

(Stock Code: 2024)



**CHIH LIEN  
INDUSTRIAL CO., LTD.**

**2026 Regular Shareholders'  
Meeting**

**Handbook**

Date: May 27, 2026

Location: No. 480, Zhongxing Road, Xinwu District, Taoyuan City  
(Xinwu Plant of the Company)

Meeting Format: Physical meeting

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**CHIH LIEN INDUSTRIAL CO., LTD.**  
**Procedures for the 2026 Regular Shareholders' Meeting**

- I. Call the meeting to Order
- II. Chairman's speech
- III. Reports
- IV. Adoption
- V. Extempore motions
- VI. Adjournment

# **CHIH LIEN INDUSTRIAL CO., LTD.   Agenda for the 2026 Regular Shareholders' Meeting**

Time: 9:00 a.m. on Wednesday, May 37, 2026

Location: No. 480, Zhongxing Road, Xinwu District, Taoyuan City (Xinwu Plant of the Company)

Meeting Format: Physical meeting

## **One. Reports**

- I. 2025 Business Report.
- II. Audit Committee's Review on the 2025 final accounting reports
- III. 2025 Report on the profit-sharing remuneration for employees and profit-sharing remuneration for directors

## **Two. Adoption**

- I. 2025 Business Report and financial statements.
- II. 2025 Earnings Distribution Proposal

## **Three. Extempore motions**

## **Four. Adjournment**

## **One. Reports:**

Subject 1: 2025 Business Report.

Description: In accordance with Article 66 of the Business Entity Accounting Act and Article 8 of the Regulations Governing Information to be Published in Annual Reports of Public Companies, the Company has prepared the 2025 Business Report and the 2026 Business Plan Summary, as described on pages 5~6 of [Attachment 1].

Subject 2: Audit Committee's Review on the 2025 final accounting reports

Description: Audit Committee's Review Report, as described on page 7 of [Attachment 2].

Subject 3: Report on the profit-sharing remuneration for employees and profit-sharing remuneration for directors

Description: I. In accordance with Paragraph 1, Article 26 of the Articles of Incorporation of the Company, "If the Company has profits for the year, it shall allocate 3% to 10% thereof as employee compensation and not more than 3% as directors' compensation, to be distributed upon resolution of the Board of Directors. Of the total employee compensation, no less than 80% shall be allocated to non-managerial employees".

II. The Company recorded a net loss before tax of NT\$5,405 thousand for the year 2025; accordingly, no directors' compensation or employee compensation was allocated for that year.

## **Two. Adoption**

Subject 1: 2025 Business Report and financial statements are hereby presented for your adoption. (Proposed by the Board of Directors)

Description: I. The financial statements of the Company for 2025 have been audited by CPAs Cai-Juan Huang and Chung-Shun Wu from KPMG, who have issued an independent auditor's report with an unqualified opinion. The financial statements of the Company's balance sheet, statement of comprehensive income, statement of changes in equity, and statement of cash flows for 2025, together with the business report earnings distribution proposal, were also submitted to the Audit Committee, which has completed the review and issued a review report in accordance with the law.

II. The 2025 business report of is shown on pages 5-6 of [Attachment 1].

III. The Independent Auditor's Report and Financial Statements for 2025 are shown on pages 8-16 of [Attachment 3].

Resolution:

Subject 2: The 2025 earnings distribution proposal earnings is hereby presented for your adoption. (Proposed by the Board of Directors)

Description: I. The Company recorded a net loss after tax of NT\$5,884 thousand for the year 2025, with a loss per share of NT\$0.06. In accordance with Article 26 of the Company's Articles of Incorporation, if earnings per share are less than NT\$0.2, no dividends may be distributed.

II. The earnings distribution proposal was approved by the Board of Directors on February 26, 2026. No dividends will be distributed, and the proposal has been submitted to the shareholders' meeting for approval.

III. Please refer to [Attachment 4]. on page 17 of this manual for the Earnings Distribution Table for the year 2025.

Resolution:

**Three. Extempore motions:**

**Four. Adjournment**

# CHIH LIEN INDUSTRIAL CO., LTD.

## 2024 Business Report

### I. 2025 Business Implementation Overview (The following figures are prepared on an unconsolidated financial reporting basis)

#### 1. Business plan implementation results

The Company reported net revenue of NT\$988,898 thousand for the year 2025, representing a decrease of 10% from NT\$1,096,748 thousand in 2024. Gross profit amounted to NT\$67,506 thousand, down 20% from NT\$84,834 thousand in 2024. Operating income was NT\$6,316 thousand, a decrease of 62% compared to NT\$16,504 thousand in 2024. Net non-operating income (expenses) decreased by NT\$11,899 thousand compared to 2024. As a result, the Company recorded a net loss after tax of NT\$5,884 thousand for 2025, representing a decrease of 137% from a net income after tax of NT\$15,924 thousand in 2024..

#### 2. Operating receipts and expenditures, budget execution and profitability analysis

- (1) The Company did not disclose financial forecast for 2025, so it is not applicable to disclose budget execution.
- (2) Financial receipts and expenditures and profitability analysis

Unit: Thousands of NTD

| Financial receipts and expenditures | Amount<br>(Thousands of NTD) | Profitability item                                       | %       |
|-------------------------------------|------------------------------|----------------------------------------------------------|---------|
| Net operating revenue               | 988,898                      | Return on assets                                         | 0.19%   |
| Operating gross profit              | 67,506                       | Return on equity                                         | (1.53%) |
| Operating expenses                  | 61,190                       | Net operating profit as a percentage of paid-in capital  | 0.65%   |
| Net operating profit                | 6,316                        | Net profit before tax as a percentage of paid-in capital | (0.55%) |
| Net non-operating income            | (11,721)                     | Net profit margin                                        | (0.60%) |
| Net profit before tax               | (5,405)                      | Earnings per share (Unit: NTD)                           | (0.06)  |

#### Note:

In 2025, the steel industry remained in a consolidation phase, with market demand continuing at a relatively low level. In response to market changes, Chih Lien Industrial Co., Ltd. adjusted its pricing strategy starting in 2025 to enhance customers' purchasing capacity. In addition, the Company actively disposed of slow-moving inventory during the year, improving inventory turnover and accelerating cash inflows. Nevertheless, overall market demand remained weak, resulting in an approximate 6% decline in sales volume compared to the previous year. To address these market conditions, the Company initiated production line scheduling optimization in 2024 to enhance operational efficiency and productivity. Amid a clear downward trend in market prices, the Company effectively controlled costs and implemented planned production scheduling starting in 2025, aiming to maintain capacity utilization and stabilize profitability despite the lack of a significant recovery in market demand.

