Stock code: 3631

# Chernan Technology Co., Ltd.

## 2026 General Shareholders' Meeting

## Meeting Manual

Meeting Method: Physical Meeting
Time: Friday, June 26, 2026
Venue: No. 439, Zhongping Rd., Xinzhuang Dist., New Taipei City
(1010 Meeting Room, 10F., South Building, Xinzhuang Joint Office Tower, Executive Yuan)

# INDEX

**Chernan Technology Co., Ltd.**

**Procedures and Agenda for 2026 General Shareholders' Meeting**

**Time: 9:30 a.m., Friday, June 26, 2026**

**Venue: No. 439, Zhongping Rd., Xinzhuang Dist., New Taipei City (Meeting Room 1010, 10F of South Building Xinzhuang Joint Office Tower, Executive Yuan)**

**Convention Method: Physical Convention of Shareholders' Meeting**

**I. Meeting Call to Order**

**II. Chairperson's speech**

**III. Report items**

(I) 2025 Business Report.

(II) 2025 Audit Committee Report.

(III) Report on distribution of 2025 director and employee remuneration.

(VI) Other matters to be reported.

**IV. Ratification items:**

**(I)** 2025 Business Report and financial statements.

(II) Proposal for 2025 Deficit Compensation.

**V. Discussion items:**

**(I)** Amendment of Procedures for Acquisition or Disposal of Assets.

**(II)** Amendment of Procedures for lending funds to others.

**(III)** Amendment of Procedures for Endorsement guarantee.

**VI. Extraordinary motions**

**VII. Adjournment**

## Matters to be Reported

Proposal 1 : The 2025 Business Report, submitted for review.
Description: Please refer to Attachment 1 on page **5~7** for the 2025 Business Report.

Proposal 2 : The 2025 Audit Committee's Report, submitted for review.
Description: Please refer to Attachment 3 on page **28** for the 2025 Audit Committee's Review Report.

Proposal 3 : 2025 Employees' Compensation and Directors' Remuneration, please review.
Description: 1.The Company's net loss before tax for 2025 is NT$67,237,375, therefore, no remuneration to directors and employees will be distributed (in accordance with Article 20 of the Company's Articles of Incorporation).
2. Attached are the remuneration received by the directors , including the details and amount of each individual remuneration (Please refer to Attachment 4 on page 29~30).

Proposal 4: Other matters to be reported

(I) Report on the Acceptance of Shareholder Proposals: In accordance with Article 172-1 of the Company Act, after the announcement of the proposal acceptance period and location, no shareholder holding more than 1% of the company's shares submitted any proposals during the acceptance period from April 17, 2026 to April 28, 2026.

(II) We have revised the relevant clauses of our "Sustainable Development Practice Principles" and amended the clause comparison table (Please refer to Attachment 5 on page 31~32).

## Ratification Items

Item I — Proposed by the board of directors

Proposal : Ratification of the 2025 Business Report and Financial Statements.

Description: 1. The Company's individual and consolidated financial statements for the year 2025 have been audited by CPAs Chi-Sheng Chiu and Dai-hua Lin of Crowe Taiwan, which issued an audit report with unqualified opinion.

2. The aforementioned financial statements, together with the business report and Deficit Compensation., have been reviewed and completed by the Company's Audit Committee on March 10, 2026, and submitted to the Board of Directors for approval, and are hereby submitted to the Shareholders' Meeting for approval in accordance with the law. Please refer to the Proceedings Manual (pages 8 to 27 – Attachment 2).

3. To request recognition.

Resolution:

Item II — Proposed by the board of directors

Proposal : Ratification of the Proposal for 2025 Deficit Compensation..

Description: 1. In accordance with Article 228 of the Company Law and Article 20 of the Company's Articles of Association, the proposed of Deficit Compensation Table for the year 2025 is as follows:

Chernan Technology Co., Ltd.

Deficit Compensation Table

2025

Unit: $

| | |
|---|---|
| Undistributed earnings at the beginning of the period | 0 |
| Less: net loss after tax of the period | (57,428,215) |
| Accumulated losses to be offset | (57,428,215) |
| Add: Capital surplus-additional paid-in capital Share Premium | 57,428,215 |
| Undistributed earnings (loss) as of the end of the period | 0 |
| Notes: | |

| Chairman: | Managerial Officer: | Head-Finance & Accounting: |
|---|---|---|
| Su-Chu Wei | Su-Chu Wei | Chun-Hua Chang |

2. This proposal has been approved by the audit committee on March 10, 2026 and submitted to the board of directors for review.

3. To request recognition.

Resolution:

# Discussion Item

Item I　　　　　　　　　　　　　　　　　　　　　　Proposed by the board of directors

Proposal　: Amendment of Procedures for Acquisition or Disposal of Assets.
Description: 1. Handled in accordance with the provisions of Order No. 1140383333 issued by the Financial Supervisory Commission on July 24, 2025.
2. Concerning the comparison table of revised provisions of " Procedures for Acquisition or Disposal of Assets ", please refer to pages **33~58** [Attachment6] of this Handbook.
3. Please submit this for discussion.

Resolution:

Item 2　　　　　　　　　　　　　　　　　　　　　　Proposed by the board of directors

Proposal　: Amendment of Procedures for lending funds to others.
Description: 1. Handled in accordance with the provisions of Order No. 1080304826 issued by the Financial Supervisory Commission on March 7, 2019.
2. Concerning the comparison table of revised provisions of " Procedures for lending funds to others. ", please refer to pages **59~65** [Attachment7] of this Handbook.
3. Please submit this for discussion.

Resolution:

Item 3　　　　　　　　　　　　　　　　　　　　　　Proposed by the board of directors

Proposal　: Amendment of Procedures for Endorsement guarantee.
Description: 1. Handled in accordance with the provisions of Order No. 1080304826 issued by the Financial Supervisory Commission on March 7, 2019.
2. Concerning the comparison table of revised provisions of " Procedures for Endorsement guarantee ", please refer to pages **66~74** [Attachment8] of this Handbook.
3. Please submit this for discussion.

**Extraordinary Motions**

**Adjournment**

**Attachment 1**

# Chernan Technology Co., Ltd.

## 2025 Business Report

Dear shareholders,

First of all, I would like to thank all shareholders for attending the Company's 2026 Annual General Meeting. In the past year, the Company's solder product sales were significantly impacted by the continued economic downturn in mainland China and the clearing of inventory in Taiwan, resulting in a substantial decline in the 2025 performance. We are deeply grateful for the continued support and trust of all shareholders, directors, supervisors, and the hard work of all colleagues. The consolidated operating results for 2025 and the operating outlook for 2024 are reported as follows:

I. 2025 consolidated operating results

(I) The Company’s consolidated operating revenue for 2025 was RMB 29,333,000, a decrease of 61.43% compared to the previous year. The Company’s net loss after tax for 2025 was RMB 57,428,000, an increase of 25.21% compared to the previous year.

(II) Budget execution status: No financial forecast was provided, therefore not applicable.

(III) Analysis of financial income and expenditure, and profitability is as follows:

Unit: NT$ Thousand

| Item | | 2024 | 2025 | difference amount | difference % |
|---|---|---|---|---|---|
| Financial analysis | Operating revenue | 76,043 | 29,333 | -46,710 | -61.43 |
| | Gross profit | 22,550 | 8,136 | -14,414 | -63.92 |
| | Profit (Loss) before tax | -46,788 | -100,889 | -54,101 | 115.63 |
| | Income tax | -12,310 | 23,190 | 35,500 | -288.38 |
| | Profit (Loss) after tax | -59,098 | -77,699 | -18,601 | 31.47 |
| | Net income(loss) attributable to:Owners of parent | -45,865 | -57,428 | -11,563 | 25.21 |
| Profitability analysis | Return on total assets (%) | -0.90 | -1.5 | -0.6 | 66.67 |
| | Return on equity (%) | -3.62 | -4.64 | -1.02 | 28.18 |
| | Pre-tax income to paid-in capital | -5.72 | -12.33 | -6.61 | 115.56 |
| | Profit margin (%) | -60.31 | -195.779 | -135.469 | 224.62 |
| | Earnings per share (NT$) | -0.56 | -0.7 | -0.14 | 25.00 |

II. 2026 Business Plan

(I) 2026 business policy

1. Leveraging the company's complete product line and comprehensive after-sales service, the company primarily serves existing customers and is actively transforming into industries related to AI server computing centers and photovoltaic energy storage.

2. Implement management: Actively and effectively implement the performance appraisal system, promote cross-departmental coordination, and carry out process improvements to reduce production costs.
3. Learning and Development: Strengthen the management and training of production technicians to improve production efficiency and product yield.
4. The group will integrate its resources and concentrate its production capacity to produce high-value-added products, while eliminating unprofitable product lines. Idle, unprofitable factory buildings will be leased out, and workforce will be adjusted accordingly to improve the group's operating profit.

(II) Expected sales volume and basis of estimate

Our company estimates sales of tin products at 15 metric tons next year, while revenue from solder products is declining rapidly. The Kunshan plant is projected to generate NT$28.8 million in rental income annually. The environmental technology business is expected to submit its trial operation plan in 2026; if the trial operation proceeds smoothly, it can officially commence operations in 2027, which is expected to significantly contribute to revenue.

(III) Major production and sales strategies

Optimization of product, customer, and supplier structure

1. Utilize our company's complete product line and existing product certifications to provide customers with comprehensive after-sales service, with a focus on serving existing customers.
2. By integrating the procurement supply chain through group management and coordinating production and sales information, we actively reduce inventory and form a closer cooperative relationship with customers and a flexible supply system.

III. The Company’s development strategies

1. Maintaining the core business

Our company has been in the soldering industry for over 20 years, and is familiar with the needs of downstream customers and the overall changes in the industry. Our soldering products are one of the important components in the electronics industry. Going forward, our soldering business will focus on maintaining existing business, continuously protecting relationships with existing customers, and upholding our brand image.

2. Asset Revitalization

The Kunshan plant expanded its factory buildings in 2018 for rental use. The property certificate was obtained at the end of 2019, and a factory building rental cooperation agreement was signed with the local enterprise management company. The entire factory was leased out in 2021. In addition, the Xizhi plant is also planned to be used for rental. It is estimated that the Xizhi plant and the Kunshan plant will bring the company NT$30,000 in rental income every year in the future.

3. Industrial transformation

The parent company, Shengnan, is actively transforming into industries related to AI server computing centers and photovoltaic energy storage.

Seeing the potential in the medical and hazardous waste treatment market, the company established its subsidiary, Sheng Yu Technology, in August 2013, and obtained approval to establish a Class A waste treatment facility on February 11, 2020. Future operations can focus on treating toxic and non-toxic hazardous waste, biomedical waste, and general industrial waste. Furthermore, the heat generated from waste incineration can be recovered to generate electricity, which can be sold to Taiwan Power Company for public use, while the remaining electricity can be used for the company's own purposes, reducing operating costs and increasing profits.

The subsidiary, Sheng Yu Technology Co., Ltd., has completed the construction of its incineration plant. If the trial operation goes smoothly, it is expected to be put into formal operation in 2027. Through the active transformation of the parent and subsidiary companies, it will bring a significant boost to Sheng Nan's revenue and profit in the future.

IV. Impact of the external competition, legal, and overall business environments

Looking ahead to 2026, the global economic environment remains subject to considerable uncertainty. Although U.S. trade policy may continue to adjust tariff measures through alternative legal mechanisms, thereby increasing volatility in international trade, Taiwan’s economy is nevertheless expected to maintain steady growth, supported by exports and ongoing industrial transformation.

In addition, geopolitical risks continue to intensify, including the Russia–Ukraine War, the Israel–Hamas Conflict, as well as evolving tensions in the Taiwan Strait and the Korean Peninsula. These developments have impacted energy prices, supply chain stability, and global financial markets, further increasing the challenges faced by businesses.

Against this backdrop, inflationary pressures and rising environmental sustainability requirements continue to drive up operating costs, posing additional challenges for export-oriented economies.

In response to these challenges, the Company will continue to deepen its presence in environmental protection and sustainable development sectors, actively promoting resource recycling and the application of energy-saving and carbon-reduction technologies. The Company will also maintain flexibility in adjusting its operational strategies to strengthen competitiveness and risk management capabilities. At the same time, by enhancing the added value of its products and services and optimizing operational efficiency, the Company aims to ensure long-term, stable growth and deliver sustainable returns to its shareholders.

In addition, we would like to wish all shareholders and distinguished guests, good health and good luck!

| Chairman: | Managerial Officer: | Accounting Manager: |
|---|---|---|
| Su-Chu Wei | Su-Chu Wei | Chun-Hua Chang |

**Attachment 2**

## Independent Auditors' Report

To: Chernan Metal Industrial Corp.

