, and should also be distributed on-site at the meeting.

The meeting handbook and supplementary materials mentioned in the previous clause should be made available to shareholders on the day of the shareholders' meeting in the following ways:

- (I) When holding a physical shareholders' meeting, they should be distributed on-site at the meeting.
- (II) When holding a video-assisted shareholders' meeting, they should be distributed on-site at the meeting and sent as electronic files to the video conference platform.

(III) When holding a video shareholders' meeting, they should be sent as electronic files to the video conference platform.

The reasons for convening the meeting shall be specified in the notice and announcement; the notice may be given by electronic means with the consent of the addressee.

The election or dismissal of directors, amendment of the articles of incorporation, capital reduction, application to stop public offering, competition permission for directors, profit transfer to capital increase, reserve transfer to capital increase, dissolution of the company, mergers, splits, or matters under Article 185, paragraph 1 of the Company Law, should be listed and explained in detail in the call for the meeting and should not be introduced as last-minute motions; the main content can be made available on the securities regulatory authority's website or a website designated by the company, and the URL should be specified in the notice.

If the reasons for convening a shareholders' meeting include a complete re-election of directors with specified commencement dates, after the election at that shareholders' meeting, the commencement dates cannot be changed through last-minute motions or any other method.

Shareholders holding more than 1% of the total issued shares can submit a proposal for the annual general meeting, limited to one item. If more than one proposal is submitted, none will be included in the agenda. However, if a shareholder's proposal is to urge the company to enhance public interest or fulfill social responsibilities, the board may still include it in the agenda. Also, if a shareholder's proposal falls under one of the scenarios in Article 172-1, paragraph 4 of the Company Law, the board may choose not to include it in the agenda.

The company must announce the acceptance of shareholder proposals, the means of acceptance (written or electronic), the place of acceptance, and the period of acceptance, which must not be less than ten days before the record date for stopping the transfer of shares before the annual general meeting.

Proposals submitted by shareholders are limited to 300 words; proposals exceeding this limit will not be included in the agenda. The proposing shareholders must attend the annual general meeting in person or through a representative and participate in the discussion of that agenda item.

The company must notify the proposing shareholder of the handling results before the date of the shareholders' meeting notice and include the proposals that meet the regulations in the meeting notice. For shareholder proposals not included in the agenda, the board must explain the reasons at the shareholders' meeting.

IV. Shareholders may authorize a proxy to attend the shareholders' meeting using the proxy forms issued by the company, specifying the scope of authorization.

A shareholder may issue only one proxy form and appoint only one proxy, which should be delivered to the company five days before the meeting. If multiple proxy forms are submitted, the first one received will be valid unless a revocation of the previous proxy is declared. Except for a declaration to revoke the previous appointment.

After the proxy form is delivered to the company, if a shareholder wishes to attend the meeting in person or exercise voting rights in writing or electronically, they must notify the company in writing two days before the meeting to cancel the proxy; if the revocation is late, the proxy's voting rights as exercised by the proxy will stand.

If the proxy form has been delivered to the company and a shareholder wishes to attend via video conference, they must notify the company in writing to cancel the proxy two days before the meeting; if the revocation is late, the proxy's voting rights as exercised by the proxy will stand.

- V. The location of the shareholders' meeting should be at the company's location or a place that is convenient for shareholders and suitable for holding the meeting. The meeting should not start before 9 AM or after 3 PM. The location and time should consider the opinions of independent directors.

When the company holds a video conference shareholders' meeting, it is not restricted by the location requirements mentioned above.

- VI. When the government or a legal entity is a shareholder, more than one representative may attend the shareholders' meeting. When a legal entity attends a shareholders' meeting as a trustee, it may only appoint one representative to attend.

For shareholders' meetings held via video conference, shareholders wishing to attend via video must register with the company two days before the meeting.

For shareholders' meetings held via video conference, the company must upload the meeting handbook, annual report, and other relevant materials to the video conference platform at least thirty minutes before the meeting starts and keep them available until the end of the meeting.