#### 3. R&D status:

- (1) Planned introduction of QT equipment to enhance product diversification.
- (2) Evaluation of new quality inspection equipment to ensure product stability

### II. 2026 Business Plan Summary

#### 1. Business Policy

- (1) Maintain and optimize the revenue structure.
- (2) Strengthen market competitiveness and customer retention.
- (3) Advance the development of new markets and product offerings.
- (4) Enhance cost control and risk management.

## 2. Business Target

Compared to 2025, the sales volume target for this year is expected to increase slightly.

## 3. Important production and sales policy

- (1) Maintain the quality of our business and improve the breadth, competitiveness and profitability of our products.
- (2) Expand the proportion of export sales and direct customers, and provide customers with better quality bar and wire materials.
- (3) Increase the breadth and depth of steel wire products, such as the market of spheroidized wire for large diameter motorcycle fasteners and the development of wire for small diameter oil seals.

## 4. Effect of external competition, legal environment, and overall business environment.

### (1) External competition

The external environment is still highly competitive. The Company will continue to strive for self-improvement, refine its process capabilities and improve product yields, and try to move towards new products and equipment, and move towards high value-added products.

### (2) Legal environment

The Company has implemented various management measures in accordance with the laws and regulations related to labor, occupational safety, environmental protection, accounting, and taxation, and no significant changes in the legal environment have affected its financial operations in the recent year.

### (3) Overall business:

Following inventory destocking and adjustments in 2025, downstream industries in traditional sectors began to increase procurement demand in the first quarter of 2026, while global manufacturing also showed a modest growth trend in early 2026. Although uncertainties surrounding U.S. tariff policies continue to affect global trade, manufacturing sectors in various countries have demonstrated a gradual recovery, supported by the rapid development of emerging industries such as AI computing, low-earth-orbit (LEO) satellites, unmanned aerial vehicles (UAVs), renewable energy, and defense-related industries. In response to these emerging industry trends and overall market changes, Chih Lien Industrial Co., Ltd. has begun to reassess its development direction, focusing on enhancing overall corporate value and sustainable operations. The Company is formulating its future development strategies with the aim of strengthening operational stability and expanding its capabilities in developing new business models.

## 5. Future development strategy of the Company

- (1) Introduce new type of steel bar equipment and develop new niche products to reduce the risk of transition competition of existing products.
- (2) Invest in Southeast Asian countries to set up plants or business bases to reduce tariff barriers and adjust the overseas market deployment.

Chairperson:  
Chung-Liang Pan



Managerial Officer:  
Hsin-An Lin



Accounting Officer:  
Bo-Han Huang



# **CHIH LIEN INDUSTRIAL CO., LTD.**

## **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2025 business report, financial statements and earnings distribution proposal. CPAs Po-Shu Huang and Chung-Shun Wu from KPMG have audited the financial statements and issued an independent auditor's report with an unqualified opinion. The aforementioned business report, financial statements, and earnings distribution proposal have been reviewed and determined to be accurate by the Audit Committee. In accordance with relevant requirements of the Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, this review report is hereby submitted.

To

The 2025 Regular Shareholders' Meeting of the Company

Convener of the Audit Committee: Shu-Chin Liang

February 28, 2026

## **Independent Auditor's Report**

To the Board of Directors and Shareholders of CHIH LIEN INDUSTRIAL CO., LTD.

### **Audit opinion**

We have audited the accompanying consolidated balance sheets of CHIH LIEN INDUSTRIAL CO., LTD. as of December 31, 2025 and 2024, and the related comprehensive income statements, statement of changes in shareholders' equity, cash flow statements, and notes to the parent company only financial statements (including significant accounting policies) for the years then ended.

In our opinion, with the parent company only financial statements referred to above present fairly, in all material respects, the consolidated financial position of CHIH LIEN INDUSTRIAL CO., LTD. as of December 31, 2025 and 2024, and its consolidated financial performance and cash flows for the years ended December 31 2025 and 2024, in conformity with the requirements of regulations governing the preparation of financial statements by securities issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations endorsed and issued into effect by the Financial Supervisory Commission.

### **The basis for opinion**

We concluded our audits in accordance with the regulations governing auditing and attestation of financial statements by certified public accountants and generally accepted auditing standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the parent company only financial statements. We are independent of CHIH LIEN INDUSTRIAL CO., LTD. in accordance with the Code of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other independent auditors, we believed that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2025 parent company only financial statements of CHIH LIEN INDUSTRIAL CO., LTD. These matters were addressed in the content of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinions on those matters. The key audit matters that, in our opinion, should be communicated in the audit report are as follows:

#### **I. Revenue recognition**

Please refer to Notes 4(12) and 6(13) to the parent company only financial statements for disclosures related to revenue recognition.

Description of key audit matters:

CHIH LIEN INDUSTRIAL CO., LTD. is mainly engaged in the manufacturing, processing and trading of steel wire and steel bars. Sales revenue is a key indicator for users of financial reports to evaluate the financial or business performance of CHIH LIEN INDUSTRIAL CO., LTD., and is one of the indicators for measuring the performance of management. The assumptions or judgments used to measure and recognize revenue rely on management's subjective judgment, so revenue recognition is a key audit matter.

The corresponding audit procedures:

Our audit procedures included examining the effectiveness of the design and implementation of internal control over sales revenue recognition, evaluating CHIH LIEN INDUSTRIAL CO., LTD.'s revenue recognition process, reviewing the terms of the related customer sales contracts, and assessing whether or not CHIH LIEN INDUSTRIAL CO., LTD.'s revenue recognition policies were in accordance with the relevant accounting standards. In addition, we conducted a trend analysis on the top ten customers or customers with sales amounting to more than 5% of the operating revenue and the revenue of each product category of CHIH LIEN INDUSTRIAL CO., LTD. to assess whether or not there were any significant abnormalities. For the new sales customers that were related parties and the new top ten sales customers during the period, the contract terms and transactions before and after the balance sheet date were reviewed to assess whether or not there were any significant anomalies; in addition, the sales revenue transactions were tested to assess whether or not the sales revenue covered the appropriate period.

## II. Subsequent measurement of inventories

Please refer to Notes 4(7), 5 and 6(4) to the financial statements for disclosures related to subsequent measurement of inventories.