### Audit opinion

We have audited the consolidated financial statements of Chernan Metal Industrial Corp. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, the consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the years ended December 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS"), IFRIC Interpretations ("IFRIC"), and SIC Interpretations ("SIC") endorsed and issued into effect by the Financial Supervisory Commission R.O.C. (Taiwan).

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and auditing standards of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountant of the Republic of China (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe 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 consolidated financial statements for the year ended December 31,2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group' s consolidated financial statements for the year ended December 31,2025 are stated as follows:
<u>Assessment of impairment of property,plant and equipment and prepayment for equipment</u>

As of December 31, 2025, the carrying values of property, plant and equipment and prepayment for equipment and prepayments for equipment were $754,714 thousand and $548,666 thousand, respectively, which, respectively, accounted for approximately 30% and 22% of the consolidated total assets of the Group and their amounts were significant to the consolidated financial statements. In accordance with IAS 36, "Impairment of Assets", the Group is required to assess, on each balance sheet date, whether there is any indication that an asset may be impaired and, if any such indication exists, the recoverable amount of the asset needs to be assessed. The assessment of impairment indicators involves the subjective judgement of key management and numerous assumptions and is subject to a high degree of estimation uncertainty. Therefore, we have reviewed the valuation of impairment of property, plant and equipment and prepayment for equipment as a critical item for the current year. For related accounting policies, significant accounting judgements and estimates, and relevant disclosures, please refer to Note (Ⅳ)-10, 13, (Ⅴ) and (Ⅵ)-8

Our key audit procedures performed in respect of the above area included the following

1. Obtain management's own assessment of asset impairment for each cash-generating unit and verify that management has identified the reasonableness of the impairment indicators.
2. Assess the appropriateness of the valuation method used by management to measure recoverableamounts and the reasonableness of the assumptions used;.
3. Management was asked and reviewed the audit evidence obtained from the post event review process and recognised that there were no matters relating to impairment testing to be reported in the future;
4. Assess the appropriateness of the policy for disclosing impairment of non-financial assets andother relevant information.

**Other Matters**

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Group as of and for the years ended December 31, 2025 and 2024.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation of consolidated financial statements that are properly presented in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers also for maintaining such internal control as is necessary to ensure the preparation of consolidated financial statements are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management's responsibility also includes evaluating the Group’ s ability to continue as a going concern, the related disclosures, and the use of the going concern basis of accounting, unless management intends to liquidate the Group or to discontinue operations, or has no feasible alternative but to liquidate or discontinue operations.

The governance unit (including the audit committee) of the Group is responsible for overseeing the financial reporting process.

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements,whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financi statements,

including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. We have obtained sufficient and appropriate evidence to audit the financial information of the entities comprising the Group, and to express an opinion on the consolidated financial statements. We are responsible for directing, supervising, and enforcing such audits and for forming opinions of the Group.

We communicate with those charged with governance the scope and timing of planned audits and significant audit findings, including significant deficiencies in internal control identified in the course of the audits.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors’ 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 communication.

The engagement partners on the audit resulting in this independent auditors’ report are Chiu, Chi-Sheng and Lin, Tai-Hua.

Crowe (TW) CPAs
Taipei, Taiwan
Republic of China

March 10, 2026

# Chernan Metal Industrial Corp.
## Consolidated Balance Sheet
## As of December 31, 2025 and 2024

Unit: NT$ Thousand

| Code | Assets | December 31, 2025 amount | % | December 31, 2024 amount | % |
|---|---|---|---|---|---|
| 11xx | Current assets | | | | |
| 1100 | Cash and cash equivalent (Note (VI)-1) | $ 350,024 | 14 | $ 440,715 | 16 |
| 1110 | Financial assets at FVTPL – current (Note (VI)-2) | - | - | 9,190 | - |
| 1150 | Notes receivable, net (Note (VI)-3, 21) | 3,299 | - | 5,072 | - |
| 1170 | Accounts receivable, net (Note Note (VI)-4, 21) | 5,721 | - | **51,203** | 2 |
| 1220 | Current-period income tax assets | 1,626 | - | **1,002** | - |
| 1310 | Inventories, net (Note (VI)-5) | 219,054 | **9** | **232,651** | 8 |
| 1476 | Other financial assets - current (Note (VI)-6, (VIII)) | 132,433 | **6** | **168,582** | 6 |
| 1479 | Other current assets - others | 61,001 | **2** | **88,258** | 3 |
| 11xx | Total current assets | 773,158 | 31 | 996,673 | 35 |
| 1550 | Investments accounted for using equity method (Note (VI)-7) | - | - | - | - |
| 1600 | Property, plant and equipment (Note (VI)-8, (VIII)) | 754,714 | 29 | **716,734** | **25** |
| 1755 | Right-to-use assets (Note (VI)-9) | 93,382 | **4** | **99,694** | **4** |
| 1760 | Investment properties, net (Note (VI)-10, (VIII)) | 186,652 | **7** | **192,135** | **7** |
| 1780 | Intangible assets (Note (VI)-11) | **33** | | | |
| 1840 | Deferred income tax assets (Note (VI)-26) | 64,661 | **3** | **41,838** | **2** |
| 1915 | Prepayments for equipment | 548,666 | **22** | **597,053** | **21** |
| 1920 | Refundable deposits | 26,904 | **1** | **18,213** | **1** |
| 1980 | Other financial assets – noncurrent (Note (VI)-11, (VIII)) | 67,536 | **3** | **149,971** | **5** |
| 1990 | Other noncurrent assets – others | - | - | - | - |
| 15xx | Total noncurrent assets | **1,742,548** | 69 | 1,815,638 | 65 |
| 1xxx | Total assets | $ 2,515,706 | **100** | **$ 2,812,311** | **100** |
| | **Liabilities and Equity** | | | | |
| | current liabilities | | | | |
| 2100 | Short-term borrowings (Note (VI)-12, (VIII)) | $ 88,200 | **3** | **$ 46,000** | 2 |
| 2150 | Notes receivable | 3,202 | - | **2,392** | - |
| 2170 | Acounts receivable | 151 | - | **1,027** | - |
| 2200 | Other payables | 38,943 | **2** | **35,612** | 1 |
| 2230 | Current period income tax liabilities | 1,122 | - | **654** | - |
| 2280 | Lease liabilities – current (Note (VI)-9) | 7,549 | - | **4,366** | - |
| 2320 | Long-term liabilities, due within one year or one business cycle (Note (VI)-13, 14, (VIII)) | 171,958 | **7** | **332,000** | 12 |
| 2399 | Other current liabilities - others | 4,355 | - | **3,780** | - |
| 21xx | Total current liabilities | 315,480 | 12 | 425,831 | 15 |
| 2540 | Long-term borrowings (Note (VI)-14, (VIII)) | 495,000 | **20** | **587,684** | 21 |
| 2570 | Deferred income tax liabilities (Note (VI)-26) | 178,948 | **7** | **182,692** | 6 |
| 2580 | Lease liabilities – noncurrent (Note (VI)-9) | 46,013 | **2** | **48,362** | 2 |
| 2645 | Guarantee deposits received | 6,983 | - | **6,087** | - |

| Code | Assets | December 31, 2025 amount | % | December 31, 2024 amount | % |
|---|---|---|---|---|---|
| 25xx | Noncurrent liabilities | 726,944 | 29 | 824,825 | 29 |
| 2xxx | Total liabilities | 1,042,424 | 41 | 1,250,656 | 44 |
| | Equity | | | | |
| 3100 | Share capitals (Note (VI)-16) | 818,209 | 32 | 818,209 | 29 |
| 3200 | Capital surplus(Note (VI)-17) | 447,841 | 18 | 493,706 | 18 |
| 3300 | Retained earnings(Note (VI)-18) | | | | |
| 3350 | Accumulated deficit | ( 57,428) | ( 2) | ( 45,865) | ( 2) |
| 3400 | Other equity interests (Note (VI)-19) | ( 6,177) | - | 4,497 | - |
| 31xx | Equity attributable to owners of the parent | 1,202,445 | 48 | 1,270,547 | 45 |
| 36xx | Non-controlling interests (Note (VI)-20) | 270,837 | 11 | 291,108 | 11 |
| 3xxx | Total Equity | 1,473,282 | 59 | 1,561,655 | 56 |
| | Total Liabilities and Equity | $ 2,515,706 | 100 | $ 2,812,311 | 100 |

(The accompanying notes are an integral part of the consolidated financial statements.)

Chairman: Su-Chu Wei　　Managerial Officer: Su-Chu Wei　　Accounting Manager: Chun-Hua Chang

Chernan Metal Industrial Corp.

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2025 and 2024

Unit: NT$ Thousand

| Code | Item | 2025 amount | 2025 % | 2024 amount | 2024 % |
|---|---|---|---|---|---|
| 4000 | Operating revenue (Note (VI)-21) | $ 29,333 | 100 | $ 76,043 | 100 |
| 5000 | Operating costs | ( 21,197) | ( 72) | ( 53,493) | ( 70) |
| 5900 | Gross profit from operations | 8,136 | 28 | 22,550 | 30 |
| 6100 | Selling expenses | ( 1,355) | ( 5) | ( 1,450) | ( 2) |
| 6200 | Administrative expenses | ( 103,919) | ( 354) | ( 93,273) | ( 123) |
| 6450 | Gain (loss) on expected credit impairment | ( 4,555) | ( 16) | ( 91) | - |
| 6000 | Total operating expenses | ( 109,829) | ( 375) | ( 94,814) | ( 125) |
| 6900 | Operating income (loss), net | ( 101,693) | ( 347) | ( 72,264) | ( 95) |
| | Non-operating income and expenses | | | | |
| 7100 | Interest income | 14,127 | 48 | 21,587 | 28 |
| 7010 | Other income (Note (VI)-23) | 34,927 | 119 | 40,580 | 53 |
| 7020 | Other gains and losses (Note (VI)-24) | ( 26,540) | ( 90) | ( 11,322) | ( 15) |
| 7050 | Finance costs(Note (VI)-25) | ( 21,710) | ( 74) | ( 25,369) | ( 33) |
| 7060 | Share of profit (loss) of subsidiaries, associates, and joint ventures under equity method (Note (VI)-7) | - | - | - | - |
| 7000 | Total non-operating income and expenses | 804 | 3 | 25,476 | 33 |
| 7900 | INCOME (LOSS) BEFORE INCOME TAX | ( 100,889) | ( 344) | ( 46,788) | ( 62) |
| 7950 | INCOME TAX BENEFIT (EXPENSE)(Note(VI)-26) | 23,190 | 79 | ( 12,310) | ( 16) |
| 8200 | NET INCOME (LOSS) | ( 77,699) | ( 265) | ( 59,098) | ( 78) |
| | OTHER COMPREHENSIVE INCOME (LOSS) (AFTER INCOME TAX) | | | | |
| 8360 | Items that may be reclassified subsequently to profit or loss | | | | |
| 8361 | Exchange differences from translation of foreign operations (Note (VI)-27) | ( 10,674) | ( 36) | 51,894 | 68 |
| 8300 | Total other comprehensive income (loss) for the period, net of income tax | ( 10,674) | ( 36) | 51,894 | 68 |
| 8500 | TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR | ($ 88,373) | ( 301) | ($ 7,204) | ( 10) |
| 8600 | Net income (loss) attributable to: | | | | |
| 8610 | Owners of the parent | ($ 57,428) | ( 196) | ($ 45,865) | ( 61) |
| 8620 | Non-controlling interests | ( 20,271) | ( 69) | ( 13,233) | ( 17) |
| | | ($ 77,699) | ( 265) | ($ 59,098) | ( 78) |
| 8700 | Total comprehensive income (loss) attributable to: | | | | |
| 8710 | Owners of the parent | ($ 68,102) | ( 232) | $ 6,029 | 7 |
| 8720 | Non-controlling interests | ( 20,271) | ( 69) | ( 13,233) | ( 17) |
| | | ($ 88,373) | ( 301) | ($ 7,204) | ( 10) |
| | Earnings (loss) per share (Note (VI)-28) | | | | |
| 9750 | Basic earnings (loss) per share (NT$) | ($ 0.70) | | ($ 0.56) | |

(The accompanying notes are an integral part of the consolidated financial statements.)

Chairman: Su-Chu Wei | Managerial Officer: Su-Chu Wei | Accounting Manager: Chun-Hua Chang

Chernan Metal Industrial Corp.