- VI-1. When the Company holds a shareholders' meeting via video conference, the following shall be specified in the shareholders' meeting notice:

- (I) Shareholders' participation in video conference and methods for exercising their rights.
- (II) The handling of obstacles to the video conference platform or participants through video conference due to natural disasters, accidents or other force majeure events shall include at least the following:
  - 1. The duration of the preceding obstacles cannot be ruled out and the meeting shall be adjourned or adjourned, and if it is necessary to postpone or adjourn the meeting,
  - 2. Shareholders who participate in the original shareholders' meeting by video conference without registration shall not be allowed to participate in the adjourned or continued meeting.
  - 3. If the video conference cannot be continued, the shareholders' meeting shall proceed to the meeting when the total number of shares represented by the video conference after deducting the number of shares attending the video conference by way of the video conference. The number of shares in attendance shall be counted in the total number of shares held by the

shareholders present, and it shall be deemed their abstention on all proposals at the shareholders' meeting.

4. The way in which an extemporary motion has not been carried out after all the proposals have been announced.

(III) Convening of the shareholders meeting by video conference, and shall specify the appropriate alternatives for shareholders who have difficulty in participating in the shareholder meeting by video. Except for the scenarios specified in Article 44-9, Paragraph 6 of the Public Company Stock Affairs Handling Regulations, necessary assistance and connectivity equipment must be provided for shareholders. It should also specify the period during which shareholders can apply to the company and other relevant precautions.

VII. If the shareholders' meeting is convened by the board of directors, the chairman of the board serves as the chair. If the chairman is absent or unable to perform their duties due to other reasons, the vice chairman will act as a substitute. If there is no vice chairman or the vice chairman is also absent or unable to perform their duties, a managing director designated by the chairman will substitute; if there is no managing director, one of the directors will be designated as a substitute. If the chairman does not designate a substitute, one of the managing directors or directors will be chosen by mutual agreement to act as the substitute.

When the chair is a managing director or a director acting as a substitute, it should be one who has held the position for over six months and who understands the company's financial and business conditions. The same shall apply to a representative who is a legal person director.

The shareholders' meetings convened by the board of directors should ideally be chaired personally by the chairman and should be attended personally by more than half of the directors, including at least one independent director, and at least one representative from each type of functional committee, with the attendance details recorded in the minutes of the shareholders' meeting.

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

The Company may appoint its appointed lawyers, certified public accountants or related personnel to attend the shareholders' meeting in a non-voting capacity.

VIII. The Company shall keep the entire process of audio and video recording of the shareholders' meeting for at least one year. However, if a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Act, the records shall be retained until the end of the lawsuit.

If a shareholders' meeting is convened by videoconference, the Company shall keep records of shareholders' registration, registration, attendance, questioning, voting, and the Company's vote counting results, and the videoconference shall be audio and video recorded throughout the entire process.

The information and audio recordings referred to in the preceding paragraph shall be properly kept by the Company during the period of existence, and the audio and video recordings shall be provided to the entrusted person handling the video conference affairs for their preservation.

If the shareholders' meeting is convened by video conference, the Company shall

record the audio and video of the back-end operation interface of the video conference platform.

- IX. If the time for the meeting has arrived, the chair should immediately announce the commencement of the meeting. However, if there are not shareholders representing more than half of the total issued shares present, the chair may announce a postponement of the meeting, limited to two times (the first postponement is for twenty minutes, the second for ten minutes).

If, after two postponements, there are still not enough shareholders present but there are shareholders representing more than one-third of the total issued shares, a provisional resolution may be made according to Article 175, paragraph 1 of the Company Law. This provisional resolution must be notified to all shareholders, and a shareholders' meeting must be reconvened within one month. If the shareholders' meeting is held via video conference, shareholders wishing to attend via video must re-register with the company according to Article 6.

If the number of shares represented by the attending shareholders reaches more than half of the total issued shares before the end of the meeting, the chair may resubmit the provisional resolution made for a vote at the shareholders' meeting in accordance with Article 174 of the Company Law.

- X. If the shareholders' meeting is convened by the board of directors, the agenda is set by the board. All related proposals (including last-minute motions and amendments to the original proposals) must be voted on individually. The meeting should proceed according to the scheduled agenda and may not be changed without a resolution of the shareholders' meeting.

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

The chair should provide ample explanation and discussion opportunities for the proposals, amendments proposed by shareholders, or last-minute motions. When it is deemed that the discussion has reached a sufficient level to proceed to a vote, the chair may announce the end of discussion, move to a vote, and allocate adequate time for voting.

The chair should provide ample explanation and discussion opportunities for the proposals, amendments proposed by shareholders, or last-minute motions. When it is deemed that the discussion has reached a sufficient level to proceed to a vote, the chair may announce the end of discussion, move to a vote, and allocate adequate time for voting.

- XI. Before a shareholder speaks, they must fill out a speech slip indicating the main points of their speech, shareholder account number (or attendance certificate number), and account name. The chair will determine the order of speaking.

