TWSE stock code: 1538

Jenn Feng Industrial Co., Ltd.

(Formerly known as: Jenn Feng New Energy Co., Ltd.)

2023
Special Shareholders' Meeting

Conference Handbook

Date of meeting： March 17th , 2023

Meeting venue：No. 93, Section 3, Dazun Road, Zhongli District, Taoyuan City.

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Two. Meeting Agenda

Jenn Feng Industrial Co., Ltd.

Proceedings of the 2023

Special Shareholders' Meeting

Time: 9:00 a.m., March 17th, 2023 (Friday).

Venue: No. 93, Section 3, Dazun Road, Zhongli District,
Taoyuan City.

Form of meeting: Physical shareholders' meeting

I. Commencement of meeting

II. Chairperson's opening remarks

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Year 2022 private raise capital proposal do not be executed

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Report

Subject : Year 2022 private raise capital proposal do not execute.

Descriptions : The company pass the private raise capital proposal in the general holders' meeting on June 29th, 2022 and will not execute before expired.

(I) Pursuant to Article 43-6, Item 7 of the Securities Exchange Law, private raise capital shall be processed within one year from the date of resolution of the shareholders meeting.

(II) The company's 2022 annual general shareholders' meeting passed the "private placement cash capital increase to issue ordinary shares proposal", considering that it cannot be completed in batches within the time limit, it will not continue 2022 private raise capital proposal.

(III) This motion has been discussed and passed by the company's 1st session of the 3rd meeting of audit committee.

(IV) This motion has been discussed and passed by the 9th sessions of the 4th Board of Directors.

Issue for discussion

(Proposed by the Board of Directors)

Subject :The company intends to handle the cash capital increase common stock by private placement.

Descriptions : In response to changes in the global economic environment,the company intends to handle a private placement of ordinary shares and introduce specific individuals who meet the private placement requirements.

I. In order to enrich working capital and improve financial structure and other capital needs, it is planned to handle private placement of ordinary shares within the limit of 42,000,000 shares, this motion is proposed to special shareholders' meeting authorizes the board of directors, depending on market conditions and company operating needs to be processed twice within one year from the date of the resolution of the special shareholders' meeting.

II. Pursuant to Article 43-6 of the Securities and Exchange Act and

"Public Issuance Companies Handling Private Placement security matters needing attention" that should be explained:

(1) The basis and rationality of private placement price determination:

(A) The price of this private placement shall not be lower than 30% of the higher one of the following two benchmarks.

I. 1, 3 or 5 business days before the pricing date to calculate common shares use simple arithmetic average of the closing prices minus the ex-rights of gratuitous allotment and dividend distribution, and add back the stock price after capital reduction and anti-exemption rights.

II. Simple calculation of the closing price of common stocks 30 business days before the pricing date. The average amount is deducted from the free allotment of ex-rights and dividends, and the capital reduction is added back Stock price after ex-right.

III. Since the private placement price is no less than 30% of the reference price, the basis and rationality need asking independent experts to set prices for private placements is stipulated issue opinions (see Appendix 1 for details). At actual pricing date and actual private placement, the price is within the range not lower than the resolution of the special shareholders' meeting and authorized the board of directors to issue according to the current market and company operating conditions. Also, it shall be determined by negotiating with a specific person's circumstances.

(B) If insiders or related parties are applicants for this private placement, it should be 80% of the higher base calculation price shall be determined.

(C) The company's net value per share is significantly lower than the par value of the stock, resulting in the private placement of this common stock subscription price may be lower than the par value of the stock, which reflects the market. Therefore, it should be reasonable; if it causes the company's accumulated losses increase to impact on shareholders' equity will depend on future company operations and the market situation to handle by means of surplus, capital reserve or capital reduction compensation.

(2) Specific applicant selection method

(A) Compliant with Article 43-6 of the Securities Exchange Act and June 13, 2002 (91) Provisions of Taiwan Financial Security (1) Security No. 0910003455 Letter of the specific applicants limitation, and the specific applicants who are inquiring will follow the law and the actual situation depends on, and is not an insider or related party of the company, contact a specific person related matters are proposed to be submitted to the special shareholders' meeting to authorize the board of directors with full powers processing, and the total number of applicants participating in this private placement excludes the banking industry, securities industry, trust industry, insurance industry, securities industry or other business the number of persons other than legal persons or institutions approved by the competent authority shall not exceed 35 applicants.

(B) If the applicant is an insider, the possible list is as follows:

Insider or related person, the relationship between the applicant and the company.		
Applicant	Choose method and purpose	Relationship
YHUCHENG LEE	Comply with the provisions of Article 43-6 of the Securities and Exchange Act, and can directly or indirectly benefit the company's future operations.	Chairman of the company
Chin-Cheng international investment Co., Ltd.	Comply with the provisions of Article 43-6 of the Securities and Exchange Act, and can directly or indirectly benefit the company's future operations.	Chairman is the chairman of the company

Chin-Cheng international investment Co., Ltd., Top 10 share holders' relationship with the company.		
Top 10 shareholder	Percentage	Relationship
LEE YUHCHENG	88%	Chairman of the company
LEE CHEN YUFONG	3%	1st stage relative of the chairman of the company
LEE SURU	3%	2nd stage relative of the chairman of the company
LEE HENFANG	3%	2nd stage relative of the chairman of the company
LEE HSINGYING	3%	1st stage relative of the chairman of the company

(C) As of now, there are no applicants that have been selected.

(3) Necessary reasons for private placement

(A) Reasons for not adopting public offer:
Evaluate factors such as the feasibility of public offering, timeline of fund raising and issuance costs, so it is planned to raise funds from specific people at an appropriate time in the form of private placement funds.

(B) Private placement Quota :
It is proposed to submit to the Extraordinary Shareholders Meeting to authorize the Board of Directors, depending on the market conditions and the company's operating needs, within one year from the date of the resolution of the Extraordinary Shareholders Meeting handled in batches within the quota of 42,000,000 shares, expected to be handled in batches within 2 times.

(C) The use of funds and expected benefits for each batch of private placement:

I. Use of funds:
Enriching working capital and improving financial structure funding needs.

II. Estimated benefits:

Enhance the company's market competitiveness and operating capabilities, and strengthen the financial structure.

(D) If investors are introduced through private placement, there might be a change in management rights. Already appointment securities underwriter issued a need to handle private placement and rationality evaluation opinion (see Appendix 2 for details).

III. The rights and obligations of the new private placement shares are the same as those of the ordinary shares issued by the company; and within three years from the date of delivery, except in accordance with Article 43-8 of the Securities Exchange Act, are restricted and cannot be transferred, and shall be declared in accordance with relevant regulations after three years from the date of delivery to arrange public issuance and application for listing transactions.

IV. All matters other than the pricing ratio of the private placement of new shares, if amended by laws and regulations or the regulations of the competent authority and based on the impact of operational assessment or objective vironment must be changed or amendments, it is proposed to ask the extraordinary meeting of shareholders to authorize the board of directors to full discretion of the situation.

V. It is proposed that the Extraordinary General Meeting of Shareholders authorize the Chairman to sign on behalf of the company the relevant issuance contracts or documents for private placement of ordinary shares and related matters.

VI. This motion has been discussed and passed by the company's 1st session of the 3rd meeting of audit committee.

VII. This motion has been discussed and passed by the 9th sessions of the 4th Board of Directors.

VIII. draw for discussion.

Resolution:

Extemporary Motion

Adjournment of the meeting

Three. Attachments

【Attachments 1.】

Jenn Feng Industrial Co., Ltd.

privately placed common stock price reasonable opinion

Summary of submissions

1. Name of appointing company: Jenn Feng Industrial Co., Ltd. (hereinafter referred to as "Jenn Feng Company").
2. The target company: Jenn Feng Company.
3. Appointment content: Jenn Feng Company plans to issue private placement common stock case (hereinafter referred to as "this case"), in accordance with "Public Issue Companies Handling Private Placement of Securities", "Public Issue Companies Acquisition or Disposal of Assets Handling Guidelines", " According to the ROC Evaluation Criteria Bulletin and the Practical Guidelines for Issuing Opinions by Experts, the accountant is requested to express his opinion on the rationality of the private placement price, which will be used as a reference for Jenn Feng Company to evaluate this case, and not for other purposes.
4. According to laws and regulations: "Criteria for Handling Assets Acquisition or Disposal of Public Offering Companies", "Republic of China Evaluation Criteria Bulletin" and "Practice Guidelines for Issuing Opinions by Experts" and other regulations.
5. Evaluation base date: December 31, 2022.
6. Basis for forming opinions and conclusions of opinions: In this case, after considering quantifiable financial figures and objective market data, the market method of the market method, the comparable company method of the market method-the ratio of stock price to book value, and the asset method-net value per share method, and after taking into account the adjustment and calculation of the control premium and liquidity discount, and evaluating the calculation results, the reasonable price of Jenn Feng Company's private equity common stock should be between 2.29 and 3.45 NTD per share.