Consolidated Statement of Changes in Equity

For the years ended December 31, 2025 and 2024

Unit: NT$ Thousand

| Item | Equity attributable to owners of the parent company | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | Retained earnings | Other Equity | | | |
| | Common stock | Capital surplus | Accumulated deficit | Exchange differences from translation of foreign operations | Total equity attributable to owners of the parent | Non-controlling interests | Total equity |
| Balance, January 1, 2024 | $ 818,209 | $ 542,983 | ($ 49,277) | ($ 47,397) | $ 1,264,518 | $ 304,341 | $ 1,568,859 |
| Capital surplus to cover losses | - | ( 49,277) | 49,277 | - | - | - | - |
| Net income (loss), 2024 | - | - | ( 45,865) | - | ( 45,865) | ( 13,233) | ( 59,098) |
| Total other comprehensive income, 2024 | - | - | - | 51,894 | 51,894 | - | 51,894 |
| Convertible corporate bonds redeemed | - | $ - | - | - | - | - | - |
| Balance, December 31, 2024 | $ 818,209 | $ 493,706 | ($ 45,865) | $ 4,497 | $ 1,270,547 | $ 291,108 | $ 1,561,655 |
| Balance, January 1, 2025 | $ 818,209 | $ 493,706 | ($ 45,865) | $ 4,497 | $ 1,270,547 | $ 291,108 | $ 1,561,655 |
| Capital surplus to cover losses | - | ( 45,865) | 45,865 | - | - | - | - |
| Net income (loss), 2025 | - | - | ( 57,428) | - | ( 57,428) | ( 20,271) | ( 77,699) |
| Other comprehensive income, 2025 | - | - | - | ($ 10,674) | ($ 10,674) | - | ($ 10,674) |
| Balance, December 31, 2025 | $ 818,209 | $ 447,841 | ($ 57,428) | ($ 6,177) | $ 1,202,445 | $ 270,837 | $ 1,473,282 |

(The accompanying notes are an integral part of the consolidated financial statements.)

Chairman: Su-Chu Wei　　Managerial Officer: Su-Chu Wei　　Accounting Manager: Chun-Hua Chang

Chernan Metal Industrial Corp.
Consolidated Statement of Cash Flows
For the years ended December 31, 2025 and 2024

Unit: NT$ Thousand

| Item | 2025 | 2024 |
|---|---|---|
| Cash flows from operating activities | | |
| Net profit (loss) before tax from continuing operations | ($ 100,889) | ($ 46,788) |
| Adjustments | | |
| Income/gain or expense/loss items not affecting cash flows | | |
| Depreciation expense | 33,965 | 22,606 |
| Amortization expense | 163 | |
| Loss on expected credit impairment | 4,555 | 91 |
| Net (gain) loss on financial assets and liabilities at FVTPL | ( 1,009) | ( 4,501) |
| Interest expense | 21,710 | 25,369 |
| Interest income | ( 14,127) | ( 21,587) |
| Loss on disposal of property,plant and equipment | - | 12,132 |
| Expenses transferred from property, plant and equipment | 381 | |
| Loss on disposal of investments | 649 | - |
| Total income/gain or expense/loss items | 46,287 | 34,110 |
| Changes in operating assets and liabilities | | |
| Decrease (increase) in notes receivable | 1,804 | 1,058 |
| Decrease (increase) in accounts receivable | 50,806 | ( 41,268) |
| Decrease (increase) in inventories | 13,597 | 11,230 |
| Decrease (increase) in other current assets | 18,566 | ( 15,248) |
| Increase (decrease) in notes payable | ( 2,069) | 2,373 |
| Increase (decrease) in accounts payable | ( 876) | 1,001 |
| Increase (decrease) in other payables | 3,514 | 2,077 |
| Increase (decrease) in other current liabilities | 575 | ( 2,496) |
| Total net changes in operating assets and liabilities | 85,917 | ( 41,273) |
| Cash flows from (used in) operations | 31,315 | ( 53,951) |
| Interests received | 13,792 | 22,273 |
| Interests paid | ( 21,227) | ( 24,736) |
| Income tax refunded (paid) | ( 3,533) | ( 13,625) |
| Net cash flows from (used in) operating activities | 20,347 | ( 70,039) |
| Acquisition of financial assets at FVTPL | ($ 171,201) | ($ 172,845) |
| Disposal of financial assets at FVTPL | 176,621 | 490,135 |
| Acquisition of property, plant and equipment | ( 6,149) | ( 18,631) |
| Decrease (increase) in refundable deposits | ( 9,340) | ( 727) |
| Decrease (increase) in other financial assets | 118,584 | ( 174,148) |
| Decrease (increase) in other noncurrent assets | - | 254 |
| Decrease (increase) in prepayments for equipment | ( 5,879) | ( 13,013) |

| Item | 2025 | 2024 |
| --- | --- | --- |
| Net cash flows from (used in) investing activities | 102,636 | 111,025 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase (decrease) in short-term borrowings | 42,200 | ( 6,950) |
| Corporate bonds repayments | - | ( 265,300) |
| Long-term borrowings | 58,138 | 244,714 |
| Repayment of long-term debts | ( 310,864) | |
| Increase (decrease) in guarantee deposits received | 896 | ( 1,358) |
| Lease principal repayments | - | ( 582) |
| Net cash flows from (used in) financing activities | ( 209,630) | ( 29,476) |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | ( 4,044) | 37,014 |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | ( 90,691) | 48,524 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 440,715 | 392,191 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | $ 350,024 | $ 440,715 |

(The accompanying notes are an integral part of the consolidated financial statements.)

| Chairman: | Managerial Officer: | Accounting Manager: |
| --- | --- | --- |
| Su-Chu Wei | Su-Chu Wei | Chun-Hua Chang |

**Attachment 2**

## Independent Auditors' Report

Chernan Metal Industrial Corp.

### Audit opinion

We have audited the accompanying financial statements of Chernan Metal Industrial Corp. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, the parent company only statements of comprehensive income, parent company only statements of changes in equity, and parent company only statements of cash flows for the years ended December 31, 2025 and 2024, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountant of the Republic of China (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe 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 parent company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2025 are stated as follows:

<u>Valuation of Balance of Investments Using Equity Method</u>

Investments accounted for using equity method of Chernan Metal Industrial Corp. are domestically and internationally dispersed and have significant effect on the parent company only financial statements. Therefore, we have identified the valuation of the balance of the investments accounted for using equity method as a key audit matter.

For the accounting policies related to investments accounted for using equity method, please refer to Note (IV)-8 to the parent company only financial statements; for description of accounting items, please refer to disclosures in Note (VI)-5 to the parent company only financial statements and the Schedule of Significant Accounting Items (IV). We have conducted the following main audit procedures for the matters described as below:

1. Evaluated management's internal control over, and the consistency of its accounting for, investments accounted for using equity method.
2. Recalculated the amount of investment income or loss and equity accounted for by obtaining the statements of investment income or loss and equity accounted for by management and the investee’ s annual financial statements that have been audited and certified by certified public accountant(s) and confirmed that the investment income or loss and equity accounted for have been appropriately recorded in accordance with the regulations.
3. Evaluated the appropriateness of management's tests for identifying cash-generating units that may be impaired and for indicators of impairment.

**Responsibilities of Management and Those Charged with Governance for the Parent-Only Financial Statements**

Management is responsible for the preparation of parent company only financial statements that are properly presented in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for maintaining such internal control as is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management's responsibility also includes evaluating the Company’ s ability to continue as a going concern, the related disclosures, and the use of the going concern basis of accounting, unless management intends to liquidate the Company or to discontinue operations, or has no feasible alternative but to liquidate or discontinue operations.

The governance unit (including the audit committee) of the Company is responsible for overseeing the financial reporting process.

**Auditors' 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 misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’ s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’ s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financia1 statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. We have obtained sufficient and appropriate evidence to audit the financial information of the entities comprising Chernan Metal Industrial Corp., and to express an opinion on the parent company only financial statements. We are responsible for directing, supervising, and enforcing such audits and for forming opinions of Chernan Metal Industrial Corp.

We communicate with those charged with governance regarding the scope and timing of planned audits and significant audit findings, including significant deficiencies in internal control identified in the course of the audits.

We also provide those charged with governance with a statement that we have complied with relevant ethica1 requirements regarding independence, and to communicate with them all re1ationships and other matters (including relevant safeguards) that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' 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 communication.

The engagement partners on the audit resulting in this independent auditors' report are Chiu, Chi-Sheng and Lin, Tai-Hua.

Crowe (TW) CPAs
Taipei, Taiwan
Republic of China

March 10, 2026

# Chernan Metal Industrial Corp.
## Parent Only Balance Sheets
## December 31, 2025 and 2024

Unit: NT$ Thousand

| Code | Assets | December 31, 2025 amount | % | December 31, 2024 amount | % |
|---|---|---|---|---|---|
| | Current assets | | | | |
| 1100 | Cash and cash equivalent (Note (VI)-1) | $ 102,034 | 6 | $ 170,920 | 9 |
| 1170 | Accounts receivable, net (Note (VI)-2, 16) | - | - | 42,000 | 2 |
| 1220 | Current-period income tax assets | 977 | - | 318 | - |
| 1310 | Inventories, net (Note (VI)-3) | 11,376 | 1 | 13,447 | 1 |
| 1476 | Other financial assets - current (Note (VI)-4, (VIII)) | 109,719 | 7 | 158,772 | 9 |
| 1479 | Other current assets - others | 561 | - | 10,835 | 1 |
| 11xx | Total current assets | 224,667 | 14 | 396,292 | 22 |
| | Noncurrent assets | | | | |
| 1550 | Investments accounted for using equity method (Note (VI)-5, (VIII)) | 1,327,768 | 83 | 1,390,110 | 76 |
| 1600 | Property, plant and equipment (Note (VI)-6, (VIII)) | 15,181 | 1 | 15,618 | 1 |
| 1760 | Investment properties, net (Note (VI)-7, (VIII)) | 25,831 | 1 | 26,284 | 1 |
| 1840 | Deferred income tax assets (Note (VI)-21) | 11,368 | 1 | 5,303 | - |
| 1920 | Refundable deposits | 15 | - | 28 | - |
| 15xx | Total noncurrent assets | 1,380,163 | 86 | 1,437,343 | 78 |
| 1xxx | Total assets | $ 1,604,830 | 100 | $ 1,833,635 | 100 |
| | **Liabilities and Equity** | | | | |
| 2100 | Short-term borrowings (Note (VI)-8, (VIII)) | $ 88,200 | 5 | $ 46,000 | 3 |
| 2200 | Other payables | 25,217 | 2 | 25,773 | 1 |
| 2220 | Other payables – related parties (Note (VII)) | 30,944 | 2 | 66,925 | 4 |
| 2320 | Long-term liabilities, due within one year or one business cycle (Note (VI)-9,10, (VIII)) | 78,625 | 5 | 232,480 | 13 |
| 2399 | Other current liabilities - others | 251 | - | 334 | - |
| 21xx | Total current liabilities | 223,237 | 14 | 371,512 | 21 |
| | Noncurrent liabilities | | | | |
| 2540 | Long-term borrowings (Note (VI)-10, (VIII)) | - | - | 8,684 | - |
| 2570 | Deferred income tax liabilities (Note (VI)-21) | 178,948 | 11 | 182,692 | 10 |
| 2645 | Guarantee deposits received | 200 | - | 200 | - |
| 25xx | Noncurrent liabilities | 179,148 | 11 | 191,576 | 10 |
| 2xxx | Total liabilities | 402,385 | 25 | 563,088 | 31 |
| | Equity | | | | |
| 3100 | Share capital (Note (VI)-12) | 818,209 | 51 | 818,209 | 44 |
| 3200 | Capital surplus (Note (VI)-13) | 447,841 | 28 | 493,706 | 27 |
| 3300 | Retained earnings (Note (VI)-14) | | | | |
| 3350 | Accumulated deficit | ( 57,428) | ( 4) | ( 45,865) | ( 2) |
| 3400 | Other equity (Note (VI)-15) | ( 6,177) | - | 4,497 | - |
| 3xxx | Total equity | 1,202,445 | 75 | 1,270,547 | 69 |
| | Total liabilities and equity | $ 1,604,830 | 100 | $ 1,833,635 | 100 |

(The accompanying notes are an integral part of the parent company only financial statements.)

Chairman: Su-Chu Wei    Managerial Officer: Su-Chu Wei    Accounting Manager: Chun-Hua Chang

Chernan Metal Industrial Corp.