Description of key audit matters:

The inventories of CHIH LIEN INDUSTRIAL CO., LTD. consist of various types of steel wires and steel bars. Inventories are measured at the lower cost or net realizable value. Since the prices of CHIH LIEN INDUSTRIAL CO., LTD.'s major raw materials fluctuate widely, inventories may not reflect market changes in a timely manner, resulting in the cost of inventories exceeding their net realizable value. Therefore, the subsequent measurement of inventories is a key audit matter.

The corresponding audit procedures:

Our audit procedures included obtaining an inventory valuation calculation to understand the reasonableness of management's accounting policies for inventory measurement; reviewing the inventory aging statement and analyzing changes in inventory aging; obtaining a schedule of inventory measurement and evaluating the reasonableness of the net realizable value basis used by management; and selecting a sample to obtain relevant certificates to assess whether or not inventories are measured at the lower of cost or net realizable value.

### III. Related party transactions

Please refer to Note 7 to the financial statements for the related disclosures of related party transactions.

Description of key audit matters:

The transactions between CHIH LIEN INDUSTRIAL CO., LTD. and related parties are mainly related to processing revenue. Whether or not the related party transactions were managed in accordance with relevant regulations, and whether or not the prices and terms of transactions were not significantly different from those of ordinary customers or vendors, and whether or not they were properly disclosed.

The corresponding audit procedures:

Our audit procedures included understanding and testing the effectiveness of the design and implementation of internal control systems for related party transactions; obtaining a schedule of related party transactions to confirm the completeness of the information; reviewing the gross profit analysis and transaction terms of related party transactions to confirm that the transaction prices and payment terms were not significantly different from those of ordinary customers or vendors; reviewing the aging analysis of accounts receivable from related parties to ensure that there were no overdue payments; and reviewing whether or not the related transactions were properly disclosed.

### **Responsibilities of Management and Those in Charge with Governance of the Parent Company Only Financial Statements**

The management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers, and for such internal control as the management determines is necessary to enable the preparation of the parent company only financial statements to be free from material misstatement whether due to fraud or error.

In preparing the parent company only financial statements, the management is also responsible for assessing the ability of CHIH LIEN INDUSTRIAL CO., LTD. as a going concern, disclosing as applicable, matters related to a going concern and using the going concern basis of accounting. Unless the management either intends to liquidate CHIH LIEN INDUSTRIAL CO., LTD. or to cease operations, or has no other realistic alternative but to do so.

Those in charge of governance (including the Auditing Committee) are responsible for overseeing

the reporting process of the financial statements of CHIH LIEN INDUSTRIAL CO., LTD.

Those in charge of governance (including the Auditing Committee) are responsible for overseeing the reporting process of the financial statements of CHIH LIEN INDUSTRIAL CO., LTD.

#### **Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue the auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the accounting principles generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If fraud or errors are considered material, parent company only or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the accounting principles generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also performed the following tasks:

1. Identified and assessed the risks of material misstatement of the parent company only financial statements, whether due to fraud or error; design, and perform countermeasures for assessed risks; and obtain evidence that is sufficient and appropriate to provide a basis of audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
2. Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control effective in CHIH LIEN INDUSTRIAL CO., LTD.
3. Evaluated the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by management.
4. Concluded the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CHIH LIEN INDUSTRIAL CO., LTD. to continue as a going concern. If we concluded that a material uncertainty exists, we were required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosure is inappropriate, to modify our opinion. Our conclusions were based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause CHIH LIEN INDUSTRIAL CO., LTD. to cease as a going concern.
5. Evaluated the overall presentation, structure, and content of the parent company only statements, including related notes, whether the parent company only statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those in charge of governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control that we identify during our audit).

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence (and where applicable, related safeguards).

From the matters communicated with those in charge of governance, we determined those matters that were of most significance in the audit of the 2025 parent company only financial statements of CHIH LIEN INDUSTRIAL CO., LTD. and are therefore the key audit matters. We described these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

KPMG

Cai-Juan Huang

CPAs:

Chung-Shun Wu

|                                               |                                         |
|-----------------------------------------------|-----------------------------------------|
| Approval letter for attestation issued by the | Jin-Guan-Zheng-Shen -Zi No. 1140131922  |
| competent securities authority                | : Jin-Guan-Zheng-Shen-Zi No. 1090332798 |
| February 26, 2026                             |                                         |

CHIH LIEN INDUSTRIAL CO., LTD.