Integritas CPA Firm
Accountant Wu Hong Yi
Date: 2023.1.10

Statement

The accountant issued the Jenn Feng Opinion on the reasonableness of the price of the company's private placement of ordinary shares case; hereby declare the following matters:

1. The data sources, parameters, and information used in this case to execute the operating procedures are complete, correct, and reasonable, and are sufficient as the basis for issuing this opinion.
2. Before accepting this case, the accountant has confirmed that he meets the qualification requirements of Article 5, Item 1 of the "Standards for the Treatment of Assets Acquisition or Disposal by Public Issue Companies", and has carefully evaluated the professional ability and practice of the accountant in accordance with the aforementioned Standard, Item 2, Item 1 experience.
3. During the implementation of this case, the appropriate operating procedures have been properly planned and implemented to form a conclusion and issue a price rationality opinion; and the executed procedures, data collection and conclusions are detailed in the working paper of this case.
4. There is no contingent remuneration in this case and no opinion conclusion has been set in advance.
5. The reasonability opinion of this case was made accurately. It has considered the actual operating conditions and true value of Jenn Feng Company, and issued it based on an objective, impartial, independent and detached standpoint. If there is any falsehood or falsehood, we are willing to bear all legal responsibilities.
6. There is no “interest relationship” between the accountant and the parties to this case, and there is no mutual relationship or substantive relationship as stipulated in Article 5, Paragraph 1, Subparagraph 2 and Subparagraph 3 of the “Standards for the Treatment of Assets Acquisition or Disposal by Public Offering Companies” In the case of a related party, etc., declare that there is no such thing as:
   (1) The accountant or his/her spouse is currently employed by the parties to this transaction as a regular job, receives a fixed salary, or serves as a director or supervisor.
   (2) The accountant or spouse has served as a director, supervisor, manager, or employee who has a significant impact on this case as a party to the transaction, and has been dismissed or resigned within two years.
   (3) The unit where the accountant or the spouse works is related to the parties to the case.

(4) Those who have a spouse or second-degree relative relationship with the directors, supervisors, managers, or employees who have a major impact on the transaction of the case.

Integritas CPA Firm
Accountant Wu Hong Yi
Date: 2023.1.10

Opinion text

1. Description of appointment content

(1) Name of appointing person: Jenn Feng Industrial Co., Ltd. (hereinafter referred to as "Jenn Feng Company").

(2) Appointed expert: Wu Hongyi, accountant of Integritas CPA firm address: 7th Floor, No. 328, Section 1, Jianguo South Road, Daan District, Taipei City. Accountant practicing certificate number: Quanlianhui Yizi No. 1070015.

(3) The target company: the equity value of the private placement common stock of Jenn Feng Industrial Co., Ltd.

(4) Appointment content: Jenn Feng Company plans to issue private equity common stock case(hereinafter referred to as "the case"), in accordance with "Public Issuance Companies Handling Private Equity Securities" and "Public Issuance Companies Acquisition or Disposal of Assets Handling Guidelines" , "Republic of China Valuation Criteria Bulletin" and "Practice Guidelines for Issuing Opinions by Experts" and other regulations, the accountants are invited to express their opinions on the reasonableness of the private placement common stock price, which will be used as a reference for Jenn Feng Company to evaluate this case, and not for other purposes.

(5) Private placement information in this case:

1. Private placement target: According to the target specified in Article 43-6 of the "Securities and Exchange Law".
2. General category of private placement shares: common shares.
3. Total number of private placement shares: The total number of ordinary shares issued shall not exceed 42,000,000 shares, and may be processed in one or two installments within a year.
4. Par value per share: NT$10.
5. If all the 42,000,000 common shares of private equity are issued in this case, it will account for 55.34% of the share capital after this capital increase, and will obtain the control of Jenn Feng Company.
6. In this case, the object of the private placement of ordinary shares is a specific person who complies with Article 43-6 of the Securities Exchange Law and the Financial Supervisory Commission’s June 13, 1991 (91) Tai Cai Zheng Yi Zi No. 0910003455 letter, and is not Insiders or related parties of Jenn Feng Company.
7. The rights and obligations of the new private placement shares are the same as those of Jenn Feng Company’s issued common shares, and within three years from the date of delivery, they are restricted

and cannot be transferred except in accordance with Article 43-8 of the Securities Exchange Law. After three years from the date of issuance, apply for supplementary office development and issuance and apply for listing and trading in accordance with relevant regulations.

(6) Value standard: The value standard used in this opinion is to measure the 100% equity value of the target company according to the fair value. Fair value is defined in accordance with IFRS 13 "Measurement of Fair Value" as: "Fair value is the price that would be received for selling an asset or paid for transferring a liability between market participants on the measurement date under normal transactions."

(7) Value premise: It refers to the assumption made on the most likely transaction situation, such as the assumption of continuing operation or the assumption of liquidation. According to the purpose of the evaluation, this opinion paper uses the assumption of continuing operation to implement the evaluation procedure.

(8) Evaluation base date: December 31, 2022 (the same below).

(9) Evaluation execution process:

1. Acceptance of evaluation cases.
2. Sign the letter of appointment.
3. Obtain and analyze information.
4. Assess value.
5. Prepare evaluation working papers.
6. Issue a letter of opinion based on the evaluation results.
7. Keep working papers.

(10) Source of information:

1. Public Information Observatory Public information (shareholders' annual report, financial report, etc.).
2. Taiwan Stock Exchange website.
3. The website of the securities counter trading center.
4. Jenn Feng Company's 2022 year self-concluded balance sheet and comprehensive profit and loss statement.
5. Other sources of information related to this case are described in each chapter of this opinion.

(11) Significant assumptions:

1. Assume that there are no changes in regulations, policies, or economic environment (including interest rates, exchange rates, etc.) that may have a significant negative impact on the target company's operations.
2. Assume that the target company has no major litigation cases

and major contingent liabilities (if any) have been reasonably estimated and disclosed in public information as of the evaluation base date.

3. Assume that all related party transactions (if any) of the target company are based on arm's length transactions.

(12) Restrictions:

1. Under different value preconditions and value standards, the adoption of different major assumptions or different evaluation base dates will have a significant impact on the content of the opinion letter.
2. This opinion letter is only for this case Jenn Feng Company and this case is in line with "Public Issue Companies Handling Private Placement of Securities", "Public Issue Companies Acquisition or Disposal of Assets Treatment Standards", "Republic of China Evaluation Standards Bulletin" and "Experts "Practical Guidelines for Issuing Opinions", and shall not be used for other purposes or rely on the evaluation conclusions of this accountant, nor shall it be interpreted as being related to the financial statements of the target company as a whole.
3. We hereby declare that we are not responsible for any changes in the contents of this opinion letter that may be affected by changes in the case plan or other circumstances in the future.
4. The accountant only evaluated the rationality of the transaction price from the perspective of an independent third party, and did not actually participate in the design and planning of the transaction structure. According to Article 7 of the Evaluation Standard Bulletin No. 11 "Evaluation of Enterprises" issued by the Accounting Research and Development Foundation of the Republic of China, the accountant has conducted a reasonable evaluation of the information that the target company can obtain in the open market. Reliability and appropriateness of sources. However, due to the scope of the appointment, the accountant did not check the above-mentioned information in accordance with the generally accepted auditing standards or in accordance with the Confident Standards Bulletin No. "Confirmed Cases Reviewed" is subject to the confirmatory procedure, so no degree of certainty can be provided as to its correctness or adequacy.

2. Profile of the target company

(1) Company Profile

Jenn Feng Company was established in April 1976 with the approval of the Ministry of Economic Affairs. The company's stock was originally approved to be listed on the OTC by the Republic of China Securities

OTC Trading Center in October 1998, and officially listed on the OTC on January 8, 1999. On August 6, 2002, it was approved by the Taiwan Stock Exchange Co., Ltd. to transfer to the market, and it was officially listed on August 26, 2002. The registered address is No. 93, Section 3, Dazhen Road, Zhongli District, Taoyuan City . The company's main business items are the manufacture and trading of electric tools, hand tools and garden tools.