Parent Only Statement of Comprehensive Income

For the years ended December 31, 2025 and 2024

Unit: NT$ Thousand

| Code | Item | 2025 amount | 2025 % | 2024 amount | 2024 % |
|---|---|---|---|---|---|
| 4000 | Operating revenue (Note (VI)-16) | $ 6,300 | 100 | $ 40,000 | 100 |
| 5000 | Operating costs | ( 2,072) | ( 33) | ( 23,432) | ( 59) |
| 5900 | Gross profit (loss) from operations | 4,228 | 67 | 16,568 | 41 |
| | Operating expenses | | | | |
| 6100 | Selling expenses | - | - | - | - |
| 6200 | Administrative expenses | ( 11,907) | ( 189) | ( 13,544) | ( 34) |
| 6450 | Gain (loss) on expected credit impairment | ( 4,585) | ( 73) | ( 169) | - |
| 6000 | Total operating expenses | ( 16,492) | ( 262) | ( 13,713) | ( 34) |
| 6900 | Operating loss, net | ( 12,264) | ( 195) | 2,855 | 7 |
| | Non-operating income and expenses | | | | |
| 7100 | Interest income | 9,036 | 143 | 3,050 | 8 |
| 7010 | Other income (Note (VI)-18) | 1,242 | 20 | 1,187 | 3 |
| 7020 | Other gains and losses (Note (VI)-19) | ( 9,069) | ( 144) | 14,797 | 37 |
| 7050 | Finance costs (Note (VI)-20) | ( 4,514) | ( 71) | ( 7,328) | ( 19) |
| 7070 | Share of profit (loss) of subsidiaries, associates, and joint ventures under equity method | ( 51,668) | ( 820) | ( 41,174) | ( 103) |
| 7000 | Total non-operating income and expenses | ( 54,973) | ( 872) | ( 29,468) | ( 74) |
| 7900 | Net loss before income tax | ( 67,237) | ( 1,067) | ( 26,613) | ( 67) |
| 7950 | Income tax (expense) benefit (Note (VI)-21) | 9,809 | 155 | ( 19,252) | ( 48) |
| 8200 | Net loss for the period | ( 57,428) | ( 912) | ( 45,865) | ( 115) |
| | Other comprehensive income (after tax) | | | | |
| 8360 | Items that may be subsequently reclassified into profit or loss | | | | |
| 8380 | Exchange differences from subsidiaries, associates and jointly held foreign operations (Note (VI)-15,22) | ( 10,674) | ( 169) | 51,894 | 130 |
| 8300 | Other comprehensive income, net of income tax | ( 10,674) | ( 169) | 51,894 | 130 |
| 8500 | Total comprehensive income for the period | ( 68,102) | ( 1,081) | $ 6,029 | 15 |
| | Earnings per share (Note (VI)-23) | | | | |
| 9750 | Basic earnings per share (NT$) | ($ 0.70) | | ($ 0.56) | |

(The accompanying notes are an integral part of the parent company only financial statements.)

Chairman: Su-Chu Wei | Managerial Officer: Su-Chu Wei | Accounting Manager: Chun-Hua Chang

# Chernan Metal Industrial Corp.
## Parent Only Statement of Changes in Equity
## For the years ended December 31, 2025 and 2024

In Thousands of New Taiwan Dollars

| Item | Share Capital - Common shares | Capital surplus | Retained earnings | Other equity | Total equity |
|---|---|---|---|---|---|
| | | | Accumulated deficit | Exchange differences from translation of foreign operations | |
| Balance, January 1, 2024 | $ 818,209 | $ 542,983 | ($ 49,277) | ($ 47,397) | $ 1,264,518 |
| Capital surplus to cover losses | - | ( 49,277) | 49,277 | - | - |
| Net loss, 2024 | - | - | ( 45,865) | - | ( 45,865) |
| Other comprehensive income, 2024 | - | - | - | 51,894 | 51,894 |
| Convertible corporate bonds redeemed | - | | - | - | |
| Balance, December 31, 2024 | $ 818,209 | $ 493,706 | ($ 45,865) | $ 4,497 | $ 1,270,547 |
| Balance, January 1, 2025 | $ 818,209 | $ 93,706 | ($ 45,865) | $ 4,497 | $ 1,270,547 |
| Capital surplus to cover losses | - | ( 45,865) | 45,865 | - | - |
| Net loss, 2025 | - | - | ( 57,428) | - | ( 57,428) |
| Other comprehensive income, 2025 | - | - | - | ( 10,674) | ( 10,674) |
| Balance, December 31, 2025 | $ 818,209 | $ 447,841 | ($ 57,428) | ( 6,177) | $ 1,202,445 |

Chairman: Su-Chu Wei　　Managerial Officer: Su-Chu Wei　　Accounting Manager: Chun-Hua Chang

Chernan Metal Industrial Corp.

Parent Only Statement of Cash Flows

For the years ended December 31, 2025 and 2024

Unit: NT$ Thousand

| Item | 2025 | 2024 |
|---|---|---|
| Cash flows from operating activities | | |
| Net loss before tax from continuing operations | ($ 67,237) | ($ 26,613) |
| Adjustments | | |
| Depreciation expense | 890 | 1,000 |
| Loss (gain) on expected credit impairment | 4,585 | 169 |
| Net loss (gain) on financial assets and liabilities measured at FVTPL | - | - |
| Interest expense | 4,514 | 7,328 |
| Interest income | ( 9,036) | ( 3,050) |
| Share of losses (profits) of subsidiaries, associates, and joint ventures under equity method | 51,668 | 41,174 |
| Total income/gain or expense/loss items not affecting cash flows | 52,621 | 46,621 |
| Changes in operating assets and liabilities | | |
| Decrease (increase) in accounts receivable | 37,101 | ( 42,000) |
| Decrease (increase) in inventories | 2,071 | 23,432 |
| Decrease (increase) in other current assets | 10,709 | ( 9,406) |
| Increase (decrease) in other payables | ( 697) | 341 |
| Increase (decrease) in other current liabilities | ( 83) | 6 |
| Total changes in operating assets and liabilities | 49,101 | ( 27,627) |
| Cash flows from (used in) operations | 34,485 | ( 7,619) |
| Interests received | 8,601 | 3,050 |
| Dividends received | - | 100,133 |
| Interests paid | ( 4,373) | ( 6,291) |
| Income tax refunded (paid) | ( 659) | ( 9,995) |
| Net cash flows from (used in) operating activities | 38,054 | 79,278 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from capital reduction of investments accounted for using equity method | $ - | $ 214,518 |
| Decrease (increase) in refundable deposits | 13 - | - |
| Decrease (increase) in other financial assets | 49,053 | ( 158,769) |
| Net cash flows from (used in) investing activities | 49,066 | 55,749 |

CASH FLOWS FROM FINANCING ACTIVITIES

| Item | 2025 | 2024 |
| --- | --- | --- |
| Increase (decrease) in short-term borrowings | 42,200 | ( 6,950) |
| Increase (decrease) other payables - related parties | ( 35,605) | ( 265,300) |
| Corporate bonds repayments | - | |
| Proceeds from long-term debt | - | 241,164 |
| Increase in other payables － related parties | ( 162,539) | - |
| Net cash flows from (used in) financing activities | ( 155,944) | ( 31,086) |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | ( 62) | 1,270 |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | ( 68,886) | 105,211 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 170,920 | 65,709 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | $ 102,034 | $ 170,920 |

(Continued from previous page)

(The accompanying notes are an integral part of the parent company only financial statements.)

Chairman: Su-Chu Wei    Managerial Officer: Su-Chu Wei    Accounting Manager: Chun-Hua Chang

**Attachment 3**

# Chernan Technology Co., Ltd.
## Audit Committee’s Review Report

The board of directors made the Company’s 2025 parent company only financial statements and consolidated financial statements, audited by CPAs Chi-Sheng Chiu and Dai-hua Lin of Crowe Taiwan, which issued an audit report. We have reviewed the above business report and the earnings distribution proposal, to which we have found no misstatement, and we hereby issue a review report as presented above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please proceed to review it.

For

2026 Shareholders' Meeting of Chernan Technology Co., Ltd.

Convener of the Audit Committee: Chang-Sheng Wang

March 10, 2026

## Attachment 4

2025/ Unit: NT$ Thousand

| Position | Name | Remuneration to directors | | | | | | | | Sum of A, B, C, and D as a % of the net income after tax | | Remuneration received for serving as an employee concurrently | | | | | | | | Sum of A, B, C, D, E, F, and G as a % of the net income after tax | | Remuneration from investees other than subsidiaries |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Base remuneration (A) | | Severance and pension (B) | | Remuneration to directors (C) | | Business execution expenses (D) | | | | Remuneration, bonus, and allowance (E) | | Severance and pension (F) | | Employee remuneration (G) | | | | | | |
| | | The Company | All companies in the financial statements | The Company | All companies in the financial statements | The Company | All companies in the financial statements | The Company | All companies in the financial statements | The Company | All companies in the financial statements | The Company | All companies in the financial statements | The Company | All companies in the financial statements | The Company | | All companies in the financial statements | | The Company | All companies in the financial statements | |
| | | | | | | | | | | | | | | | | Cash amount | Stock amount | Cash amount | Stock amount | | | |
| Director | Chao-Jung Lin | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0<br>-0.00% | 0<br>-0.00% | 0 | 4,245 | 0 | 0 | 0 | 0 | 0 | 0 | 0<br>-0.00% | 4,245<br>-5.46% | 0 |
| | Su-Chu Wei | 0 | 0 | 0 | 0 | 0 | 0 | 8 | 8 | 8<br>-0.01% | 8<br>-0.01% | 1,070 | 2,439 | 0 | 0 | 0 | 0 | 0 | 0 | 1,078<br>-1.88% | 2,447<br>-3.15% | 0 |
| | Yu Shengyuan | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0<br>-0.00% | 0<br>-0.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0<br>-0.00% | 0<br>-0.00% | |
| | Gao Ruisan | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0<br>-0.00% | 0<br>-0.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0<br>-0.00% | 0<br>-0.00% | 0 |
| | Lin Yanzhi, representative of Rongzhi Investment | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 4 | 4<br>-0.01% | 4<br>-0.01% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4<br>-0.01% | 4<br>-0.01% | 0 |
| Independent | Wang Changsheng | 360 | 360 | 0 | 0 | 0 | 0 | 48 | 48 | 408<br>-0.71% | 408<br>-0.53% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 408<br>-0.71% | 408<br>-0.53% | 0 |
| | Lin Jinhong | 360 | 360 | 0 | 0 | 0 | 0 | 48 | 48 | 408<br>-0.71% | 408<br>-0.53% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 408<br>-0.71% | 408<br>-0.53% | 0 |

| | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Director | Zhang Shijia | 360 | 360 | 0 | 0 | 0 | 0 | 48 | 48 | 408<br>-0.71% | 408<br>-0.53% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 408<br>-0.71% | 408<br>-0.53% | 0 |
| | Chen Xieyu | 360 | 360 | 0 | 0 | 0 | 0 | 36 | 36 | 396<br>-0.69% | 396<br>-0.51% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 396<br>-0.69% | 396<br>-0.51% | 0 |

Note 1: Please describe the policy, system, standards, and structure for the payment of independent directors' remuneration, and explain the relationship between the amount of remuneration and factors such as the responsibilities, risks, and time invested:
The remuneration of independent directors consists of a fixed monthly salary and business execution expenses. To maintain the independence of independent directors, they do not participate in the distribution of the company's profits.

Note 2: Except as disclosed in the table above, no remuneration was received by the company's directors for providing services to all companies listed in the financial statements in the most recent year (such as acting as consultants to non-employees)

**Attachment 5**

Chernan Technology Co., Ltd.

Comparison Table of Amendment of Procedures for Sustainable Development Practices

| Amended Article | Current Article | Explanation |
|---|---|---|
| Article 15<br><br>Listed companies should consider the ecological impact of their operations, promote and advocate the concept of sustainable consumption, and conduct their R&D, procurement, production, operations, and service activities in accordance with the following principles to reduce the impact of their operations on the natural environment, organisms, and humans:<br><br>1. Reduce the resource and energy consumption of products and services.<br>2. Reduce the emission of pollutants, toxic substances, and waste, and properly dispose of waste.<br>3. Enhance the recyclability and reuse of raw materials or products.<br>4. Maximize the sustainable use of renewable resources.<br>5. Extend the durability of products.<br>6. Increase the efficiency of products and services.<br>7. Enhance the conservation, sustainable use of resources, and equitable benefits for marine and terrestrial biodiversity and ecosystems. | Article 15<br><br>Listed companies should consider the ecological impact of their operations, promote and advocate the concept of sustainable consumption, and conduct their R&D, procurement, production, operations, and service activities in accordance with the following principles to reduce the impact of their operations on the natural environment and human health:<br><br>1. Reduce the resource and energy consumption of products and services.<br>2. Reduce the emission of pollutants, toxic substances, and waste, and properly dispose of waste.<br>3. Enhance the recyclability and reuse of raw materials or products.<br>4. Maximize the sustainable use of renewable resources.<br>5. Extend the durability of products.<br>6. Increase the effectiveness of products and services. | In light of the United Nations Convention on Biological Diversity initiatives and relevant laws and regulations on marine and nature conservation, companies should consider the impact of their operations on biodiversity and ecosystems to facilitate sustainable business operations. Therefore, this article is amended and a seventh clause is added. |
| Article 21<br>Listed companies should create a favorable environment for their employees' career development and establish effective career skills development training programs.<br><br>Listed companies should establish industry-academia collaboration programs to cultivate future industry talent.<br><br>Listed companies should formulate and implement reasonable employee welfare | Article 21<br>Listed companies should create a favorable environment for their employees' career development and establish effective career skills development training programs.<br><br>Listed companies should formulate and implement reasonable employee welfare measures (including | To promote industry-academia integration and student career development, and to encourage enterprises and schools to cooperate in talent cultivation, achieving a win-win situation for both industry and academia, the |

| | | |
|---|---|---|
| measures (including compensation, leave, and other benefits), and appropriately reflect business performance or results in employee compensation to ensure the recruitment, retention, and motivation of human resources, and achieve the goal of sustainable operation. | compensation, leave, and other benefits), and appropriately reflect business performance or results in employee compensation to ensure the recruitment, retention, and motivation of human resources, and achieve the goal of sustainable operation. . | second item is hereby added, and the existing second to third items are adjusted. |

**Attachment 6**

Chernan Technology Co., Ltd.

