TWSE stock code: 1538

Jenn Feng Industrial Tools Co., Ltd.

2024 Annual Shareholders' Meeting

Conference Handbook

Date of meeting: June 28, 2024
Meeting address: No. 33, Ln. 433, Sec. 2, Zhongzheng Rd., Zhongli District, Taoyuan City

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Jenn Feng Industrial Tools Co., Ltd.

Agenda of the 2024 Annual shareholders' Meeting

Time: 9:00 a.m., June 28 (Fri.), 2024

Address: No. 33, Ln. 433, Sec. 2, Zhongzheng Rd., Zhongli District, Taoyuan City

Form of meeting: Physical shareholders' meeting

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2. Motion for capital reduction to make up losses.
3. Motion for the Company's private placement of preferred shares or private placement of domestic convertible corporate bonds.

VI. Elections: Full re-election of the Company's directors (including independent directors).

VII. Other motions: Motion for removal of restrictions on competing business involvements for new directors and their representatives.

VIII. Special motions

IX. Adjournment

Management Presentation (Company Reports)

Motion 1

Cause: 2023 Business Report, submitted for review.

Explanation: For the 2023 Business Report, please refer to pages 18 to 21 of this handbook.

Motion 2

Cause: 2023 Audit Committee's Report, submitted for review.

Explanation: For the 2023 Audit Committee's Report, please refer to page 22 of this handbook.

Motion 3

Cause: Report on the implementation of the capital reduction and sound business plan, submitted for review.

Explanation: For the execution of capital reduction and sound business plan, please refer to pages 23 to 25 of the handbook.

Motion 4

Cause: Report on the 2023 unprocessed private placement of domestic secured convertible corporate bonds, submitted for review.

Explanation:

I. In the annual shareholders' meeting on June 26, 2023, the Company approved the private placement of domestic secured convertible corporate bonds, and they will be issued twice within one year from the date of the resolution at the shareholders' meeting.

II. Considering that the transaction cannot be completed within the time limit, it is proposed that we do not proceed with the private placement of secured convertible corporate bonds.

III. This proposal was passed during the 7th meeting of the 2nd Audit Committee.

IV. The proposal was passed in the 9th meeting of the 10th Board of

Directors.

Motion 5

Cause: Establishment of the Company's Ethical Corporate Management Best-Practice Principles, submitted for review.

Explanation: In order to strengthen the corporate culture of ethical management and enhance development of the Company, the "Ethical Corporate Management Best-Practice Principles" has been established by resolution of the Board of Directors. Please refer to pages 89 to 96 of this handbook.

Motion 6

Cause: Report on the first quarter of 2024 accumulated losses in reaching one-half of paid-in capital, submitted for review.

Explanation:

I. The Company reported cumulative losses of NT$272,355,078 as at March 31, 2024, reaching more than half of the Company's paid-up capital (NT$538,389,990).
II. The motion is hereby presented for the annual shareholders' meeting according to Article 211 of the Company Act.

Motion 7

Cause: Other

Explanation:

I. Communication between members of the Audit Committee and the Chief Internal Auditor:

The Chief Internal Auditor reports to the Audit Committee at least quarterly on internal audit, and discusses and communicates about the report contents in a timely manner while facilitating a good understanding and providing suggestions concerning the annual audit plan before and after each meeting, indicating the good communication between them.

II. Director’s compensation policy, the content and amount of individual compensation and the result of the performance assessment:

The Company's compensation policy is provided in Article 18 of its Articles of Incorporation, where shareholders may authorize the Chairman to compensate directors for assuming other concurrent duties within the Company, subject to compliance with internal policies, and in Article 22 of the Articles of Incorporation that profits concluded in a given year are subject to director and supervisor remuneration of no more than 1.5% on pre-tax profit. However, profits must first be taken to offset against cumulative losses, if any.

III. Status of use of the capital raised through the private placement in 2023:

The Company raised NT$192,970 thousand through the private placement in 2023, and as of the end of the first quarter of 2024, NT$41,992 thousand remained unused. The fund was mainly used to repay loans and interests to creditors and banks, and pay suppliers and the subsidiary in Kunshan for goods and personnel and operating expenses.

IV. Debt reduction and repayment and benefit recognition schedule:

In 2023, the Company reached an agreement with its creditors, in which the Company shall repay the debt by installments within a three-year period in order to receive debt reduction and waiver benefits. As of the end of the first quarter of 2024, the Company has repaid its creditors an amount equivalent to NT$40,059 thousand and recognized a benefit of NT$22,378 thousand arising from debt reduction and waiver with an outstanding debt balance of NT$21,027 thousand (including the unrecognized debt reduction benefits).

Acknowledgments

Motion 1 (Proposed by the board of directors)

Cause: Motion for 2023 Business Report and Financial Statements, submitted for acknowledgment.

Explanation:

I. The Company's 2023 financial statements (consolidated and parent company only financial statements) have been audited by CPA Shu-Ling Lien and CPA Ying-Ju Chen of KPMG. These CPAs issued an auditor's report with an unqualified opinion, which was qualified and approved by the Audit Committee. Together with the business report, these statements and the report were approved by the Company's Board of Directors and presented for acknowledgment.

II. For the business report and financial statements (consolidated financial statements and parent company only financial statements) referred to above, please refer to pages 26 to 41 of this handbook.

Resolution:

Motion 2 (Proposed by board of directors)

Cause: Motion for 2023 loss appropriation, submitted for acknowledgment.

Explanation: For the 2023 Statement of Loss Appropriation, please refer to page 42.

Resolution:

Discussions

Motion 1 (Proposed by the board of directors)

Cause: Motion for amendments to the Company's Articles of Incorporation, sumitted for discussion.

Explanation:

I. Proposal to make partial amendments to the Company's "Articles of Incorporation" is in accordance with the laws and regulations and the needs of the Company's future operational development.

II. For the comparison of amendments to the Company's "Articles of Incorporation," please refer to pages 45 to 56 of this handbook.

Motion 2 (Proposed by board of directors)

Cause: Motion for capital reduction to make up losses, submitted for discussion.

Explanation:

I. As of December 31, 2023, the Company had recorded accumulated losses of NT$252,947,150.

II. In order to improve the financial structure of the Company, it is proposed that capital should be reduced by NT$215,389,990 in accordance with Paragraph 1, Article 168 of the Company Act. This will make up for the accumulated losses by canceling 21,538,999 common shares. Based on the current shares of 53,838,999 issued (including 40,060,288 private placement common shares), it is expected that approximately 400.06314 shares per thousand (i.e. 599.93686 shares per thousand shares) will be reduced. This represents a capital reduction of 40.006314%.

III. After the capital reduction, the paid-up capital was NT$323,000,000 at NT$10 par value per share, and 32,300,000 shares were issued (including 24,033,643 private placement common shares).

IV. The new shares converted after the capital reduction are issued in certificated form, and the rights and obligations of the shares are the same as those of the originally issued shares. After the capital reduction, shareholders can register with the Company's stock agent to consolidate fractional shares that are less than one share into whole shares. This can be done five days prior to the cessation of transfer until the day before the cessation of transfer. Any fractional shares that are less than one share and have not been consolidated, or the ones that are still less than one share after consolidation, will be paid in cash (rounded down to the nearest NT$1). Any fractional share of less than one share will be used as an expense for the accounting book appropriation. All of the fractional shares of less than one share are purchased by persons arranged by the Chairman as authorized by the Board.

V. The Securities and Future Investors Protection Center sent a letter requesting an explanation for the capital reduction, the sound business plan, and the control measures for the implementation with respect to the capital reduction to make up losses at the shareholders' meeting. For the Company's sound business plan, please refer to pages 43 to 44 of this handbook.

VI. This motion has been submitted to the Audit Committee for approval.

VII. The Board of Directors is authorized to set the base date for capital reduction, the base date for capital reduction and shares conversion, the book closure date, and to handle other matters related to capital reduction once the motion is passed by the shareholders' meeting and reported to the competent authority for approval. If the number of our outstanding shares and the capital reduction ratio are changed due to the repurchase, transfer, capital increase, cancellation or other factors of the Company before the record date for the capital reduction, it is proposed to request the shareholders' meeting to entirely authorize the chairman to handle the matter.

VIII. If there are any matters not covered in this motion, or if changes or revisions are necessary due to changes in laws and regulations, opinions from competent authorities, or changes in objective circumstances, it is proposed to refer to the shareholders' meeting for authorization of the Board of Directors to handle such matters.

Resolution:

Motion 3 (Proposed by the board of directors)

Cause: Motion for the Company's private placement of preferred shares or private placement of domestic convertible corporate bonds, submitted for discussion.

Explanation:

I. In order to increase the Company's working capital, improve its financial structure or meet its capital needs for future development, the Company issues private placement of preferred shares or private placement of convertible corporate bonds, or issues them at the same time within the limit of 30,000,000 shares. It is proposed that the shareholders' meeting authorize the Board of Directors to proceed with the motion in two offerings within one year of the resolution of the shareholders' meeting. The choice of offering will depend on market conditions and the Company's operational requirements. The two offerings may be executed separately at two different times.

II. The following is an explanation of the private placement matters for this transaction in accordance with Article 43-6 of the Securities and Exchange Act and the regulations on "Directions for Public Companies Conducting Private Placements of Securities":

(1) The basis and reasonableness of the private placement pricing:

(A) The issue price of the Company's private placement of preferred shares is set at no less than 80% of the theoretical price. The theoretical price is the price of the securities calculated with an appropriate pricing model that takes into account the rights under the issuance conditions. The model shall cover the entirety of the rights included in the issuance conditions. If there are any rights that cannot be included in the model considered, the right not considered should be excluded from the conditions of issuance.

(B) The issue price of the Company's private placement of domestic secured convertible corporate bonds is set at no less than 80% of the theoretical price. The reference price shall be determined based on the higher of the following two calculation prices and shall not be lower than 80% of the conversion price:

i. The closing price of the common shares is calculated on the basis of the simple arithmetic average of the closing price of the common shares on the first, third or fifth business day prior to the pricing date, minus the ex-rights and dividends of the free allotment, and the stock price after capital reduction and anti-ex-rights are added back.

ii. The closing price of the common shares is calculated on the basis of the simple arithmetic average of the closing price of the common shares 30 days prior to the pricing date, minus the ex-rights and dividends of the free allotment, and the stock price after capital reduction and anti-ex-rights are added back.

(C) The issued price of the Company's private placement of preferred shares and the private placement of domestic secured convertible corporate bonds are in line with the regulations of the Directions for Public Companies Conducting Private Placements of Securities. With reference to the above-mentioned price or theoretical price, and the three-year transfer restriction on private placement of marketable securities under the Securities and Exchange Act, the price and private placement conditions were determined to be reasonable.

(D) The actual pricing date of the Company's private placement of securities and the actual price of the private placement are proposed to be determined at the 2024 annual shareholders' meeting with the authorization of the Board of Directors according to laws and regulations and within the range of the pricing basis and percentages resolved at the 2024 annual shareholders' meeting, depending on the circumstances of future negotiations with specific persons and the prevailing market conditions.

(E) If the net value per share of the Company is lower than the par value of the shares, and if the issue price or conversion price per share is lower than the par value of the shares due to changes in the securities market in the future, the price should be set in accordance with the pricing basis stipulated by law and reflecting the market price conditions. The price of the funds raised shall be necessary and reasonable to facilitate the long-term stable development of the Company. If the issue price or conversion price is lower than the face value, resulting in an increase in accumulated losses and an impact on shareholders' equity, it will be treated as earnings, capital reserve, or capital reduction depending on the future operation of the Company and the market conditions.

(2) Selection of specific persons:

(A) Specific persons shall be limited to those who meet the requirements of Article 43-6 of the Securities and Exchange Act and Letter Tai-Cai-Zheng-(91)-Zi-0910003455 dated June 13, 2002. Specific persons will be selected in accordance with regulations and actual circumstances, and matters related to the contacting of specific persons are intended to be submitted to the shareholders' meeting to authorize the Board of Directors to handle at its sole discretion. The total number of subscribers in the private placement shall not exceed 35, except for the banking, securities, trust, insurance, securities or other legal entities or institutions approved by the competent authorities.

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

Relationship between insiders or related parties, and the subscriber and the Company		
Subscriber	Method of selection and purpose	Relationship with the Company
Enriched Partner Co., Ltd.	Complies with Article 43-6 of the Securities and Exchange Act, and contributes direct or indirect benefits to future operations.	Major shareholder of the Company

Relationship between the top-10 shareholders of Enriched Partner Co., Ltd. and the Company		
Names of top-10 shareholders	Shareholding percentage	Relationship with the Company
Chang-Xin Capital Limited Partnership	100%	Major shareholder of the Company

(C) So far, no subscribers have been engaged.

(3) Reasons for private placement

(A) Reasons for not adopting public offering:

After evaluating the feasibility of a public offering, the timeliness of fund-raising, and the cost of issuance, among other factors, it is proposed to issue securities through private placement instead of a public offering.

(B) Private placement quota:

The private placement is submitted to the shareholders' meeting to authorize the Board of Directors to proceed with the motion to issue shares through private placement within the limit of 30,000,000 shares in two offerings.

(C) Uses of capital and expected benefits for each private placement:

i. Use of funds: To enrich the working capital and improve the financial structure; or to meet the capital needs of the Company’s future development.
ii. Expected benefits: Enhancement of the Company’s market competitiveness, operational efficiency, and financial structure.

III. The common shares converted from the private placement of preferred shares or domestic secured convertible corporate bond shall have the same rights and obligations as the common shares issued by the Company. The private placement of domestic convertible bonds is restricted from being transferred within three years from the date of delivery, except as set forth in Article 43-8 of the Securities and Exchange Act. After five years from the date of delivery of the private placement of preferred shares or private placement of domestic convertible bonds and their conversion into common shares, a supplementary public placement and an application for listing and trading shall be reported according to the prevailing conditions and relevant regulations.

IV. For the Primary terms and conditions for the issuance of preferred shares through a private placement (tentative) and terms and conditions for the issuance of secured convertible bonds through a private placement and the conversion thereof (tentative), please refer to pages 57 to 64 of this handbook.

V. If matters other than the pricing of the private placement of preferred shares or private placement of domestic secured convertible corporate bonds are subject to change or revisions due to amendments to laws and regulations, regulations of the competent authority, operational evaluations or objective circumstances, it is proposed that the shareholders’ meeting authorize the Board of Directors to exercise its full authority to handle the matter in accordance with the regulations and prevailing market conditions.

VI. It is proposed to request the shareholders’ meeting to authorize the chairman to sign the contract or documents related to the private placement of preferred shares or private placement of domestic secured convertible corporate bonds and to handle related matters on behalf of the Company. For matters not covered above, the chairman is authorized to handle such matters at his sole discretion.

VII. This motion has been submitted to the Audit Committee for review.

Resolution:

Elections

(Proposed by the Board of Directors)

Cause: Full re-election of the Company's directors (including independent directors).

Explanation:

I. The Company intends to elect all directors (including independent directors), and the original directors (including independent directors) shall serve until the time of the directors re-elected at the current annual shareholders' meeting.

II. Pursuant to Article 15 of the Company's Articles of Incorporation, where seven to nine directors shall be elected (the number of independent directors shall not be less than three, and the candidate nomination system shall be adopted), eight directors (including four independent directors) are proposed to be elected, and the tenure of each is three years.

III. The term of office of the newly elected directors is three years, starting after the conclusion of the shareholders' meeting on June 28, 2024, and ending on June 27, 2027. Directors of the Company are elected using the nomination system, in which shareholders will elect from the list of nominated director candidates.

IV. For profiles of director and independent director candidates, please refer to page 79 to 82 of this handbook.

V. The election is ready to be proceeded.

Voting Results:

Other motions

(Proposed by the Board of Directors)

Cause: Motion for removal of restrictions on competing business involvements for new directors and representatives thereof, submitted for discussion.

Explanation:

I. Article 209 of The Company Act states that: “Directors are required to disclose material details to shareholders and obtain permission for engaging in business activities that coincide with those of the company, whether for directors’ own benefit or for the benefits of others.”

II. Proposal to seek shareholders’ consent in accordance with Article 209 of the Company Act to remove restrictions against competing business involvement by new directors and representatives thereof starting from the duty commencement date, provided that such involvement does not compromise the Company’s interests, so as to optimize performance of the directors concerned. For directors’ participation in competitive business, please refer to pages 79 to 82 of this handbook.

Resolution:

Questions and Motions

Adjournment

Three. Attachments

[Attachment 1]

Jenn Feng Industrial Tools Co., Ltd.
Business Report

I. 2023 Business results

(I) Outcome of business plan:

The Company's consolidated net operating revenue for 2023 was NTD 194,406 thousand, a decrease of NTD 90,701 thousand from the consolidated net operating revenue of NTD 285,107 thousand in 2022, or a decrease of 31.8%. In terms of profitability, the 2023 consolidated net loss after tax was NTD 28,249 thousand, an increase of NTD 751 thousand from the loss of NTD 27,498 thousand in 2022, and the loss per share was NTD 0.64.

(II) Attainment of budgeted targets: Not applicable (the Company did not make any financial forecast for 2023).

(III) Financial revenues and expenses:

As at December 31, 2023, the Company reported consolidated assets of NT$330,248, consolidated liabilities of NT$112,610, debt-to-asset ratio of 34.10%, and current ratio of 257.86%.

(IV) Profitability analysis:

Item	2023	2022
Return on assets (%)	(8.63)	(8.40)
Return on equity (%)	(20.25)	(57.83)
Net profit margin (%)	(14.53)	(9.64)
Earnings per share (NTD)	(0.64)	(1.25)

(V) Research and development:

1. Integrate spare parts and molds for the purpose of sharing and extending the service life of molds.
2. Integrate the supply chain and strictly select suppliers to improve quality and delivery.
3. Existing component modules and products are used as the basis to explore derivative applications in various fields.
4. Collaborate with large, well-known manufacturers for production to jointly develop, produce or OEM new products.
5. Obtain patent certificates and patent validity for new designs and new products to ensure the interests of the Company.
6. Explore applications of brushless motor and expand the range of products and applications sold.
7. Explore technological differentiation for new products.
8. Assist customers in development through technology.