(2) Financial Information of Jenn Feng Company

1. Jenn Feng Company Condensed Balance Sheet

Unit : Thousand (NTD)

Period Item	2022	2021	2020	2019
Current Assets	239,296	227,601	264,825	702,471
Non-currentAssets	63,393	84,645	193,444	221,967
Total Assets	302,689	312,246	458,269	924,438
Current Liabilities	121,576	136,333	120,897	390,937
Non-current Liabilities	121,040	142,132	164,437	388,702
Total Liabilities	242,616	278,465	285,334	779,639
Capital	338,890	264,105	264,105	561,358
Cumulative loss	(221,257)	(164,738)	(29,881)	(347,253)
Other equity	(57,560)	(65,586)	(61,289)	(69,306)
Total Equity	60,073	33,781	172,935	144,799
Total liabilities and equity	302,689	312,246	458,269	924,438
Outstanding shares （Thousand share）	33,889	26,411	26,411	56,136
Net Valus / share （NTD）	1.77	1.28	6.55	2.58

Source: 2022 years are self-concluded financial statements,2021, 2020 and 2019 years

2. Jenn Feng Company Condensed Income Statement

Unit: Except loss per share, everything else is in thousands of NT dollars

Period / Item	2022	2021	2020	2019
Operating income	285,107	265,553	275,762	362,838
Operating costs	243,560	235,172	241,401	316,404
Operating profit	41,547	30,381	34,361	46,434
Operating expenses	81,752	101,277	118,412	146,863
Net operating loss	(40,205)	(70,896)	(84,051)	(100,429)
Net non-operating income and expenses	12,996	(64,674)	72,836	(40,914)
Net loss before tax	(27,209)	(135,570)	(11,215)	(141,343)
Income tax expense	-	-	(1,087)	(6,362)
Net loss for the period	(27,209)	(135,570)	(12,302)	(147,705)
Total other comprehensive income	8,630	(3,584)	5,438	(22,093)
Total comprehensive profit or loss for the period	(18,579)	(139,154)	(6,864)	(169,798)
Loss per share	(0.80)	(5.13)	(0.57)	(6.90)

Source of information: 2022 is the self-concluded financial statement, and 2021, 2020 and 2019 are the financial statements audited by accountants.

3. Jenn Feng Company Condensed Statement of Changes in Equity

Unit: NT$ thousand

Item / Period	Common Equity	Accumulated Losses	Other Equity	Total Equity
2019/1/1	561,358	(200,827)	(45,934)	314,597
Net loss for the year 2019	-	(147,705)	-	(147,705)
Other comprehensive profit (loss)	-	1,279	(23,372)	(22,093)
2019/12/31	561,358	(347,253)	(69,306)	144,799
Capital reduction to make up losses	(347,253)	347,253	-	-
Cash capital increase	50,000	(15,000)	-	35,000
Net loss of Year 2020	-	(12,302)	-	(12,302)

Item / Period	Common Equity	Accumulated Losses	Other Equity	Total Equity
Other comprehensive profit (loss)	-	(2,579)	8,017	5,438
2020/12/31	264,105	(29,881)	(61,289)	172,935
Net loss of Year 2021	-	(135,570)	-	(135,570)
Other comprehensive profit (loss)	-	713	(4,297)	(3,584)
2021/12/31	264,105	(164,738)	(65,586)	33,781
Cash capital increase	74,785	(29,914)	-	44,871
Net loss of Year 2022	-	(27,209)	-	(27,209)
Other comprehensive profit (loss)	-	604	8,026	8,630
2022/12/31	338,890	(221,257)	(57,560)	60,073

Source of information: 2022 is the self-concluded financial statement, and 2021, 2020 and 2019 are the financial statements audited by accountants.

3. Evaluation mode

(1) Description of Equity Evaluation Method

The evaluation practice calculates the fair value of the evaluation target, which is mainly divided into the following three types:

1. Market approach

(1) In evaluation practice, the market approach is more commonly used than the income approach. Companies to be listed often refer to the stock prices of similar listed companies to determine the listing price, and investment banks often use the market-based approach to evaluate the value of M&A targets. The market-based method uses the value of similar index companies to estimate the enterprise value of the target company. Its theory is based on the Law of Substitution, that is, in a market with sufficient information, its value should also be consistent.

(2) This method assumes that there is a close relationship between the value of the appraised company and similar companies in the same industry. Therefore, similar companies in the same industry are used as the standard for evaluation and comparison. Earnings per share, book value per share or operating income, etc., to calculate the reasonable market price of the company being evaluated.

2. Asset approach

It is the liability that is deducted from the asset value of the appraised company in accordance with accounting standards to obtain the value of the appraised company, and the fair value of each asset and liability, individual transaction costs and tax burdens are considered to reflect the overall value of the appraised company.

3. Income approach

The income method uses the ability of assets to generate income as the source of asset value. It believes that an asset is valuable because it will bring future benefits to the owner. For example, shareholder equity will bring dividends to shareholders, and intangible assets will bring Income from royalties and increased operating income. Owning such assets can be expected to obtain income in the future. The pricing principle in finance is to determine the value of assets based on future income, and discount the income of each future period to obtain the intrinsic value. Assets should be traded at this value, and assets The transaction price in the market should be equal to the intrinsic value of the asset.

(2) Selection of evaluation methods

After reviewing the financial data of Jenn Feng Company, this case also considers the relevant information of comparable companies to reflect the recent status of the overall industry. In this case, due to the failure to obtain the financial forecast of Jenn Feng Company, it is impossible to use the income method to evaluate the enterprise value.

The asset method is to deduct the value of individual liabilities from the individual assets of the target company. Due to the perennial losses of Jenn Feng Company, the relevant losses and impairments have been reflected in the financial statements. The company's net value should be one of the bases for company value evaluation. For the business model and industrial structure, the asset approach applies to this case.

The accountant considers the comparable company method under the market method, selects comparable domestic and foreign listed counter companies with similar business items to Jenn Feng Company, and calculates the market price method of the market method, the comparable company method of the market method-price-to-net value ratio method and assets Method - the net value per share method is used as the basis for evaluating the equity of Jenn Feng Company in this case.

(3) Screening of comparable companies in the same industry

The main business of Jenn Feng Company is the manufacture and trading of electric tools, hand tools and garden tools. Based on the standard of the similar industry category and product service of Jenn Feng Company, the accountant selects comparable companies from listed (counter) companies in Taiwan and companies with similar services to Jenn Feng Company, and explains as follows:

1. Depon Industrial Co., Ltd. (stock code: 1570)

Depon Industrial Co., Ltd. was approved to establish in December 1983 in accordance with the Company Law and other relevant laws and regulations. Its main business items are the manufacturing, processing and trading of various pneumatic tools, hand tools, electric tools, machinery and its parts, hardware, copper molds, etc. , Various grocery sales and import and export trade related to the aforementioned businesses. On September 10, 2003, the company was approved by the Financial Supervision and Administration Commission for public offering of shares. On June 24, 2004, the stock was registered as an emerging stock in the Over-the-counter Trading Center of the Republic of China, which was approved by the Financial Supervisory Commission. In 2005, It will be officially listed on June 30.

2. BASSO Industrial Co., Ltd. (stock code: 1527)

BASSO Industrial Co., Ltd. was established on July 2, 1983 with the approval of the Ministry of Economic Affairs, and its registered address is No. 24, 36th Road, Industrial Zone, Xitun District, Taichung City. The company's main business items are the manufacture and sale of nailing machines and pneumatic tools.

3. Trinity Precision Technology Co., Ltd. (stock code: 4534)

Trinity Precision Technology Co., Ltd. was approved to be established on August 13, 1993. It was originally named "Sanlin Powder Metallurgy Co., Ltd." and changed its name to "Trinity Precision Technology Co., Ltd." in July 2009. The main business items are powder metallurgy hardware product manufacturing, processing, trading and import and export business. The stock of the company was approved to be listed on the counter by the counter trading center on March 27, 2003, and started trading over the counter in the counter trading center since March 31, 2003. Its registered place and main operating base are located in Luzhuli, Toufen City, Miaoli County No. 20, Lane 487, Zhonghua Road.

The following table shows the comparison of the financial status and profitability of comparable companies in the first three quarters of 2022:

Unit: Except for the net value per share, all others are in thousands of NT dollars

Company / Item	Depon	BASSO	Trinity
Total assets	1,053,161	5,340,651	1,600,505
Total liabilities	167,125	742,487	714,689
Capital	515,008	1,385,706	867,889
Total equity	886,036	4,598,164	885,816
Number of outstanding shares (thousand shares)	51,501	138,571	86,789
Net value per share (NTD)	17.20	33.18	10.21

Item \ Company	Depon	BASSO	Trinity
Operating income	471,381	3,240,519	681,476
Net operating profit (loss)	(53,851)	595,592	(97,863)
Net profit (loss) for the period	87,238	667,795	(73,499)

Data source: Financial statement information announced by the Public Information Observatory.