Comparison Table of Amendment of Procedures for Acquisition or Disposal of Assets

| Amended Article | Current Article | Explanation |
|---|---|---|
| Article 4: Definitions<br><br>1. Derivatives refer to forward contracts, options contracts, futures contracts, leveraged margin contracts, swap contracts, and composite contracts formed by combining the aforementioned instruments, whose value is derived from underlying variables such as assets, specific interest rates, financial instrument prices, commodity prices, exchange rates, price or rate indices, credit ratings or credit indices, or other interests. The term "forward contracts" as used herein does not include insurance contracts, performance contracts, after-sales service contracts, long-term lease agreements, or long-term purchase (sales) agreements.<br><br>(Omitted)<br>7. ~~The term "within one year" means the one-year period retrospectively calculated from the date of the current acquisition or disposal of assets. Any portion already publicly announced is not required to be included again.~~ Professional investors: Refers to financial holding companies, banks, insurance companies, bills finance companies, trust enterprises, securities firms engaged in proprietary trading or underwriting, futures firms engaged in proprietary trading, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, all of which are established in accordance with laws and regulated by the competent financial | Article 4: Definitions<br><br>1.Derivatives refer to forward contracts, options contracts, futures contracts, leveraged margin contracts, swap contracts, and composite contracts formed by combining the aforementioned instruments, whose value is derived from underlying variables such as assets, interest rates, exchange rates, indices, or other interests. The term "forward contracts" as used herein does not include insurance contracts, performance contracts, after-sales service contracts, long-term lease agreements, or long-term purchase (sales) agreements.<br><br>(Omitted)<br>**7. "Within one year"** refers to the one-year period retrospectively calculated from the date of the current acquisition or disposal of assets. Any portion that has already been publicly announced is not required to be included again. | It shall be handled in accordance with the provisions of Order No. 1140383333 issued by the Financial Supervisory Commission. |

| | | |
|---|---|---|
| authorities in their respective jurisdictions.<br>8. ~~The term "most recent financial statements" refers to the financial statements that have been publicly disclosed in accordance with law and audited or reviewed by a certified public accountant prior to the acquisition or disposal of assets.~~<br>Stock exchange:<br>A domestic stock exchange refers to Taiwan Stock Exchange Corporation; a foreign stock exchange refers to any organized securities market that is regulated by the securities authority of the respective country.<br>9. Securities firm business premises:<br>Domestic securities firm business premises refer to locations where securities firms conduct trading through dedicated counters in accordance with regulations governing trading of securities at securities firm business premises.<br>Foreign securities firm business premises refer to business locations of financial institutions that are regulated by foreign securities authorities and are permitted to engage in securities business. | 8. **"Most recent financial statements"** refers to the financial statements that have been publicly disclosed in accordance with law and have been audited or reviewed by a certified public accountant prior to the acquisition or disposal of assets. | |
| Article 6:<br>The valuation report or opinion letter obtained by our company from the accountant, lawyer or securities underwriter ~~must not be a related party of the professional~~ valuer and its valuers, accountants, lawyers or securities underwriters. The following requirements must be met:<br>I. The individual must not have been convicted of violating this Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Commercial Accounting Act, or of fraud, breach of trust, embezzlement, forgery, or business-related crimes, and must not have been sentenced to imprisonment for a term of one year or more. However, this does not apply to those | Article 6:<br>The valuation report or opinion letter obtained by our company from the accountant, lawyer or securities underwriter must not be a related party of the professional valuer and its valuers, accountants, lawyers or securities underwriters. | |

| | | |
|---|---|---|
| who have completed their sentence, completed their probation period, or have been pardoned for more than three years.<br><br>II. The individual must not be a related party or have a substantial relationship with the parties involved in the transaction.<br><br>III. If the company requires valuation reports from two or more professional appraisers, the different appraisers or appraisers must not be related parties or have a substantial relationship with each other.<br><br>When issuing valuation reports or opinions, the aforementioned personnel shall comply with the self-regulatory guidelines of their respective trade associations and the following:<br><br>I. Before accepting a case, they should carefully assess their own professional capabilities, practical experience, and independence.<br><br>II. When executing a case, appropriate work procedures should be properly planned and implemented to reach a conclusion and issue a report or opinion accordingly; and the procedures performed, the data collected, and the conclusions should be recorded in detail in the case working papers.<br><br>III. The appropriateness and reasonableness of each source of data, parameter, and information used should be evaluated to form the basis for issuing the valuation report or opinion.<br><br>IV. Declarations should include matters such as the professionalism and independence of relevant personnel, the assessment that the information used is appropriate and reasonable, and compliance with relevant laws and regulations. | | |

| | | |
|---|---|---|
| Article 7: Procedures<br><br>1. Publicly listed companies shall establish procedures for acquiring or disposing of assets in accordance with these guidelines. These procedures, after being approved by the board of directors, shall be submitted to the independent directors and then to the shareholders' meeting for approval. Amendments shall be submitted in the same manner. If any director objects and there is a record or written statement, the company shall also send the director's objection information to the independent director.<br><br>2. Companies that have established independent directors in accordance with this Act shall, when submitting procedures for acquiring or disposing of assets to the board of directors for discussion in accordance with the preceding paragraph, fully consider the opinions of each independent director. Any objections or reservations from independent directors shall be recorded in the minutes of the board meeting.<br><br>3. Companies that have established an audit committee in accordance with this Act shall require the consent of more than half of all members of the audit committee to establish or amend procedures for acquiring or disposing of assets, and shall submit them to the board of directors for a resolution.<br><br>4. If the preceding paragraph does not receive the consent of more than half of all members of the audit committee, it may be carried out with the consent of more than two-thirds of all directors, and the audit committee's resolution shall be recorded in the minutes of the board meeting.<br><br>5. The number of all members of the audit committee referred to in paragraph III and all directors referred | | New |

| | | |
|---|---|---|
| to in the preceding paragraph shall be calculated based on those actually in office. | | |
| Article 7-1: Procedures for acquiring or disposing of real estate or other fixed assets.<br>Omit<br>IV. Valuation Report for Right-to-Use Assets of Real Estate, Equipment, or ~~Other Fixed Assets~~ When the Company acquires or disposes of right-to-use assets of real estate, equipment, or ~~other fixed assets,~~ except for transactions with government agencies, self-construction, leased construction, or acquisition or disposal of machinery and equipment or their right-to-use assets for business use, if the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more, a valuation report issued by a professional appraiser must be obtained before the event occurs, and the following requirements must be met:<br>(I) When a limited price, a specific price or a special price must be used as a reference for the transaction price due to special reasons, the transaction shall be submitted to the board of directors for approval in advance. ~~If the transaction terms change in the future~~, the above procedure shall also be followed.<br>(II) For transactions exceeding NT$1 billion, at least two professional appraisers should be consulted for valuation.<br>(III) If any of the following situations occur with the valuation results of the professional appraisers, except where the valuation results for the acquired assets are all higher than the transaction amount, or the valuation results for the disposed assets are all lower than the transaction amount, an accountant should be consulted to handle the | Article 7: Procedures for acquiring or disposing of real estate or other fixed assets.<br>Omit<br>IV. Valuation Report for Real Estate or Other Fixed Assets When the Company acquires or disposes of real estate/or other fixed assets, except for transactions with government agencies, self-construction, leased construction, or acquisition and disposal of machinery and equipment for business use, if the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more, a valuation report issued by a professional appraiser must be obtained before the event occurs, and the following requirements must be met.<br>(I) When a limited price, a specific price or a special price must be used as a reference for the transaction price due to special reasons, the transaction shall be submitted to the board of directors for approval in advance. If the transaction terms change in the future, the above procedure shall also be followed.<br>(II) For transactions exceeding NT$1 billion, at least two professional appraisers should be consulted for valuation.<br>(III) If any of the following situations occur with the valuation results of the professional appraisers, except where the valuation results for the acquired assets are all higher than the transaction amount, or the valuation results for the disposed assets are all lower than the transaction amount, an accountant should be consulted to handle the matter in accordance with the | |

| | | |
|---|---|---|
| matter in accordance with the Auditing Standards Bulletin ~~No. 20 issued by the Accounting Research and Development Foundation,~~ and to provide a specific opinion on the reasons for the difference and the appropriateness of the transaction price:<br><br>1. A transaction where the appraised value differs from the transaction amount by more than 20%.<br>2. A transaction where the appraised values from two or more professional appraisers differ by more than 10% of the transaction amount.<br><br>~~(IV) If the valuation results of a professional appraiser fall under any of the following circumstances, except that the valuation results of the acquired assets are all higher than the transaction amount, or the valuation results of the disposed assets are all lower than the transaction amount, an accountant should be consulted to handle the matter in accordance with the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation of the Republic of China (hereinafter referred to as the Accounting Research and Development Foundation), and to provide specific opinions on the reasons for the differences and the appropriateness of the transaction price.~~<br><br><u>The date of the professional valuer's report and the date of the contract must not exceed three months. However, if the same published present value is applied and the period is within six months, an opinion letter may be issued by the original professional valuer</u>. | Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation, and to provide a specific opinion on the reasons for the difference and the appropriateness of the transaction price:<br><br>1. A transaction where the appraised value differs from the transaction amount by more than 20%.<br>2. A transaction where the appraised values from two or more professional appraisers differ by more than 10% of the transaction amount.<br><br>(IV) If the valuation results of a professional appraiser fall under any of the following circumstances, except that the valuation results of the acquired assets are all higher than the transaction amount, or the valuation results of the disposed assets are all lower than the transaction amount, an accountant should be consulted to handle the matter in accordance with the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation of the Republic of China (hereinafter referred to as the Accounting Research and Development Foundation), and to provide specific opinions on the reasons for the differences and the appropriateness of the transaction price. | |
| Article 8: Procedures for acquiring or disposing of securities investments<br>Omit | Article 8: Procedures for acquiring or disposing of securities investments<br>Omit | |

| | | |
|---|---|---|
| III. Obtaining Expert Opinions<br><br>(I) When a publicly listed company acquires or disposes of securities, it shall obtain the most recent financial statements of the target company, audited or reviewed by an accountant, before the date of the transaction as a reference for assessing the transaction price. Furthermore, if the transaction amount exceeds 20% of the company's paid-in capital or NT$300 million, the company shall consult an accountant for an opinion on the reasonableness of the transaction price before the date of the transaction. ~~If the accountant needs to use an expert report, it shall comply with the provisions of Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation.~~ However, this restriction does not apply if the securities have a publicly quoted price in an active market or if the Financial Supervisory Commission has other regulations. | III. Obtaining Expert Opinions<br><br>(I) When a publicly listed company acquires or disposes of securities, it shall obtain the most recent financial statements of the target company, audited or reviewed by an accountant, before the date of the transaction as a reference for assessing the transaction price. Furthermore, if the transaction amount exceeds 20% of the company's paid-in capital or NT$300 million, the company shall consult an accountant for an opinion on the reasonableness of the transaction price before the date of the transaction. If the accountant needs to use an expert report, it shall comply with the provisions of Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation. However, this restriction does not apply if the securities have a publicly quoted price in an active market or if the Financial Supervisory Commission has other regulations. | |
| Article 8:-1<br><br>The Company shall not waive its right to increase its capital in Samoan company Galway Limited (hereinafter referred to as Galway), Samoan company Eagle International Limited (hereinafter referred to as Eagle), and Brunei company Chernan ~~Technology (Brunei) Limited (hereinafter referred to as Brunei~~ Chernan Technology) in any future year; Galway, Eagle, and Brunei Chernan Technology shall not waive their right to increase their capital in Shengnan Technology (Hong Kong) Limited (hereinafter referred to as Shengnan (Hong Kong)), Samoan company Gaofu International Limited (hereinafter referred to as Gaofu), ~~Shengnan Technology (Morris) Limited (hereinafter referred to as Shengnan~~ | Article 8:-1<br><br>The Company shall not waive its right to increase its capital in Samoan company Galway Limited (hereinafter referred to as Galway), Samoan company Eagle International Limited (hereinafter referred to as Eagle), and Brunei company Chernan Technology (Brunei) Limited (hereinafter referred to as Brunei Chernan Technology) in any future year; Galway, Eagle, and Brunei Chernan Technology shall not waive their right to increase their capital in Shengnan Technology (Hong Kong) Limited (hereinafter referred to as Shengnan (Hong Kong)), Samoan company Gaofu International Limited (hereinafter referred to as Gaofu), Shengnan Technology (Morris) Limited (hereinafter referred to as Shengnan (Morris)), and Seychelles Chernan | |