Balance Sheets

December 31, 2025 and 2024

Unit: Thousands of NTD

|        |                                                                 | 2025.12.31          |            | 2024.12.31       |            |                        |                                                        | 2025.12.31          |            | 2024.12.31       |            |
|--------|-----------------------------------------------------------------|---------------------|------------|------------------|------------|------------------------|--------------------------------------------------------|---------------------|------------|------------------|------------|
| Assets |                                                                 | Amount              | %          | Amount           | %          | Liabilities and Equity |                                                        | Amount              | %          | Amount           | %          |
| 11xx   | <b>Current assets:</b>                                          |                     |            |                  |            | 21xx                   | <b>Current liabilities:</b>                            |                     |            |                  |            |
| 1100   | Cash and cash equivalents (Note 6(1))                           | \$ 95,078           | 6          | 106,069          | 6          | 2100                   | Short-term loans (Notes 6(3), (7) and 8)               | \$ 149,430          | 9          | 164,399          | 9          |
| 1137   | Financial assets at amortized cost - current (Notes 6(2) and 8) | 27,232              | 2          | 37,931           | 2          | 2110                   | Short-term bills payable (Notes 6(7) and 8)            | -                   | -          | 29,997           | 2          |
| 1150   | Notes receivable (Notes 6(3), (13) and 8)                       | 37,371              | 2          | 40,001           | 2          | 2320                   | Long-term loans due within one year (Notes 6(7) and 8) | 68,167              | 4          | 56,500           | 3          |
| 1160   | Notes receivable - related parties (Notes 6(3), (13), 7 and 8)  | 2,214               | -          | 3,870            | -          | 2171                   | Accounts payable                                       | 63,919              | 4          | 109,589          | 6          |
| 1170   | Accounts receivable, net (Notes 6(3) and (13))                  | 145,976             | 9          | 174,936          | 10         | 2180                   | Accounts payable - related parties (Note 7)            | 75                  | -          | 133              | -          |
| 1180   | Accounts receivable - related parties (Notes 6(3), (13) and 7)  | 2,280               | -          | 1,908            | -          | 2219                   | Other payables (Note 6(14))                            | 40,618              | 2          | 47,038           | 3          |
| 1200   | Other receivables                                               | 670                 | -          | 489              | -          | 2281                   | Lease liabilities - current (Note 6(8))                | 1,696               | -          | 801              | -          |
| 1220   | Current income tax assets                                       | 262                 | -          | 332              | -          | 2399                   | Other current liabilities (Note 6(5))                  | 11,413              | 1          | 5,149            | -          |
| 130x   | Inventories (Note 6(4))                                         | 399,123             | 24         | 454,738          | 25         |                        | <b>Total current liabilities</b>                       | 335,318             | 20         | 413,606          | 23         |
| 1460   | Non-current assets held for sale (net) (Note 6(5))              | 1,917               | -          | -                | -          | 25xx                   | <b>Non-current liabilities:</b>                        |                     |            |                  |            |
| 1479   | Prepayments and other current assets (Note 6(2) and 8)          | 8,190               | -          | 7,078            | 1          | 2540                   | Long-term loans (Notes 6(7) and 8)                     | 200,972             | 12         | 256,917          | 14         |
|        | <b>Total current assets</b>                                     | 720,313             | 43         | 827,352          | 46         | 2581                   | Lease liabilities - non-current (Note 6(8))            | 2,789               | -          | 353              | -          |
| 15xx   | <b>Non-current assets:</b>                                      |                     |            |                  |            | 2570                   | Deferred income tax liabilities ets (Note 6(10))       | 357                 | -          | 323              | -          |
| 1600   | Property, plant and equipment (Notes 6(5) and 8)                | 908,427             | 56         | 950,643          | 53         |                        | <b>Total non-current liabilities</b>                   | 204,118             | 12         | 257,593          | 14         |
| 1755   | Right-of-use assets (Note 6(6))                                 | 4,495               | -          | 1,192            | -          | 2xxx                   | <b>Total liabilities</b>                               | 539,436             | 32         | 671,199          | 37         |
| 1840   | Deferred income tax assets (Note 6(10))                         | 3,174               | -          | 3,619            | -          | 31xx                   | <b>Equity (Note 6(11)):</b>                            |                     |            |                  |            |
| 1915   | Prepayments for equipment                                       | 9,212               | 1          | 1,533            | -          | 3100                   | Stock capital                                          | 975,000             | 59         | 975,000          | 54         |
| 1975   | Net defined benefit assets (Note (9))                           | 6,967               | -          | 6,627            | 1          | 3200                   | Capital surplus                                        | 10,708              | 1          | 10,649           | 1          |
| 1990   | Other non-current assets                                        | 1,600               | -          | 1,064            | -          | 3300                   | Retained earnings:                                     |                     |            |                  |            |
|        | <b>Total non-current assets</b>                                 | 933,875             | 57         | 964,678          | 54         | 3310                   | Legal reserve                                          | 70,599              | 4          | 68,597           | 4          |
|        |                                                                 |                     |            |                  |            | 3350                   | Undistributed earnings                                 | 58,445              | 4          | 66,585           | 4          |
| 1xxx   | <b>Total assets</b>                                             | <u>\$ 1,654,188</u> | <u>100</u> | <u>1,792,030</u> | <u>100</u> | 3xxx                   | <b>Total equity</b>                                    | 1,114,752           | 68         | 1,120,831        | 63         |
|        |                                                                 |                     |            |                  |            | 2                      | <b>Total liabilities and liabilities</b>               | <u>\$ 1,654,188</u> | <u>100</u> | <u>1,792,030</u> | <u>100</u> |

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

Chairperson: Chung-Liang Pan

Managerial Officers: Hsin-An Lin

Accounting Officer: Po-Han Huang

**CHIH LIEN INDUSTRIAL CO., LTD.**  
**Statements of Comprehensive Income**  
**January 1 to December 31, 2025 and 2024**

Unit: Thousands of NTD

|      |                                                             | <b>2025</b>       |            | <b>2024</b>   |          |
|------|-------------------------------------------------------------|-------------------|------------|---------------|----------|
|      |                                                             | <b>Amount</b>     | <b>%</b>   | <b>Amount</b> | <b>%</b> |
| 4000 | Operating revenue (Notes 6(13) and 7)                       | \$ 988,898        | 100        | 1,096,748     | 100      |
| 5000 | Operating costs (Notes 6(4), (5), (9) and 7)                | 921,392           | 94         | 1,011,914     | 92       |
| 5900 | Operating gross profit                                      | 67,506            | 6          | 84,834        | 8        |
| 6000 | Operating expenses (Notes 6(3), (5), (6), (9), (14) and 7): |                   |            |               |          |
| 6100 | Selling expenses                                            | 30,523            | 3          | 35,640        | 3        |
| 6200 | Administrative expenses                                     | 31,903            | 3          | 31,765        | 3        |
| 6450 | Expected credit impairment loss (reversal gain)             | (1,236)           | -          | 925           | -        |
|      | <b>Total operating expenses</b>                             | 61,190            | 6          | 68,330        | 6        |
| 6900 | Net operating profit                                        | 6,316             | -          | 16,504        | 2        |
| 7000 | Non-operating income and expense (Notes 6(8) and (15))      |                   |            |               |          |
| 7100 | Interest income                                             | 897               | -          | 1,912         | -        |
| 7010 | Other income                                                | 2,781             | -          | 2,708         | -        |
| 7020 | Other gain or loss                                          | (3,845)           | -          | 8,754         | 1        |
| 7050 | Financial costs                                             | (11,554)          | (1)        | (13,196)      | (1)      |
|      | <b>Total non-operating income and expense</b>               | (11,721)          | (1)        | 178           | -        |
|      | Net profit (loss) before tax from continuing operations     | (5,405)           | (1)        | 16,682        | 2        |
| 7950 | Less: Income tax expense (Note 6(10))                       | 479               | -          | 758           | -        |
|      | Net profit (loss) for the period                            | (5,884)           | (1)        | 15,924        | 2        |
| 8300 | Other comprehensive income (Note 6(9)):                     |                   |            |               |          |
| 8310 | Items not reclassified to profit or loss                    |                   |            |               |          |
| 8311 | Remeasurement of defined benefit plan                       | (254)             | -          | 4,096         | -        |
| 8349 | Less: Income taxes related to items not reclassified        | -                 | -          | -             | -        |
|      | <b>Total items not reclassified to profit or loss</b>       | (254)             | -          | 4,096         | -        |
| 8300 | Other comprehensive income for the period                   | (254)             | -          | 4,096         | -        |
|      | <b>Total comprehensive income for the period</b>            | <b>\$ (6,138)</b> | <b>(1)</b> | <b>20,020</b> | <b>2</b> |
| 9750 | Basic earnings per share (Unit: NTD) (Note 6(12))           | <b>\$ (0.06)</b>  |            | <b>0.16</b>   |          |
| 9850 | Diluted earnings per share (Unit: NTD) (Note 6(12))         | <b>\$ (0.06)</b>  |            | <b>0.16</b>   |          |