The Company will deepen its technology in motors and controllers, and give priority to meeting customer needs. At the same time, the Company will develop reliable, durable and derivative products for rapid introduction into production to improve the Company's operation and development.

II. Summary of business plan

(I) Operational guidelines:

Looking forward to the internal and external environment in 2024, it will still be a challenging year for Jenn Feng. We will continue to work hard, with a sincere attitude, adhere to the spirit of quality and service, execute responsible operation and management, and strive to achieve the established goals. The specific key points of implementation are as follows:

1. Adjustment to customer services:
   Re-examined and analyzed customer contributions, focused on high-margin customers to provide comprehensive services, performed interviews for understanding and cooperation, expanded product supply to high-margin customers, and reduced uncompetitive products.

2. Cost of lean production:
   Standardized and universalized components to increase the speed of inventory turnover; implemented the incentive policy and provided

rewards for the achievement of stage goals; transferred the production of the subsidiary in Kunshan to reduce production cost; sought foundry partners to reduce the production line requirements.

3. Avoidance of useless waste:
   Relocated to a suitable plant to improve the current situation of low utilization rate and high rent of the plant.

4. Reduction of inventory:
   Adjusted the procurement strategy, broke through the misunderstanding of MOQ (minimum order quantity) to avoid excessive procurement, and actively adjusted and for destocking.

5. Seeking quality investment opportunities:
   In addition to the current development of the core business, the Company will also actively look for profitable and promising investments or business entities to improve the return on capital.

(II) Key production/sales policies

1. Production:
   (1) Continue to improve the performance of the existing electric hand tools, in order to consolidate the purchase of the existing products of Jenn Feng, and maintain the existing revenue.
   (2) The Company will continue to enhance the design of brushless motors, controllers, and firmware/hardware, utilize the ability to possess three individual advantages simultaneously or integrate advantages, distinguish itself from peers that specialize in only one field of expertise.
   (3) Review and improvement plans for the production process, including deletion of ineffective processes and process integration or process optimization, common mold production to reduce the cost of mold development, standardization and sharing of the material market, centralized production of scattered orders, etc.
   (4) In addition, promote the optimization and control of procurement at the same time, execute the unified procurement arrangement of the Group, establish a supplier list, and provide guidance on the

optimization of production constitution. This will create cost competitiveness, improve quality stability, and shorten the delivery time of production operations, and enable just-in-time delivery, to eliminate underperforming manufacturers.

(5) Upon assessment, production in Kunshan can maintain quality while effectively reducing costs and improving profitability. Several products have been moved to Kunshan for trial production.

2. Sales:

(1) Through closer visits and communication, the adhesion of high-margin customers to Jenn Feng will be enhanced.

(2) Through the three one-stop integration technologies of brushless motor products, controllers and firmware and hardware design, we widen the gap with other companies, attract the attention of new and existing customers, extend services to vendors without design capabilities, and jointly create vendor and customer needs.

III. Future development strategies

In 2024, Jenn Feng will continue its efforts to improve its operating structure and strengthen its competitiveness. By continuously improving its requirements, it will save its explosive power for the future and create better returns for shareholders.

Thanks to all of you for taking the time to attend the shareholders' meeting of the Company today. All employees of the Company will continue to create a better future for Jenn Feng with the business philosophy of pragmatism, trust, innovation and sustainable development!

We give you our best regards for the upcoming future!

Sincerely,

Chairman: Shuo-Tsan Chen President: Shuo-Tsan Chen Head of Accounting: Ju-Chan Tseng

[Attachment 2]

Jenn Feng Industrial Tools Co., Ltd.

Audit Committee Auditing Report

The board of directors of the company produced and submitted the 2023 Financial Statements, Business Report and Statement of Loss Appropriation, with the Financial Statements verified and certified by accountants Shu-Ling Lien and Ying-Ju Chen of KPMG Taiwan. The auditor's report is presented with an unmodified opinion.

The Audit Committee has completed its review of the aforementioned reports, no discrepancies have been discovered and all committee members have given their approval. The auditing report has been provided for your reference in accordance with Paragraph 14-4 of the Securities and Exchange Act and Paragraph 219 of the Company Act.

The preceding sums up this auditing report.

2024 shareholders meeting of Jenn Feng Industrial Tools Co., Ltd.

Audit Committee of Jenn Feng Industrial Tools Co., Ltd.

Chairman (convenor): Hao-Wen Hsu

March 11, 2024

[Attachment 3]

Execution of capital reduction plan

I. Progress:

A resolution was passed during the annual shareholders' meeting held on June 26, 2023 to reduce capital against cumulative losses. This capital reduction was later approved by the Taiwan Stock Exchange Corporation through Reference No. Tai-Zheng-Shang-1121804410 dated September 19, 2023, whereas the registration for the change of capital reduction was approved by the Administration of Commerce, MOEA through Correspondence No. Jing-Shou-Shang-11230190730 dated October 20, 2023. Replacement shares following the capital reduction were listed for trading on TWSE on December 11, 2023, and all matters concerning capital reduction had been completed at this time.

II. Implementation status:

(I) Conclusion of implementation

1. The Russo-Ukrainian War still affects the European electric hand tool market, making it impossible for the market to recover. As a result, customers who place their orders from Jenn Feng are still slow to destock. Additionally, the red supply chain has further cut down the price competition, imposing stress for the electric hand tools, which are the main products of Jenn Feng. For lighting products, customers still have inventory to be sold, so it is difficult for the overall revenue to reach the level of last year. For 2023, the Company's revenue was NTD 194,406 thousand and net loss was NTD 28,249 thousand.

2. Jenn Feng has been inviting key customers to visit their plants in Taiwan to strengthen their impression of Jenn Feng. It also expresses a strong image of accepting orders. Revenues should gradually recover in the future. Furthermore, Jenn Feng actively submits samples to the U.S. and European customers for new orders.

3. Looking forward to the internal and external environment in 2024, Jenn Feng will continue to examine and analyze customer contributions, provide more comprehensive services to high-margin customers, expand product supply to high-margin customers through understanding and collaboration

via interviews. Meanwhile, Jenn Feng will conduct review and improvement plans for the production process, including deletion of ineffective processes and process integration or optimization, standardization and sharing of the material market, centralized production of scattered orders, etc. Finally, Jenn Feng will actively look for profitable and promising investments or businesses to improve the return on capital.

(II) The Company's operating policy was revised in 2023. The implemented strategies are as follows:

1. R&D and sales
   - Maintain the stability of product quality for customers with high gross profit (such as Nimbus), further pursue the room for improvement and strive for more orders.
   - Invite customers (e.g. Nimbus, Metabo) to visit our factory to enhance customers' impression of the Company.
   - Actively understand the needs of customers (e.g. Hsin Lung Accessories), intensify the frequency of communication, and actively propose solutions.
   - Actively deliver samples and knock on the door of the European and American markets.
   - Contact the sales channels in China to evaluate the selection of sales items.

2. Production and manufacturing
   - Production of molds and jigs was transferred to the subsidiary in Kunshan for sample production.
   - By selecting a suitable factory site, we can save about NTD 750,000 on factory rent and security guard costs every month (nearly NTD 9 million for the whole year).
   - A small number of diversified orders or orders with low annual frequency are transferred to OEMs to control production quality, improve order-taking ability, and reduce manpower and material resources at the same time.
   - Regularly review the supplier's quality and price, and continue to look for suppliers with good performance.

- Dispel the myth of MOQ by implementing the strategy of buying as much as you use.
- Actively reduce inventory by more than half at the end of 2023 compared to the same period of time.

3. Financial structure
   - Actively negotiate with related parties and debtors to repay loans to related parties, and gradually realize the recognition of benefits from debt reduction.
   - Repay bank borrowings and improve financial structure.
   - Dispose or scrap obsolete products or equipment to reduce the need for factory office space.
   - Compared with the same period of last year, the total liabilities in 2023 were significantly reduced by more than half.

[Attachment 4]

Independent Auditor's Report

To the board of directors of Jenn Feng Industrial Tools Co., Ltd.:

Audit opinion

We have audited the consolidated balance sheet of Jenn Feng Industrial Tools Co., Ltd. and subsidiaries (collectively referred to as Jenn Feng Group) as at December 31, 2023 and 2022, and the consolidated statement of comprehensive income, statement of changes in equity, cash flow statement, and the accompanying footnotes (including summary of key accounting policies) for the periods ended December 31, 2023 and 2022.

In our opinion, all material disclosures of the consolidated financial statements mentioned above were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and the version of International Financial Reporting Standards, International Accounting Standards and interpretations thereof approved and published by the Financial Supervisory Commission, and presented a fair view of the consolidated financial position of Jenn Feng Group as at December 31, 2023 and 2022, and consolidated business performance and cash flow for the periods ended December 31, 2023 and 2022.

Basis of audit opinion

We have conducted our audits in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibilities as an auditor for the consolidated financial statements under the abovementioned standards are explained in the Responsibilities paragraph. All relevant personnel of the accounting firm have followed CPA code of ethics and maintained independence from Jenn Feng Group when performing their duties. We believe that the evidence obtained provide an adequate and appropriate basis for our opinion.

Key audit issues

Key audit issues are matters that we considered to be the most important, based on professional judgment, when auditing the 2023 consolidated financial statements of Jenn Feng Group. These issues have already been addressed when we audited and formed our opinions on the consolidated financial statements. Therefore we do not provide opinions separately for individual issues. Below are the key audit issues that we consider relevant for disclosure in this audit report:

1. Revenue recognition

Accounting policies relating to revenue recognition have been disclosed in Note 4(13) – Revenue Recognition of the consolidated financial statements; for details on recognized revenues, please refer to Note 6(14) – Revenues of the consolidated financial statements.

Explanation of key audit issues:

How Jenn Feng Group recognizes revenues is an issue of concern for users or recipients of the financial statements. For this reason, revenue recognition test was identified as one of our key assessments when auditing the financial statements of Jenn Feng Group.

Audit procedures:

The following audit procedures were taken in relation to the audit issue:

- Understand the main revenue pattern, contract specifications and transaction conditions, and assess whether the timing of revenue recognition is correct.
- Review the sales contracts with major sales targets and test the control methods for the procedures related to the shipment operation and revenue recognition under the internal control of Jenn Feng Group.
- Select the shipment of the Jenn Feng Group in the period around the balance sheet date and check the relevant certificates and forms to confirm whether the sales revenue was recognized in the appropriate period of the financial statements.

II. The ability to continue as a going concern

Explanation of key audit issues:

Jenn Feng Group reported NT$28,249 thousand of net loss after tax for 2023 and cumulative losses totaling NT$252,947 thousand as at December 31, 2023, nearing half of the paid-in capital. As explained in Note 12(1) of the consolidated financial statements, the management had made subjective judgments when describing future response measures and future profitability; therefore, we considered business continuity to be an issue of high concern when auditing the financial statements.

Audit procedures:

The following audit procedures were taken in relation to the audit issue:

- Obtain the information on the operating budget of the following year provided by Jenn Feng Group.
- Examine the major announcements after the period, self-assessed statements after the period, borrowings and debt agreements with related parties, and the motion content in the minutes of shareholders' meetings and board meetings of Jenn Feng Group to assess whether there are subsequent events that may affect the ability to continue as a going concern.
- Obtain letters from a lawyer to assess whether there are major legal concerns that may affect business continuity.

Other Matters

Jenn Feng Industrial Tools Co., Ltd. has prepared parent company only financial statements for 2023 and 2022, to which we issued an independent auditor's report with unqualified opinion.

Responsibilities of the management and governance body to the consolidated financial statements

Responsibilities of the management were to prepare and ensure fair presentation of consolidated financial statements in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the version of IFRS, IAS, IFRIC and interpretations thereof approved and effected by the Financial Supervisory Commission, and to exercise proper internal control practices that are relevant to the preparation of consolidated financial statements so that the consolidated financial statements are free of material misstatements, whether caused by fraud or error.

The management’s responsibilities when preparing consolidated financial statements also involved: assessing the ability of Jenn Feng Group to operate, disclose information, and account for transactions as a going concern unless the management intends to liquidate Jenn Feng Group or cease business operations, or is compelled to do so with no alternative solution.

The governance body of Jenn Feng Group (including the Audit Committee) is responsible for supervising the financial reporting process.

Responsibilities of the auditor when auditing consolidated financial statements

The purposes of our audit were to obtain reasonable assurance of whether the consolidated financial statements were prone to material misstatements, whether due to fraud or error, and to issue a report of our audit opinions. We consider assurance to be reasonable only if it is highly credible. However, audit tasks conducted in accordance with the auditing principles do not necessarily guarantee detection of all material misstatements within the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of the consolidated financial statement user.

When conducting audits in accordance with the auditing principles, we exercised judgments and professional skepticism. We also performed the following tasks as an auditor:

1. Identifying and assessing risks of material misstatement due to fraud or error, designing and executing appropriate response measures for the identified risks, and obtaining adequate and appropriate audit evidence to support audit opinions. Fraud may involve conspiracy, forgery, intentional omission, untruthful declaration, or breach of internal control, and our audit did not find any material misstatement where the risk of fraud is greater than the risk of error.
2. Developing the required level of understanding on relevant internal controls and designing audit procedures that are appropriate under the prevailing circumstances, but without providing opinion on the effectiveness of internal control system of Jenn Feng Group.
3. Assessing the appropriateness of accounting policies adopted by the management, and the rationality of accounting estimates and related disclosures made.
4. Forming conclusions regarding the appropriateness of management’s decision to account for the business as a going concern, and whether there are doubts or uncertainties about

the ability of Jenn Feng Group to operate as a going concern, based on the audit evidence obtained. We are bound to remind users of consolidated financial statements and make related disclosures if uncertainties exist in regard to the abovementioned events or circumstances, and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based on the audit evidence obtained up to the date of audit report. However, future events or change of circumstances may still render Jenn Feng Group no longer capable of operating as a going concern.

5. Assessing the overall presentation, structure, and contents of the consolidated financial statements (including related footnotes), and whether certain transactions and events are presented appropriately in the consolidated financial statements.
6. Obtaining sufficient and appropriate audit evidence on financial information of equity-accounted investments held by the group, and expressing opinions on consolidated financial statements. Our responsibilities as auditor are to instruct, supervise, and execute audits and form audit opinions on the group.

We have communicated with the governance body about the scope, timing, and significant findings (including significant defects identified in internal control) of our audit.

We have also provided the governance body with a declaration of independence stating that all relevant personnel of the accounting firm have complied with auditors' professional ethics, and communicated with the governance body on all matters that may affect the auditor's independence (including protection measures).

We have identified the key audit issues after communicating with the governance body regarding the 2023 consolidated financial statements of Jenn Feng Group. These issues have been addressed in our audit report except for: 1. Certain topics that are prohibited by law from disclosing to the public; or 2. Under extreme circumstances, topics that we decide not to communicate in the audit report because of higher negative impacts they may cause than the benefits they bring to public interest.

KPMG

CPA:

Approval reference of the securities authority	:	Jin-Guan-Zheng-Shen-6-Zi No. 0940100754 Jin-Guan-Zheng-Shen-6-Zi No. 0950161002

March 11, 2024

Jenn Feng Industrial Co., Ltd. and Subsidiaries

Consolidated Balance Sheet

As of December 31, 2023 and 2022

Unit: NTD thousands

Code	Assets	2023.12.31 Amount	%	2022.12.31 Amount	%
	Current assets:				
1100	Cash and cash equivalents (Notes 6(1) and (17))	$ 82,341	25	61,422	21
1110	Financial assets at fair value through profit or loss – current (Notes 6(2) and (17))	-	-	13,455	5
1136	Financial assets at amortized cost – current (Notes 6(3) and (17))	103,293	31	-	-
1170	Notes and accounts receivable, net (Notes 6(4), (14), and (17))	16,353	5	28,473	10
1180	Accounts receivable, net – including related parties (Notes 6(4), (14), and (17) and 7)	6,138	2	20,550	7
1200	Other receivables (including related parties) (Notes 6(17) and 7)	7,639	2	17,513	6
130X	Inventory (Note 6(5))	37,252	11	79,710	27
1476	Other financial assets – current (Notes 6(4) and 8)	2,164	1	2,133	1
1479	Other current assets – others	3,202	1	10,810	3
	Total current assets	258,382	78	234,066	80
	Non-current assets:				
1600	Property, plant and equipment (Note 6(6))	51,831	16	19,671	7
1755	Right-of-use assets (Note 6(7))	15,597	5	31,451	10
1780	Intangible assets	53	-	76	-
1920	Refundable deposits (Note 6(17))	3,923	1	3,500	1
1990	Other non-current assets – others	462	-	5,050	2
	Total non-current assets	71,866	22	59,748	20
	Total assets	$ 330,248	100	293,814	100

Code	Liabilities and equity	2023.12.31 Amount	%	2022.12.31 Amount	%
	Current liabilities:				
2150	Notes and accounts payable (including related parties) (Notes 6(17) and 7)	$ 32,016	10	69,173	24
2200	Other payables (Notes 6(17) and 7)	15,833	5	12,537	4
2220	Other payables – related parties (Notes 6(17) and 7)	37,987	12	11,290	4
2280	Lease liabilities – current (Notes (9) and (17))	9,926	3	14,255	5
2320	Long-term liabilities maturing within one year (Notes 6(8) and (17))	-	-	4,145	1
2399	Other current liabilities – others	4,439	1	6,528	2
	Total current liabilities	100,201	31	117,928	40
	Non-current liabilities:				
2540	Long-term borrowings (Notes 6(8) and (17))	-	-	11,162	4
2580	Lease liabilities – non-current (Notes 6(9) and (17))	4,911	1	16,982	6
2620	Long-term payables – related parties (Notes 6(17) and 7)	7,055	2	78,929	27
2640	Net defined benefit liabilities – non-current	443	-	7,497	2
	Total non-current liabilities	12,409	3	114,570	39
	Total liabilities	112,610	34	232,498	79
	Equity (Note 6(12)):				
3100	Share capital	538,390	163	338,890	115
3200	Additional paid-in capital	66	-	-	-
3350	Losses pending reimbursement	(252,947)	(77)	(220,076)	(75)
3400	Other equity items	(67,871)	(20)	(57,498)	(19)
	Total equity	217,638	66	61,316	21
	Total liabilities and equity	$ 330,248	100	293,814	100