| | | |
|---|---|---|
| ~~(Morris)),~~ and Seychelles Chernan Technology Group Limited (hereinafter referred to as Seychelles Chernan Technology). Regarding future capital increases: Gao Fu Company, Sheng Nan (Morris) Company, and Chernan Technology shall not relinquish their respective investments in Bainianda Technology (Shenzhen) Co., Ltd. (hereinafter referred to as Bainianda Technology), Sheng Nan Electrical Materials (Kunshan) Co., Ltd., Sheng Ji Metal Resource Recycling (Ji'an) Co., Ltd. (hereinafter referred to as Sheng Ji Metal Resource Recycling), and Sheng Nan Technology (Ji'an) Co., Ltd. (hereinafter referred to as Sheng Nan (Ji'an)). If, due to strategic alliance considerations or other reasons agreed upon by the OTC Exchange, it is necessary to relinquish or dispose of the aforementioned companies, a special resolution of the Company's Board of Directors is required. Any subsequent revisions to this procedure shall be entered into the Public Information Observation Station for material information disclosure and reported to the OTC Exchange for record. | Technology Group Limited (hereinafter referred to as Seychelles Chernan Technology). Regarding future capital increases: Gao Fu Company, Sheng Nan (Morris) Company, and Chernan Technology shall not relinquish their respective investments in Bainianda Technology (Shenzhen) Co., Ltd. (hereinafter referred to as Bainianda Technology), Sheng Nan Electrical Materials (Kunshan) Co., Ltd., Sheng Ji Metal Resource Recycling (Ji'an) Co., Ltd. (hereinafter referred to as Sheng Ji Metal Resource Recycling), and Sheng Nan Technology (Ji'an) Co., Ltd. (hereinafter referred to as Sheng Nan (Ji'an)). If, due to strategic alliance considerations or other reasons agreed upon by the OTC Exchange, it is necessary to relinquish or dispose of the aforementioned companies, a special resolution of the Company's Board of Directors is required. Any subsequent revisions to this procedure shall be entered into the Public Information Observation Station for material information disclosure and reported to the OTC Exchange for record. | |
| Article 9: Related Party Transactions<br><br>I. When the Company acquires or disposes of assets with related parties, in addition to following the procedures for acquiring real estate as stipulated in Article 7, if the transaction amount reaches 10% or more of the Company's total assets, a valuation report issued by a professional appraiser or an accountant's opinion shall be obtained in accordance with Article 7.The calculation of the transaction amount mentioned above shall be handled in accordance with Article 10.<br><br>When determining whether a transaction partner is a related party, in addition to paying attention to its legal | Article 9: Related Party Transactions<br><br>I. When the Company acquires or disposes of assets with related parties, in addition to following the procedures for acquiring real estate as stipulated in Article 7, if the transaction amount reaches 10% or more of the Company's total assets, a valuation report issued by a professional appraiser or an accountant's opinion shall be obtained in accordance with Article 7.The calculation of the transaction amount mentioned above shall be handled in accordance with Article 10. | |

| | | |
|---|---|---|
| form, the substantive relationship should also be considered.<br><br>II. Assessment and Operating Procedures<br><br>When the Company acquires or disposes of real estate or its right-to-use assets from related parties, or acquires or disposes of other assets besides real estate or their right-to-use assets with related parties, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of its total assets, or NT$300 million or more, except for buying and selling domestic government bonds, bonds with buy-back or sell-back conditions, or subscribing to or buying back money market funds issued by domestic securities investment trust companies, the following information ~~shall be submitted to the Board of Directors for approval, and the Supervisory~~ Board shall first obtain the consent of more than half of all members of the Audit Committee, and then submit a resolution to the Board of Directors before signing the transaction contract and making payment:<br><br>(I) The purpose, necessity, and expected benefits of acquiring or disposing of the assets.<br><br>(II) The reasons for selecting the related party as the counterparty in the transaction.<br><br>(III) Relevant information regarding the reasonableness of the proposed transaction terms in accordance with paragraph (iii) of this Article, for acquiring real estate or its right-to-use assets from the related party.<br><br>(Omitted)<br><br>The Board of Directors may authorize the Chairman to make a decision within | II. Valuation and Operating Procedures<br><br>When the Company acquires or disposes of real estate from related parties, or acquires or disposes of other assets besides real estate with related parties, and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of its total assets, or NT$300 million or more, except for the purchase and sale of government bonds, bonds with buy-back or sell-back conditions, or the subscription or buy-back of money market funds issued by domestic securities investment trust enterprises, the following documents shall be submitted to the Board of Directors for approval and the Supervisory Officer for acknowledgment before the transaction contract can be signed and payments made:<br><br>(I) The purpose, necessity, and expected benefits of acquiring or disposing of the assets.<br><br>(II) The reasons for selecting the related party as the counterparty in the transaction.<br><br>(III) Relevant information regarding the assessment of the reasonableness of the predetermined transaction terms in accordance with paragraph 3 of this Article for acquiring the real estate from the related party.<br><br>(Omitted)<br>When the Company acquires or | |

| | | |
|---|---|---|
| a certain limit on the following transactions between the publicly listed Company and its parent company or subsidiaries, or between subsidiaries directly or indirectly holding 100% of the issued ~~shares or total capital, to acquire or dispose of equipment for business use~~, and to subsequently submit the decision to the most recent Board of Directors for ratification.<br><br>(I) Acquiring or disposing of equipment or its right to use assets for business purposes.<br><br>(II) Acquiring or disposing of real estate right-to-use assets for business purposes.<br><br>For companies that have appointed independent directors in accordance with the Securities and Exchange Act, when submitting the proposal to the board of directors for discussion, the opinions of each independent director should be fully considered. If any independent director has any objection or reservation, it should be recorded in the minutes of the board meeting.<br><br>For securities exchanges that have established an audit committee in accordance with this Act, matters ~~that are required to be approved by the supervisor must first~~ be agreed upon by more than half of all members of the audit committee and submitted to the board of directors ~~for resolution. If the matter is not approved by more than half of all members of the audit committee, it may be carried out with the consent of more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board meeting. The term "all members of the audit committee" and "all directors" refers to those who are actually in office.~~<br><br>If a publicly listed company or its subsidiary (not a domestic publicly listed company) engages in a transaction as described in Section 1, | disposes of equipment for business use with its parent company or subsidiaries, the Board of Directors may authorize the Chairman to make a decision within a certain limit, and then submit it to the most recent Board of Directors for ratification.<br><br>For companies that have appointed independent directors in accordance with the Securities and Exchange Act, when submitting the proposal to the board of directors for discussion, the opinions of each independent director should be fully considered. If any independent director has any objection or reservation, it should be recorded in the minutes of the board meeting.<br><br>For entities that have established an audit committee in accordance with the Securities and Exchange Act, matters requiring the approval of the supervisor must first be agreed upon by more than half of all audit committee members and submitted to the board of directors for resolution. If the matter does not receive the approval of more than half of all audit committee members, it may be carried out with the consent of more than two-thirds of all directors, and the audit committee's resolution shall be recorded in the minutes of the board meeting. The terms "all members of the audit committee" and "all directors" refer to those actually in office. | |

| | | |
|---|---|---|
| and the transaction amount exceeds 10% of the publicly listed company's total assets, the publicly listed company shall submit all the information listed in Section 1 to its shareholders' meeting for approval before signing the transaction agreement and making payment. However, this restriction does not apply to transactions between the publicly listed company and its parent company, subsidiaries, or between its subsidiaries.<br><br>The calculation of the transaction amount mentioned above shall be carried out in accordance with the provisions of Article 14, Paragraph 2. The term "within one year" refers to the period one year prior to the date of occurrence of this transaction. Any part that has been submitted to the shareholders' meeting, the board of directors and the supervisor for approval in accordance with this procedure shall not be included again.<br><br>III. Reasonableness Assessment of Transaction Costs<br><br>(Omitted)<br><br>(II) When purchasing or leasing land and buildings of the same subject matter in a combined transaction, the transaction costs of the land and buildings may be assessed separately using any of the methods listed in the preceding paragraph.<br><br>(III) When the Company acquires real estate or its right-of-use assets from related parties, the Company shall assess the cost of the real estate or its right-of-use assets in ~~accordance with the provisions of paragraphs (I) and (II) of Section III of this Article, and shall consult with an accountant for review and specific opinion.~~<br><br>(IV) When the Company acquires real estate or its right-of-use assets | The calculation of the transaction amount mentioned above shall be carried out in accordance with the provisions of Article 14, Paragraph 2, and the term "within one year" refers to the one-year period retroactively calculated from the date of occurrence of this transaction. The portion that has been submitted to the board of directors for approval and the supervisor for approval in accordance with this procedure shall not be included again.<br><br>III. Reasonableness Assessment of Transaction Costs<br><br>(Omitted)<br><br>(II) When purchasing land and buildings of the same subject matter in a combined transaction, the transaction costs of the land and buildings may be assessed separately using any of the methods listed in the preceding paragraph.<br><br>(III) When the Company acquires real estate from a related party, the cost of the real estate shall be assessed in accordance with the provisions of paragraphs (I) and (II) of Section III of this Article, and an accountant shall be consulted for review and specific opinion.<br><br>(IV) When the assessed value of real estate acquired by the Company | |

| | | |
|---|---|---|
| from related parties, ~~the assessment results in accordance with paragraphs (I) and (II) of Section III of this Article are both lower than the transaction price, the Company shall proceed in accordance with paragraph (V) of Section III of this Article. However, this shall not apply if, due to the following circumstances, objective evidence is presented and specific reasonableness opinions from real estate appraisers and accountants are obtained:~~<br><br>The provisions of the preceding article shall apply, and the preceding three items shall not apply, in any of the following circumstances:<br><br>1. The related party acquires the real estate or its right-to-use asset through inheritance or gift.<br><br>2. More than five years have passed since the date of the contract for the related party's acquisition of the real estate or its right-to-use asset.<br><br>3. The related party acquires the real estate by entering into a joint construction contract with the related party, or by commissioning the related party to construct the real estate through land commissioning, leased land commissioning, or other similar arrangements.<br><br>4. A publicly listed company and its parent company, subsidiaries, or subsidiaries whose wholly-owned issued shares or total capital are acquiring real estate right-to-use assets for business purposes.<br><br>A. If a related party acquires or leases land and then constructs a building thereon, they may provide evidence that one of the following conditions is met:<br><br>(Omitted)<br>~~(2) Other non-related parties leasing~~ | from a related party in accordance with paragraphs (I) and (II) of Section III of this Article is lower than the transaction price, the provisions of paragraph (V) of Section III of this Article shall apply. However, this shall not apply if objective evidence is provided and specific reasonableness opinions from real estate appraisers and accountants are obtained due to the following circumstances:<br><br>A. If a related party acquires or leases land and then constructs a building thereon, they may provide evidence that one of the following conditions is met:<br><br>(Omitted)<br>(2) Other non-related parties leasing | |

| | | |
|---|---|---|
| ~~other floors of the same property within one year, whose transaction conditions are comparable based on reasonable floor price differences as per real estate leasing practices~~<br><br>B. ~~The Company will provide evidence that the real estate purchased from related parties is comparable in terms of transaction conditions and area to other non-related party transactions in the same~~ neighborhood within the past year. The aforementioned "neighboring neighborhood transactions" are defined as those occurring in the same or adjacent blocks and within a radius of no more than 500 meters from the property being traded, or those with similar publicly announced market values. The "similar area" refers to transactions where the area of other non-related party transactions is no less than 50% of the area of the property being traded. The "past year" refers to the period preceding the date of this acquisition of the real estate, calculated backwards for one year.<br><br>(V) If the Company acquires real estate from a related party, and the valuation results according to paragraphs (I) and (II) of Article III are both lower than the transaction price, the Company shall handle the following matters:<br><br>1. The Company shall allocate the difference between the transaction price and the valuation cost of the real estate or its right-to-use assets to a special surplus reserve in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act, and shall not distribute or transfer it for capital increase or rights issue. Investors whose investments in the Company are valued using the equity method, | other floors of the same property within one year, whose transaction conditions are comparable based on reasonable floor price differences as per real estate leasing practices<br><br>B. The Company will provide evidence that the real estate purchased from related parties is comparable in terms of transaction conditions and area to other non-related party transactions in the same neighborhood within the past year. The aforementioned "neighboring neighborhood transactions" are defined as those occurring in the same or adjacent blocks and within a radius of no more than 500 meters from the property being traded, or those with similar publicly announced market values. The "similar area" refers to transactions where the area of other non-related party transactions is no less than 50% of the area of the property being traded. The "past year" refers to the period preceding the date of this acquisition of the real estate, calculated backwards for one year.<br><br>(V) If the Company acquires real estate from a related party, and the valuation results according to paragraphs (I) and (II) of Article III are both lower than the transaction price, the Company shall handle the following matters:<br><br>1. The Company shall allocate the difference between the real estate transaction price and the valuation cost to a special surplus reserve in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act, and shall not distribute or transfer it for capital increase or rights issue. Investors whose investments in the Company are valued using the equity method, if they are publicly traded | |