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

Chairperson: Chung-Liang Pan      Managerial Officers: Hsin-An Lin      Accounting Officer: Po-Han Huang

**CHIH LIEN INDUSTRIAL CO., LTD.**  
**Statements of Changes in Equity**  
**January 1 to December 31, 2025 and 2024**

Unit: Thousands of NTD

|                                           | Common<br>stock capital | Capital<br>surplus | Retained earnings |                            | Common<br>stock capital | Capital<br>surplus |
|-------------------------------------------|-------------------------|--------------------|-------------------|----------------------------|-------------------------|--------------------|
|                                           |                         |                    | Legal reserve     | Undistribute<br>d earnings |                         |                    |
| <b>Balance as of January 1, 2024</b>      | \$ 975,000              | 10,582             | 68,597            | 46,565                     | 115,162                 | 1,100,744          |
| Changes in other capital surplus          | -                       | 67                 | -                 | -                          | -                       | 67                 |
| Net profit for the period                 | -                       | -                  | -                 | 15,924                     | 15,924                  | 15,924             |
| Other comprehensive income for the period | -                       | -                  | -                 | 4,096                      | 4,096                   | 4,096              |
| Total comprehensive income for the period | -                       | -                  | -                 | 20,020                     | 20,020                  | 20,020             |
| <b>Balance as of December 31, 2024</b>    | 975,000                 | 10,649             | 68,597            | 66,585                     | 135,182                 | 1,120,831          |
| Earnings appropriation and distribution:  |                         |                    |                   |                            |                         |                    |
| Provision for legal reserve               | -                       | -                  | 2,002             | (2,002)                    | -                       | -                  |
| Changes in other capital surplus          | -                       | 59                 | -                 | -                          | -                       | 59                 |
| Net loss for the period                   | -                       | -                  | -                 | (5,884)                    | (5,884)                 | (5,884)            |
| Other comprehensive income for the period | -                       | -                  | -                 | (254)                      | (254)                   | (254)              |
| Total comprehensive income for the period | -                       | -                  | -                 | (6,138)                    | (6,138)                 | (6,138)            |
| <b>Balance as of December 31, 2025</b>    | <b>\$ 975,000</b>       | <b>10,708</b>      | <b>70,599</b>     | <b>58,445</b>              | <b>129,044</b>          | <b>1,114,752</b>   |

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

Chairperson: Chung-Liang Pan

Managerial Officers: Hsin-An Lin

Accounting Officer: Po-Han Huang

**CHIH LIEN INDUSTRIAL CO., LTD.**  
**Statements of Cash Flows**  
**January 1 to December 31, 2025 and 2024**

Unit: Thousands of NTD

|        |                                                                              | 2025             | 2024           |
|--------|------------------------------------------------------------------------------|------------------|----------------|
| AAAA   | <b>Cash flows from operating activities:</b>                                 |                  |                |
| A10000 | <b>Net profit (loss) before tax for the period</b>                           | \$ (5,405)       | 16,682         |
| A20000 | <b>Adjustments:</b>                                                          |                  |                |
| A20010 | Income and expense items                                                     |                  |                |
| A20100 | Depreciation expense                                                         | 52,211           | 62,703         |
| A20200 | Amortization expense                                                         | 274              | 274            |
| A20300 | Expected credit impairment loss (reversal gain)                              | (1,236)          | 925            |
| A20900 | Interest expense                                                             | 11,554           | 13,196         |
| A21200 | Interest income                                                              | (897)            | (1,912)        |
| A22500 | Loss on disposal and retirement of property, plant and equipment             | 513              | -              |
| A20010 | Total income and expense items                                               | 62,419           | 75,186         |
| A30000 | Changes in assets/liabilities related to operating activities.               |                  |                |
| A31000 | Net changes in assets related to operating activities.                       |                  |                |
| A31130 | Notes receivable                                                             | 2,630            | 16,539         |
| A31140 | Notes receivable - related parties                                           | 1,656            | (1,660)        |
| A31150 | Accounts receivable                                                          | 30,196           | (32,601)       |
| A31160 | Accounts receivable - related parties                                        | (372)            | (254)          |
| A31180 | Other receivables                                                            | (181)            | 149            |
| A31200 | Inventories                                                                  | 55,615           | 3,314          |
| A31240 | Prepayments and other current assets                                         | (1,112)          | (3,128)        |
| A31990 | Net defined benefit assets                                                   | (594)            | (3,341)        |
| A31000 | Total net changes in assets related to operating activities.                 | 87,838           | (20,982)       |
| A32000 | Net changes in liabilities related to operating activities.                  |                  |                |
| A32150 | Accounts payable                                                             | (45,670)         | 46,606         |
| A32160 | Accounts payable - related parties                                           | (58)             | (176)          |
| A32180 | Other payables                                                               | (7,615)          | 8,959          |
| A32230 | Other current liabilities                                                    | (236)            | (1,099)        |
| A32000 | Total net changes in liabilities related to operating activities.            | (53,579)         | 54,290         |
| A30000 | Total net changes in assets and liabilities related to operating activities. | 34,259           | 33,308         |
| A20000 | Total adjustments                                                            | 96,678           | 108,494        |
| A33000 | Cash inflows from operations                                                 | 91,273           | 125,176        |
| A33100 | Interests received                                                           | 897              | 1,912          |
| A33300 | Interests paid                                                               | (11,572)         | (13,250)       |
| A33500 | Income tax refunded (paid)                                                   | 70               | (195)          |
| AAAA   | <b>Net cash inflows from operating activities</b>                            | 80,668           | 113,643        |
| BBBB   | <b>Cash flows from investing activities:</b>                                 |                  |                |
| B00050 | Decrease in financial assets at amortized cost                               | 10,699           | 8,156          |
| B02700 | Acquisition of property, plant and equipment                                 | (8,018)          | (14,551)       |
| B06800 | (Increase) decrease in other non-current assets                              | (810)            | 900            |
| B07100 | Increase in prepayments for equipment                                        | (9,212)          | (1,277)        |
| B09900 | Increase in other current liabilities                                        | 6,500            | -              |
| BBBB   | <b>Net cash outflows from investing activities</b>                           | (841)            | (6,772)        |
| CCCC   | <b>Cash flows from financing activities:</b>                                 |                  |                |
| C00100 | Increase in short-term loans                                                 | 681,169          | 665,308        |
| C00200 | Decrease in short-term loans                                                 | (696,767)        | (661,802)      |
| C00600 | Decrease in short-term bills payable                                         | (30,000)         | -              |
| C01600 | Borrowing of long-term loans                                                 | 35,000           | -              |
| C01700 | Repayment of long-term loans                                                 | (79,278)         | (121,500)      |
| C04020 | Repayment of lease principals                                                | (1,630)          | (1,491)        |
| C09900 | Overdue unpaid dividends                                                     | 59               | 67             |
| CCCC   | <b>Net cash outflows from financing activities</b>                           | (91,447)         | (119,418)      |
| DDDD   | <b>Effect of changes in exchange rate on cash and cash equivalents</b>       | 629              | -              |
| EEEE   | <b>Decrease in cash and cash equivalents for the period</b>                  | (10,991)         | (12,547)       |
| E00100 | <b>Cash and cash equivalents at the beginning of the period</b>              | 106,069          | 118,616        |
| E00200 | <b>Cash and cash equivalents at the end of the period</b>                    | <b>\$ 95,078</b> | <b>106,069</b> |