If a shareholder only submits a speech slip and does not speak, it is considered as no speech given. If the content of the speech differs from what is recorded on the speech slip, the actual speech content prevails.

For the same proposal, a shareholder may not speak more than twice without the chair's consent, and each speech may not exceed five minutes. However, with the chair's permission, the time may be extended by three minutes. If a shareholder's speech violates the regulations or goes beyond the scope of the topic, the chair may stop the speech.

When a shareholder is speaking, other shareholders may not interrupt without the consent of the chair and the speaking shareholder. If this rule is violated, the chair should intervene.

When a corporate shareholder appoints more than one representative to attend the shareholders' meeting, only one representative may speak for the same proposal.

After a shareholder speaks, the chair may respond personally or designate relevant personnel to reply.

For shareholders' meetings held via video conference, shareholders participating via video may ask questions in text form on the video conference platform from the announcement of the meeting's commencement to the declaration of its adjournment. Each proposal may be questioned no more than twice, with each query limited to 200 characters. The provisions from the first to the fifth clauses do not apply in this case.

If the question asked in the preceding paragraph does not violate the regulations or does not exceed the scope of the proposal, it is advised to disclose the question on the shareholders' meeting video conference platform for everyone to know.

- XII. For resolution of a shareholders' meeting, the number of shares held by shareholders without voting rights shall not be counted in the total number of issued shares.

Shareholders may not participate in the voting on matters that involve their own interests and may be detrimental to the interests of the Company, nor may they exercise voting rights on behalf of other shareholders.

The quantity of shares bearing no voting right is excluded from the quantity of shares represented by the attending shareholders.

Except for a trust enterprise or a stock affairs agency approved by the securities competent authority, when a person is concurrently appointed as proxy by two or more shareholders, the voting rights of the proxy shall not exceed 3% of the voting rights of the total number of shares issued. Not counted.

- XIII. Shareholders are entitled to one vote for each share held, unless otherwise provided in the Company Act.

When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence; when voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. Shareholders casting their votes by correspondence or electronic means shall be deemed to have attended the meeting in person. However, the shareholder shall be deemed a waiver of voting rights in respect of any extempore motion and amendment to the original proposal.

Shareholders who elect to cast their votes by correspondence or electronic means shall express their intentions to the Company at least two days before the scheduled date of the meeting. However, this does not apply to those who have declared a revocation of their previous intent.

After a shareholder has exercised voting rights in writing or electronically, if he/she intends to attend the shareholders' meeting in person or by videoconference, he/she shall express his/her intention to revoke the previous exercise of the voting right in the same manner as for the exercise of the voting rights two days before the meeting date; Voting rights cast in writing or by electronic means shall prevail. If the voting right is exercised in writing or by way of electronic transmission, and a proxy is appointed to attend the shareholders' meeting, the voting right exercised by the proxy attending the meeting shall prevail.

Except as otherwise provided by the Company Act and the Company's Articles of Incorporation, a proposal shall be passed by an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of voting, the chair or the person designated by the chair shall announce the total number of voting rights of the attending shareholders on each proposal, and then the shareholders shall vote on each proposal.

When there is an amendment or substitute to the same proposal, the Chairman shall determine the order of voting together with the original proposal. If any one of the proposals has been passed, the other proposals shall be deemed rejected and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel are shareholders of the Company.

The votes for voting or election shall be counted in public at the venue of the shareholders' meeting, and the voting results, including the number of votes, shall be announced on the scene immediately after the completion of the counting and recorded as a record.

Shareholders attending the shareholders' meeting via video conference shall conduct the voting on various proposals and election proposals through the video conference platform after the chair has announced the meeting through video conference, and shall complete the voting on various proposals and election proposals before the chair announces the voting is closed. deemed a waiver.

If the shareholders' meeting is convened by video conference, the votes shall be counted in one lump sum and the voting and election results shall be announced after the chairperson announces the close of voting.

When the Company convenes a video-assisted shareholders meeting, shareholders who have registered to attend the shareholders' meeting by way of video in accordance with Article 6 and wish to attend the physical shareholders' meeting in

person shall cancel the registration in the same manner as for the registration two days before the meeting; If the revocation is made after the time limit, the shareholder may only attend the shareholders' meeting by way of video conference.

When exercising voting rights in writing or electronically without revoking their intent, and participating in the shareholders' meeting via video, except for last-minute motions, shareholders may not exercise voting rights again on the original proposal, nor propose amendments or vote on amendments to the original proposal.