4. Calculation of the equity value of the target company

(1) Market method - market price method

Since Jenn Feng Company is a listed company traded on the Taiwan Stock Exchange, it has an objective public market transaction price for reference. This opinion paper samples the recent public transaction price of Jenn Feng Company, which is based on the evaluation base date of December 31, 2022 (including) The closing price of the last 10, 20, 30, 60, 90 and 120 business days is used as a reasonable reference basis for calculating the price per share of Jenn Feng Company as follows:

Item	Average Closing Price(NTD)	Theoretical price range per share(NTD)
Last 10 business days	8.02	5.33~8.02
Last 20 business days	6.27	
Last 30 business days	6.01	
Last 60 business days	5.33	
Last 90 business days	5.61	
Last 120 business days	5.75	

Source: The closing prices on the website of the Taiwan Stock Exchange are calculated using simple arithmetic averages.

(2) Market method - comparable company method - stock price-to-book value ratio method

The net value per share is calculated based on the financial data of Jenn Feng Company, and the stock price-to-book ratio (P/B) calculated by the latest financial statements of comparable companies in the same industry is used as a comparison parameter to evaluate the reasonable price per share of Jenn Feng Company. Taking the closing price of the last 10, 20, 30, 60, 90 and 120 business days (inclusive) on December 31, 2022 as the benchmark date for the evaluation of peer companies as the sampling basis, based on the stock prices on the Taiwan Stock Exchange website and the securities counter trading center website Net value ratio information, the reference net value per share is calculated based on the latest quarterly reference net value per share announced by the Public Information Observatory, and the reasonable reference price per share of Jenn Feng Company is calculated as follows:

company in the same industry	Calculate P/B based on the closing price of the most recent business day					
	Last 10 days	Last 20 days	Last 30 days	Last 60 days	Last 90 days	Last 120 days
Depon	0.97	0.97	0.97	0.95	0.97	0.97
Basso	1.24	1.25	1.25	1.24	1.27	1.29
Trinity	0.89	0.89	0.89	0.86	0.88	0.90
Average price-to-book ratio	1.03	1.04	1.04	1.02	1.04	1.05
Net value per share of Jenn Feng Company on December 31, 2022	1.77	1.77	1.77	1.77	1.77	1.77
Theoretical price range	1.82	1.84	1.84	1.81	1.84	1.86

Source: Information on the price-to-book value ratio on the website of the Taiwan Stock Exchange and the website of the Securities Counter Trading Center.

(3) Asset method - net value per share method

Net value refers to the value of the company's total assets after deducting total liabilities, that is, the remaining value after selling all assets and paying off liabilities. Therefore, the higher the net value, the higher the value to shareholders. As of December 31, 2022, Jenn Feng Company has The net value per share in the financial statements is calculated as follows:

Total equity (NTD thousands)	60,073
Number of outstanding shares (thousand shares)	33,889
Net value per share (NTD)	1.77

(4) Liquidity discount adjustment

In this case, within three years from the date of delivery, Jenn Feng Company’s private placement common stock is restricted and cannot be transferred, except in accordance with Article 43-8 of the Securities Exchange Law. Therefore, the liquidity risk of private placement common stock should be considered to reflect the The fact that the liquidity of the stock is discounted. Current academic and practical research on the market discount for lack of marketability is summarized below.

1. Restricted stock studies

This research analyzes the stock price difference between restricted transfer and non-restricted transfer of listed companies with both restricted and unrestricted transfer stocks, and infers the proportion of stock illiquidity discount based on the gap. According to the study, the illiquidity discount for stocks ranges from about 20% to 45%.

2. Benchmark Method

Over the past few decades, scholars such as Gelman (1972), Trout (1977), Maher (1976), and Silber (1991) have successively studied the differences between US public offerings and restricted stocks. The empirical results show that restricted stocks with poor liquidity have an average discount of 30%.

Although there are few empirical studies in Taiwan, this case also refers to the unlisted over the counter company and private equity stock evaluation research-liquidity discount index published by Professor Wang Taichang of National Taiwan University in the Journal of Currency Observation and Credit Rating in November 2011. The study uses 1993 Years to 2011 years is the research sample period, and the report indicates that the discount rate of unlisted OTC stocks in Taiwan is 29.39%.

3. According to the research conducted by the "Consortium Accounting Research and Development Foundation" on [IFRS9 Unlisted (Counter) Companies and Venture Capital Equity Evaluation Interpretations], the common liquidity discount range in Taiwan's evaluation practice is about 10% to 30%.

4. According to the "Enterprise Appraisal and Certification Class" course held by the "China Intangible Assets Appraisal Association", Professor Su Guateng believes that the general range of discounts for saleability without an open market is about 10% to 33%.

Based on the above research and analysis in this case, the discount ratio for lack of liquidity in the salable market is 33%.

(5) Adjustment of control premium

If all the 42,000,000 common shares of private placement in this case are issued, it will account for 55.34% of the share capital after the capital increase, and will obtain the control of Jenn Feng Company, so the adjustment of the control premium must be considered. The current domestic practice of control premium is mostly based on reference to foreign research institutions, such as: Mergerstat Review Publication or

FactSet Mergerstat/BVR Control Premium study statistical information. The above institutions mainly collect the situation of control premium in the US and foreign M&A markets, and conduct statistical analysis . However, the domestic environment and laws and regulations are different, so this case intends to quote the literature "Preliminary Observation on the Control Premium of M&A Transactions in the Taiwan Market" published by Mr. Luo Jinglin and Mr. Liu Minwang in "Money Observation and Credit Rating" in January 2019. The study counted a total of 113 merger cases in Taiwan from 2001 to the end of 2018. According to the study, the average control premium in Taiwan was 15%, which was used as the adjustment for the control premium in this case. In addition, the average control premium in the last ten years from Mergerstat Review Publication was taken as 33% is used as the control premium in this case. The adjustment range is 15% to 33%.

(6) Summary of Equity Value Evaluation

Based on the results of the aforementioned evaluation models, for the aforementioned three evaluation models, each has its own theoretical and practical foundations. In order to avoid bias in the evaluation process, each accountant is given a 1/3 weight after professional judgment by the accountant, and the weighted average method is used to calculate the objective stock. After considering the liquidity discount of 33% and the control premium range of 15% to 33%, the reference range of the equity price per share in this case is as follows:

Unit: NT$

Period	Market price method	Price-to-book ratio method	Asset method	Weight	Theoretical price range	Liquidity discount	Control premium		Price range	
							lower limit	upper limit		
Last 10 days	8.02	1.82	1.77	33%	3.87	0.67	115%	133%	2.98	3.45
Last 20 days	6.27	1.84	1.77	33%	3.29	0.67	115%	133%	2.53	2.93
Last 30 days	6.01	1.84	1.77	33%	3.21	0.67	115%	133%	2.47	2.86
Last 60 days	5.33	1.81	1.77	33%	2.97	0.67	115%	133%	2.29	2.65
Last 90 days	5.61	1.84	1.77	33%	3.07	0.67	115%	133%	2.37	2.74
Last 120 days	5.75	1.86	1.77	33%	3.13	0.67	115%	133%	2.41	2.79

Source: Calculated by the accountant.

5. Conclusions

To sum up, after considering the quantifiable financial figures and objective market data, this case adopts the market price method of the market method, the comparable company method of the market method-the stock price-to-book value ratio method and the asset method-the net value per share method, and considers the control After the calculation of the rights premium and liquidity discount adjustment, the evaluation calculation results show that the reasonable price of Jenn Feng Company's private placement common shares should be between 2.29 and 3.45 NTD per share.

【Attachments 2.】

Jenn Feng Industrial Co., Ltd.

Opinion on the Necessity and Rationality of Private Placement

Appointment company : Jenn Feng Industrial Co., Ltd.
Recipient of Opinion Letter: Jenn Feng Industrial Co., Ltd.
The designated purpose of the opinion letter: only for Jenn Feng Industrial Co., Ltd. In the 112nd year of the Republic of China, the private placement of ordinary shares was used
Report type: Necessity and rationality of private placement securities underwriter evaluation opinion
Evaluation agency: Reliance Securities Co., Ltd.

Date : 2023/01/10

1. Foreword

Jenn Feng Industrial Co., Ltd. (hereinafter referred to as the company) intends to conduct private placement of ordinary shares within the quota of private placement of 42,000,000 shares (hereinafter referred to as this private placement) and board of directors would like to discuss this matter on January 18, 2023 (the same below). Discuss matters such as the selection method and purpose of applicants, necessity and expected benefits. If the private placement case is approved by the board of directors, it will be discussed at the first extraordinary meeting of shareholders in Year 2023, and it is expected to be one year from the resolution date of the extraordinary meeting of shareholders. The process is divided into two times, and the private placement price is determined at no less than 30% of the reference price. However, if the applicant is an insider, the private placement price is determined at 80% of the reference price.