| | | |
|---|---|---|
| if they are publicly listed companies, shall also allocate the amount allocated to the special surplus reserve in proportion to their shareholding in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act.<br><br>2. The supervisor shall handle the matter in accordance with Article 218 of the Company Act.<br><br>Where an audit committee has been established in accordance with this Act, the preceding paragraph of this section shall apply mutatis mutandis to the independent directors of the audit committee.<br><br>3. The handling of the transactions ~~described in paragraph (v) 1 and the first two~~ clauses of paragraph 2 of this Article shall be reported to the shareholders' meeting, and the details of the transactions shall be disclosed in the annual report and the prospectus.<br><br>4. Any special surplus reserve set aside by the Company or publicly traded companies ~~whose investments in the Company are valued using the equity method~~, in accordance with the foregoing provisions, shall only be used after the assets purchased or leased at a higher price have been recognized as having suffered a depreciation loss, been disposed of, or the lease has been terminated, or appropriate compensation or restoration has been made, or there is other evidence to confirm that there is no unreasonableness, and only with the consent of the ~~Financial Supervisory Commission of the Executive Yuan (hereinafter referred to as the FSC).~~<br><br>~~(VI) Where the Company acquires real estate from a related party, the assessment and operational procedures stipulated in paragraph~~ | companies, shall also allocate the amount to a special surplus reserve in proportion to their shareholding in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act.<br><br>2. The supervisor shall handle the matter in accordance with Article 218 of the Company Act.<br><br>3. The handling of points 1 and 2 of paragraph (v) of this Article 3 shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and the prospectus.<br><br>4. Any special surplus reserve set aside by the Company or publicly traded companies whose investments in the Company are valued using the equity method, as stipulated above, shall only be used after the assets purchased at a higher price have been recognized as having suffered a depreciation loss, been disposed of, or have been appropriately compensated or restored to their original state, or there is other evidence confirming that the acquisition is not unreasonable, and only after obtaining the consent of the Financial Supervisory Commission of the Executive Yuan (hereinafter referred to as the FSC).<br><br>(VI) Where the Company acquires real estate from a related party, the assessment and operational | |

| | | |
|---|---|---|
| ~~2 of this Article shall apply, and the assessment provisions concerning the reasonableness of transaction costs in paragraphs (I), (II), and (III) of this Article shall not apply:~~<br><br>~~1. The related party acquired the real estate through inheritance or gift.~~<br><br>~~2. More than five years have passed since the date of the contract to acquire the real estate.~~<br><br>~~3. The Company acquired the real estate by entering into a joint development contract with the related party, or by commissioning the related party to construct the real estate through land commissioning, leased land commissioning, or other similar means.~~<br><br>~~(VIII)~~ (VII)If the Company acquires real estate or its right to use assets from related parties, and there is other evidence showing that the transaction is not in accordance with normal business practices, it shall also be handled in accordance with the provisions of paragraph 3(v) of this Article. | procedures stipulated in paragraph 2 of this Article shall apply, and the assessment provisions concerning the reasonableness of transaction costs in paragraphs (I), (II), and (III) of this Article shall not apply:<br><br>1. The related party acquired the real estate through inheritance or gift.<br><br>2. More than five years have passed since the date of the contract to acquire the real estate.<br><br>3. The Company acquired the real estate by entering into a joint development contract with the related party, or by commissioning the related party to construct the real estate through land commissioning, leased land commissioning, or other similar means.<br><br>(VIII) If there is other evidence that the Company acquires real estate from related parties, the Company shall also be dealt with in accordance with paragraph (v) of this Article if there is any other evidence that the transaction is not in accordance with normal business practices. | |
| Article 10: Procedures for acquiring or disposing of membership cards or intangible assets.<br><br>(Omitted)<br>III. Expert Appraisal Report on Membership Certificates or Intangible Assets<br><br>(I) For transactions involving the acquisition or disposal of membership certificates or intangible assets exceeding NT$20 million, the Company shall request an expert appraisal report.<br><br>(II) For transactions involving the acquisition or disposal of membership certificates or | Article 10: Procedures for acquiring or disposing of membership cards or intangible assets.<br><br>(Omitted)<br>III. Expert Appraisal Report on Membership Certificates or Intangible Assets<br><br>(I) For transactions involving the acquisition or disposal of membership certificates or intangible assets exceeding NT$20 million, the Company shall request an expert appraisal report.<br><br>(II) For transactions involving the acquisition or disposal of membership certificates or | |

| | | |
|---|---|---|
| intangible assets exceeding 20% of the Company's paid-in capital or NT$300 million, except for transactions with government agencies, the Company shall, prior to the occurrence of the transaction, request an accountant to provide an opinion on the reasonableness of the transaction price. ~~The accountant shall also comply with the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation.~~ | intangible assets exceeding 20% of the Company's paid-in capital or NT$300 million, except for transactions with government agencies, the Company shall, prior to the occurrence of the transaction, request an accountant to provide an opinion on the reasonableness of the transaction price. The accountant shall also comply with the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation. | |
| Article 12: Procedures for acquiring or disposing of derivative products<br><br>(Omitted)<br><br>II. Risk Management Measures<br><br>Omitted<br><br>(V) Operational Risk Management<br><br>Omitted<br>4. Positions held in derivatives trading should be assessed at least weekly, except for hedging transactions undertaken for business purposes, which should be assessed at least twice monthly. The assessment report should be submitted to a senior executive authorized by the board of directors.<br><br>5. Other important risk management measures.<br><br>(Omitted)<br><br>V. When engaging in derivatives trading, the Board of Directors shall adhere to the following supervisory and management principles:<br><br>(I) The Board of Directors shall designate senior executives to oversee and control the risks of derivatives trading at all times. The management principles are as | Article 12: Procedures for acquiring or disposing of derivative products<br><br>(Omitted)<br><br>II. Risk Management Measures<br><br>Omitted<br><br>(V) Operational Risk Management<br><br>Omitted<br><br>(Omitted)<br><br>V. Principles of Board Supervision and Management in Derivative Transactions<br><br>(I) The Board of Directors shall designate senior executives to oversee and control the risks of derivative transactions at all times. The management principles are as | |

| | | |
|---|---|---|
| follows:<br><br>~~1. Regularly assess the appropriateness of currently used risk management measures and ensure that derivatives trading is conducted in accordance with the company's established procedures.~~<br><br>~~2. Monitor trading and profit/loss situations. If any abnormalities are discovered, necessary countermeasures shall be taken, and the Board of Directors shall be notified immediately. If the company has appointed independent directors, independent directors shall be present at the Board meeting and express their opinions.~~<br><br>(Omitted)<br><br>(IV) Senior management authorized by the Board of Directors shall manage derivative transactions in accordance with the following principles:<br><br>1. Regularly assess the appropriateness of currently used risk management measures and ensure that transactions are conducted in accordance with this guideline and the Company's established procedures for handling derivative transactions.<br><br>2. Monitor transactions and profit and loss. If any abnormalities are discovered, necessary countermeasures shall be taken, and the Board of Directors shall be notified immediately. If the Company has appointed independent directors, independent directors shall be present at the Board meeting and express their opinions.<br><br>~~(IV)~~ (V)When engaging in derivative transactions, the Company shall establish a register to record in | follows:<br><br>1. Regularly assess the appropriateness of currently used risk management measures and ensure that transactions are conducted in accordance with the company's established procedures for handling derivative transactions.<br><br>2. Monitor transactions and profit/loss. If any abnormalities are discovered, necessary countermeasures shall be taken, and the Board of Directors shall be notified immediately. If the company has appointed independent directors, independent directors shall be present at the Board meeting and express their opinions.<br><br>(Omitted)<br><br>(IV)When engaging in derivative transactions, the Company shall | |

| | | |
|---|---|---|
| detail the types and amounts of derivative transactions, the date of board approval, and the matters that should be carefully assessed under paragraph 4(ii), paragraph 5(i) and (ii) of this Article. | establish a register to record in detail the types and amounts of derivative transactions, the date of board approval, and the matters that should be carefully assessed under paragraph 4(ii), paragraph 5(i) and (ii) of this Article. | |
| Article 13: Procedures for handling mergers, divisions, acquisitions, or share transfers.<br><br>I. Assessment and Operating Procedures<br><br>(I) When undertaking a merger, division, acquisition, or share transfer, the Company shall engage lawyers, accountants, and ~~underwriters to jointly study the expected timetable of the statutory procedures and organize a special task force to execute the procedures in accordance with the statutory procedures. Prior to convening a board resolution~~, the Company shall engage accountants, lawyers, or securities underwriters to provide their opinions on the reasonableness of the share exchange ratio, acquisition price, or cash or other assets allocated to shareholders, and submit these opinions to the board for discussion and approval. However, the Company may waive the aforementioned opinions on reasonableness for mergers of its wholly-owned or directly or indirectly wholly-owned subsidiaries or mergers between its wholly-owned or directly or indirectly wholly-owned subsidiaries.<br><br>(II) Public Offerings Involving Mergers, Divisions, or Acquisitions<br>The Company shall prepare a public document to shareholders before the shareholders' meeting detailing the material terms and related matters of the merger, | Article 13: Procedures for handling mergers, divisions, acquisitions, or share transfers.<br><br>I. Assessment and Operating Procedures<br><br>(I) When undertaking a merger, division, acquisition, or share transfer, the Company shall engage lawyers, accountants, and underwriters to jointly study the expected timetable of the statutory procedures and organize a special task force to execute the procedures in accordance with the statutory procedures. Prior to convening a board resolution, the Company shall engage accountants, lawyers, or securities underwriters to provide their opinions on the reasonableness of the share exchange ratio, acquisition price, or cash or other assets allocated to shareholders, and submit these opinions to the board for discussion and approval. However, the Company may waive the aforementioned opinions on reasonableness for mergers of its wholly-owned or directly or indirectly wholly-owned subsidiaries or mergers between its wholly-owned or directly or indirectly wholly-owned subsidiaries.<br><br>(II) The Company shall prepare a public document to shareholders before the shareholders' meeting detailing the material terms of the merger, division, or acquisition, as well as related matters, and deliver it along with the expert opinion in | |

| | | |
|---|---|---|
| division, or acquisition, along with the expert opinion as per paragraph (a) of this Article and the notice of the shareholders' meeting, for shareholders' reference in deciding whether to approve the merger, division, or acquisition. However, this does not apply if a shareholders' meeting is exempted from resolution under other laws. | paragraph (i) of this Article and the notice of the shareholders' meeting, for reference in deciding whether to approve the merger, division, or acquisition. However, this shall not apply if a shareholders' meeting is exempted from resolution of the merger, division, or acquisition under other laws. | |
| Furthermore, if a shareholders' meeting of any of the companies involved in a merger, division, or acquisition is unable to be convened or a resolution is passed due to insufficient attendance, voting rights, or other legal restrictions, or if a resolution is rejected by the shareholders' meeting, the company involved in the merger, division, or acquisition shall immediately publicly explain the reasons for the failure, the subsequent procedures, and the expected date of the next shareholders' meeting. | Furthermore, if any shareholder meeting of any of the participating companies in the merger, division, or acquisition is unable to be convened or a resolution is passed due to insufficient attendance, voting rights, or other legal restrictions, or if the resolution is rejected by the shareholders' meeting, the participating company shall immediately publicly explain the reasons for the failure, the subsequent procedures, and the expected date of the shareholders' meeting. | |
| II. Other Important Notes<br><br>(Omitted) | II. Other Important Notes<br><br>(Omitted) | |
| (III) Principles for Determining and Changing the Share Exchange Ratio or Acquisition Price: Companies participating in a merger, division, acquisition, or share transfer shall, ~~before convening a board meeting of both parties, appoint an accountant, lawyer, or securities underwriter to provide an opinion on the reasonableness of the share exchange ratio, acquisition price, or cash or other assets allocated to shareholders,~~ and submit this opinion to the shareholders' meeting. The share exchange ratio or acquisition price shall not be arbitrarily changed except in the following circumstances, and the circumstances under which such changes are permitted shall be stipulated in the merger, division, | (III) Principles for Determining and Changing the Share Exchange Ratio or Acquisition Price: Companies participating in a merger, division, acquisition, or share transfer shall, before convening a board meeting of both parties, appoint an accountant, lawyer, or securities underwriter to provide an opinion on the reasonableness of the share exchange ratio, acquisition price, or cash or other assets allocated to shareholders, and submit this opinion to the shareholders' meeting. The share exchange ratio or acquisition price shall not be arbitrarily changed except in the following circumstances: | |