- XIV. When the shareholders' meeting involves the election of directors or independent directors, it should be conducted in accordance with the company's prescribed method for electing directors and independent directors, and the election results, including the list of elected directors and independent directors and the number of votes they received, should be announced on the spot.

The ballots for the election mentioned in the previous clause should be sealed and signed by the scrutineers, properly stored, and preserved for at least one year. However, if a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Act, the records shall be retained until the end of the lawsuit.

- XV. The decisions of the shareholders' meeting should be recorded in the minutes, which are to be signed or stamped by the chair and distributed to all shareholders within twenty days after the meeting. The production and distribution of the minutes can be done electronically.

The distribution of the minutes mentioned in the previous clause can be announced via the public information observation station by the company.

The minutes should accurately record the year, month, day, location, name of the chair, method of resolution, key points of the meeting proceedings, and voting results (including the count of votes). When directors or supervisors are elected, the number of votes received by each candidate should be disclosed. During the lifetime of the company, these records should be permanently preserved.

If a shareholders' meeting is convened by videoconference, the minutes of the meeting shall record, in addition to the matters required by the preceding paragraph, the beginning and ending time of the shareholders' meeting, the method of convening the meeting, the name of the chairman and minutes of The method and state of handling in the event of failure of the Company to communicate with the Company or participants by way of video conferencing.

The Company shall comply with the preceding paragraph when convening a shareholder meeting via video conference, and specify in the minutes of the meeting the alternative measures offered to shareholders who are in difficulty for participating in the shareholders meeting via video conference.

- XVI. On the day of the shareholders' meeting, the Company shall prepare a statistical report in the prescribed format on the number of shares acquired by solicitors and the number of shares represented by proxies and the number of shares represented by shareholders in the meeting venue. of the Company.

For shareholders' meetings held via video conference, the company must upload the aforementioned information to the video conference platform at least thirty minutes before the meeting starts and keep it visible until the meeting concludes.

When the company convenes a video conference shareholders' meeting and announces the commencement, the total number of shares held by attending shareholders should be disclosed on the video conference platform. If, during the

meeting, there is additional tallying of the total number of shares and voting rights held by attending shareholders, the same applies.

For resolutions at the shareholders' meeting that involve significant information as stipulated by laws or regulations of the Taiwan Stock Exchange Corporation, the company must transmit the details to the Public Information Observation Station within the specified timeframe.

- XVII. Staff handling the shareholders' meeting should wear identification badges or armbands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear armbands or identification cards bearing the word "Proctor."

If the meeting place is equipped with sound amplifying equipment, the chair may stop a shareholder from speaking if he/she uses anything other than the equipment provided by the Company.

If a shareholder violates the rules of procedure and refuses to obey the correction of the chairperson, thus obstructing the progress of the meeting and failing to comply after being stopped, the chairperson may direct the proctors or security personnel to escort the shareholder from the meeting place.

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

If the meeting venue is no longer available for further use before the completion of the agenda of the shareholders' meeting (including extraordinary motions), the shareholders' meeting may decide to continue the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to postpone or continue the meeting within 5 days in accordance with Article 182 of the Company Act.

- XIX. If a shareholders' meeting is convened by video conference, the Company shall disclose the voting results of each proposal and election results on the shareholders' meeting video conference platform in accordance with the regulations immediately after the close of poll. min.

- XX. When the Company holds a video conference, the chairperson and the person taking minutes shall be at the same place in Taiwan. The chairperson shall announce the address of such place at the time of the meeting.

- XXI. If a shareholders' meeting is convened by video conference, the Company may provide a simple connection test to the shareholders before the meeting, and provide related services immediately before and during the meeting to assist with the resolution of communication technical problems.

If a shareholders' meeting is convened by video conference, the chair shall, when announcing the meeting to order, make a separate announcement, Before the meeting is adjourned, natural disasters, accidents or other force majeure events hinder the participation in the video conference platform or by means of video conferencing for more than 30 minutes, the meeting shall be postponed or resumed within five days. Not applicable in compliance with the provisions of Article 182.

In the event of a postponement or continuation of a meeting as mentioned in the

previous clause, shareholders who did not register to participate in the original shareholders' meeting via video cannot participate in the postponed or continued meeting.