According to the provisions of "Public Issuance Companies Handling Private Placement of Securities", if there is a major change in management rights within one year before the board of directors decides to handle private placement of securities and within one year from the date of delivery of the private placement securities, the securities underwriter should be contacted. The provider issued an evaluation opinion on the necessity and rationality of private placement, and included the notice of the first extraordinary shareholders meeting in 2023, as a reference for shareholders' approval.

Continuing from the above, after checking the major information content of the public information observation station and the information in the "change (change) area of management rights and business scope", the company held a general meeting of shareholders on June 29, 2022 to fully re-elect directors, and the election results were more than one-third of the directors have changed, and according to the company’s disclosure of the reelection results of the shareholders’ general meeting in the “Change (Change) of Management Rights and Business Scope”, the original management level failed to hold more than half of the voting rights of the board of directors and lost control. It is the major changes in management rights. Furthermore, the company currently has issued 33,888,999 ordinary shares (including 14,479,953 private placement shares). It is estimated that after the issuance of the upper limit of private placement shares, it will account for 55.34% of the 75,888,999 issued shares after the capital increase (42,000,000 shares ÷ 75,888,999 shares), under the condition that the specific person holds more than half of the equity in this private placement, the possibility of major changes in the management rights of the company’s directors due to changes in the shareholder structure will not be ruled out in the future. Therefore, the company appointed the securities underwriter to issue an evaluation opinion on the necessity and rationality of the company's handling of this private placement case in accordance with the provisions of "Public Issuance Companies Handling Private Placement of Securities".

2. Underwriters’ evaluation opinions

1. Legality assessment

As of the issue date of this opinion letter, the company has not yet issued a financial report audited and certified by accountants in 2022, and the company's after-tax net profit (loss) in the first three quarters of 2022 was (27,424) thousand NTD, which was retained at the end of the third quarter of 2022 The surplus (loss to be made up) is (221,472) thousand NTD. In response to the changes in the global economic environment and the strengthening of the company's operating system and competitiveness, the introduction of 6 in accordance with Article 43 of the "Securities and Exchange Law" and the Financial Regulatory Commission June 13, 2002 for the specific person stipulated in Tai Cai Zheng Yi Zi No. 0910003455 Order, if the 2022 year net profit after tax and no accumulated losses, according to the provisions of the first item of point 3 of "Public Issue Companies Handling Private Equity Securities", the future applicants must be limited to strategic investors, but the company did not mention the selection method, purpose, necessity and expected benefits of strategic investors in the board of directors' proposal materials dated January 18, 2023.

After reviewing the company's proposal to hold a meeting of the board of directors on January 18, 2023, this private placement is planned to comply with Article 43-6 of the "Securities and Exchange Law" and the Financial Supervisory Commission's June 13, 2002 Taiwan Financial Certification It is limited to specific persons stipulated in Order No. 0910003455; in addition, the private placement price of the company's private placement case is set at no less than 30% of the reference price, so the company has appointed independent expert Integritas CAP Firm Wu Hongyi accountant in accordance with the regulations Issue a letter of opinion on the basis and rationality of the pricing, but if the applicant is an insider, then the private placement price of this private placement case will be set at 80% of the reference price, and the company has notified the possibility of being an insider The list of applicants and their relationship with the company are included in the agenda of the

Board of Directors above, so it complies with Item 1 of Article 43-6 of the "Securities Exchange Act" and Item 1 of "Public Issuance Companies Handling Private Placement of Securities". The provisions of Item 1, Item 1, Item 4 of Point 4 and Item 1, Item 2, Item 1 of Point 4.

2. Financial status

The company's consolidated condensed balance sheet and profit and loss statement for the third quarter of 2020, 2021 and 2022 are as follows:

Balance sheet

Unit: NT$ thousand

Item	Year 2020	Year 2021	Year 2022 Q3
Current Asset	264,825	227,601	274,224
Non-current Asset	193,444	84,645	66,388
Total Asset	458,269	312,246	340,612
Current Liability	120,897	136,333	144,350
Non-current Liability	164,437	142,132	127,918
Total Liability	285,334	278,465	272,268
Capital	264,105	264,105	338,890
Retail Earning	(29,881)	(164,738)	(221,472)
Other Interests	(61,289)	(65,586)	(49,074)
Total Interests	172,935	33,781	68,344

Source: The consolidated financial report of the company in the third quarter of 2022

2020 and 2021 that has been checked and certified by an accountant or reviewed

Income statement

Unit: NT$ thousand

Item	Year 2020	Year 2021	Year 2022 Q3
Operating Income	275,762	265,553	201,926
Gross Profit	34,361	30,381	34,441
Operating profit (loss)	(84,051)	(70,896)	(27,546)
Non-operating income and expenses	72,836	(64,674)	122
Net profit (net loss) before tax	(11,215)	(135,570)	(27,424)
Net profit (net loss) for the period	(12,302)	(135,570)	(27,424)

Item	Year 2020	Year 2021	Year 2022 Q3
Other comprehensive income	5,438	(3,584)	17,116
Total comprehensive profit or loss for the period	(6,864)	(139,154)	(10,308)

Source: The consolidated financial report of the company in the third quarter of 2010, 2011 and 2011 that has been checked and certified by an accountant or reviewed

3. Necessity and rationality assessment of this private placement case

(1) Necessity assessment

The company's operating income and after-tax net profit (loss) in the first three quarters of 2020, 2021 and 2022 were 275,762 thousand NTD, 265,553 thousand NTD, 201,926 thousand NTD, (12,302) thousand NTD, (135,570) thousand NTD, (27,424 thousand NTD)) thousand NTD, and the company's retained earnings (losses to be made up) and debt ratios at the end of 2010, 2010, and 111 were (29,881) thousand NTD, (164,738) thousand NTD, (221,472) thousand NTD, and 62.26 %, 89.18%, and 79.93%, there are continuous losses and high debt ratios, and the funds raised in this private placement will be used to enrich working capital and improve the financial structure. If the benefits are shown according to the company's plan, it will be effective Improve the company's market competitiveness, operational capabilities and strengthen its financial structure.

In addition, according to the company's proposal to hold a meeting of the board of directors on January 18, 2023, the company considers that if it raises funds through public offering, it needs to obtain the approval of the competent authority before going through public underwriting and other related matters. In addition to the uncertainties in the approval and refusal of securities declarations, the timeliness of public offerings is not as fast and immediate as private placements, and the issuance costs of public underwriting are bound to be higher. Given the current situation and the objective environment of the issuance market, if the public offering method is adopted to increase capital, it may be difficult for the company's original shareholders to subscribe and it is difficult to obtain the favor of ordinary investors, and it will be difficult to obtain the required funds in a short period of time, making it difficult for the company to raise funds. There is uncertainty in the completion of the painting. The private placement method is relatively quick, simple and time-sensitive, so it is planned to use the private placement method to raise funds from specific people at an appropriate time.

(2) Evaluation of reasonableness

1. Reasonableness of private placement resolution procedures
According to the company’s proposal to hold a meeting of the board of directors on January 18, 2023, there is no major abnormality in the basis for setting the reference price and the method selected by a specific person, and an independent expert has been appointed to issue an opinion on the rationality of the price After the audit committee and the board of directors of the company make a resolution and discuss and pass the first extraordinary meeting of shareholders in 2023, the private placement operation can be handled.
2. The rationale for the types of privately placed securities
The type of securities issued by the company in this private placement capital increase is common stock, which is a common type of securities issuance in the market, and is highly accepted by investors. Therefore, the types of securities that are handled this time should be reasonable.
3. Reasonableness of expected benefits from private placement
After checking the company's plan to hold a meeting of the board of directors on January 18, 2023, the company's use of funds this time is to enrich working capital and improve the financial structure. It is expected to enhance the company's market competitiveness and operating capabilities, and strengthen its financial structure. If the company's future operations can be realized according to the benefits planned at this stage, it will affect the company's long-term operating performance and profitability. Also, the improvement of financial structure may still have positive benefits.
(3) Selection of applicants and assessment of their feasibility and necessity
1. Selection of applicants
According to the company's proposal to hold a meeting of the board of directors on January 18, 2023, the applicants for this company's private placement will comply with Article 43-6 of the "Securities Exchange Law" and the Financial Supervisory Commission on June 13, 1991. Only specific persons specified in Cai Zheng Yi Zi No. 0910003455.
2. Its feasibility and necessity
According to the company's proposal to hold a meeting of the board of directors on January 18, 2023, the company has listed the list of possible applicants with insider status and their relationship with the company in the board of directors' agenda, and the rest are not the company's applicants for insiders or related parties have not yet been selected. The company's private placement funds are used to enrich working capital and improve the financial structure. Considering the sustainable operation and development of the company, the company plans to use investors to introduce funds to consolidate the financial structure and strengthen the shareholder lineup. If

follow-up If the operation develops smoothly according to the company's current plan, it may still benefit future operations.