(Please refer to the notes to consolidated financial statements afterwards)

Chairman: Shuo-Tsan Chen **Manager: Shuo-Tsan Chen** **Head of Accounting: Ju-Chan Tseng**

Jenn Feng Industrial Tools Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

Unit: NTD thousands

		2023		2022	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenues (Notes 6(14) and 7)**	$ 194,406	100	285,107	100
5000	**Operating cost (Notes 6(5), (6), (10) and 7)**	(177,170)	(91)	(242,520)	(85)
	Gross profit	17,236	9	42,587	15
	Operating expenses (Notes 6(6) and (10) and 7):				
6100	Selling and marketing expenses	9,673	5	11,382	4
6200	General and administrative expenses	52,644	27	57,652	20
6300	Research and development expenses	8,501	4	12,581	4
6450	Expected credit impairment loss (gain) (Note 6(4))	1,256	1	(942)	-
	Total operating expenses	72,074	37	80,673	28
	Net operating loss	(54,838)	(28)	(38,086)	(13)
	Non-operating income and expenses:				
7100	Interest income (Note 6(16))	2,028	1	310	-
7010	Other income (Note 6(16))	563	-	885	-
7020	Other gains and losses (Notes 6(16) and 7)	26,044	13	11,935	4
7050	Financial costs (Note 6(16))	(1,668)	(1)	(2,542)	(1)
	Total non-operating income and expenses	26,967	13	10,588	3
7900	**Pre-tax loss**	(27,871)	(15)	(27,498)	(10)
7950	**Less: Income tax expense (Note 6(11))**	378	-	-	-
8200	**Current net loss**	(28,249)	(15)	(27,498)	(10)
8300	**Other comprehensive income:**				
8310	**Items not reclassified into profit or loss**				
8311	Remeasurement of defined benefit plan (Note 6(10))	1,908	1	1,470	1
8316	Unrealized gains or losses on investments in equity instruments at fair value through other comprehensive income	-	-	604	-
8349	Less: Income tax on items not reclassified into profit or loss	-	-	-	-
	Sum of items not reclassified into profit or loss	1,908	1	2,074	1
8360	**Items likely to be reclassified into profit or loss**				
8361	Exchange differences on translation of financial statements of foreign operations	(10,373)	(5)	8,088	3
8399	Less: Income tax on items that are likely to be reclassified into profit or loss	-	-	-	-
	Sum of items likely to be reclassified into profit or loss	(10,373)	(5)	8,088	3
8300	**Other comprehensive income for the current period (net, after-tax)**	(8,465)	(4)	10,162	4
8500	**Total comprehensive income for the current period**	**$ (36,714)**	**(19)**	**(17,336)**	**(6)**
9750	**Basic (loss) earnings per share (unit: NTD) (Note 6(13))**	**$**	**(0.64)**		**(1.25)**

(Please refer to the notes to consolidated financial statements afterwards)

Chairman: Shuo-Tsan Chen **Manager: Shuo-Tsan Chen** **Head of Accounting: Ju-Chan Tseng**

Jenn Feng Industrial Tools Co., Ltd. and Subsidiaries

Consolidated Statement of Changes in Equity

For the Years Ended December 31, 2023 and 2022

Unit: NTD thousands

	Share capital	Additional paid-in capital	Losses pending reimbursement	Other equity items: Exchange differences on translation of financial statements of foreign operations	Other equity items: Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total equity
Balance as at January 1, 2022	$ 264,105	-	(164,738)	(65,586)	-	33,781
Current net loss	-	-	(27,498)	-	-	(27,498)
Other comprehensive income for the current year	-	-	1,470	8,088	604	10,162
Total comprehensive income for the current period	-	-	(26,028)	8,088	604	(17,336)
Cash issue	74,785	-	(29,914)	-	-	44,871
Disposal of equity instruments at fair value through other comprehensive income	-	-	604	-	(604)	-
Balance as at December 31, 2022	338,890	-	(220,076)	(57,498)	-	61,316
Current net loss	-	-	(28,249)	-	-	(28,249)
Other comprehensive income for the current year	-	-	1,908	(10,373)	-	(8,465)
Total comprehensive income for the current period	-	-	(26,341)	(10,373)	-	(36,714)
Changes in other capital reserves	-	66	-	-	-	66
Cash issue	419,500	-	(226,530)	-	-	192,970
Capital reduction against cumulative losses	(220,000)	-	220,000	-	-	-
Balance as at December 31, 2023	**$ 538,390**	**66**	**(252,947)**	**(67,871)**	**-**	**217,638**

(Please refer to the notes to consolidated financial statements afterwards)

Chairman: Shuo-Tsan Chen **Manager: Shuo-Tsan Chen** **Head of Accounting: Ju-Chan Tseng**

Jenn Feng Industrial Tools Co., Ltd. and Subsidiaries

Consolidated Cash Flow Statement

For the Years Ended December 31, 2023 and 2022

Unit: NTD thousands

	2023	2022
Cash flow from operating activities:		
Losses before tax for the current period	$ (27,871)	(27,498)
Adjustments:		
Income, expenses, and losses		
Depreciation expenses	20,316	22,358
Amortization expenses	3,596	3,926
Expected credit impairment loss (reversal gain)	1,256	(942)
Interest expenses	1,668	2,542
Interest income	(2,028)	(310)
Dividend income	(83)	(165)
(Gain) loss on financial assets at fair value through profit or loss	(2,805)	2,540
Loss (gain) on disposal and scrapping of property, plant, and equipment	1,959	(5,287)
Prepayments for business facilities reclassified as loss	-	423
Benefit from debt reduction	(13,348)	-
Impairment loss on non-financial assets	5,037	-
Gain on lease modification	(466)	-
Total income, expenses, and losses	15,102	25,085
Change in assets/liabilities related to operating activities:		
Net change in assets related to operating activities:		
Decrease (increase) in notes receivable	23	(22)
Decrease in accounts receivable	10,886	7,045
Decrease (increase) in accounts receivable – related parties	14,412	(13,572)
Decrease in other receivables	9,874	2,189
Decrease (increase) in inventory	43,709	(11,219)
Decrease in other current assets	4,033	4,898
Total net change in assets related to operating activities	82,937	(10,681)
Net change in liabilities related to operating activities:		
(Decrease) increase in notes payable and accounts payable	(37,157)	41
Increase in other payables	4,080	228
Decrease in other current liabilities	(2,089)	(4,241)
Decrease in net defined benefit liabilities	(5,146)	(845)
Total net change in liabilities related to operating activities	(40,312)	(4,817)
Total net change in assets and liabilities related to operating activities	42,625	(15,498)
Total adjustments	57,727	9,587
Cash inflow (outflow) from operations	29,856	(17,911)
Interests received	2,028	310
Dividends received	83	165
Interests paid	(2,393)	(1,026)
Income tax paid	(378)	-
Net cash inflow (outflow) from operating activities	29,196	(18,462)
Cash flow from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(29,000)
Disposal of financial assets at fair value through other comprehensive income	-	20,376
Acquisition of financial assets at cost after amortization	(103,293)	-
Disposal of financial assets at cost after amortization	-	49,734
Acquisition of financial assets at fair value through profit or loss	-	(15,995)
Disposal of financial assets at fair value through profit or loss	16,260	-
Acquisition of property, plant and equipment	(42,980)	(1,710)
Disposal of property, plant and equipment	2,858	5,452
Increase in guarantee deposits paid	(423)	(14)
Increase in other financial assets	(31)	(16)
(Increase) decrease in other non-current assets	(448)	387
Decrease in prepayments for business facilities	-	58
Net cash (outflow) inflow from investing activities	(128,057)	29,272
Cash flow from financing activities:		
Repayment of long-term borrowings	(15,307)	(25,696)
Decrease in other payables – related parties	(31,829)	(861)
Repayment of lease principal	(14,535)	(14,919)
Cash issue	192,970	44,871
Other financing activities	66	-
Net cash inflow from financing activities	131,365	3,395
Effect of exchange rate variation on cash and cash equivalents	(11,585)	9,087
Increase in cash and cash equivalents for the current period	20,919	23,292
Opening cash and cash equivalents balance	61,422	38,130
Closing cash and cash equivalents balance	**$ 82,341**	**61,422**

(Please refer to the notes to consolidated financial statements afterwards)

Chairman: Shuo-Tsan Chen **Manager: Shuo-Tsan Chen** **Head of Accounting: Ju-Chan Tseng**

Independent Auditor's Report

To the board of directors of Jenn Feng Industrial Tools Co., Ltd.:

Audit opinion

We have audited the parent company only balance sheet of Jenn Feng Industrial Tools Co., Ltd. as at December 31, 2023 and 2022, and the parent company only statement of comprehensive income, statement of changes in equity, cash flow statement, and the accompanying footnotes (including summary of key accounting policies) for the periods January 1 to December 31, 2023 and 2022.

In our opinion, all material disclosures of the parent company only financial statements mentioned above were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and presented a fair view of the financial position of Jenn Feng Industrial Tools Co., Ltd. as at December 31, 2023 and 2022, and business performance and cash flow for the periods January 1 to December 31, 2023 and 2022.

Basis of audit opinion

We have conducted our audits in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibilities as an auditor for the standalone financial statements under the abovementioned standards are explained in the Responsibilities paragraph. All relevant personnel of the accounting firm have followed CPA code of ethics and maintained independence from Jenn Feng Industrial Tools Co., Ltd. when performing their duties. We believe that the evidence obtained provide an adequate and appropriate basis for our opinion.

Key audit issues

Key audit issues are matters that we considered to be the most important, based on professional judgment, when auditing the 2023 parent company only financial statements of Jenn Feng Industrial Tools Co., Ltd. These issues have already been addressed when we audited and formed our opinions on the standalone financial statements. Therefore we do not provide opinions separately for individual issues. Below are the key audit issues that we consider relevant for disclosure in this audit report:

1. Revenue recognition

Accounting policies relating to revenue recognition have been disclosed in Note 4(12) – Revenue Recognition of the parent company only financial statements; for details on recognized revenues, please refer to Note 6(15) – Revenue from contracts with customers of the parent company only financial statements.

Explanation of key audit issues:

How Jenn Feng Industrial Tools Co., Ltd. recognizes revenues is an issue of concern for users or recipients of the financial statements. For this reason, revenue recognition test was identified as one of our key assessments when auditing the financial statements of Jenn Feng Industrial Tools Co., Ltd.

Audit procedures:

The following audit procedures were taken in relation to the audit issue:

- Understand the main revenue pattern, contract specifications and transaction conditions, and assess whether the timing of revenue recognition is correct.
- Review the sales contracts with major sales targets and test the control methods for the procedures related to the shipment operation and revenue recognition under the internal control of Jenn Feng Industrial Tools Co., Ltd.
- Select the shipment of Jenn Feng Industrial Tools Co., Ltd. in the period around the balance sheet date and check the relevant certificates and forms to confirm whether the sales revenue was recognized in the appropriate period of the financial statements.

II. The ability to continue as a going concern

Explanation of key audit issues:

Jenn Feng Industrial Tools Co., Ltd. reported NT$28,249 thousand of net loss after tax for 2023, and cumulative losses totaling NT$252,947 thousand as at December 31, 2023, which was nearly half of paid-up capital. As explained in Note 12(1) of the parent company only financial statements, the management had made subjective judgments when describing future response measures and future profitability; therefore, we considered business continuity to be an issue of high concern when auditing the financial statements.

Audit procedures:

The following audit procedures were taken in relation to the audit issue:

- Obtain the information on the operating budget of the following year provided by Jenn Feng Industrial Tools Co., Ltd.
- Examine the major announcements after the period, self-assessed statements after the period, borrowings and debt agreements with related parties, and the motion content in the minutes of shareholders' meetings and board meetings of Jenn Feng Industrial Tools Co., Ltd. to assess whether there are subsequent events that may affect the ability to continue as a going concern.
- Obtain letters from a lawyer to assess whether there are major legal concerns that may affect business continuity.

Responsibilities of the management and governance body to the standalone financial statements

Responsibilities of the management were to prepare and ensure fair presentation of standalone financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and to exercise proper internal control practices that are relevant to the preparation of standalone financial statements so that the standalone financial statements are free of material misstatements, whether caused by fraud or error.

The management's responsibilities when preparing standalone financial statements also involved: assessing the ability of Jenn Feng Industrial Tools Co., Ltd. to operate, disclose information, and account for transactions as a going concern unless the management intends to liquidate or cease business operations, or is compelled to do so with no alternative solution.

The governance body of Jenn Feng Industrial Tools Co., Ltd. (including Audit Committee) is responsible for supervising the financial reporting process.

Responsibilities of the auditor when auditing standalone financial statements

The purposes of our audit were to obtain reasonable assurance of whether the standalone financial statements were prone to material misstatements, whether due to fraud or error, and to issue a report of our audit opinions. We consider assurance to be reasonable only if it is highly credible. However, audit tasks conducted in accordance with the auditing principles do not necessarily guarantee detection of all material misstatements within the parent company only financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of the standalone financial statement user.

When conducting audits in accordance with the auditing principles, we exercised judgments and professional skepticism. We also performed the following tasks as an auditor:

1. Identifying and assessing risks of material misstatement due to fraud or error; designing and executing appropriate response measures for the identified risks; and obtaining adequate and appropriate audit evidence to support audit opinions. Fraud may involve conspiracy, forgery, intentional omission, untruthful declaration, or breach of internal control, and our audit did not find any material misstatement where the risk of fraud is greater than the risk of error.
2. Developing the required level of understanding on relevant internal controls and designing audit procedures that are appropriate under the prevailing circumstances, but without providing opinion on the effectiveness of internal control system of Jenn Feng Industrial Tools Co., Ltd.
3. Assessing the appropriateness of accounting policies adopted by the management, and the rationality of accounting estimates and related disclosures made.
4. Forming conclusions regarding the appropriateness of management's decision to account for the business as a going concern, and whether there are doubts or uncertainties about

the ability of Jenn Feng Industrial Tools Co., Ltd. to operate as a going concern, based on the audit evidence obtained. We are bound to remind users of standalone financial statements and make related disclosures if uncertainties exist in regard to the abovementioned events or circumstances, and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based on the audit evidence obtained up to the date of audit report. However, future events or change of circumstances may still render Jenn Feng Industrial Tools Co., Ltd. no longer capable of operating as a going concern.

5. Assessing the overall presentation, structure and contents of the individual financial statements (including related footnotes), and whether certain transactions and events are presented appropriately in the individual financial statements.
6. Obtaining sufficient and appropriate audit evidence on financial information of equity-accounted investments held by the Company, and expressing opinions on standalone financial statements. Our responsibilities as auditor are to instruct, supervise, and execute audits and form audit opinions on Jenn Feng Industrial Tools Co., Ltd.

We have communicated with the governance body about the scope, timing, and significant findings (including significant defects identified in internal control) of our audit.

We have also provided the governance body with a declaration of independence stating that all relevant personnel of the accounting firm have complied with auditors' professional ethics, and communicated with the governance body on all matters that may affect the auditor's independence (including protection measures).

We have identified the key audit issues after communicating with the governance body regarding the 2023 parent company only financial statements of Jenn Feng Industrial Tools Co., Ltd. These issues have been addressed in our audit report except for: 1. Certain topics that are prohibited by law from disclosing to the public; or 2. Under extreme circumstances, topics that we decide not to communicate in the audit report because of higher negative impacts they may cause than the benefits they bring to public interest.

KPMG

CPA:

Approval reference of the securities authority	:	Jin-Guan-Zheng-Shen-6-Zi No. 0940100754 Jin-Guan-Zheng-Shen-6-Zi No. 0950161002

March 11, 2024

Jenn Feng Industrial Tools Co., Ltd.