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

Chairperson: Chung-Liang Pan

Managerial Officers: Hsin-An Lin

Accounting Officer: Po-Han Huang

**CHIH LIEN INDUSTRIAL CO., LTD.**

**Earnings Distribution Table**

**2025**

Unit: NTD

| Item                                                                    | Amount        |
|-------------------------------------------------------------------------|---------------|
| Undistributed earnings at the beginning of the period                   | 64, 583, 510  |
| Increase (Decrease)                                                     |               |
| Change in the remeasurement of defined benefit plans for the period (1) | (254, 417)    |
| Net profit (loss) after tax for the period (2)                          | (5, 884, 521) |
| Less: Provision for legal reserve(10%)      (3) = [(1)+(2)]*10%         | -             |
| Earnings available for distribution                                     | 58, 444, 572  |
| Distribution items:                                                     |               |
| Dividends to shareholders - cash dividends (per share: \$0)             | 0             |
| Undistributed earnings at the end of the period                         | 58, 444, 572  |

Chairperson:  
Chung-Liang Pan



Managerial Officer:  
Hsin-An Lin



Accounting Officer:  
Bo-Han Huang



**CHIH LIEN INDUSTRIAL CO., LTD.**  
**Rules of Procedure for Shareholders' Meetings**

Amended and approved by the shareholders' meeting on 2021.8.25

Article 1.

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies.

Article 2.

The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulations, or the articles of incorporation, shall be as provided in these Rules.

Article 3.

Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials related to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders' meeting or 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders' meeting or 15 days before the date of the special shareholders' meeting. 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholders' services agent designated thereby.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Elections or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extempore

motion. The main content may be placed on the website designated by the securities authority or the Company, and the website address shall be included in the notice.

Where the re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders' meeting. The number of items so proposed is limited to only one, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any sub-paragraph of Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited to only one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results. The Company shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

#### Article 4.

For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail. Except when a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

#### Article 5.

The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

#### Article 6.

The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (hereinafter collectively referred to as the "shareholders") will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registration.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

#### Article 7.

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice-chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice-chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the Board of Directors be chaired by the chairperson of the board in person and attended by a majority of the directors.

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

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

#### Article 8.

The Company shall make an uninterrupted audio and video recording of the proceedings of the shareholders' meeting

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

#### Article 9.

Attendance at shareholders' meetings shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

#### Article 10.

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extempore motions and amendments to the original proposals set out in the agenda). The meeting

shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

#### Article 11.

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

#### Article 12.

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

#### Article 13.

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt a manner of voting rights by electronic means and may adopt a manner of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but the shareholder shall be deemed to have waived his/her rights with respect to the extempore motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extempore motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. Except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

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

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

#### Article 14.

The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected. .

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation

#### Article 15.

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

#### Article 16.

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations, the Company shall upload the content of such resolution to the MOPS

within the prescribed time period.

#### Article 17.

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word “Proctor.”

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair’s correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

#### Article 18.

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

If the meeting venue is no longer available for continued use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders’ meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders’ meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

#### Article 19.

These Rules shall take effect after having been submitted to and approved by a shareholders’ meeting. Subsequent amendments thereto shall be effected in the same manner.

#### Article 20.

These Rules were established on July 1, 1992.

The 1st amendments were made on April 27, 1998.

The 2nd amendments were made on June 25, 2002.

The 3rd amendments were made on June 20, 2003.

The 4th amendments were made on June 7, 2007.

The 5th amendments were made on August 25, 2021.

## **CHIH LIEN INDUSTRIAL CO., LTD.**

### **Articles of Incorporation**

The 32th amendments were made on May 28, 2025.

#### **Chapter 1 General Principles**

- Article 1: The Company is organized in accordance with the provisions of the Company Act and is named as CHIH LIEN INDUSTRIAL CO.  
(English name: CHIH LIEN INDUSTRIAL CO., LTD.)
- Article 2: The Company's Scope of Business is as indicated:
- I. Manufacturing, processing and trading of high carbon steel, medium carbon steel, low carbon steel and special steel alloy steel.
  - II. Manufacturing, processing and trading of high tensile steel wire, PC steel wire, PC steel stranded wire, galvanized steel stranded wire, steel cable, steel wire, rope, fishing tackle and steel wire.
  - III. Manufacturing, processing and trading of black iron wire, spot welded steel wire mesh, iron wire mesh, galvanized iron wire, galvanized iron stranded wire, stainless steel wire, steel nails, foreign nails, alkali foam, etc.
  - IV. Dismantling of old ships and trading of scrap iron.
  - V. Manufacturing, processing and sale of chemical fibers and synthetic resins.
  - VI. Manufacturing, processing and trading of non-ferrous metal materials.
  - VII. Manufacturing, processing and trading of aviation materials and parts thereof.
  - VIII. Manufacturing, processing and trading of furniture and spring bed imports.
  - IX. Import and export of products of domestic and foreign vendors.
  - X. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company is located in Taoyuan City, and may establish branches or offices in domestic and foreign countries, if necessary, by resolution of the Board of Directors.
- Article 3-1: The Company may make investments in other enterprises, and the percentage of such investments shall not be subject to the restriction that it may not exceed 40% of the Company's paid-in capital as stipulated in Article 13 of the Company Act.
- Article 4: The Company may provide mutual guarantees for another company in the same industry.