(4) The impact on the company's business, finance and shareholders' equity after major changes in management rights in 2022 on June 29, 2022, the company held the 111th annual general meeting of shareholders to fully re-elect directors. As a result of the re-election, more than one-third of the directors changed, resulting in major changes in management rights. The impact on the company's business, finances and shareholders' equity is explained as follows:

1. Impact on the company's business

After reviewing the company's financial report reviewed by accountants in the third quarter of 2022, the company's operating income from July to September 2022 was 85,036 thousand NTD, an increase of 24,313 thousand NTD compared with the same period last year, an increase of 40.04%. Except for the newly added business machine, most of the rest of the business has grown, and there are no major abnormalities.

Unit: NT$ thousand, %

	Period / Major Product	Jul~Sep, 2022	Jul~Sep, 2021	Change	
		Amount (A)	Amount (B)	Amount (C)=(A)-(B)	ratio(%) (D)=(C)/(B)
Income from operation	GardenTool	48	94	(46)	(48.94)
	Lighting	17,869	16,360	1,509	9.22
	Power tools	56,837	44,182	12,655	28.64
	Office machine	9,002	0	9,002	—
	Others	1,280	87	1,193	1,371.26
	Total	85,036	60,723	24,313	40.04

Source of information: The company's consolidated financial report reviewed by accountants in the third quarter of 2022

2. Impact on the company's finances and shareholders' equity

After reviewing the company's financial reports reviewed by accountants in the second and third quarters of 2022, the company's debt ratio and net value per share at the end of the second and third quarters of 2022 were 79.45%, 79.93% and 2.02% respectively. NTD, 2.02 NTD, there is no significant change, and there is no major abnormality.

Unit: NT$ thousand, %

Item \ Period	2022 Q3	2022 Q2	Change	
	Amount/Ratio (A)	Amount/Ratio (B)	Amount (C)=(A)-(B)	Ratio(%) (D)=(C)/(B)
Total Assets	340,612	332,788	7,824	2.35
Total Liabilities	272,268	264,392	7,876	2.98
Total Equity	68,344	68,396	(52)	(0.08)
Net value / share	2.02	2.02	0	0.00
Debt ratio (%)	79.93%	79.45%	—	0.60

Sources of data: The company's consolidated financial reports reviewed by accountants in the second and third quarters of 2022, and public information observation stations.

(5) The impact of this private placement on the company's business, finances and shareholders' equity

1. Impact on the company's business

This time, the company introduced investors through private placement of ordinary shares. If the applicants can cooperate with the company in the form of joint product development, technology introduction, market integration or business development in the future, they may bring products and services to the company. Value increase, cost reduction, efficiency increase, sales market expansion and other benefits, but as of the date of this opinion, the company has not yet negotiated a list of other investors except insiders.

2. Impact on the company's finances

The company intends to handle the private placement of ordinary shares this time. The funds will be used to enrich working capital and improve the financial structure. The total number of shares will be handled within the quota of 42,000,000 shares, and the basis will be no less than 30% of the reference price. If all the shares are processed, With the immediate and effective injection of private equity funds, in addition to increasing long-term stable funds to meet the needs of future business development, it can also improve the financial structure and strengthen the management system, thereby improving operational competitiveness and helping the company's future medium and long-term development. There should be a positive impact on the company's finances.

3. Impact on shareholders' equity of the company

According to the company’s proposal to hold a meeting of the board of directors on January 18, 2023, if the determination of the private placement price this time causes the company’s accumulated losses to increase and affect shareholders’ equity, the company will use earnings, capital Reserve or capital reduction to make up for it.

After considering the price rationality opinion issued by Wu Hongyi, an independent expert Integritas CAP Firm appointed by the company, the reasonable range of the company's private placement value per share is 2.29 NTD to 3.45 NTD per share (the evaluation base date is December 31, 2022), slightly higher than the company's net value per share of NTD 2.02 in the financial report reviewed by accountants in the third quarter of 2022.

In addition, the company intends to conduct private placement of ordinary shares within the total number of 42,000,000 shares. If the private placement quota is fully handled, it is estimated to account for 758,889,990 NTD of paid-in capital after this private placement (only the current paid-in capital plus capital 55.34% (42,000,000 shares ÷ 75,888,999 shares) of the upper limit of the private placement case), the degree of equity dilution is relatively high; in addition, the price of this private placement will be determined based on no less than 30% of the reference price, and the company in recent months (In December 2022) the monthly average closing price of common stock was 7.28 NTD, which was lower than the par value of the stock (NT$10). Taking into account the factors of continuous stock price fluctuations and the lowest possible pricing ratio, the actual future pricing may not be ruled out. The net value per share of the current financial report may be significantly lower than the market price, resulting in the risk of damage to shareholders' rights and interests. However, if the company can find a suitable investor in the future, thereby enhancing the scale of operation and overall competitiveness, and actually implementing the company's current planned benefits, it may still be helpful to the company's long-term business performance.

(6) Summary of Comprehensive Opinions

The company plans to conduct private placement of ordinary shares within the total number of 42,000,000 shares this time, and the raised funds will be used to enrich working capital and improve the financial structure. If the private placement quota is fully handled, it is estimated to account for 758,889,990 of the paid-in capital after the private placement and it is 55.34% (42,000,000 shares ÷ 75,888,999 shares) (calculated only based on the current paid-in capital plus the upper limit of this private placement), the degree of equity dilution is relatively high; in addition, the price of this private placement will be set at no lower than 30% of the reference price and the average monthly closing price of the company's common stock in recent months (December 2011) is 7.28 NTD, which is lower than the par value of the stock (NT$10), and the factors of continuous stock price fluctuations and the minimum possible pricing ratio are considered , the actual pricing in the future does not rule out the possibility of being lower than the net value per share of the latest financial report at that time, and may be significantly lower than the market price, causing damage to shareholders' rights and interests. However, if the company's future operations can be planned according to the current stage If the benefits appear, it may still have a positive effect on the company's long-term business performance and profitability. In conclusion, whether it is necessary to proceed with this private placement still needs to be clarified by the management at the interim shareholder meeting on the possible synergistic effects of this private placement in the future, and to fully communicate with all shareholders and reach a consensus on matters that may affect shareholders' rights and interests. After that, make the final decision that is most beneficial to the company.

Rreference, other statements

1. The content of this opinion letter is only used as the reference basis for the resolution of the board of directors of Jenn Feng Industrial Co., Ltd. on January 18, 2023 and the resolution of the first extraordinary meeting of shareholders in 2023, and is not used for other purposes.
2. The content of this opinion is based on the proposal materials provided by Jenn Feng Industrial Co., Ltd. to hold a meeting of the board of directors on January 18, 2023, and the second and third quarters of 2022, 2021 and 2020 were audited by accountants or audited financial reports, price rationality opinions issued by independent experts and other materials shall be comprehensively evaluated. If there are changes in the previously issued materials, errors in content, or other circumstances that may lead to changes in the contents of this opinion, this opinion shall not be held responsible. Any legal liability is hereby declared.

Evaluator: Dexin Comprehensive Securities Co., Ltd.
Representative: Chairman He Jiayu
Date :2023.1.11

Declaration of Independence

1. The company is entrusted to issue an evaluation opinion on the necessity and rationality of Jenn Feng Industrial Co., Ltd. (hereinafter referred to as Jenn Feng Company) in 2023 to handle private placement of common shares.
2. The company implements the above-mentioned business, and hereby declares that there are no following circumstances:
(1) The company is not an investee company that adopts the equity method for Jenn Feng Company.
(2) The company is not an investor who uses the equity method to evaluate Jenn Feng Company.
(3) The chairman or general manager of the company and the chairman or general manager of Jenn Feng Company are not the same person, nor they are related to each other within the degree of spouse or second degree.
(4) Our company is not a director or supervisor of Jenn Feng Company.
(5) Jenn Feng Company is not a director or supervisor of our company.
(6) Apart from the above-mentioned matters, our company and Jenn Feng Company have no related party relationship stipulated in Article 18 of the Financial Reporting Standards for Securities Issuers.
3. Handling the necessity and rationality evaluation opinion case for the private placement of ordinary shares for Jenn Feng Company. The evaluation opinions submitted by the company all maintain the spirit of detachment and independence.