Balance Sheet

As of December 31, 2023 and 2022

Unit: NTD thousands

Code	Assets	2023.12.31 Amount	%	2022.12.31 Amount	%
	Current assets:				
1100	Cash and cash equivalents (Notes 6(1) and (18))	$ 78,333	9	56,028	7
1110	Financial assets at fair value through profit or loss – current (Notes 6(2) and (18))	-	-	13,455	2
1136	Financial assets at amortized cost – current (Notes 6(3) and (18))	103,293	12	-	-
1170	Notes and accounts receivable, net (including related parties) (Notes 6(4) and (18) and 7)	21,676	3	48,267	6
1200	Other receivables (including related parties) (Notes 6(18) and 7)	20,535	2	13,219	1
130X	Inventory (Note 6(5))	32,293	4	64,397	8
1476	Other financial assets – current (Note 8)	2,164	-	2,133	-
1479	Other current assets – others	538	-	6,153	1
	Total current assets	258,832	30	203,652	25
	Non-current assets:				
1550	Equity-accounted investments (Note 6(6))	562,616	64	558,322	70
1600	Property, plant and equipment (Note 6(7))	44,900	5	13,949	2
1755	Right-of-use assets (Note 6(8))	8,610	1	19,713	2
1920	Refundable deposits (Note 6(18))	2,971	-	2,530	-
1990	Other non-current assets	462	-	5,037	1
	Total non-current assets	619,559	70	599,551	75
	Total assets	$ 878,391	100	803,203	100

Code	Liabilities and equity	2023.12.31 Amount	%	2022.12.31 Amount	%
	Current liabilities:				
2150	Notes and accounts payable (Note 6(18))	$ 9,151	1	44,326	6
2180	Accounts payable – related parties (Notes 6(18) and 7)	83,161	10	82,913	10
2200	Other payables (Notes 6(18))	12,975	1	9,101	1
2220	Other payables – related parties (Notes 6(18) and 7)	535,090	61	527,796	66
2280	Lease liabilities – current (Notes 6(10) and (18))	3,797	-	8,935	1
2320	Long-term liabilities maturing within one year (Notes 6(9) and (18))	-	-	4,145	-
2399	Other current liabilities	4,170	-	4,496	1
	Total current liabilities	648,344	73	681,712	85
	Non-current liabilities:				
2540	Long-term borrowings (Notes 6(9) and (18))	-	-	11,162	1
2580	Lease liabilities – non-current (Notes 6(10) and (18))	4,911	1	11,516	1
2620	Long-term payables – related parties (Notes 6(18) and 7)	7,055	1	30,000	4
2640	Net defined benefit liabilities – non-current (Note 6(11))	443	-	7,497	1
	Total non-current liabilities	12,409	2	60,175	7
	Total liabilities	660,753	75	741,887	92
	Equity (Note 6(13)):				
3100	Share capital	538,390	61	338,890	42
3200	Additional paid-in capital	66	-	-	-
3350	Losses pending reimbursement	(252,947)	(29)	(220,076)	(27)
3400	Other equity items	(67,871)	(7)	(57,498)	(7)
	Total equity	217,638	25	61,316	8
	Total liabilities and equity	$ 878,391	100	803,203	100

(Please refer to the notes to standalone financial statements afterwards)

Chairman: Shuo-Tsan Chen **Manager: Shuo-Tsan Chen** **Head of Accounting: Ju-Chan Tseng**

Jenn Feng Industrial Tools Co., Ltd.
Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

Unit: NTD thousands

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenues (Notes 6(15) and 7)**	$ 190,947	100	281,339	100
5000	**Operating costs (Notes 6(5), (7) and (11) and 7)**	181,422	95	247,672	88
	Gross profit	9,525	5	33,667	12
	Operating expenses (Notes 6(7) and (11) and 7):				
6100	Selling and marketing expenses	6,007	3	6,875	2
6200	General and administrative expenses	44,474	23	43,408	15
6300	Research and development expenses	7,581	4	10,932	4
6450	Expected credit impairment loss (gain) (Note 6(4))	1,256	1	(942)	-
	Total operating expenses	59,318	31	60,273	21
	Net operating loss	(49,793)	(26)	(26,606)	(9)
	Non-operating income and expenses:				
7100	Interest income (Note 6(17))	2,030	1	292	-
7010	Other income (Note 6(17))	563	-	885	-
7020	Other gains and losses (Notes (17) and 7)	5,518	3	(40,168)	(14)
7050	Financial costs (Note 6(17))	(1,234)	(1)	(1,689)	(1)
7070	Share of profit from equity-accounted subsidiaries	14,667	8	39,788	14
	Total non-operating income and expenses	21,544	11	(892)	(1)
7900	**Pre-tax loss**	(28,249)	(15)	(27,498)	(10)
7950	**Less: income tax expense (Note 6(12))**	-	-	-	-
8200	**Current net loss**	(28,249)	(15)	(27,498)	(10)
8300	**Other comprehensive income:**				
8310	**Items not reclassified into profit or loss**				
8311	Remeasurement of defined benefit plan (Note 6(11))	1,908	1	1,470	1
8316	Unrealized gains or losses on investments in equity instruments at fair value through other comprehensive income	-	-	604	-
8349	Less: Income tax on items not reclassified into profit or loss	-	-	-	-
	Sum of items not reclassified into profit or loss	1,908	1	2,074	1
8360	**Items likely to be reclassified into profit or loss**				
8361	Exchange differences on translation of financial statements of foreign operations	(10,373)	(5)	8,088	3
8399	Less: Income tax on items that are likely to be reclassified into profit or loss	-	-	-	-
	Sum of items likely to be reclassified into profit or loss	(10,373)	(5)	8,088	3
8300	**Other comprehensive income for the current year**	(8,465)	(4)	10,162	4
	Total comprehensive income for the current period	**$ (36,714)**	**(19)**	**(17,336)**	**(6)**
9750	**Basic earnings per share (unit: NTD) (Note 6(14))**	**$ (0.64)**		**(1.25)**	

(Please refer to the notes to standalone financial statements afterwards)

Chairman: Shuo-Tsan Chen   Manager: Shuo-Tsan Chen   Head of Accounting: Ju-Chan Tseng

Jenn Feng Industrial Tools Co., Ltd.
Statement of Changes in Equity
For the Years Ended December 31, 2023 and 2022

Unit: NTD thousands

	Share capital	Additional paid-in capital	Losses pending reimbursement	Other equity items: Exchange differences on translation of financial statements of foreign operations	Other equity items: Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total equity
Balance as at January 1, 2022	$ 264,105	-	(164,738)	(65,586)	-	33,781
Current net loss	-	-	(27,498)	-	-	(27,498)
Other comprehensive income for the current year	-	-	1,470	8,088	604	10,162
Total comprehensive income for the current period	-	-	(26,028)	8,088	604	(17,336)
Cash issue	74,785	-	(29,914)	-	-	44,871
Disposal of equity instruments at fair value through other comprehensive income	-	-	604	-	(604)	-
Balance as at December 31, 2022	338,890	-	(220,076)	(57,498)	-	61,316
Current net loss	-	-	(28,249)	-	-	(28,249)
Other comprehensive income for the current year	-	-	1,908	(10,373)	-	(8,465)
Total comprehensive income for the current period	-	-	(26,341)	(10,373)	-	(36,714)
Changes in other capital reserves	-	66	-	-	-	66
Cash issue	419,500	-	(226,530)	-	-	192,970
Capital reduction against cumulative losses	(220,000)	-	220,000	-	-	-
Balance as at December 31, 2023	**$ 538,390**	**66**	**(252,947)**	**(67,871)**	**-**	**217,638**

(Please refer to the notes to standalone financial statements afterwards)

Chairman: Shuo-Tsan Chen **Manager: Shuo-Tsan Chen** **Head of Accounting: Ju-Chan Tseng**

Jenn Feng Industrial Tools Co., Ltd.

Cash Flow Statement

For the Years Ended December 31, 2023 and 2022

Unit: NTD thousands

		2023	2022
Cash flow from operating activities:			
Losses before tax for the current period	$	(28,249)	(27,498)
Adjustments:			
Income, expenses, and losses			
Depreciation expenses		13,405	14,971
Amortization expenses		3,574	3,904
Expected credit impairment loss (gain)		1,256	(942)
Interest expenses		1,234	1,689
Interest income		(2,030)	(292)
Dividend income		(83)	(165)
Share of profit from equity-accounted subsidiaries		(14,667)	(39,788)
Loss (gain) on disposal and scrapping of property, plant, and equipment		1,349	(5,452)
(Gain) loss on financial assets at fair value through profit or loss		(2,805)	2,540
Unrealized foreign currency exchange loss		3,103	9,580
Benefit from debt reduction		(4,448)	-
Gain on lease modification		(466)	-
Impairment loss on non-financial assets		5,037	-
Total income, expenses, and losses		4,459	(13,955)
Change in assets/liabilities related to operating activities:			
Net change in assets related to operating activities:			
Decrease (increase) in notes receivable		23	(22)
Decrease (increase) in accounts receivable		25,312	(6,338)
Decrease in other receivables		7,969	2,510
Decrease (increase) in inventory		32,104	(9,595)
Decrease in other current assets		2,041	589
Total net change in assets related to operating activities		67,449	(12,856)
Net change in liabilities related to operating activities:			
(Decrease) increase in notes payable and accounts payable		(35,175)	8,054
Decrease in accounts payable – related parties		(2,701)	(32,855)
Increase in other payables		3,905	76,123
Decrease in other current liabilities		(326)	(4,644)
Decrease in net defined benefit liabilities		(5,146)	(845)
Total net change in liabilities related to operating activities		(39,443)	45,833
Total net change in assets and liabilities related to operating activities		28,006	32,977
Total adjustments		32,465	19,022
Cash inflow (outflow) from operations		4,216	(8,476)
Interests received		2,030	292
Dividends received		83	165
Interests paid		(1,265)	(1,691)
Net cash inflow (outflow) from operating activities		5,064	(9,710)
Cash flow from investing activities:			
Acquisition of financial assets at fair value through other comprehensive income		-	(29,000)
Disposal of financial assets at fair value through other comprehensive income		-	20,376
Acquisition of financial assets at cost after amortization		(103,293)	-
Disposal of financial assets at cost after amortization		-	49,734
Acquisition of financial assets at fair value through profit or loss		-	(15,995)
Disposal of financial assets at fair value through profit or loss		16,260	-
Increase in other financial assets		(31)	(16)
Acquisition of property, plant and equipment		(39,802)	(1,123)
Disposal of property, plant and equipment		2,858	5,452
Increase in guarantee deposits paid		(441)	-
Increase in other payables – related parties		(15,285)	-
(Increase) decrease in other non-current assets		(462)	77
Net cash (outflow) inflow from investing activities		(140,196)	29,505
Cash flow from financing activities:			
Repayment of long-term borrowings		(15,307)	(25,696)
Decrease in other payables – related parties		(11,357)	(5,217)
Cash issue		192,970	44,871
Repayment of lease principal		(8,935)	(8,695)
Other financing activities		66	-
Net cash inflow from financing activities		157,437	5,263
Effect of exchange rate variation on cash and cash equivalents		-	25
Increase in cash and cash equivalents for the current period		22,305	25,083
Opening cash and cash equivalents balance		56,028	30,945
Closing cash and cash equivalents balance	$	78,333	56,028

(Please refer to the notes to standalone financial statements afterwards)

Chairman: Shuo-Tsan Chen Manager: Shuo-Tsan Chen Head of Accounting: Ju-Chan Tseng

[Attachment 5]

Jenn Feng Industrial Tools Co., Ltd.
Deficit Compensation Statement
2023

Unit: NTD

Item	Amount
Opening losses pending reimbursement	(220,075,529)
Discount for capital increase in cash	(226,530,000)
Capital reduction against cumulative losses	220,000,000
2023 net loss	(28,248,829)
Recognize remeasurements of defined benefit plan in retained earnings.	1,907,208
Deficit yet to be compensated – at the end of 2XXX	(252,947,150)

Chairman: President: Head of Accounting:

[**Attachment 6**]

Sound operation plan

I. Reasons for capital reduction:

The Company is in the market of electric hand tools and lighting products, and as the product differentiation among peers is not generally large, the market price competition is fierce. The Company continues to invest in the research and development of new products such as electric hand tools and lamps or to improve product performance, in order to strengthen competitiveness and hope to improve profitability. However, the Company focuses on reducing the loss of products that are likely to cause losses due to lack of technical competitiveness. The operating revenue was NTD 194,406 thousand, still a decrease of 31.81% from the NTD 285,107 thousand in 2022, so the loss continued, resulting in an operating loss of NTD 54,838 thousand, causing a cumulative loss of NTD 252,947 thousand in 2023. To improve financial structure, capital reduction was proposed to make up for losses.

II. Summary of sound business plan:

(I) Research and development and sales

1. Continue to work with customers to develop products that meet their needs, to enhance collaboration with them. Additionally, strengthen R&D capabilities and service quality to expand the scope of product application, make products with differences, and increase product value.
2. Strengthen the marketing of existing products and make use of the core competitiveness of customized brushless motors to develop customized solutions for closer business collaboration with existing and new customers. Strengthen OEM/ODM business promotion, understand market development demand trends, and develop products that customers and the market demand.

(II) Production and manufacturing

1. Continue to implement quality management, improve production efficiency and control production costs, in order to strengthen cost competitiveness and achieve customer satisfaction as the goal.

2. Utilize the production advantages of the Kunshan Plant to reduce production costs and increase profit margins. Search for high-quality partner factories to simplify production processes and improve production efficiency with a professional division of labor system.

(III) Financial position

1. Operating and financing activities: Enhance operating efficiency and increase working capital turnover. Continue to optimize the financial structure, maintain a good lending relationship with financial institutions, strive for better credit conditions and business transactions, and raise funds for operation and development in a timely manner in line with the Company's business growth.
2. Investment activities: Inspect the use of assets, actively search for strategic partners, and carefully evaluate investments in new technologies or new businesses in order to raise the rate of return on assets.

(IV) Personnel training and retention

Provide comprehensive welfare measures and necessary incentives, strengthen employee training, and provide comprehensive education and training to improve employees' professional skills, help employees grow along with the Company. Meanwhile, attract outstanding talents and increase competitiveness of the Company.

III. Implementation of the control measures

After the motion is passed by the general shareholders' meeting, the implementation of the sound business plan will be reported to the Board of Directors on a quarterly basis for control.

IV. The implementation of the sound business plan and the results of its implementation will be explained in the report of the 2025 annual shareholders' meeting.

[Attachment 7]

Jenn Feng Industrial Tools Co., Ltd.

Comparison of Amendments to the "Articles of Incorporation"

Amended clause	Existing clause	Details
Article 4: The Company may only serve as limited liability shareholder in its investees; its total investments are not subject to the "40% paid-up capital" restriction imposed under Article 13 of The Company Act. Investments in Mainland China are carried out in accordance with the Company's Articles of Incorporation or relevant laws and regulations.	Article 4: The Company may only serve as limited liability shareholder in its investees; its total investments are not subject to the "40% paid-up capital" restriction imposed under Article 13 of The Company Act. The Board of Directors may be authorized to approve Mainland ~~investments of up to 40% of net worth.~~	
Article 6: Authorized capital of the Company is set at three billion New Taiwan dollars, available in 300 million shares of NT$10 each. The Board of Directors is authorized to issue unissued common or preferred shares in multiple offerings. The total capital mentioned in the above Paragraph shall have NT$100 million in 10 million shares reserved to accommodate issuance of employee warrants, preferred shares with embedded warrant, or corporate bonds with embedded warrant. Each share has a face value of NT$10, which the board of directors may resolve to issue in multiple offerings.	Article 6: Authorized capital of the Company is set at three billion New Taiwan dollars, available in 300 million shares of NT$10 each. ~~All of these shares are common shares.~~ The Board of Directors is authorized to issue unissued shares in multiple offerings. ~~Should the Company decide to adopt a treasury stock system, the Company may transfer treasury stocks at prices lower than cost.~~ The total capital mentioned in the above Paragraph shall have NT$100 million in 10 million shares reserved to accommodate issuance of employee warrants, preferred shares with embedded warrant, or corporate bonds with embedded warrant. Each share has a face value of NT$10, which the board of directors may resolve to issue in multiple offerings. ~~Any transfer of shares to employees below the average~~	Added provisions related to the preferred shares

	~~buyback price or issuance of employee warrants with exercise price below market price must be resolved in a shareholders' meeting with the presence of shareholders representing more than half of outstanding shares, and voted in favor by more than two-thirds of votes present in the meeting. (This Subparagraph takes effect from January 1, 2008 onwards)~~	
Article 6-1: The rights and obligations of the Company's preferred shares and the main conditions of issuance are as follows: I. If there is a surplus in the Company's annual final accounts, in addition to paying taxes in accordance with the law, the Company shall first make up the losses in previous years and set aside the statutory surplus reserve according to the laws and regulations, and then set aside or turn back the special surplus reserve according to the Articles of Incorporation. If there is any surplus remaining, the dividends distributed by preferred shares in the current year shall be given priority. II. The dividend of preferred shares is at an annual interest rate of 2%, calculated at the issue price of each share and paid in cash. The ex-dividend base date of the annual dividend of special shares authorizes the board of directors to set it separately. The number of dividends paid in the year or quarter of issuance and the year or quarter of recovery		Added provisions related to the preferred shares

shall be calculated according to the actual number of days of issuance in the current year. III. However, if the dividends to be distributed on the common shares of the Company in the current year or quarter exceed the amount of dividend of preferred shares, the shareholders of the preferred shares shall be entitled to participate in the distribution until the amount of dividend of preferred shares is the same as the amount of dividends on each ordinary share. IV. The Company has its own discretion in the distribution of dividends to the preferred shares. If dividends to the preferred shares are distributed because there is no surplus or insufficient surplus for the Company, the resolution of the Company not to distribute dividends to the preferred shares shall not constitute a default and the shareholders of the preferred shares shall not object. This preferred share is non-cumulative, and its undistributed or insufficient dividends will not be accumulated for deferred payment in future surplus years. V. The shareholders of the preferred shares may, from the next day following the expiration of five years on their own initiative, convert each preferred share into one common share (the conversion ratio shall be 1:1). The rights and obligations of the common		

shares converted from this preferred share (except for the transfer restrictions and unlisted circulation stipulated by laws and regulations) are the same as other issued common shares of the Company. If this preferred share has been converted into common shares before the ex-dividend (interest) benchmark date of the current year or quarter, it will participate in the distribution of common share surplus and additional paid-in capital in the current year, but it may not participate in the dividend distribution of preferred shares in the current year or quarter. If this preferred share has been converted into common shares after the ex-dividend (interest) benchmark date of the current year or quarter, it will participate in the dividend distribution of preferred shares in the current year or quarter, and may not participate in the distribution of common share surplus and additional paid-in capital in the current year or quarter. Dividends of preferred shares and common shares in the same year shall be based on the principle of non-repeated distribution. VI. The shareholders of the preferred shares shall have the right to vote and to be elected as directors at the ordinary shareholders' meeting, and shall also have the right to vote at the special shareholders' meeting.		