According to the second clause, for a meeting that should be postponed or continued, shareholders who had registered to participate in the original shareholders' meeting via video and completed the check-in, but did not participate in the postponed or continued meeting, their shares, exercised voting rights, and election rights from the original shareholders' meeting should be counted towards the total number of shares, voting rights, and election rights at the postponed or continued meeting.

When handling the postponement or continuation of a shareholders' meeting as stipulated in the second clause, for proposals where voting and counting have been completed and the voting results or list of elected directors have been announced, there is no need to rediscuss or decide again.

If a video-assisted shareholders' meeting convened by the company cannot continue as per the second clause and the number of shares represented in attendance, excluding those attending via video, still meets the legal quorum required for the shareholders' meeting, the meeting should proceed without needing to postpone or continue as per the second clause.

In the event that the meeting should continue as mentioned above, the shares of shareholders who participated via video should be counted towards the total number of shares present. However, for all items on the agenda of that shareholders' meeting, they are considered to have abstained.

The Company's postponement or renewal of a general meeting in accordance with the provisions of paragraph 2 shall be in accordance with the provisions of paragraph 27 of Article 44 of the Regulations Governing the Administration of Shareholder Services of Public Stock Companies, the date of the original shareholders' meeting and the relevant matters set forth in that Article. Pre-requisites.

The latter paragraph and Paragraph 3, Article 13 of the Public Company Rules Governing the Use of Proxies for Attending Shareholder Meetings, Paragraph 2, Article 44-5, and Article 44-10 of the Regulations Governing the Administration of Shareholder Services of Public Stock Companies 5. The Company shall postpone or continue the date of the shareholders' meeting in accordance with the provisions of Paragraph 2 of Article 44-17, Paragraph 1.

- XXII. When the company holds a video conference shareholders' meeting, appropriate alternative measures should be provided for shareholders who have difficulty attending the meeting via video. Apart from the provisions specified in Article 44-9 of the Public Company Stock Affairs Handling Regulations, at least necessary connectivity equipment and assistance should be provided, and it should be specified when shareholders can apply to the company and other relevant precautions to take note of.
- XXIII. These rules shall be implemented after approval by the shareholders' meeting, and the same applies to any amendments.

## Appendix III. Shareholding of Directors

### Ji-Haw Industrial, Co., Ltd.

#### Shareholding of Directors

1. The company's paid-in capital amount is NTD 1,127,192,510, with a total of 112,719,251 shares issued. According to Article 26 of the Securities Exchange Act, the minimum statutory shareholding for all directors is 8,000,000 shares.
2. As of the record date for stopping transfers before this annual general meeting (November 19, 2024), the shareholding status of individual and all directors as recorded in the shareholders' register is as follows:

Unit: number of shares

| Title   | Name         | Date of election | Term of office | Shareholding when elected |               |                    | Shareholding as of the book closure date |               |                    |
|---|--------------|------------------|----------------|---------------------------|---------------|--------------------|--|---------------|--------------------|
|   |              |                  |                | Type                      | No. of shares | Shareholding ratio | Type                                     | No. of shares | Shareholding ratio |
| Chairman  | Hao-Ji Shi   | 112.06.29        | 3 years        | Common shares             | 0             | 0%                 | Common shares                            | 0             | 0%                 |
| Director  | He Chao-Yang | 112.06.29        | 3 years        | Common shares             | 0             | 0%                 | Common shares                            | 60,000        | 0.05%              |
| Director  | Zeng Bai Hu  | 112.06.29        | 3 years        | Common shares             | 0             | 0%                 | Common shares                            | 0             | 0%                 |
| Director  | Kuo Chen     | 112.06.29        | 3 years        | Common shares             | 0             | 0%                 | Common shares                            | 0             | 0%                 |
| Independent director                                | Wang En Guo  | 112.06.29        | 3 years        | Common shares             | 2,000         | 0%                 | Common shares                            | 0             | 0%                 |
| Independent director                                | Gong Xin Jie | 112.06.29        | 3 years        | Common shares             | 0             | 0%                 | Common shares                            | 0             | 0%                 |
| Independent director                                | Lin Tsai Fu  | 113.06.28        | 2 years        | Common shares             | 0             | 0%                 | Common shares                            | 0             | 0%                 |
| Total number and ratio of shareholding by directors |              |                  |                |                           | 2,000         | 0.00%              |  | 60,000        | 0.05%              |

Note: Pursuant to Article 2 of the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, if two or more independent directors have been elected under paragraph 2, the quantity of shares held by all directors and supervisors other than the independent directors shall be reduced to 80% of the above ratio.