#### **Chapter 2 Shares**

- Article 5: The capital of the Company shall be NT\$2,900,000,000 divided into 290,000,000 shares of NT\$10 each, which the Board of Directors is authorized to issue in installments.
- Article 6: The shares of the Company shall be issued in registered form with the signatures or seals of three or more directors and shall be issued after certification in accordance with the law. The Company may issue the shares without printing the stocks, but the shares should be registered with the centralized securities depository institution.
- Article 7: The shareholders of the Company shall handle business related to stock affairs with the Company or the Company's shareholder services agent in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" and related laws and regulations.

Article 8: The transfer of shares shall be suspended within 60 days prior to a regular shareholders' meeting, within 30 days prior to an extraordinary shareholders' meeting, or within five days prior to the base date for the distribution of dividends and bonuses or other benefits.

### **Chapter 3 Shareholders' Meeting**

Article 9: There are two types of shareholders' meetings: regular meetings and extraordinary meetings. Regular meetings shall be convened by the Board of Directors within six months after the end of each fiscal year, and extraordinary meetings shall be convened when necessary in accordance with the law.

Article 10: The shareholders shall be notified of the date and venue of the regular meeting and the causes and subjects for the meeting at least 30 days in advance, and the extraordinary meeting at least 15 days in advance and the public announcement should be made. For shareholders holding less than one thousand registered shares, the notice of the preceding meeting shall be made by public announcement.

Article 11: The chair of the shareholders' meeting shall be the Chairperson of the Board of Directors. If the Chairperson of the Board of Directors is absent for any reason, the Chairperson of the Board of Directors shall designate one of the directors, and if no such designation is made, the directors shall elect a proxy from among themselves. If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 12: Unless otherwise provided in the Company Act, a resolution at a shareholders' meeting shall be made with the consent of a majority of the shareholders present representing a majority of the total number of issued shares. In accordance with the regulations of the competent authorities, the shareholders of the Company may also exercise their voting rights in writing or electronically. Shareholders who exercise their voting rights in writing or electronically are deemed to be present in person, and all related matters shall be handled in accordance with the provisions of the law.

Article 13: The shareholders of the Company shall have one voting right per share unless otherwise provided by law.

Article 14: Shareholder who cannot attend the shareholders' meeting may provide a proxy form issued by the Company stating the scope of authorization and appoint a proxy to attend a shareholder meeting. Except for a trust enterprise or a stock affairs agency approved by the competent securities authority when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights of that proxy must not exceed 3% of the voting rights of the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation in excess of that shall not be counted.

Article 15: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.  
The meeting minutes of the preceding paragraph may be produced and distributed in electronic form.

The meeting minutes of the first paragraph may also be distributed in the form of a public announcement.

- Article 16: If a shareholder is abroad, he or she shall have a legal representative residing in the ROC and shall notify the Company of his or her correspondence address and that of his or her legal representative residing in the ROC, as well as any changes thereof.

#### **Chapter 4 Directors and Audit Committee**

- Article 17: The Company shall have five to nine directors, including not less than three independent directors, all of whom shall be elected by the shareholders' meeting from persons who are capable of acting for a term of three years and shall be eligible for re-election.

The election of all directors of the Company shall be conducted in accordance with the candidate nomination system by the shareholders' meeting from the list of candidates for directorship. The professional qualifications, shareholdings, restrictions on concurrent employment, nomination and election of independent directors and other matters to be followed shall be in accordance with the relevant regulations of the competent securities authorities.

The Company may purchase liability insurance for all directors during their term of office in respect of their liability under the law for the execution of the scope of business.

The total number of shares of the Company held by all directors shall be subject to the regulations of the competent authorities.

- Article 18: The directors shall form a Board of Directors and elect a Chairperson from among themselves. The Chairperson of the Board of Directors shall represent the Company externally and shall be in charge of all business operations. If the Chairperson of the Board of Directors is unable to exercise his or her duties and responsibilities for any reason, he or she shall designate a director as the proxy, or if no such designation is made, the directors shall elect one from among themselves. The proxy shall be governed by Article 208 of the Company Act.

- Article 19: Unless otherwise provided in the Company Act, a resolution of the Board of Directors shall be made with the presence of a majority of the directors and the consent of a majority of the directors present. The minutes of the Board of Directors' meetings shall be prepared and kept permanently in the Company and shall be signed or sealed by the chair of the meeting and a copy distributed to each director within 20 days after the conclusion of the meeting.

- Article 20: The Board of Directors shall be convened by the Chairperson of the Board of Directors, who shall be the chair of the board meetings, except for the first board meeting of each term, which shall be convened by the director with the votes representing the highest voting rights. In the event that the Chairperson of the Board of Directors is not available, he or she shall designate a director and if no such designation is made, the directors shall elect one among themselves to act as the proxy. The directors may appoint other directors to attend the Board of Directors' meetings as proxy in accordance with Article 205 of the Company Act, and if a director resides abroad, he or she may regularly appoint in writing another shareholder residing in the ROC to attend the Board of Directors' meetings as proxy. The Company's board meetings shall be convened with seven days' notice to the

directors, specifying the causes and subjects for the meetings; provided, however, that in the event of an emergency, the board meetings may be convened at any time. Notice of the board meetings may be given in writing, by facsimile or by electronic mail (e-mail).

Article 21: The Board of Directors shall decide on the Company's business policies and other important matters, except for those matters that should be resolved by the shareholders' meeting as provided in the Articles of Incorporation or the Company Act.

Article 22: In accordance with Article 14-4 of the Securities and Exchange Act, the Company shall have an Audit Committee consisting of all independent directors, with a minimum of three members, to carry out the duties and responsibilities of supervisors as prescribed by the Company Act, the Securities and Exchange Act and other laws and regulations.

At least one of the members of the Audit Committee shall have accounting or financial expertise and one of members shall be the convener.

The resolution of the Audit Committee shall be made with the approval of at least one-half of all members.

The term of the Audit Committee shall be effective upon the expiration of the terms of the supervisors of the 17th term or upon the consent of all of them for early termination.

Article 23: The Board of Directors is authorized to determine the remuneration of the directors by reference to the usual standards of the industry.

#### **Chapter 5 Managerial officer**

Article 24: The Company may have a president and several vice-presidents. The appointment and remuneration for the president and vice-presidents shall be approved by a majority of the Board of Directors.

#### **Chapter 6 Accounting**

Article 25: The Company's fiscal year shall be from January 1 to December 31 of each year and the Board of Directors shall prepare the left accounting reports for each fiscal year as concluded by the year-end account closing and submit them to the Audit Committee for review thirty days prior to the shareholders' meeting and then to the shareholders' meeting for adoption. (I) Business Report (II) Financial statements (III) Earnings Distribution or Losses Make-up Proposal.