VII. These preferred shares have priority over common shares in the distribution of the Company's remaining property, but each share shall not exceed the issue price plus the total amount of unpaid dividends. VIII. The preferred shares have no expiration date, and the shareholders of the preferred shares have no right to request the Company to withdraw the preferred shares held by the Company, or request the Company to convert preferred shares into common shares in advance. However, the Company may withdraw all or part of the preferred shares at any time from the day after the expiration of five years at the original actual issue price and the relevant issue method, by means of cash withdrawal, compulsory conversion of new shares issued or other means permitted by law. The rights and obligations of the various issuance conditions in this article shall continue until the Company recovers the outstanding preferred shares. In the year when the preferred shares are recovered, if the shareholders' meeting of the Company decides to distribute dividends, the dividends payable up to the recovery date shall be calculated according to the actual number of issuance days in that year. IX. When the Company issues new shares of common shares by increment of cash,		

special shareholders have the same preemptive rights for new shares as common shareholders. X. The preferred shares will not be listed for trading during the issuance period of the preferred shares. However, if the preferred shares are fully converted into common shares in whole or in part, the Board of Directors will be authorized to handle a public offering of common shares and apply for listing to the competent authority in accordance with the relevant regulations in light of the current situation. XI. The name of the preferred shares, the date of issuance and the specific conditions of issuance are authorized to be handled at the sole discretion of the Board of Directors in accordance with the Company's Articles of Incorporation and relevant laws and regulations, depending on the capital market conditions and the willingness of investors to subscribe for the preferred shares.		
Article 10: The Company convenes two types of shareholders' meeting: the annual shareholders' meeting and extraordinary shareholders' meetings. Annual shareholders' meetings (AGMs) are convened once a year within six months after the end of each financial year. Extraordinary shareholders' meetings may be held whenever deemed necessary, subject to compliance with the relevant laws. When necessary, a special	Article 10: The Company convenes two types of shareholders' meeting: the annual shareholders' meeting and extraordinary shareholders' meetings. Annual shareholders' meetings (AGMs) are convened once a year within six months after the end of each financial year. Extraordinary shareholders' meetings may be held whenever deemed necessary, subject to compliance with the relevant laws.	Added provisions related to the preferred shares

shareholders' meeting may be convened in accordance with the relevant laws and regulations. The Company may convene shareholders' meetings by way of video conference or using other methods announced by the central authority.	The Company may convene shareholders' meetings by way of video conference or using other methods announced by the central authority.	
Article 12: Shareholders are entitled to one voting right for every share held, except for shares that are subject to voting restrictions outlined in the Company Act or relevant regulations.	Article 12: Shareholders are entitled to one voting right for every share held, except for shares that are subject to voting restrictions outlined in ~~the~~ Company Act or relevant regulations.	
Article 13: Except otherwise regulated by laws, a shareholders' meeting resolution is passed when more than 50% of all outstanding shares are represented in person or through proxies in the meeting, and that the motion is voted in favor by more than 50% of all voting rights represented at the meeting. Shareholders' meetings that are convened by the board of directors shall be chaired by the Chairman; if the Chairman is absent, the Chairman shall appoint one of the directors to act on behalf; if no person of acting duty is appointed,	Article 13: Except otherwise regulated by laws, a shareholders' meeting resolution is passed when more than 50% of all outstanding shares are represented in person or through proxies in the meeting, and that the motion is voted in favor by more than 50% of all voting rights represented at the meeting. ~~However, resolution of the following decisions would require the attendance (personal or proxy) of shareholders representing more than two-thirds of total voting rights, with more than half of voting rights represented in the meeting voting in favor.~~ ~~I. Acquisition or merger of another domestic or foreign enterprise.~~ ~~II. Dismissal, liquidation, or divestment of the Company.~~ Shareholders' meetings that are convened by the board of directors shall be chaired by the Chairman; if the Chairman is absent, the Chairman shall appoint one of the directors to act on behalf; if no	

one shall be appointed among the directors. Shareholders' meetings that are convened by other authorized parties shall be chaired by the convener; if there are two or more conveners, one shall be appointed among them to act as chairperson.	person of acting duty is appointed, one shall be appointed among the directors. Shareholders' meetings that are convened by other authorized parties shall be chaired by the convener; if there are two or more conveners, one shall be appointed among them to act as chairperson.	
Article 15: The Company shall have seven to nine directors, including no fewer than three independent directors who are elected using the candidate nomination system during shareholders' meetings from the list of director candidates to serve a term of three years. Service may be renewed if re-elected in the following election. Registered shares held by all directors mentioned in the preceding Paragraph shall aggregate to no less than the requirements imposed by the authority. The Company may purchase liability insurance policies to insure its directors against claims and legal responsibilities that arise during the term of service due to the services rendered. The Company established an Audit Committee in accordance with the law, which is composed of all independent directors. The exercise of its powers and matters to be complied with shall be executed in accordance with the relevant laws and regulations or the Company's regulations. The Company's board of directors may establish other committees. The number of the committee members, term of office and	Article 15: The Company shall have seven to nine directors, including no fewer than three independent directors, and ~~three supervisors~~ who are elected using the candidate nomination system during shareholders' meetings from ~~persons of adequate capacity~~ to serve a term of three years. Service may be renewed if re-elected in the following election. Registered shares held by all directors ~~and supervisors~~ mentioned in the preceding Paragraph shall aggregate to no less than the requirements imposed by the authority~~, being certain percentage of outstanding shares.~~ The Company may purchase liability insurance policies to insure its directors ~~and supervisors~~ against claims and legal responsibilities that arise during the term of service due to the services rendered. The Company ~~is not required to appoint supervisors if it~~ has Audit Committee ~~in place; any supervisors that exist at the time the Audit Committee is assembled shall be dismissed from duty by default. In which case, all rules concerning supervisors in the Articles of Incorporation shall be voided~~.	

authorities shall be set in the organizational charter of each committee.		
Article 17-2: (Convention and notification of board meetings) The board of directors shall convene meetings at least once a quarter, and specify this requirement in the conference rules. Convention of a board meeting shall be advised to all directors with detailed agenda at least seven days in advance. However, meetings can be held in shorter notices in case of emergency. Convention of Board of Directors meetings may be advised through written correspondence, fax, or e-mail, regardless of the nature of emergency.	Article 17-2: (Convention and notification of board meetings) The board of directors shall convene meetings at least once a quarter, and specify this requirement in the conference rules. Convention of a board meeting shall be advised to all directors ~~and supervisors~~ with detailed agenda at least seven days in advance. However, meetings can be held in shorter notices in case of emergency. Convention of Board of Directors meetings may be advised through written correspondence, fax, or e-mail, regardless of the nature of emergency.	
Article 18: The Board of Directors is authorized to refer the remuneration to the Company's Directors with reference to peer levels. Shareholders may authorize the chairman to compensate directors for assuming other concurrent duties within the Company, subject to compliance with internal policies.	Article 18: Shareholders may authorize the Chairman to compensate directors for assuming other concurrent duties within the Company, subject to compliance with internal policies.	
Article 19: The Audit Committee of the Company is responsible for exercising the powers of supervisors as required by laws and regulations.	Article 19: Supervisors ~~shall exercise supervisory duties in accordance with the Company Act, and may express opinions that are relevant to their duties in board meetings, but are unable to vote~~.	
Article 21: The Board of Directors shall prepare the following reports at the end of each financial year, and the reports shall be presented for	Article 21: The Board of Directors shall prepare the following reports at the end of each financial year; ~~these reports are to be submitted to supervisors~~	

acknowledgment during annual general meeting according to the legal procedure: I. Business Report II. Financial statements III. Earnings appropriation or loss reimbursement proposals.	~~for review 30 days before the annual general meeting,~~ and presented for acknowledgment during the annual general meeting: I. Business Report II. Financial statements III. Earnings appropriation or loss reimbursement proposals.	
Article 22-1: Surpluses concluded in a given year are first subject to taxation and reimbursement of previous losses, followed by a 10% provision for statutory reserves and provision or reversal of special reserves in accordance with the Securities and Exchange Act. If there are any residual earnings in the current year, the Company shall prioritize the payment of the dividend of the preferred shares in the current year that the dividend shall be paid. The residual balance is then added to unappropriated earnings accumulated from previous years, for which the Board of Directors will propose an earnings appropriation plan and seek resolution in a shareholders' meeting before distribution. However, shareholders may resolve to adjust the earnings appropriation plan and the percentage of dividends paid in cash depending on profitability and capital availability for the year. Cash dividends shall not be less than 10% of total dividends paid. For any contra equity item that the Company has recognized on dividends accumulated in the previous year or on dividends incurred but unpaid in the current year due to insufficient after-tax	Article 22-1: Surpluses concluded in a given year are first subject to taxation and reimbursement of previous losses, followed by a 10% provision for statutory reserves and provision or reversal of special reserves in accordance with the Securities and Exchange Act. The residual balance is then added to unappropriated earnings accumulated from previous years, for which the Board of Directors will propose an earnings appropriation plan and seek resolution in a shareholders' meeting before distribution. However, shareholders may resolve to adjust the earnings appropriation plan and the percentage of dividends paid in cash depending on profitability and capital availability for the year. Cash dividends shall not be less than 10% of total dividends paid. For any contra equity item that the Company has recognized on dividends accumulated in the previous year or on dividends incurred but unpaid in the current year due to insufficient after-tax	Added provisions related to the preferred shares

earnings, the Company is required to make provision for special reserves for an amount equal to unappropriated earnings accumulated in the previous year, and deduct this amount before allocating dividends.	earnings, the Company is required to make provision for special reserves for an amount equal to unappropriated earnings accumulated in the previous year, and deduct this amount before allocating dividends.	
Article 24: The Articles of Incorporation was established on April 8, 1976 The 1st amendment was made on June 10, 1978 The 2nd amendment was made on October 19, 1981 The 3rd amendment was made on April 20, 1984 The 4th amendment was made on August 18, 1985 The 5th amendment was made on June 20, 1987 The 6th amendment was made on December 15, 1989 The 7th amendment was made on June 20, 1991 The 8th amendment was made on July 26, 1991 The 9th amendment was made on November 1, 1996 The 10th amendment was made on January 7, 1997 The 11th amendment was made on April 28, 1997 The 12th amendment was made on January 22, 1998 The 13th amendment was made on May 9, 1998	Article 24: The Articles of Incorporation was established on April 8, 1976 The 1st amendment was made on June 10, 1978 The 2nd amendment was made on October 19, 1981 The 3rd amendment was made on April 20, 1984 The 4th amendment was made on August 18, 1985 The 5th amendment was made on June 20, 1987 The 6th amendment was made on December 15, 1989 The 7th amendment was made on June 20, 1991 The 8th amendment was made on July 26, 1991 The 9th amendment was made on November 1, 1996 The 10th amendment was made on January 7, 1997 The 11th amendment was made on April 28, 1997 The 12th amendment was made on January 22, 1998 The 13th amendment was made on May 9, 1998	

The 14th amendment was made on May 30, 2000 The 15th amendment was made on June 17, 2002 The 16th amendment was made on June 17, 2003 The 17th amendment was made on June 23, 2004 The 18th amendment was made on June 23, 2004 The 19th amendment was made on June 20, 2005 The 20th amendment was made on June 20, 2005 The 21st amendment was made on March 10, 2006 The 22nd amendment was made on June 14, 2006 The 23rd amendment was made on June 13, 2007 The 24th amendment was made on October 15, 2007 The 25th amendment was made on June 3, 2009 The 26th amendment was made on June 17, 2010 The 27th amendment was made on June 19, 2012 The 28th amendment was made on June 18, 2013 The 29th amendment was made on June 15, 2016 The 30th amendment was made on June 18, 2020 The 31st amendment was made on July 15, 2021 The 32nd amendment was made on June 29, 2022 The 33rd amendment was made on (MMDDYYYY).	The 14th amendment was made on May 30, 2000 The 15th amendment was made on June 17, 2002 The 16th amendment was made on June 17, 2003 The 17th amendment was made on June 23, 2004 The 18th amendment was made on June 23, 2004 The 19th amendment was made on June 20, 2005 The 20th amendment was made on June 20, 2005 The 21st amendment was made on March 10, 2006 The 22nd amendment was made on June 14, 2006 The 23rd amendment was made on June 13, 2007 The 24th amendment was made on October 15, 2007 The 25th amendment was made on June 3, 2009 The 26th amendment was made on June 17, 2010 The 27th amendment was made on June 19, 2012 The 28th amendment was made on June 18, 2013 The 29th amendment was made on June 15, 2016 The 30th amendment was made on June 18, 2020 The 31st amendment was made on July 15, 2021 The 32nd amendment was made on June 29, 2022	

[**Attachment 8-1**]

Key conditions for the private placement of preferred shares (tentative)

The rights, obligations and main conditions of the preferred shares issued by the Company are as follows:

I. If there is a surplus in the Company’s annual final accounts, in addition to paying taxes in accordance with the law, the Company shall first make up the losses in previous years and set aside the statutory surplus reserve according to the laws and regulations, and then set aside or turn back the special surplus reserve according to the Articles of Incorporation. If there is any surplus remaining, the dividends distributed by preferred shares in the current year shall be given priority.

II. The dividend of preferred shares is at an annual interest rate of 2%, calculated at the issue price of each share and paid in cash. The ex-dividend base date of the annual dividend of special shares authorizes the board of directors to set it separately. The number of dividends paid in the year or quarter of issuance and the year or quarter of recovery shall be calculated according to the actual number of days of issuance in the current year.

III. However, if the dividends to be distributed on the common shares of the Company in the current year or quarter exceed the amount of dividend of preferred shares, the shareholders of the preferred shares shall be entitled to participate in the distribution until the amount of dividend of preferred shares is the same as the amount of dividends on each ordinary share.

IV. The Company has its own discretion in the distribution of dividends to the preferred shares. If dividends to the preferred shares are distributed because there is no surplus or insufficient surplus for the Company, the resolution of the Company not to distribute dividends to the preferred shares shall not constitute a default and the shareholders of the preferred shares shall not object. This preferred share is non-cumulative, and its undistributed or insufficient dividends will not be accumulated for deferred payment in future surplus years.

V. The shareholders of the preferred shares may, from the next day following the expiration of five years on their own initiative, convert each preferred share into one common share (the conversion ratio shall be 1:1). The rights and obligations of the common shares converted from this preferred share (except for the transfer restrictions and unlisted circulation stipulated by laws and regulations) are the same as other issued common shares of the Company. If this preferred share has been converted into common shares before the ex-dividend (interest) benchmark date of the current year or quarter, it will participate in the distribution of common share surplus and additional paid-in capital in the current year, but it may not participate in the dividend distribution of preferred shares in the current year or quarter. If this preferred share has been converted into common shares after the ex-dividend (interest) benchmark date of the current year or quarter, it will participate in the dividend distribution of preferred shares in the current year or quarter, and may not participate in the distribution of common share surplus and additional paid-in capital in the current year or quarter. Dividends of preferred shares and common shares in the same year shall be based on the principle of non-repeated distribution.

VI. The shareholders of the preferred shares shall have the right to vote and to be elected as directors at the ordinary shareholders’ meeting, and shall also have the right to vote at the special shareholders’ meeting.

VII. These preferred shares have priority over common shares in the distribution of the Company’s remaining property, but each share shall not exceed the issue price plus the total amount of unpaid dividends.

VIII. The preferred shares have no expiration date, and the shareholders of the preferred shares have no right to request the Company to withdraw the preferred shares held by the Company, or request the Company to convert preferred shares into common shares in advance. However, the Company may withdraw all or part of the preferred shares at any time from the day after the expiration of five years at the original actual issue price and the relevant issue method, by means of cash withdrawal, compulsory conversion of new shares issued or other means permitted by law. The rights and obligations of the various issuance conditions in this article shall continue until the Company recovers the outstanding preferred shares. In the year when the preferred shares are recovered, if the shareholders' meeting of the Company decides to distribute dividends, the dividends payable up to the recovery date shall be calculated according to the actual number of issuance days in that year.

IX. When the Company issues new shares of common shares by increment of cash, special shareholders have the same preemptive rights for new shares as common shareholders.

X. The preferred shares will not be listed for trading during the issuance period of the preferred shares. However, if the preferred shares are fully converted into common shares in whole or in part, the Board of Directors will be authorized to handle a public offering of common shares and apply for listing to the competent authority in accordance with the relevant regulations in light of the current situation.

XI. The name of the preferred shares, the date of issuance and the specific conditions of issuance are authorized to be handled at the sole discretion of the Board of Directors in accordance with the Company’s Articles of Incorporation and relevant laws and regulations, depending on the capital market conditions and the willingness of investors to subscribe for the preferred shares.

[Attachment 8-2]

Measures Governing the Issuance and Conversion of Privately Placed Secured Convertible Corporate Bonds (tentative)

I. Name of bond

2024 domestic private placement of secured convertible bonds (referred to as “the private placement of convertible bond” below) by Jenn Feng Industrial Tools Co., Ltd. (hereinafter referred to as “the private placement of convertible corporate bonds”)

II. Issuance date

This shall be handled in two offerings within one year from the date of the resolution of the shareholders’ meeting.

III. Total amount issued and the value per issue

For the number of common shares that may be converted, and the number of common shares that may be converted from private placement of corporate bonds, the issuance is executed based on the residual earnings within the quota of 30,000,000 shares after deducting the private placement of preferred shares that have been issued, with each share having a face value of NTD 100,000, issued in full at face value.

IV. Issuance period

The issuance period is 7–10 years, and the Board of Directors is authorized to set the period according to the market conditions.

V. Bond coupon rate

The tentative coupon rate is 0–2% per annum and the Board of Directors is authorized to set it according to the market conditions.

VI. Date and method of repayment of principal and interest

Except for the conversion of bonds into the Company’s common shares in accordance with Article 11 or the sale of bonds in accordance with Article 20, and the cancellation of bonds repurchased by the Company from bondholders in accordance with Article 19 of the Measures, the bonds shall be repaid at maturity in cash at face value in one lump sum.

VII. Guarantee

The private placement of convertible corporate bonds are registered secured bonds.

VIII. Transfer

These convertible bonds may be transferred three years after the issuance in accordance with the law.

IX. Conversion subject

The Company's common shares: the Company will fulfill the obligation of conversion by issuing new shares.