Evaluator: Reliance Securities Co., Ltd.
Representative: Chairman He Jiayu
Date :2023.1.11

Four: Appendix

【Appendix I】

Articles of Incorporation of Jenn Feng Industrial Co., Ltd. (Revised 2022.6.29)

Article 1: The company is organized in accordance with the provisions of the Company Law and named as Jenn Feng Industrial Co., Ltd.

(English name: JENN FENG INDUSTRIAL TOOLS CO., LTD.)

Article 2: The businesses operated by the company are as follows:

1. CA02090 Metal wire products manufacturing industry
2. CA02990 Other metal products manufacturing industry
3. CB01010 Machinery and Equipment Manufacturing Industry
4. CB01990 Other Machinery Manufacturing Industry
5. CC01010 Power generation, transmission and distribution machinery manufacturing
6. CC01030 Manufacturing of electrical appliances and audio-visual electronic products
7. CD01030 Automobile and its parts manufacturing industry
8. CH01040 Toy manufacturing industry
9. CP01010 Hand tool manufacturing industry
10. F106010 Hardware Wholesale Industry
11. F113010 Machinery Wholesale Industry
12. F113020 Wholesale of electrical appliances
13. F113990 Wholesale of other mechanical appliances
14. F114030 Wholesale of automobile and locomotive spare parts
15. F213010 Electrical Appliance Retailing
16. F213080 Retail trade of mechanical appliances
17. F214030 Automobile and locomotive spare parts retailing
18. F401010 International trade
19. In addition to the licensed business, ZZ99999 may operate businesses that are not prohibited or restricted by laws and regulations service.
20. CB01020 Business Machine Manufacturing

Article 3: The company may endorse external guarantees due to business or investment relations.

Article 4: The company is only a limited liability shareholder of the investee company, and its reinvestment amount is not subject to the provisions of the Company Law.

Article 13 shall not exceed the limit of 40% of the company's paid-in share capital. Mainland investment is low

At 40% of the net worth, the Board of Directors may be authorized for approval.

Article 5: The headquarter of the company is located in Taoyuan City. The establishment of a branch or factory shall be decided by the board of directors.

Article 6: The total capital of the company is NT$3 billion, which is divided into 300 million shares, all of which are ordinary shares, and the amount of each share is NT$10. Among them, the unissued shares are authorized to be issued by the board of directors. If the company implements the treasury stock system, the transfer price of the treasury stock must be lower than the cost. NT$100 million of the total capital in the preceding paragraph shall be reserved for the issuance of employee stock option certificates, special shares with stock options, or corporate bonds with stock options to exercise stock options. Resolutions are issued in installments.

The company transfers employee stock option certificates to employees at an average price lower than the actual share repurchase price, or issues employee stock option certificates at a subscription price lower than the market price. Shareholders representing more than half of the total number of issued shares should be present, and more than two-third of the voting rights agree to do so. (This paragraph shall be applicable since January 1, 2008)

Article 7: The share certificates of the Company shall bear the shareholders' names, besigned or sealed by at least three other directors, and legalized by Competent Authority or its certified issuance registration agency before they are issued. When issuing new shares, the Company may print a share certificate in respect of the full number of shares to be issued at that time. Shares issued by

the Company may also be exempt from printing of share certificates, and the Company shall arrange for such shares to be recorded by a centralized securities custodian institution.

Article 8: Registration of share transfers shall be suspended for a 60–day period immediately prior to a regular meeting of the shareholders; for a 30–day period immediately prior to a special meeting of the shareholders; and for a 5–day period immediately prior to the record date for distribution of dividend, bonuses or other benefits.

Article 9: accordance with the Guidelines for Handling Stock Affairs by a Public Issuing Company promulgated by the competent regulatory authority.

Article 10: Shareholders' meetings shall be of two types: regular meeting and special meeting.

The regular meeting of shareholders shall be convened within six months after close of each fiscal year, unless otherwise approved by the competent authority for

good cause shown. Special meetings shall be convened when necessary in accordance with the relevant laws, rules and regulations.
When the shareholders' meeting is held, it may be held by video conference or announced by the competent authority.
Article 11: A shareholder is entitled to appoint a proxy to attend and vote on behalf of the shareholder at a shareholders’ meeting by completing and submitting to the Company a form prescribed by the Company stating the scope of authorization. Unless otherwise provided by Article 177 of The Company Act, measures concerning use of proxy shall be governed by Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies Regulations promulgated by the competent regulatory authority
Article 12: Each shareholder of the company has one voting right, and the only company law or other regulations stipulate that there is no voting right from its provisions.
Article 13: Unless otherwise stipulated by relevant laws and regulations, the resolution of the shareholders' meeting shall have a resolution representing the total number of issued shares.
If half of the shareholders attend in person or by proxy, it shall be done with the consent of more than half of the voting rights of the present shareholders.
However, in any of the following cases, the voting rights shall be held by two-thirds of the total number of issued shares in person or by shareholders proxy attendance shall be performed with the consent of more than half of the voting rights of the attending shareholders.

1. Purchasing or merging other domestic and foreign enterprises.
2. Dissolution or liquidation or division.

The shareholders' meeting is convened by the board of directors, with the chairman as the chairman. In the absence of the chairman, the chairman shall designate one director to act as agent; if not designated, the director shall elect one person to act as agent;

If other convening rights holders convene, the chairman shall be the convening rights holder, and there are two or more convening rights holders one person should be promoted from each other.
Article 14: The resolutions of the shareholders' meeting shall be recorded in minutes, signed or sealed by the chairman of the shareholders' meeting, and shall be recorded on the minutes of the meeting will be distributed to all shareholders within 20 days after the meeting. The distribution of the minutes of the proceedings referred to in the preceding paragraph may be done in the form of an announcement.

Article 15: T There shall be 5 to 7 Directors of the Company. Among the directors, there shall be no less than 3 independent directors. The election of Directors and independent Directors is adopted by candidate nomination system. The tenure of the offices of the Directors shall be 3 years and the Directors shall be eligible for re-elections.
The ratio of the total share held by all directors shall comply with the requirements of the governing agency of securities. The Company may purchase liability insurance for directors with respect to their liabilities resulting from exercising their duties during their terms of occupancy. When the company sets up an audit committee according to law, it is not necessary to set up a supervisor; when the audit committee is established, the supervisor will of course be dismissed. The provisions of this Articles of Association regarding supervisors, is invalid.
Article 16: The board of directors is organized by directors, and more than two-thirds of the directors are present and more than half of the present directors agree to recommend one chairman, and the chairman represents the company externally. The board considers it necessary one director may be elected as the vice-chairman among all the directors in accordance with the law.
Article 17: If the chairman asks for leave or is unable to exercise his powers for some reason, his agency shall be in accordance with the provisions of Article 208 of the Company Law.
handle.
Article 17-1: When a director is unable to attend the board meeting for some reason, his agency shall be governed by Article 205 of the Company Law will handle.
Article 17-2: (Board call and meeting notice)
The board meeting shall be held at least once a quarter, and shall be clearly stipulated in the rules of procedure. If the meeting is held, the reason for the meeting shall be stated, and the directors and supervisors shall be notified seven days in advance. If there is an emergency, in case of a situation, they can be called at any time.
Regardless of whether it is an emergency convening of the board of directors, its convening notifications can be made in writing, by electronic mail (E-mail) or by fax.
Article 18: If the directors of the company concurrently hold other positions in the company, the payment of remuneration for their positions in the company shall be the chairman of the board of directors is authorized by the shareholders' meeting to handle it in accordance with the company's internal management methods.
Article 19: Supervisors exercise supervisory powers in accordance with the provisions of the Company Law, and may express their opinions to the board of directors in accordance with their functions and powers but no voting rights.

Article 20: The company may have one general manager and several deputy general managers, whose appointment, dismissal and remuneration shall not be negotiated beyond the maximum salary standard stipulated in the company's salary assessment method.

Article 21: At the end of each accounting year, the board of directors shall prepare a list on the left, and hold a regular meeting of shareholders 30 days before the meeting, it shall be submitted to the supervisor for review, and submitted to the shareholders' regular meeting for approval:

1. Business report
2. Financial statements
3. Proposal on profit distribution or loss recovery.

Article 22: If the company makes annual profits, it shall be distributed according to the following proportions:

1. Employee remuneration shall not be lower than 3% of pre-tax net profit.
2. The remuneration of directors and supervisors shall not exceed 1.5% of the pre-tax net profit.

However, if the company still has accumulated losses, it shall reserve the compensation amount in advance.

Employee remuneration is in stock or cash, which is resolved by the board of directors and reported to the shareholders' meeting.