Article 26: If the Company makes a profit in a year as concluded by the year-end account closing, the Company shall set aside 3%~10% as profit-sharing remuneration for employees and not more than 3% as profit-sharing remuneration for directors, which shall be distributed after the resolution of the Board of Directors. Of the total employee compensation, no less than 80% shall be allocated to non-managerial employees.

If the Company makes a profit in a year as concluded by the year-end account closing, the Company shall first pay taxes, make up for accumulated losses, then provide 10% for legal reserve, except that if the legal reserve has already reached the Company's paid-in capital, no further provisions shall be made. The remaining amount, after the special reserve is set aside or reversed, shall be the earnings available for distribution for the year, for which together with the accumulated

undistributed earnings, the Board of Directors shall prepare an earnings distribution proposal and submit it to the shareholders for resolution on the distribution of dividends to shareholders.

If the Company has accumulated losses from previous years, the Company shall make up for the losses before appropriating the profit-sharing remuneration for employees and directors for the year and for the remaining amount, appropriations can be made in accordance with the aforementioned percentages. In the event that the profit-sharing remuneration is paid in stock or cash, the recipients of the profit-sharing remuneration may include employees of subordinate companies who meet certain criteria.

Profit-sharing remuneration for employees and profit-sharing remuneration for directors shall be made by a resolution of the Board of Directors with the presence of at least two-thirds of the directors and the approval of a majority of the directors present and reported to the shareholders' meeting.

The Company's dividends policy is formulated in accordance with the Company's current and future development plans, with the investment environment, capital requirements and domestic and international competition, as well as the interests of shareholders taken into account. The Company's dividends policy is based on the principle that no less than 30% of the earnings available for distribution in a given year should be distributed as dividends, which may be paid in cash or in stock, with cash dividends not less than 30% of the total dividends. However, if, after calculations, the dividends and bonuses (the sum of cash dividends and stock dividends) to shareholders are less than \$0.20 per share, no distribution of dividends shall be made.

### **Chapter 7 Supplemental Provisions**

- Article 27: The Company's organization regulations and enforcement rules shall be resolved separately by the Board of Directors.
- Article 28: All matters not provided for in these Articles of Incorporation shall be governed by the provisions of the Company Act.
- Article 29: These Articles of Incorporation and their amendments shall be effective upon approval by the shareholders' meeting.
- Article 30: These Articles of Incorporation were established on August 13, 1973.  
The 1st amendments were made on October 15, 1975.  
The 2nd amendments were made on January 26, 1976.  
The 3rd amendments were made on September 20, 1976.  
The 4th amendments were made on August 16, 1978.  
The 5th amendments were made on August 31, 1981.  
The 6th amendments were made on November 18, 1983.  
The 7th amendments were made on November 16, 1987.  
The 8th amendments were made on September 16, 1990.  
The 9th amendments were made on October 25, 1990.  
The 10th amendments were made on July 10, 1992.  
The 11th amendments were made on November 17, 1992.  
The 12th amendments were made on April 1, 1993.  
The 13th amendments were made on June 11, 1994.

The 14th amendments were made on April 15, 1995.  
The 15th amendments were made on November 21, 1995.  
The 16th amendments were made on May 10, 1996.  
The 17th amendments were made on April 27, 1998.  
The 18th amendments were made on August 21, 1998.  
The 19th amendments were made on June 7, 2000.  
The 20th amendments were made on June 25, 2002.  
The 21st amendments were made on June 23, 2003.  
The 22nd amendments were made on June 23, 2006.  
The 23rd amendments were made on June 15, 2007.  
The 24th amendments were made on June 19, 2009.  
The 25th amendments were made on June 17, 2011.  
The 26th amendments were made on May 4, 2012.  
The 27th amendments were made on June 26, 2014.  
The 28th amendments were made on June 2, 2015.  
The 29th amendments were made on June 3, 2016.  
The 30th amendments were made on June 5, 2020.  
The 31th amendments were made on May 30, 2024.  
The 32th amendments were made on May 28, 2025.

## CHIH LIEN INDUSTRIAL CO., LTD.

### Number of shares held by all directors and the minimum number of shares to be held by them

I. The number of issued shares of the Company's common stock is 97,500,000 shares.

The minimum percentage of shares to be held by all directors (excluding independent directors) in accordance with the law is 8%.

The minimum number of shares to be held by all directors (excluding independent directors) in accordance with the law is 7,800,000 shares

II. Shareholdings of all directors as of March 31, 2025, as recorded in the shareholders' roster.

Base date: March 31, 2026

| Job Title               | Name                                                                           | Date elected | Term of office | Shareholdings when elected |                         | Shareholding at present |                         |
|-------------------------|--------------------------------------------------------------------------------|--------------|----------------|----------------------------|-------------------------|-------------------------|-------------------------|
|                         |                                                                                |              |                | Number of shares           | Shareholding percentage | Number of shares        | Shareholding percentage |
| Chairperson             | Dasheng International Investment Co., Ltd.:<br>Representative: Chung-Liang Pan | 2024.5.30    | 3 years        | 11,183,000                 | 11.47%                  | 11,183,000              | 11.47%                  |
| Director                | Dasheng International Investment Co., Ltd.:<br>Representative: Deng-Li Wong    | 2024.5.30    | 3 years        | 11,183,000                 | 10.73%                  | 11,183,000              | 10.73%                  |
| Director                | Renhe International Investment Co., Ltd.:<br>Representative: Hsiao-Chueh Hsieh | 2024.5.30    | 3 years        | 10,568,000                 | 10.84%                  | 10,568,000              | 10.84%                  |
| Director                | Renhe International Investment Co., Ltd.:<br>Representative: Hsin-An Lin       | 2024.5.30    | 3 years        | 10,568,000                 | 10.84%                  | 10,568,000              | 10.84%                  |
| Independent director    | Chung-Yu Wang                                                                  | 2024.5.30    | 3 years        | 0                          | 0%                      | 0                       | 0%                      |
| Independent director    | Shu-Chin Liang                                                                 | 2024.5.30    | 3 years        | 0                          | 0%                      | 0                       | 0%                      |
| Independent Director    | Cheng-Hsiung Hsiao                                                             | 2024.5.30    | 3 years        | 0                          | 0%                      | 0                       | 0%                      |
| Total for all directors |                                                                                |              |                | 21,751,000                 | 22.31%                  | 21,751,000              | 22.31%                  |