X. Period of conversion

Bondholders are entitled to the private placement of convertible corporate bonds from five years after the issuance date to ten days prior to the maturity date. However, they are not entitled to the private placement of convertible corporate bonds from the 15 business days prior to the date of non-remunerated allotment of shares, the date of cessation of transfer of cash dividends, or the book closure date of stock options at cash capital increase until the base date for distribution of rights. Additionally, from the base date for capital reduction until one day prior to the trading commencement date for the exchange of shares issued for the capital reduction, the shares may not be exchanged. The conversion into common shares of the Company shall be handled in accordance with Articles 11, 12, 13 and 15 of the Measures.

XI. Procedures for conversion of request

The creditor should prepare the "Notice of Conversion" when requesting the conversion and submit the application to the Company along with the bonds and documents or certifications required by the laws and regulations of the Republic of China.

XII. Setting and adjustment of conversion price

The conversion price of the private placement of convertible corporate bonds shall not be lower than (1) The simple average of the closing price of the common shares of the Company on the first, third or fifth business day prior to the pricing date, minus the ex-rights and dividends of the free allotment, and the stock price after capital reduction and anti-ex-rights are added back. or (2) the closing price of the common shares of the Company is calculated on the basis of the simple arithmetic average of the closing price of the common shares 30 days prior to the pricing date, minus the ex-rights and dividends of the free allotment, and 80% of the stock price after capital reduction and anti-ex-rights are added back. It is proposed to submit to the shareholders' meeting for authorization of the Board of Directors to set the actual price in accordance with the relevant laws and regulations. The Board of Directors is also authorized to set the conversion price.

XIII. Treatment of the remaining shares that cannot be exchanged for one share

Upon conversion of the Company's common shares, any fractional share of less than one share may not be assembled into a whole share by the creditors, and the Company shall not pay for such shares in any form.

XIV. Listing and termination of TWSE/TPEx listed private placement of convertible corporate bonds

After three years from the delivery date of the corporate bonds converted, the convertible corporate bonds may be submitted to the FSC for a public offering, depending on the actual situation. Listing/trading in TPEx will be applied until the corporate bonds are converted into common shares, repurchased by the Company, repaid by the Company, terminated, and listed on TPEx.

XV. Listing of new shares after conversion

If the corporate bonds are converted into the Company's common shares, the Company may apply to the competent authority for a consent letter for listing compliance and apply for supplementary issuance of the common shares after three years have elapsed from the delivery date or the transfer date of the private placement convertible corporate bonds for the common shares converted to be listed or traded on TWSE according to laws and regulations. The above matters will be announced after approved by TWSE.

XVI. Registration of change of share capital

The Company shall announce quarterly the amount of shares delivered for the exercise and conversion of the private placement of convertible corporate bonds in the previous quarter, and shall apply to the authority in charge of corporate registration at least once per quarter for the registration of capital change.

XVII. Rights and obligations after conversion

The common shares acquired by the bondholders after the requested conversion takes effect shall have the same rights and obligations as the common shares issued by the Company, except that the common shares converted must be in compliance with Article 15 of the Measures.

XVIII. Attribution of cash and stock dividends in the year of conversion

(I) If a bondholder requests conversion at any time from January 1 to 15 business days (non-exclusive) prior to the date of cessation of transfer of cash dividends/non-remunerated allotment of shares for the year, the common shares resulting from the conversion may participate in the distribution of cash/stock dividends of the previous year resolved by the shareholders meeting of the current year.

(II) Conversion of the corporate bonds shall be suspended from 15 business days (inclusive) prior to the book closure date for cash dividend/stock grant for the current year until the ex-right date (inclusive) of the cash dividend/stock grant.

(III) Bondholders requesting conversion at any time from the day after the ex-dividend date of the current year’s cash dividends/stock grant to December 31 of the current year (inclusive) shall not request the current year’s shareholders’ meeting to resolve the payment of cash dividends/stock grant for the previous year. The common shares converted to are entitled to the cash/stock grant of the current year resolved by the shareholders’ meeting in the following year.

XIX. The Company’s right of redemption for the convertible corporate bonds privately placed

The Board of Directors is authorized to make such determination.

XX. Rights of sale of the private placement of convertible corporate bonds by the bondholders:

The Board of Directors is authorized to make such determination.

XXI. All the convertible corporate bonds recovered (including repurchased from the market), repaid or converted by the Company will be canceled and no further sales or issuance will be made.

XXII. The private placement of convertible corporate bonds and the common shares to which they are converted are in registered form, and the transfer, transaction registration, pledge and loss thereof shall be in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies” and the relevant regulations of the Company Act. Tax liabilities shall be handled in accordance with the tax laws at the time.

XXIII. The Company's share affairs agency is responsible for the conversion and repayment of the principal and interest of the private placement of convertible corporate bonds.

XXIV. The private placement of convertible corporate bonds is issued in accordance with Article 8 of the Securities and Exchange Act, and is delivered by way of book transfers,

and no physical bond is printed.

XXV. The issuance of the private placement convertible bonds and the exercise and management of the conversion rights shall be governed by the laws of the Republic of China and the relevant laws and regulations of the Republic of China. The terms and conditions of the issuance of the convertible bonds and other matters are authorized to be determined, amended and handled at the full discretion of the Board of Directors as necessary.

[**Attachment 9**]

Jenn Feng Industrial Tools Co., Ltd.

Opinion on necessity and reasonableness of private placement

Opinion Appointer: Jenn Feng Industrial Tools Co., Ltd. Recipient of Opinion: Jenn Feng Industrial Tools Co., Ltd.

Designated purpose of opinion: Only to be used by Jenn Feng Industrial Tools Co., Ltd.

For 2024 Private Placement of Preferred Shares or Private Placement of Secured Convertible Corporate Bonds

Type of report	: Securities Underwriter's Opinion on the Necessity and Reasonableness of the Private Placement
Evaluator	: Reliance Securities Co., Ltd.

April 3, 2024

I. Foreword

On April 11, 2024, the Board of Directors of Jenn Feng Industrial Tools Co., Ltd. (hereinafter referred to as Jenn Feng or the Company) resolved to conduct a private placement of preferred shares (the issuance period is perpetual) or the private placement of secured convertible corporate bonds within the limit of 30,000,000 shares of common stock to be converted (for a tentative period of 7 to 10 years) (hereinafter referred to as the private placement). Matters such as the subscriber selection method and purpose, necessity, and expected benefits of the private placement will be discussed. The private placement will be discussed at the annual shareholders' meeting in 2024, and is expected to be conducted in two tranches within one year from the date of the shareholders' meeting by either choosing one method or combining multiple methods. The private placement price is set at no less than 80% of the reference price. The conversion price is also set at no less than 80% of the reference price.

According to the "Directions for Public Companies Conducting Private Placements of Securities," where the board of directors resolves that from the period within one year the private placement of securities is executed, to the period within one year after the delivery date of the said private placement of securities, if there is a material change in the management rights, the Company should engage the underwriter and comment on the necessity and reasonableness of the private placement, and specify it in the notice of the 2024 annual shareholders' meeting to serve as a reference for shareholders.

In light of the above, upon investigation of the material information on the Market Observation Post System, it was found that the Company held the annual shareholders' meeting on June 26, 2023 for a full re-election of directors, and the results of the election were that one-third of the directors had been changed. In addition, the Company has issued 53,838,999 common shares (including 40,060,288 shares through private placement). It is expected that the issuance or conversion of all shares in the private placement will account for 48.15% of the issued shares of the Company after the capital reduction and increase (30,000,000 shares/62,300,000 shares). Given the substantial shareholdings of specified persons in this private placement, the possibility of a significant change in the Company's directors' seats due to the change in shareholder structure cannot be ruled out in the future. Therefore, the Company had commissioned the underwriter to evaluate the necessity and reasonableness of the Company's private placement of securities in accordance with the "Directions for Public Companies Conducting Private Placements of Securities." In addition, according to the information in the "Management Rights and Business Scope Change" section of the Market Observation Post System, the company completed the 1st private placement of common shares in 2023 on March 29, and the number of shares acquired by the offeror exceeded 50% of the total number of voting shares issued by the Company, resulting in a change in the control of the transfer and the management.

II. Underwriter's Evaluation Opinion

(I) Assessment of Lawfulness

Upon reviewing the 2023 financial report of the company audited and certified by the CPAs, the company's net profit (loss) after tax was NT$(28,249) thousand in 2023, and the retained earnings (losses to be recovered) at the end of 2023 was NT$(252,947) thousand. According to Article 3 of the "Directions for Public Companies Conducting Private Placements of Securities," a public company that has no after-tax profit and no accumulated losses in the most recent year may not conduct private placement of securities. In addition, after reviewing the minutes of the Board meeting of the Company on April 11, 2024, and its attachments, it has been determined that the issue price of the private placement of preferred shares or private placement of secured convertible bonds is not less than 80% of the theoretical price. Therefore, there is no need to commission independent experts to issue a price reasonableness opinion. Furthermore, the subscriber of this private placement also intends to comply with Article 43-6 of the Securities Exchange Act and Letter Tai-Zheng-Yi-Zi No. 091003455(91) issued by the Financial Supervisory Commission dated June 13, 2002, and the provisions of the "Directions for Public Companies Conducting Private Placements of Securities."

(II) Financial position

The company's consolidated condensed balance sheets and income statements for 2021, 2022, and 2023 are as follows:

Balance Sheet

Unit: NTD thousands

Item	End of 2021	End of 2022	End of 2023
Current assets	227,601	234,066	258,382
Non-current assets	84,645	59,748	71,866
Total assets	312,246	293,814	330,248
Current liabilities	136,333	117,928	100,201
Non-current liabilities	142,132	114,570	12,409
Total liabilities	278,465	232,498	112,610
Share capital	264,105	338,890	538,390
Retained earnings	(164,738)	(220,076)	(252,947)
Other equity items	(65,586)	(57,498)	(67,871)
Total equity	33,781	61,316	217,638

Source: Consolidated financial statements of the company audited by the CPAs in 2020, 2022 and 2023

Statements of Comprehensive Income

Unit: NTD thousands

Item	2021	2022	2023
Operating revenues	265,553	285,107	194,406
Gross profit	30,381	42,587	17,236
Operating profit (loss)	(70,896)	(38,086)	(54,838)
Non-operating income and expenses	(64,674)	10,588	26,967
Net profit (loss) before tax	(135,570)	(27,498)	(27,871)
Net profit (loss) for the period	(135,570)	(27,498)	(28,249)
Other comprehensive income	(3,584)	10,162	(8,465)
Total comprehensive income for the current period	(139,154)	(17,336)	(36,714)

Source: Consolidated financial statements of the company audited by the CPAs in 2020, 2022 and 2023

(III) Evaluation of the necessity and reasonableness of the private placement

(i) Necessity evaluation

The Company's 2021, 2022, and 2023 operating revenues and net profits (losses) after tax were NTD 265,553 thousand, NTD 285,107 thousand, NTD 194,406 thousand, and NTD (135,570) thousand, NTD (27,498) thousand, and NTD (28,249) thousand, respectively. The Company's retained earnings (losses to be compensated) at the end of 2021, 2022 and 2023, respectively, were NTD (164,738) thousand, NTD (220,706) thousand, and NTD (252,947) thousand, and 89.18%, 9.13% and 34.10%, respectively. There was a series of losses, and the debt ratio was significantly reduced in 2023. The capital raised by this private placement will be used to enhance its working capital and meet the company's capital needs for future development. If benefits can be shown according to the plan, the capital will effectively enhance the company's market competitiveness and operating capacity and strengthen its financial structure.

The Company considered that if it is to raise funds by means of a public offering, it still needs to obtain the approval of the competent authority before proceeding with the public underwriting and other related matters. Besides that, it is required to face the uncertainty of permission of securities filing. The public offering fund-raising might not be as fast and immediate as private placement, and the cost of public underwriting is high. Therefore, the Company must consider the current operating performance, financial position, and the objective environment of the issuance market. If the Company adopts public offering to increase capital, it is less likely to obtain the required funds in the short term, hence there will be uncertainty about the completion of its fund-raising plan. Therefore, the Company intends to raise funds from specific persons at appropriate times by means of private placement because it is quick and easy.

(ii) Reasonableness evaluation

1. Reasonableness of private placement resolution procedures

Based on the minutes of the meeting of the Board of Directors on April 11, 2024 and its attachments, the setting of the reference price and the method of selection of the specific persons are pending approval by the 2024 annual shareholders’ meeting prior to conducting a private placement. There was no significant abnormality.

2. Reasonableness of the types of private placement securities being conducted

The types of securities issued by the Company in this private placement of capital increase are preferred shares or secured convertible bonds, which are the types of securities generally issued in the market and are highly accepted by investors. Therefore, the types of securities in this private placement should be reasonable.

3. The reasonableness of the expected benefits from the private placement

Upon inspection of the company’s proposal to the Board of Directors’ meeting on April 11, 2024, the company’s use of the funds this time is to enhance its working capital or to meet the company’s capital needs for future development. The Company hopes to increase the proportion of its own capital by introducing funds from private investors, improve the market competitiveness and operating ability of the company, and strengthen the financial position. If the future operation of the company can show the benefits of the plan in the current stage, it is still possible to bring positive benefits to its long-term business performance, profitability, and financial structure.

(iii) Selection of subscriber and assessment of feasibility and necessity

1. Choice of subscriber

Based on the company's proposal to the Board of Directors' meeting on April 11, 2024, specific persons of the company's private placement will be subject to those set forth Article 43-6 of the Securities and Exchange Act and Letter Tai-Zheng-Yi-Zi No. 0910003455 issued by the Financial Supervisory Commission dated June 13, 2002.

2. Feasibility and necessity

Based on the company's proposal to the Board of Directors' meeting on April 11, 2024, the company has included the list of possible subscribers with insider status and their relationship with the company in the agenda, and the other applicants who are not insiders or related parties of the company have not yet been determined. The funds raised by the Company's private placement are used for the purpose of enhancing its working capital or to meet the company's capital needs for future development, considering the sustainable operation and development of the enterprise, the Company plans to meet the company's capital needs for future development and strengthen the shareholder lineup through the fund introduced from investors. According to the company's current planning, if the subsequent operation develops smoothly, it is expected to be beneficial to the company's future operation.

(iv) Impacts of major changes in operating rights on the Company's business, finance, and shareholders' equity in 2023

The Company held the 2023 Annual General Shareholders' Meeting on June 26, 2023 for the re-election of directors. The results of the re-election indicate that more than one-third of directors had changed, resulting in a major change in the operating rights. The impact on the business, finance and shareholders' equity of the Company after a major change in the operating rights in 2023 is described as follows:

1. Impact on the Company’s business

After reviewing the 2023 consolidated financial statements of the company audited by the CPA, the 2023 operating revenue of the company was NTD 194,406 thousand, a decrease of NTD 57,323 thousand, or 31.81%, compared with 2022. The decline ratio of light, office machine and power tool products is relatively large, mainly due to the company’s internal operation adjustment, including reducing the order received for low-margin products and destocking, resulting in a significant decline in the revenue of the above-mentioned products. There was no significant abnormality.

Unit: NTD thousands, %

	Period / Main products	2023	2022	Changes	
		Amount (A)	Amount (B)	Amount (C)=(A)-(B)	Ratio (%) (D) = (C)/(B)
Operating revenues	Gardening tools	161	175	(14)	(8)
	Lighting equipment	38,209	55,342	(17,133)	(30.96)
	Power tools	153,319	210,642	(57,323)	(27.21)
	Office machine	-	16,095	(16,095)	(100.00)
	Others	2,717	2,853	(136)	(4.77)
	Total	194,406	285,107	(90,701)	(31.81)

Source: Consolidated financial statements of the company audited by the CPAs in 2023

2. Effect on the Company’s finance and shareholders’ equity

Upon inspection of the company’s 2023 consolidated financial statements audited by CPAs, the company’s debt ratio and net worth per share at the end of 2023 and 2022 were 34.10% and 79.13%, and NT$4.04 and NT$1.81, respectively. The net worth decreased significantly, the net worth per share increased significantly, and there was no significant abnormality.

Unit: NTD thousands, %

Time / Item	End of 2023	End of 2022	Changes	
	Amount (A)	Amount (B)	Amount (C)=(A)-(B)	Ratio (%) (D) = (C)/(B)
Total assets	330,248	293,814	36,434	(12.0)
Total liabilities	112,610	232,498	(120,338)	(51.76)
Total equity	217,638	61,316	156,322	254.94
Net worth per share	4.04	1.81	2.23	123.20
Debt ratio	34.10%	79.13%	-	(11.27)

(v) Impacts of the private placement on the Company’s business, finance, and shareholders’ equity

1. Impact on the Company’s business

The Company has attracted investors with the funds raised through the private placement of preferred shares or private placement of secured convertible bonds. Subscribers working with the Company in the form of joint product development, technology introduction, market integration or business development in the future will bring new opportunities to the Company. However, as of the date of this opinion letter, the Company has not yet agreed on a list of other investors except for insiders.

2. Impact on the Company’s finances

The Company intends to execute a private placement of preferred shares or secured convertible corporate bonds within the limit of 30,000,000 shares for the total number of shares after conversion. The funds will be used to enrich the working capital or meet the Company’s capital needs for future development. The private placement price will be set at no less than 80% of the reference price, and the conversion price is also set at no less than 80% of the reference price. If the conversion price is fully processed, the private placement fund will be able to immediately and effectively increase the long-term stable capital to meet the needs of future operation and development. The Company may also strengthen the operating constitution, thereby improving the operating competitiveness, which is helpful to the Company’s medium- and long-term development. Therefore, the private placement fund shall bring a positive effect on the finance of the Company.

3. Effect on the Company’s finances and shareholders’ equity

Based on the company’s proposal to the Board of Directors' meeting on April 11, 2024, if the setting of the private placement price causes the Company’s accumulated losses to increase and affect shareholders’ equity, the Company will make up for it from a capital surplus, additional paid-in capital, or capital reduction based on the future operation and market condition.