Article 22-1: If the company has a surplus after the annual final accounts, in addition to paying taxes according to law and making up for accumulated losses, it shall allocate 10% of the statutory surplus reserve and list or reverse the special surplus reserve in accordance with the Securities and Exchange Law. , plus accumulative undistributed earnings from previous years, the board of directors will prepare a surplus distribution proposal, and submit to the shareholders' meeting for a resolution on distribution of shareholder dividends, but the ratio of this surplus distribution to shareholders' cash dividends may depend on the actual profit and capital status of the year, Adjusted by the resolution of the shareholders' meeting.

The distribution of cash dividends shall not be less than 10% of the total dividend distribution to shareholders.

If there is a reduction in shareholders' equity accumulated in the previous year or in the current year but the after-tax profit of the current year is not enough to be withdrawn, the same amount of special surplus reserve shall be withdrawn from the accumulated undistributed surplus of the previous year, and before allocation for distribution Advance deduction.

Article 23: Matters not covered in this Articles of Association shall be handled in accordance with the provisions of the Company Law and relevant laws and regulations.

Article 24: The Articles of Association was established on April 8, 1976 in the Republic of China

The first revision was on June 10, 1978

The second amendment was on October 19, 1981 in the Republic of China

The third revision was on April 20, 1984

The fourth amendment was made on August 18, 1985

The fifth revision was on June 20, 1987

The sixth amendment was made on December 15, 1989

The seventh amendment was made on June 20, 1991

The eighth amendment was made on July 26, 1991

The ninth amendment was made on November 1, 1996

The tenth amendment was made on January 7, 1997

The eleventh amendment was made on April 28, 1997

The twelfth amendment was made on January 22, 1998

The thirteenth amendment was made on May 9, 1998

The fourteenth amendment was made on May 30, 2000

The fifteenth amendment was made on June 17, 2002

The sixteenth amendment was made on June 17, 2003

The seventeenth revision was made on June 23, 2004

The eighteenth amendment was made on June 23, 2004

The nineteenth amendment was made on June 20, 2005

The 20th amendment was made on June 20, 2005

The twenty-first amendment was made on March 10, 2006

The twenty-second amendment was made on June 14, 2006

The twenty-third amendment was made on June 13, 2007

The twenty-fourth amendment was made on October 15, 2007

The twenty-fifth amendment was made on June 3, 2009

The twenty-sixth amendment was made on June 17, 2010

The twenty-seventh amendment was made on June 19, 2012

The twenty-eighth amendment was made on June 18, 2013

The twenty-ninth amendment was made on June 15, 2016

The thirtieth amendment was made on June 18, 2020

The thirty-first amendment was made on July 15, 2021

The thirty-second amendment was made on June 29, 2022

【Appendix Ⅱ】

Jenn Feng Industrial Co., Ltd.

Rules of Procedure for Shareholders' Meeting

Article 1.
Unless otherwise stipulated by laws and regulations, the shareholder meeting of the company shall be conducted in accordance with the rules of the company.
Article 2.
The company shall specify in the meeting notice the time for accepting shareholders' report, the location of the report, and other necessary matters.
Precautions.
The shareholder himself or the proxy entrusted by the shareholder shall present the attendance card, attendance card or other attendance card
The solicitor who is a power of attorney solicitation should bring his identity certificate for verification right.
Article 3.
Attendance and voting at the shareholders' meeting shall be calculated based on shares. The number of shares attended depends on the signature book or submit the attendance card for calculation, and if the company has shares that exercise voting rights by written or electronic means
Count them together.
Article 4.
The place where the shareholders' meeting is held shall be the location of the company or a place that is convenient for shareholders to attend and is suitable for holding the shareholders' meeting.
As such, the meeting shall not start earlier than 9:00 a.m. or later than 3:00 p.m.
Article 5.
If the shareholders meeting is convened by the board of directors, the chairman shall be the chairman of the meeting.
When exercising powers, the vice-chairman acts as an agent. There is no vice-chairman or the vice-chairman also asks for leave or cannot exercise for some reason
In terms of power, the chairman shall designate a managing director to act as an agent; if there is no managing director, designate a director
If the chairman of the board of directors does not designate an agent, the managing director or directors recommend one person to act as the agent. If the meeting is convened by a person with the right to convene other than the board of directors, the

person with the right to convene shall act as the chairman.
Article 6.
The company may appoint a lawyer, accountant or related personnel to attend the shareholders' meeting.
Article 7.
The company shall make audio or video recordings of the entire shareholder meeting process and keep them for at least one year.
Article 8.
When the number of shares represented by attending shareholders exceeds one-half of the total issued shares of the company, the chairman shall immediately announcing the opening of the meeting, but if shareholders representing more than half of the total number of issued shares are not present, the chairman may announce the postponement meeting. If the meeting time has passed and the number of shareholders present is less than the above quota, the chairman may decide to postpone the meeting and announce it. After the meeting time has been postponed twice (the first postponement time is 20 minutes, the second postponement time is 10 minutes) the attendance of shareholders is still less than the aforementioned quota and represents one-third of the total number of issued shares of the company
When more than one shareholder attends the meeting, the provisions of Article 175 of the Company Law may be followed. vote by present shareholders The consent of more than half of the powers is a false resolution. When passing the above false resolutions, if the number of shares represented by the attending shareholders has increased to more than half of the total issued shares of the company, the chairman may submit the passed false resolutions to the general meeting for ratification.
Article 9.
The agenda of the shareholders' meeting is determined by the board of directors, but the shareholders' meeting may change it by resolution.
Article 10.
When a shareholder makes a speech, he shall first write a speech note indicating the attendance card number, name and the gist of the speech and send it to the chairman, who shall
Set the order of their speeches. When a shareholder present speaks, other shareholders shall, unless approved by the chairman and the shareholder who speaks, accidents, speech interference is not allowed, and the chairman of the violator should stop it.
Article 11.
Each shareholder’s speech shall be limited to five minutes each time, but with the permission of the chairman, the speech may be extended for three minutes, and the extension shall be after the speech of the attending shareholders, the chairman may

reply in person or by designating a relevant person.
Article 12.
For the discussion of the same proposal, the same shareholder is limited to making two speeches.
Article 13.
If a shareholder's speech is beyond the time limit or exceeds the scope of the topic, the chairman may stop the speech at any time.
Article 14.
When discussing a bill, the chairman may announce the end of the discussion at an appropriate time, and may announce the cessation of the discussion when necessary.
Article 15.
Proposals that have been announced by the chairman to end the discussion or cease to be discussed will be submitted to the general meeting for voting.
Article 16.
Each shareholder of the company has one voting right, except for those who are restricted or have no voting right according to law. Proposals shall be passed with the approval of more than half of the voting rights of the shareholders present. If there is no objection from shareholders attending the seat consultation, it is deemed to be passed, and its effect is the same as voting by poll.
Article 17.
When a legal person is entrusted to attend a shareholders' meeting, the legal person may only designate one representative to attend. Legal entity shareholders appoint two persons when the above representatives attend the shareholders' meeting, only one person may speak on the same proposal.
Article 18.
The scrutiny and counting personnel for voting on proposals shall be designated by the chairman, but the scrutiny personnel shall have the status of shareholders, and the voting results shall be reported on the spot and recorded.
Article 19.
During the meeting, the chairman may decide the rest time as needed. In case of force majeure, the meeting will be suspended and the chairman will decide to continue the meeting.
Article 20. The chairman may command the pickets (or security personnel) to assist in maintaining the order of the venue. The pickets (or security personnel) When helping to maintain order at the scene, they should wear armbands with the word "Picket".
Article 21.
These rules shall come into force after being approved by the shareholders' meeting, and the same shall apply when amended.

【Appendix III】

Jenn Feng Industrial Co., Ltd.

Shareholdings of All Directors

1. The number of shares and the statutory percentage of the current ninth session of directors of the company are as follows:

The number of issued ordinary shares of the company is	33,888,999 Shares
All directors shall hold a percentage ratio of	13.27 %
The statutory number of shares held by all directors is	3,600,000 shares

2. As the date of Feb. 16th, 2023, all directors hold the shares list as below:

Title	Name	Shares	Percentage (%)
Chairman	LEE YUHCHENG	5,966,397	17.60
Director	Chin Chen International Investment Represent：Lu Chou Tu	7,479,448	22.07
Director	Chin Chen International Investment Represent：Yin Wei Kong		
Director	Chin Chen International Investment Represent：Chong Cha Kai		
Independent Director	LI FONG RONG	0	0.00
Independent Director	LIN YI Lian	0	0.00
Independent Director	Lo Yu Chin	0	0.00
Total shares of directors		13,445,845	39.67

Thank you for attending

the general meeting of shareholders

You are welcome to criticize

and advise at any time