In addition, the Company has resolved to arrange private placement of preferred shares (the issuance period is perpetual) or the private placement of secured convertible corporate bonds (for a tentative period of 7 to 10 years) within the limit of 30,000,000 shares of common stock to be converted. The Company sets that and the conversion for the private placement of preferred shares or the private placement of secured convertible corporate bonds may only be converted may only be performed after 5 years from the issuance date. If the private placement is fully settled and converted into common shares after the lock-up period, and no other public offering or private placement is subsequently raised, and the private placement of common shares has not been completed at this stage, it is estimated that the proportion of the private placement of common shares in the total outstanding shares is shown in the table below:

Item/Time	March 31, 2024	After capital reduction (Note 1)	After full conversion (Note 2)
Number of shares privately placed (A)	40,060,288	24,033,643	54,033,643
Number of listed common shares (B)	13,778,711	8,266,357	8,266,357
Common shares issued (C) = (A) + (B)	53,838,999	32,300,000	62,300,000
Percentage of listed common shares to total outstanding shares (D) = (B) / (C)	25.59%	25.59%	13.27%

Note 1: Asuming that the capital reduction plan approved by the Board of Directors on March 11, 2024 was also approved by the 2024 annual shareholders’ meeting and the change of procedures of the relevant authorities were completed.

Note 2: ssuming that the Company's private placement is fully paid and converted into common shares in full after the lock-up period. The formula for the number of private placement shares is 24,033,643 shares + 30,000,000 shares = 54,033,643 shares.

As mentioned above, if the Company's private placement of preferred shares or secured convertible corporate bonds are fully converted into common shares during the conversion period, the weight of the listed common shares to the total outstanding common shares may be less than 25%, and will be subject to the provisions under Paragraph 15, Paragraph 1, Article 49 of the "Operating Rules of the Taiwan Stock Exchange Corporation" (hereinafter referred to as the "Operating Rules"), the Taiwan Stock Exchange may list the company's securities as the change of transaction. If the Company does not improve its trading status within a certain period of time, the Company will be subject to the provisions of Subparagraph 13, Paragraph 1, Article 50, and Subparagraph 7, Paragraph 1, Article 50-1 of the Operating Rules, and may be subject to suspension of trading and termination of its listing, which may be detrimental to the shareholders' equity.

However, the aforementioned assumptions are based on the assumption that the Company does not have any public offering of common shares or a supplementary issuance of common shares that have been privately placed for estimation. If the Company is able to utilize the funds from the private placement in accordance with the plan and achieve the expected benefits in accordance with the plan, resulting in an improvement in its operating condition and meeting the requirements of the Financial Supervisory Commission (the "FSC") and the Taiwan Stock Exchange for public or private placement of supplementary issuance are met, there is a possibility that the number of listed common shares as a percentage of the number of common shares outstanding may still be increased.

(vi) Summary of opinions

The Company has resolved to arrange the private placement of preferred shares (which will have a perpetual) issuance period), or the private placement of secured convertible corporate bonds (for a tentative period of 7 to 10 years). The Company will limit the number of shares of common stock to be converted to 30,000,000. The raised funds will be used to enrich the working capital or meet the Company’s capital needs for future development. If the Company’s private placement of preferred shares or secured convertible corporate bonds are fully converted into common shares during the conversion period, the weight of the listed common shares to the total outstanding common shares may be less than 25%. There is a possibility of change of transaction, suspension of trading, and termination of its listing, which may be detrimental to the shareholders‘ equity. However, the aforementioned assumptions are based on the assumption that the Company does not have any public offering of common shares or a supplementary issuance of common shares that have been privately placed for estimation. If the Company is able to utilize the funds from the private placement in accordance with the plan and achieve the expected benefits in accordance with the plan, resulting in an improvement in its operating condition and meeting the requirements of the competent authorities and the Taiwan Stock Exchange for public or private placement of supplementary issuance are met, there is a possibility that the number of listed common shares as a percentage of the number of common shares outstanding may still be increased. In addition, if the private placement of preferred shares or secured convertible bonds is not converted into common shares after the lock-up period, it will not be subject to the relevant requirements of transaction change, suspension of trading and listing, etc. However, the company needs to pay attention to whether it is safe to raise funds for repayment of principal when due.

In conclusion, the final decision as to whether the private placement is necessary is subject to the shareholders’ meeting at which management clearly explains the possible synergies from the private placement in the future and communicates with all shareholders on matters that may affect shareholders’ equity and reach a consensus on the final resolution that is in the best interest of the company.

III. Other statements

(I) The contents of this opinion shall only be used as a reference for the resolution of Board of Directors' meeting on April 11, 2024, and the resolution of the private placement of Jenn Feng Industrial Tools Co., Ltd. in the 2024 annual general shareholders' meeting, and shall not be used for any other purpose.

(II) The contents of this opinion letter have been evaluated by reference to the company's proposal to the Board of Directors' meeting on April 11, 2024, and the financial statements for 2021, 2022 and 2023 that have been audited by the CPAs. If there are any changes to the aforementioned information or inaccuracies, or if the content of this opinion is likely to change due to other circumstances, this opinion letter does not assume any legal responsibility

IV. Declaration of Independence

(I) The Company was commissioned to issue an opinion on the necessity and reasonableness of the 2024 private placement of preferred shares or private placement of secured convertible bonds of Jenn Feng Industrial Tools Co., Ltd.

(II) The Company executed the above business and hereby declares that it does not have the following circumstances:

(i) The Company is not an investee of Jenn Feng being invested under the equity method.

(ii) The Company is not an investor in Jenn Feng evaluated under the equity method.

(iii) The chairman or president of the Company is not the same person as the chairman or president of Jenn Feng, and nor are they a spouse or a second degree relative.

(iv) The Company is not a director or supervisor of Jenn Feng.

(v) Jenn Feng is not a director or supervisor of the Company.

(vi) Apart from the above matters, the Company does not have a related party relationship with Jenn Feng as defined under Article 18 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(III) The Company maintained the spirit of independence in the evaluation opinion submitted for the evaluation on the necessity and reasonableness of the private placement of common stock of Jenn Feng.

Evaluator: Reliance Securities Co., Ltd.

Representative: Chairman He Chia-Yu

[Attachment 10]

List of Director and Independent Director Candidates

Category	Name	Academic and career experience	Current job	Number of shares of the Company held (shares)	Reasons for nominating independent directors who have already served three consecutive terms
Director	Enriched Partner Co., Ltd. Representative: Yung-Lun Chen	MBA, Anglia Ruskin University, Cambridge, UK Chengxin Green Energy Co., Ltd./Director	Taicheng Energy Technology Co., Ltd./Chairman Ancheng International Investment Co., Ltd./Chairman Ark International Co., Ltd./President	29,461,339	Not applicable
Director	Enriched Partner Co., Ltd. Representative: Shao-Kang Leng	Bachelor of Transportation Engineering and Management Science, Feng Chia University Texas Electronic (Ningbo) Co., Ltd./Deputy President Flexium Interconnect (Kunshan), Inc./Chairman's Assistant Huashin Bank Co., Ltd./Deputy Manager	Ark International Co., Ltd./Vice President, Foreign Affairs	29,461,339	Not applicable

Category	Name	Academic and career experience	Current job	Number of shares of the Company held (shares)	Reasons for nominating independent directors who have already served three consecutive terms
Director	Enriched Partner Co., Ltd. Representative: Ming Yeh	Department of Tourism, Chinese Culture University Everterminal Co., Ltd./Director Jiangsu Yuansheng Optoelectronics Co., Ltd./Director Zhancheng Electrical Machinery (Dongguan) Co., Ltd./Supervisor Yuanchu Energy Co., Ltd./Supervisor Unitel High Technology Corporation/Director Ejectt Inc./Vice President Unitel High Technology Corporation/President	Jinli Group Holdings Limited/Independent Director Dali Development Co., Ltd./Consultant	29,461,339	Not applicable
Director	Enriched Partner Co., Ltd. Representative: Hsiang-Jen Cheng	Bachelor of Finance, National Taipei University of Business AverLogic Technologies Corp./Independent Director Yuanchu Scientific Research Co., Ltd./Independent Director	Astral Epoch International Corporation/ President Lead data Inc./ Chairman	29,461,339	Not applicable

Category	Name	Academic and career experience	Current job	Number of shares of the Company held (shares)	Reasons for nominating independent directors who have already served three consecutive terms
Director	Advanced International Treasure Investment Co. Ltd. Yu-Cheng Li	Bachelor of Mechanical Engineering, National Chung Hsing University Huang Li Meng Enterprise Co., Ltd./Vice President Shih Ching Industrial Co., Ltd./Vice President Ecopro Tools Corporation/Representative (updated) Jenn Feng Industrial Tools Co., Ltd./Chairman	Advanced International Treasure Investment Co. Ltd./Chairman	5,309,748	Not applicable
Independent Director	Chi-Chun Lin	Bachelor of Finance, Chaoyang University of Technology AboCom Systems Inc./CFO Auto King Internet Co., Ltd./Finance Manager	Kai Shing Accounting Firm/CPA	0	Not applicable
Independent Director	Chao-Hsien Li	Master of Commerce, Providence University Nexia Sun Rise CPAs & Company/Partner Deloitte Taiwan	Hung Hsin Accounting Firm/Director Szu Hsien Investment Consulting Co., Ltd./Representative	0	Not applicable
Independent Director	Cheng-Hsiung, Wang-Tsao	LLM, National Taipei University CLO, Madenform Group	Integration Law Group /Managing Partner iCATCH Inc. /Independent Director	0	Not applicable
Independent Director	Fu-Chuan Chien	Associate in Electronic Computing, Taipei Municipal Junior College of	FairTech Corporation /Project Consultant	0	Not applicable

Category	Name	Academic and career experience	Current job	Number of shares of the Company held (shares)	Reasons for nominating independent directors who have already served three consecutive terms
		Business Tensall Bio-Tech Co., Ltd./CFO Sumagh High Tech Corp/Senior Finance Manager Chilisin Electronics Corp./Vice President of Finance			
Independent Director	I-Liang Lin	Master of Finance, Baruch College, CUNY Bachelor of Banking, National Chengchi University Master of Finance, Baruch College, CUNY Bachelor of Banking, National Chengchi University Jenn Feng Industrial Tools Co., Ltd./Independent Director	None	0	Not applicable

Four. Appendices

[Appendix 1]

Articles of Incorporation of Jenn Feng Industrial Tools Co., Ltd. (Before Amendment)

Acrticle 1 The Company is incorporated in accordance with The Company Act, and has been named 正峰工業股份有限公司. (English name: JENN FENG INDUSTRIAL TOOLS CO., LTD.)

Acrticle 2 Article 2: Business activities of the Company are as follows:

I. CA02090 Metal Wire Products Manufacturing
II. CA02990 Other Metal Products Manufacturing
III. CB01010 Mechanical Equipment Manufacturing
IV. CB01990 Other Machinery Manufacturing
V. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
VI. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
VII. CD01030 Motor Vehicles and Parts Manufacturing
VIII. CH01040 Toys Manufacturing
IX. CP01010 Hand Tools Manufacturing
X. F106010 Wholesale of Hardware
XI. F113010 Wholesale of Machinery
XII. F113020 Wholesale of Electrical Appliances
XIII. F113990 Wholesale of Other Machinery and Tools
XIV. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
XV. F213010 Retail Sale of Electrical Appliances
XVI. F213080 Retail Sale of Machinery and Tools
XVII. F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
XVIII. F401010 International Trade
XIX. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
XX. CB01020 Affairs Machine Manufacturing

Acrticle 3 The Company may provide endorsements and guarantees to outside parties for business or investment-related purposes.

Acrticle 4 The Company may only serve as limited liability shareholder in its investees; its total investments are not subject to the “40% paid-up capital” restriction imposed under Article 13 of the Company Act. The Board of Directors may be authorized to approve Mainland investments of up to 40% of net worth.

Acrticle 5 The Company is headquartered in Taoyuan City, and may establish domestic or foreign branches. All branch establishment and removal are subject to Board of Directors’ approval.

Acrticle 6 Authorized capital of the Company is set at three billion New Taiwan dollars, available in 300 million shares of NT$10 each. All of these shares are common shares. The Board of Directors is authorized to issue unissued shares in multiple offerings. Should the Company decide to adopt a treasury stock system, the Company may transfer treasury stocks at prices lower than cost.

The total capital mentioned in the above Paragraph shall have NT$100 million in 10 million shares reserved to accommodate issuance of employee warrants, preferred shares with embedded warrant, or corporate bonds with embedded warrant. Each share has a face value of NT$10, which the board of directors may resolve to issue in multiple offerings.

Any transfer of shares to employees below the average buyback price or issuance of employee warrants with exercise price below market price must be resolved in a shareholders’ meeting with the presence of shareholders representing more than half of outstanding shares, and voted in favor by more than two-thirds of votes present in the meeting. (This Subparagraph takes effect from January 1, 2008 onwards)

Acrticle 7 The Company issues its shares to registered owners only. Share certificates are issued with the signatures or authorized seals of at least three directors, subject to certification by the competent authority or any of its approved institutes. When issuing new shares, the Company may print a single certificate to collectively represent all shares in the new issue, or forgo issuance of physical share certificate.

Acrticle 8 Transfer of share ownership shall be suspended during the 60 days prior to an annual general meeting, or during the 30 days prior to an extraordinary shareholders’ meeting, or during the 5 days prior to the baseline date of dividend, profit-sharing, or rights distribution.

Acrticle 9 Unless otherwise specified by laws and regulations, all share-related affairs shall be handled according to “Regulations Governing the Administration of Shareholder Services of Public Companies.”

Acrticle 10 The Company convenes two types of shareholders' meeting: the annual general meeting and extraordinary shareholders' meetings. Annual general meetings (AGMs) are convened once a year within six months after the end of each fiscal year. Extraordinary shareholders' meetings may be held whenever deemed necessary, subject to compliance with the relevant laws.
The Company may convene shareholders' meetings by way of video conference or using other methods announced by the central authority.

Acrticle 11 If a shareholder is unable to attend the shareholders' meeting in person, a proxy can be appointed by completing the Company's proxy form and by specifying the scope of delegated authority. The Company may observe "Regulations Governing the Use of Proxies for Attendance at Shareholders' meetings of Public Companies" when setting rules on the use of proxy forms.

Acrticle 12 Shareholders are entitled to one voting right for every share held, except for shares that are subject to voting restrictions outlined in the Company Act or relevant regulations.

Acrticle 13 Except as otherwise regulated by laws, a shareholders' meeting resolution is passed when more than 50% of all outstanding shares are represented in person or through proxies in the meeting, and the motion is voted in favor by more than 50% of all voting rights represented at the meeting. However, resolution of the following decisions would require the attendance (personal or proxy) of shareholders representing more than two-thirds of total voting rights, with more than half of voting rights represented in the meeting voting in favor.

I. Acquisition or merger of another domestic or foreign enterprise.
II. Dismissal, liquidation, or divestment of the Company.

Shareholders' meetings that are convened by the board of directors shall be chaired by the Chairman; if the Chairman is absent, the Chairman shall appoint one of the directors to act on behalf; if no person of acting duty is appointed, one shall be appointed among the directors. Shareholders' meetings that are convened by other authorized parties shall be chaired by the convener; if there are two or more conveners, one shall be appointed among them to act as chairperson.

Acrticle 14 Shareholders' meeting resolutions shall be compiled into detailed minutes, signed or sealed by the meeting chairperson, and disseminated to each shareholder no later than 20 days after the meeting.
Meeting minutes mentioned in the preceding Paragraph may be disseminated by way of public announcement.

Acrticle 15 The Company shall have seven to nine directors, including no fewer than three independent directors, and three supervisors who are elected using the candidate nomination system during shareholders' meetings from persons of adequate capacity to serve a term of three years. Service may be renewed if re-elected in the following election. Registered shares held by all directors and supervisors mentioned in the preceding Paragraph shall aggregate to no less than the requirements imposed by the authority, being certain percentage of outstanding shares. The Company may purchase liability insurance policies to insure its directors and supervisors against claims and legal responsibilities that arise during the term of service due to the services rendered.

The Company is not required to appoint supervisors if it has Audit Committee in place; any supervisors that exist at the time the Audit Committee is assembled shall be dismissed from duty by default. In which case, all rules concerning supervisors in the Articles of Incorporation shall be voided.

Acrticle 16 The Board of Directors shall appoint one chairman during a board meeting with more than two-thirds of directors present, and with the support of more than half of all attending directors. The chairman serves as the Company's representative to the outside world. If necessary, the board of directors may decide to have all directors elect a Vice Chairman according to laws.

Acrticle 17 If the chairman is unable to perform duties due to leave of absence or any reason, a delegate shall be appointed in accordance with Article 208 of The Company Act.

Article 17-1 Directors who are unable to attend board meeting for any reason may appoint delegates to attend on their behalf according to Article 205 of the Company Act.

Article 17-2 (Convention and notification of board meetings)

The board of directors shall convene meetings at least once a quarter, and specify this requirement in the conference rules. Convention of a board meeting shall be advised to all directors and supervisors with detailed agenda at least seven days in advance. However, meetings can be held in shorter notices in case of emergency. Convention of Board of Directors meetings may be advised through written correspondence, fax, or e-mail, regardless of the nature of emergency.

Acrticle 18 Shareholders may authorize the chairman to compensate directors for assuming other concurrent duties within the Company, the Chairman is authorized by the shareholders' meeting to execute compensation in compliance with internal policies.

Acrticle 19 Supervisors shall exercise supervisory duties in accordance with the Company Act, and may express opinions that are relevant to their duties in board meetings, but are unable to vote.

Acrticle 20 The Company may create one President and several vice president positions. The appointment, dismissal, and compensation of these positions may not exceed the salary ceilings stipulated in the Company’s Salary Determination Policy.

Acrticle 21 The Board of Directors shall prepare the following reports at the end of each fiscal year. These reports are to be submitted to supervisors for review 30 days before annual general meeting, and presented for acknowledgment during annual general meeting:

I. Business report
II. Financial statements
III. Earnings appropriation or loss reimbursement proposals.

Acrticle 22 Article 22: Profits concluded in a year shall be allocated for the following purposes at the stated percentages:

I. Employee remuneration of no less than 3% of pre-tax profit.
II. Director/supervisor remuneration of no less than 1.5% of pre-tax profit.

However, profits must first be taken to offset against cumulative losses if any.

Employee remuneration may be paid in shares or in cash; the details of which are to be resolved by the board of directors and reported during shareholders’ meeting.

Article 22-1 Surpluses concluded in a given year are first subject to taxation and reimbursement of previous losses, followed by a 10% provision for statutory reserves and provision or reversal of special reserves in accordance with the Securities and Exchange Act. The remaining balance is then added to unappropriated earnings accumulated from previous years, for which the board of directors will propose an earnings appropriation plan and seek resolution in a shareholders’ meeting before distribution. However, shareholders may resolve to adjust the earnings appropriation plan and the percentage of dividends paid in cash depending on profitability and capital availability for the year.

Cash dividends shall not be less than 10% of total dividends paid.

For any contra equity item that the Company has recognized on dividends accumulated in the previous year or on dividends incurred but unpaid in the current year due to insufficient after-tax earnings, the Company is required to make provision for special reserves for an amount equal to unappropriated earnings accumulated in the previous year, and deduct this amount before allocating dividends.

Acrticle 23 Any matters that are not addressed in the Articles of Incorporation shall be governed by The Company Act and relevant regulations.

Acrticle 24 The Articles of Incorporation was established on April 8, 1976
The 1st amendment was made on June 10, 1978
The 2nd amendment was made on October 19, 1981
The 3rd amendment was made on April 20, 1984
The 4th amendment was made on August 18, 1985
The 5th amendment was made on June 20, 1987
The 6th amendment was made on December 15, 1989
The 7th amendment was made on June 20, 1991
The 8th amendment was made on July 26, 1991
The 9th amendment was made on November 1, 1996
The 10th amendment was made on January 7, 1997
The 11th amendment was made on April 28, 1997
The 12th amendment was made on January 22, 1998
The 13th amendment was made on May 9, 1998
The 14th amendment was made on May 30, 2000
The 15th amendment was made on June 17, 2002
The 16th amendment was made on June 17, 2003
The 17th amendment was made on June 23, 2004
The 18th amendment was made on June 23, 2004
The 19th amendment was made on June 20, 2005
The 20th amendment was made on June 20, 2005
The 21st amendment was made on March 10, 2006
The 22nd amendment was made on June 14, 2006
The 23rd amendment was made on June 13, 2007
The 24th amendment was made on October 15, 2007
The 25th amendment was made on June 3, 2009
The 26th amendment was made on June 17, 2010
The 27th amendment was made on June 19, 2012
The 28th amendment was made on June 18, 2013
The 29th amendment was made on June 15, 2016
The 30th amendment was made on June 18, 2020
The 31st amendment was made on July 15, 2021
The 32nd amendment was made on June 29, 2022

[Appendix 2]

Jenn Feng Industrial Tools Co., Ltd.
Ethical Corporate Management Best-Practice Principles

Article 1 Purpose

In order to establish a corporate culture of ethical management and sound development, the Company has established these principles in accordance with the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies.”

The Principles are applicable to the Company’s subsidiaries and institutions with substantial control, such as companies and organizations within the group (collectively referred to as Group Members).

Article 2 Prohibition Against Dishonest Conducts

The company’s directors (including independent directors), managers, employees, appointees or persons with substantial control capabilities (aforementioned subjects are hereinafter referred to as personnel to which these principles apply) must not, in the process of engaging in business activities, directly or indirectly provide, promise, request or accept any improper benefits or commit other dishonest acts that violate integrity, lawlessness, or breach of fiduciary duty in order to obtain or maintain benefits (hereinafter referred to as dishonest behavior).

The objects mentioned in the preceding paragraph include public representatives, candidates for political participation, political parties or party officials, and any public or private enterprise industry or organization and its directors, supervisors, managers, employees, substantive controllers or other interested persons.

Article 3 Form of Benefit

“Benefits” in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4 Compliance of rules & regulations

The company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5 Principles of Policy Formulation

The company shall abide by the operational philosophies of honesty, transparency, and responsibility. It shall base its policies on the principle of good faith and establish good corporate governance and risk control and management mechanisms to create an operational environment for sustainable development.

Article 6 Mechanism for Assessment of Unethical Conduct Risks

The Company's unethical conduct prevention program (hereinafter referred to as the "prevention program") means that the personnel to which these principles apply shall comply with Articles 9 to 15 of these principles.

The company shall analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and reinforce prevention programs accordingly and review their adequacy and effectiveness on a regular basis.

Article 7 Commitment and Implementation

The Company and its Group Members shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

The Company and its Group Members shall clearly specify in their rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.

The Company shall compile documented information on the ethical management policy, statement, commitment and implementation that mentioned in the first and second paragraphs and retain said information properly.

Article 8 Operating Business Activities with Integrity

The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.

Prior to any commercial transactions, the Company shall take into consideration the legality of its agents, suppliers, clients, or other trading counter parties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

When entering into contracts with their agents, suppliers, clients, or other trading counter parties, the company shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counter parties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.

Article 9 Prohibition of Offering and Acceptance of Bribe

When conducting business, the Company and the personnel to which these principles apply shall not directly or indirectly offer, promise, request or accept any improper benefits in any form to customers, agents, contractors, suppliers, public officials or other stakeholders.

Article 10 Prohibition of Illegal Political Party Funding

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and the personnel to which these principles apply shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 11 Prohibition of Illegal Charitable Donation or Sponsorship

When making or offering donations and sponsorship, the Company and the personnel to which these principles apply shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 12 Prohibition of Unreasonable Presents, Hospitality or Other Improper Benefits

The Company and the personnel to which these principles apply shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 13 Prohibition of Damaging Intellectual Property

The Company and the personnel to which these principles apply shall observe applicable laws and regulations, the Company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose of, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 14 Prohibition of Unfair Competition

The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 15 Prevention of Products or Services From Harming Interest Parties

In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and the personnel to which these principles apply shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.

Article 16 Organization and Responsibilities

I. The personnel to whom these principles apply shall exercise due care as good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures, and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

II. To achieve sound ethical corporate management, the company will staff itself with competent personnel responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The competent personnel shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once a year):

A. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.

B. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.

C. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk of unethical conduct.

D. Promoting and coordinating awareness and educational activities with respect to ethics policy.

E. Developing a whistleblowing system and ensuring its operating effectiveness.
F. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 17 Law Compliance of Operating Business

The personnel to which these principles apply shall comply with laws and regulations and the prevention programs when conducting business.

Article 18 Avoidance of Interest Conflict

I. The Company shall adopt policies to prevent conflicts of interest and to identify, monitor, and manage risks that may arise from unethical conduct. The Company shall also provide appropriate means for directors (including independent directors), managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company.
II. When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors (including independent directors), managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If their participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse themselves from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors (including independent directors) shall practice self-discipline and must not support one another in improper dealings.
III. The Company and its directors (including independent directors), managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the Company to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 19 Accounting and Internal Control

I. The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

II. The internal audit unit of the Company shall, based on the results of the assessment of the risk of involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine the compliance with the prevention programs accordingly. The internal audit unit may engage a certified public accountant to carry out the audit and may engage professionals to assist if necessary.

The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.

Article 20 Education, Training and Assessment

I. The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to the directors (including independent directors), employees, and mandataries of the Company occasionally.

II. The Company shall periodically organize training and awareness programs for the personnel to whom these principles apply and invite the Company's commercial transaction counterparties so that they understand the Company's resolve to implement ethical or corporate management, the related policies, prevention programs, and the consequences of committing unethical conduct.

III. The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 21 Whistleblowing System

The Company shall adopt a concrete whistleblowing system and scrupulously operate the system. The whistleblowing system shall include at least the following:

I. An independent mailbox, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports.

II. Dedicated personnel or unit appointed to handle the whistleblowing system. Any tip involving a director or senior management shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.

III. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.

IV. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.

V. Confidentiality of the identity of whistleblowers and the content of reported cases, and an undertaking regarding anonymous reporting.

VI. Measures for protecting whistleblowers from inappropriate disciplinary actions due to their whistleblowing.

VII. Whistleblowing incentive measures.

When material misconduct or likelihood of material impairment to the Company comes to their attention upon investigation, the dedicated personnel or unit handling the whistleblowing system shall immediately prepare a report and notify the independent directors in written form.

Article 22 Disciplinary and Appeal System

I. The Company shall hold those responsible for the violation accountable or take appropriate legal measures according to the circumstances of the violation, and shall make immediate disclosure on the Company’s internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

II. If the Company’s directors (including independent directors) or managers have violated these principles, the directors (including independent directors) and managers may request the Audit Committee for investigation.

Article 23 Information Disclosure

The Company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. They shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on their company websites, annual reports, and prospectuses, and shall disclose their ethical corporate management best-practice principles on the Market Observation Post System.

Article 24 Review and Revision of Integrity Management Policies and Measures

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors (including independent directors), managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 25 Implementation

I. These ethical corporate management best-practice principles of the Company shall be implemented after the board of directors grants the approval, and shall be sent to the Audit Committee and the board meeting and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.

II. When the Company submits its ethical corporate management best-practice principles to the board of directors for discussion, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

[Appendix 3]

Jenn Feng Industrial Tools Co., Ltd.
Shareholders' Meeting Rules

Acrticle 1 Unless otherwise specified in law, shareholders' meetings of the Company shall proceed according to the Conference Rules.

Acrticle 2 The meeting advice shall specify details such as meeting time, venue, and other important issues to take note of. Shareholders and representatives thereof shall attend shareholders' meetings by presenting valid conference pass, attendance card, or other document of similar nature. Proxy form acquirers are required to bring identity proof for verification.

Acrticle 3 Attendance and votes in a shareholders' meeting are calculated based on the number of shares represented. The number of shares represented during the meeting is calculated according to the attendance log or based on the attendance cards collected, plus the number of shares with voting rights exercised through written correspondence or using electronic means, where applicable.

Acrticle 4 Shareholders' meetings shall be held at the Company's premise or any location that is suitable and convenient for shareholders to attend. Meetings must not commence anytime earlier than 9AM or later than 3PM.

Acrticle 5 Shareholders' meetings that are convened by the Board of Directors shall be chaired by the chairman. If the chairman is on leave or is unable to exercise duties for any reason, the vice chairman will act on behalf; if there is no vice chairman or if the vice chairman is also on leave or is unable to exercise duties for any reason, the chairman may appoint one managing director to assume acting duty; if there is no managing director, one of the directors shall be appointed to perform duty; if no delegate is appointed by the chairman, one shall be appointed among managing directors or directors. If the shareholders' meeting is convened by any entitled party other than the Board of Directors, the convener will serve as the meeting chairperson.

Acrticle 6 The Company may summon its lawyers, certified public accountants, and any relevant personnel to be present at shareholders' meetings.

Acrticle 7 The Company's shareholders' meetings must be recorded in video or audio, and kept for at least one year.

Acrticle 8 The meeting chairperson shall announce the commencement of the meeting when half of the Company's outstanding shares have been represented by shareholders at the meeting. The chairperson may announce to postpone the meeting if current attendees represent less than half of the total outstanding shares. The chairperson may decide the time the meeting is to be postponed until and announce on-site if attending shareholders represent less than the required number of shares after the meeting is due to commence. If attending shareholders still represent more than one-third but less than the required percentage of outstanding shares mentioned above after two postponements (20 minutes for the 1st postponement and 10 minutes for the 2nd postponement), the meeting may proceed according to Article 175 of The Company Act. In which case, tentative resolutions may be reached with the support of more than half of voting rights represented at the meeting. For any tentative resolutions made under the above circumstances, the chairperson may present them for final approval later in the meeting if the number of shares represented on-site accumulates to more than half of total outstanding shares as the meeting progresses.

Acrticle 9 The shareholders' meeting agenda is determined by the Board of Directors, but can be changed during the shareholders' meeting through resolution.

Acrticle 10 Shareholders who wish to speak during the meeting are required to submit an opinion slip detailing the attendance pass number, name, and the topic of discussion to the chairperson, and have the chairperson determine the order of comments. While a shareholder is speaking, other shareholders cannot speak simultaneously or interfere in any way unless agreed by the chairperson and the person speaking. The chairperson shall restrain any person who violates this process.

Acrticle 11 Shareholders' comments shall be limited to five minutes each, which can be extended once for three minutes if permitted by the chairperson. After a shareholder has finished speaking, the chairperson may answer the shareholder's queries personally or appoint any relevant personnel to do so.

Acrticle 12 Each shareholder may speak no more than twice on the same proposal.

Acrticle 13 The chairperson may restrain shareholders who speak outside of their allocated time or proposed topic at any time.

Acrticle 14 When discussing motions, the chairperson may announce to discontinue discussion at an appropriate time, or stop discussion immediately if necessary.

Acrticle 15 Any motion that the chairperson has announced to discontinue or stop further discussion will be submitted for final voting.

Acrticle 16 Shareholders are entitled to one vote per share, except for shares that are subject to voting restrictions or are stripped of voting rights.

A motion is passed when supported by shareholders representing more than half of total voting rights in the meeting. A motion is considered passed if the chairperson receives no objection from any attending shareholders upon inquiry. This voting method is deemed effective as is the conventional ballot method.

Acrticle 17 Article 17 Corporate entities may only appoint one representative to attend shareholders' meetings. Where a corporate shareholder has appointed two or more representatives to attend the shareholders’ meeting, only one representative may speak per motion.

Acrticle 18 The chairperson shall appoint ballot examiners and ballot counters to support the voting process, and the ballot examiner must be a shareholder. Outcomes of vote are to be announced on-site and recorded in the minutes.

Acrticle 19 The chairperson may put the meeting in recess if required. Meeting shall be suspended temporarily in the occurrence of force majeure, and resumed in the manner determined by the chairperson.

Acrticle 20 The chairperson may instruct disciplinary officers (or security staff) to help maintain order in the meeting. While maintaining order in the meeting, all disciplinary officers (or security staff) shall wear arm badges that identify their role as “Disciplinary Officer.”

Acrticle 21 The Rules shall be implemented once approved during a shareholders’ meeting. The same applies to subsequent amendments.

[Appendix 4]

Jenn Feng Industrial Tools Co., Ltd.

Directors Election Policy

Article 1 Election of directors shall proceed according to the terms of this Policy.

Article 2 Election of the Company's directors shall proceed using the cumulative single-registered method. The attendance pass number may be printed on a ballot to serve as an identifier for registered votes. Each share shall be empowered with voting rights equal to the number of directors to be elected. These voting rights may be concentrated on one candidate or spread across multiple candidates.

Article 3 When electing directors and independent directors, the elections shall take place during the same voting session and have positions allocated separately. Candidates who receive the highest number of votes are assigned to the remaining positions. If two or more candidates receive the same number of votes, they shall draw for the remaining seats available. The chairperson will draw on behalf of those who are absent during the meeting.

In situations where a candidate is elected a director and an independent director at the same time, the candidate shall have the choice to decide whether to assume the director role or the independent director role.

Article 4 At the start of election, the chairperson shall appoint ballot examiners and ballot counters to perform related duties. The ballot examiner must be a shareholder.

Article 5 Ballots shall be prepared by the Company with conference pass ID and the number of voting rights pre-printed on the ballot.

Article 6 Voters shall specify the candidate's account name or personal name as printed in the List of Director Candidates in the "candidate" column of the ballot. If the name specified on the ballot coincides with that of another candidate, voters shall also specify the candidate's serial number as printed in the List of Director Candidates for identification.

Article 7 Ballots are considered void in any of the following circumstances:

1. Use of ballot that does not conform with the formats specified in this Policy.
2. Casting of blank ballot into the ballot box.
3. Ballots with blurred writing or are altered.
4. The name of the candidate specified does not match the candidates list.
5. Where the names of two or more candidates are printed on the same ballot.

Article 8 Ballots are to be counted openly on-site after voting. The chairperson will announce the outcome of the vote.

Article 9 Any details that are not addressed in this Policy shall be governed by The Company Act and relevant regulations.

Article 10 This Policy shall take effect once approved during shareholders' meeting; the same applies to all subsequent revisions.

Article 11 Unless otherwise approved by the authority, more than half of director elects shall consist of persons who are free of the following relationships:

I. Spouse.
II. Relative of 2nd degree or closer.

If the above requirements are breached, the director-in-breach who receives the lowest votes shall forfeit.

[Appendix 5]

Jenn Feng Industrial Tools Co., Ltd.

Shareholding of all Directors

I. The number of shares and the statutory shareholding of the 10th Board of Directors of the Company are as follows:

Total outstanding common shares of the Company	53,838,999 shares
Minimum number of shares required from all directors	4,307,119 shares

II. The number of shares held by all directors as of April 29, 2024, the book closure date for the 2024 shareholders' meeting, is as follows:

The number of shares held by all directors is as follows:

Position	Name	No. of shares held	Shareholding percentage (%)
Chairman	Enriched Partner Co., Ltd. Representative: Shuo-Tsan Chen	29,461,339	54.72
Director	Enriched Partner Co., Ltd. Representative: Yu-Cheng Li		
Director	Chung-Jung Hsieh	0	0.00
Director	Gulinello Christopher John	0	0.00
Independent Director	Hao-Wen Hsu	0	0.00
Independent Director	Chih-Hua Shen	0	0.00
Independent Director	Hsin-Yun Hsu	0	0.00

Independent Director	Dong-Tsan Li	0	0.00
Total directors’ shareholding		29,461,339	54.72

Thank you for attending the shareholders’ meeting!

We welcome your comments and suggestions at any time!

MEMO

MEMO