| | | |
|---|---|---|
| acquisition, or share transfer agreement:<br><br>(Omitted)<br><br>(IV) Required Contents of the Agreement: In addition to the provisions of ~~Article 317-1 of the Company Law and Article 22~~ of the Enterprise Merger and Acquisition Act, the agreement of a publicly traded company participating in a merger, division, acquisition, or share transfer shall specify the rights and obligations of the participating company and shall include the following matters:<br><br>(Omitted)<br>(V) If any party to a merger, division, acquisition, or share transfer intends to merge, divide, acquire, or transfer shares with another company after the information has been made public~~, and the number of participating companies changes:~~ Unless the number of participating companies decreases and the shareholders' meeting has resolved and authorized the board of directors to change the authority, the participating companies are exempt from convening a new shareholders' meeting for resolution. All procedures or legal acts already completed in the original merger, division, acquisition, or share transfer case shall be repeated by all participating companies.<br><br>(VI) If any of the companies participating in a merger, division, acquisition, or share transfer is not a publicly traded company, the Company shall enter into an agreement with it and proceed in accordance with the provisions of paragraphs (I), (II), and (V) of Section II of this Article.<br><br>(VII) Companies listed or whose shares are traded on securities brokerage | (Omitted)<br><br>(IV) Required Contents of the Contract: In addition to the provisions of Article 317-1 of the Company Act and Article 22 of the Enterprise Merger and Acquisition Act, the contract for a merger, division, acquisition, or share transfer shall also specify the following matters:<br><br>(Omitted)<br>(V) When the number of companies participating in a merger, division, acquisition, or share transfer changes: Unless the number of participating companies decreases and the shareholders' meeting has resolved and authorized the board of directors to change its authority, the participating companies are exempt from holding a new shareholders' meeting for resolution. All procedures or legal acts already completed in the original merger, division, acquisition, or share transfer case shall be repeated by all participating companies.<br><br>(VI) If any of the companies participating in a merger, division, acquisition, or share transfer is not a publicly traded company, the Company shall enter into an agreement with it and proceed in accordance with the provisions of paragraphs (I), (II), and (V) of this Article.<br><br>(VII) Companies participating in a merger, division, acquisition, or | |

| | | |
|---|---|---|
| premises that participate in a merger, division, acquisition, or share transfer shall keep a complete written record of the following information for five years for audit purposes. ~~The information in points 1 and 2 below, in accordance with the prescribed format, should be submitted to the Financial Supervisory Commission via the Internet information system for record-keeping within two days from the date of the board resolution.~~<br><br>(Omitted) | share transfer that are listed or whose shares are traded on a securities firm's premises shall keep a complete written record of the following information for five years for verification. The Company shall, within two days from the date of the board resolution, submit the information in points 1 and 2 below, in the prescribed format, to the Financial Supervisory Commission via the Internet Information System for verification.<br><br>(Omitted) | |
| Article 14: Information Disclosure Procedures<br>I. ~~Items to be Announced and Announcement Standards.~~<br>(I) Acquiring or disposing of real estate or its right-to-use assets from related parties, or acquiring or disposing of assets other than real estate or its right-to-use assets with related parties, where the transaction amount exceeds 20% of the company's paid-in capital, 10% of its total assets, or NT$300 million. However, this does not apply to the purchase or sale of domestic government bonds, bonds with buy-back or sell-back conditions, or the subscription or buy-back of money market funds issued by domestic securities investment trust companies.<br><br>(II) Conducting mergers, divisions, acquisitions, or share transfers.<br><br>(III) Losses from derivative transactions reaching the maximum amount of all or individual contractual losses stipulated in the prescribed handling procedures.<br><br>(IV) The type of assets acquired or disposed of is equipment or its right-to-use assets used for business operations, and the | Article 14: Information Disclosure Procedures<br>I. Items to be Announced and Announcement Standards.<br>(I) Acquiring or disposing of real estate from related parties, or acquiring or disposing of other assets besides real estate with related parties, where the transaction amount exceeds 20% of the company's paid-in capital, 10% of its total assets, or NT$300 million. However, this does not apply to the purchase or sale of government bonds, bonds with buy-back or sell-back conditions, or the subscription or repurchase of money market funds issued by domestic securities investment trust companies.<br><br>(II) Conducting mergers, divisions, acquisitions, or share transfers.<br><br>(III) Losses from derivative transactions reaching the maximum amount of total or individual contractual losses stipulated in the prescribed handling procedures.<br><br>(IV) The acquired or disposed assets are equipment used for business operations, and the counterparty is | |

| | | |
|---|---|---|
| counterparty is not a related party, and the transaction amount meets one of the following requirements:<br><br>(omitted)<br>3. For publicly listed companies with paid-in capital exceeding NT$50 billion, the transaction amount exceeds 5% of the company's paid-in capital.<br><br>(V) A publicly listed company engaged in construction business acquires or disposes of real estate or its right to use for construction purposes, and the counterparty to the transaction is not a related party, and the transaction amount does not exceed NT$500 million. Among them, if the paid-in capital is more than NT$10 billion, and the real estate of a completed building project is disposed of by the party not being a related party, the transaction amount is more than NT$1 billion.<br><br>(VI) The company acquires real estate through self-construction, leased construction, joint construction of sub-buildings, joint construction of profit sharing, or joint construction of sub-sales, and the transaction counterparties are not related parties, with the company expecting to invest more than NT$500 million in the transaction.<br><br>(VII) Publicly issued companies with paid-in capital of NT$50 billion or more, whose government bonds, ordinary corporate bonds and general financial bonds (excluding subordinated bonds) that do not involve equity are traded on stock exchanges or securities firms' offices, are not subject to the circumstances of the proviso in paragraph 8, and whose counterparties are not related parties, and whose transaction amounts exceed 5% of the company's paid-in capital. | not a related party, and the transaction amount meets one of the following criteria:<br><br>(Omitted)<br><br>(V) A publicly traded company engaged in construction business acquires or disposes of real estate for construction purposes, and the counterparty is not a related party, with the transaction amount not exceeding NT$500 million.<br><br>(VI) A company acquires real estate through self-construction, leased construction, joint construction of sub-buildings, joint construction of profit sharing, or joint construction of sub-sales, with the company's expected investment in the transaction amount not exceeding NT$500 million. | |

| | | |
|---|---|---|
| ~~(VII)~~ (VIII) Asset transactions, disposal of claims by financial institutions, or investments in mainland China, other than those listed in paragraphs ~~6~~ 7 above, where the transaction amount exceeds 20% of the company's paid-in capital or NT$300 million. However, the following situations are exempt from this restriction:<br><br>1. Buying and selling domestic government bonds or foreign government bonds with a credit rating no lower than my country's sovereign rating.<br><br>2. For investors as professionals, this includes the buying and selling of securities on domestic and overseas stock exchanges or securities firms' business offices; the subscription of foreign government bonds or ordinary corporate bonds and general financial bonds (excluding subordinated bonds) issued in the domestic primary market; the subscription or repurchase of securities investment trust funds or futures trust funds; the subscription or repurchase of index investment securities; and securities subscribed by securities firms as required by underwriting business or as advisors to emerging stock companies in accordance with the regulations of the Taiwan Securities Exchange Center.<br><br>(Omitted)<br><br>The transaction amount mentioned above shall be calculated as follows:<br><br>(Omitted)<br>3. The cumulative amount of real estate or its right-to-use assets acquired or disposed of within one year (acquisition and disposal are accumulated separately) under the same development project. | (VII) Asset transactions, disposal of claims by financial institutions, or investments in mainland China, other than those listed in the preceding six paragraphs, where the transaction amount exceeds 20% of the company's paid-in capital or NT$300 million. However, the following situations are exempt from this restriction:<br><br>1. Buying and selling government bonds.<br><br>2. Buying and selling securities on domestic and international stock exchanges or securities firms' business premises as a professional investment; subscribing to ordinary corporate bonds and general financial bonds not involving equity in the domestic primary market; or securities subscribed to by securities firms as underwriters or as advisors to emerging stock companies in accordance with the regulations of the Taiwan Securities Exchange Center.<br><br>(Omitted)<br><br>The transaction amount mentioned above shall be calculated as follows:<br><br>(Omitted)<br>3. The cumulative amount of real estate acquired or disposed of within one year (acquisition and disposal are accumulated separately) in the same development project. | |

| | | |
|---|---|---|
| (Omitted)<br><br>III. Announcement Application Procedure<br><br>(Omitted)<br><br>(II) For publicly offered companies, the Company shall, on a monthly basis, submit the information on derivative transactions conducted by the Company and its subsidiaries (excluding domestic publicly offered companies) up to the end of the previous month, in accordance with the prescribed format, to the information reporting website designated by the Financial Supervisory Commission (FSC) before the 10th of each month.<br><br>(III) For publicly offered companies, if there are errors or omissions in the items that the Company is required to disclose at the time of disclosure and corrections are required, the Company shall re-disclose all items within two days from the date of becoming aware of the error.<br><br>(IV) For publicly offered companies, when acquiring or disposing of assets, the Company shall keep relevant contracts, minutes, registers, valuation reports, and opinions from accountants, lawyers, or securities underwriters at the Company's premises for at least five years, unless otherwise stipulated by law.<br><br>(V) For publicly offered companies, after disclosing and reporting transactions in accordance with the preceding article, if any of the following circumstances occur, the Company shall disclose and report the relevant information on the website designated by the FSC within two days from the date of the event: | (Omitted)<br><br>III. Announcement Application Procedure<br><br>(Omitted)<br><br>(II) The Company shall, on a monthly basis, submit a report in the prescribed format to the information reporting website designated by the Financial Supervisory Commission (FSC) regarding the derivatives transactions conducted by the Company and its non-domestic publicly listed subsidiaries as of the end of the previous month.<br><br>(III) If any item required to be disclosed by the Company is found to be incorrect or incomplete at the time of disclosure and requires correction, the Company shall re-disclose all items within two days from the date of becoming aware of the error.<br><br>(IV) When the Company acquires or disposes of assets, the Company shall keep relevant contracts, minutes, registers, valuation reports, and opinions from accountants, lawyers, or securities underwriters at the Company's premises for at least five years, unless otherwise stipulated by law.<br><br>(V) After the Company discloses and reports a transaction as required, in any of the following circumstances, the Company shall disclose and report the relevant information on the FSC-designated website within two days from the date of the transaction: | |

| | | |
|---|---|---|
| (Omitted)<br><br>~~IV. Regarding the announcement and filing procedures for this article, since it has not yet been publicly issued, it is not required to make an announcement and filing in accordance with the regulations of the competent authority. This procedure will only apply after the public issuance.~~<br><br>(VI) If a subsidiary of a publicly listed company is not a domestic publicly listed company, and its acquisition or disposal of assets involves matters requiring public disclosure as stipulated in the preceding chapter, the publicly listed company shall be responsible for such disclosure.<br><br>(VII) The provisions regarding paid-in capital or total assets applicable to the aforementioned subsidiaries under the disclosure requirements shall be based on the paid-in capital or total assets of the publicly listed company. | (Omitted)<br><br>IV. Regarding the announcement and filing procedures for this article, since it has not yet been publicly issued, it is not required to make an announcement and filing in accordance with the regulations of the competent authority. This procedure will only apply after the public issuance. | |
| Article 15: The Company's subsidiaries shall comply with the following provisions:<br><br>(Omitted)<br><br>III. For subsidiaries that are not publicly listed companies in China, if their acquisition or disposal of assets reaches the disclosure and reporting thresholds stipulated in ~~the "Guidelines for the Handling of Acquisition or Disposal of Assets by Publicly Listed Companies,~~" this company shall handle the disclosure and reporting matters on their behalf.<br><br>IV. The "reaching ~~20%~~ of the company's paid-in capital or total assets" threshold in the disclosure and reporting standards for | Article 15: The Company's subsidiaries shall comply with the following provisions:<br><br>(Omitted)<br><br>III. If a subsidiary is not a publicly listed company, and its acquisition or disposal of assets meets the disclosure and reporting standards stipulated in the "Guidelines for the Handling of Acquisition or Disposal of Assets by Publicly Listed Companies," the Company shall handle the disclosure and reporting matters on its behalf.<br><br>IV. In the disclosure and reporting standards for subsidiaries, the phrase "reaching 20% of the Company's paid-in capital" refers | |

| | | |
|---|---|---|
| subsidiaries refers to ~~10%~~ of this company's paid-in capital or total assets.<br><br>V. The 10% total assets requirement in these guidelines is calculated based on the total assets amount in the most recent individual or separate financial report as stipulated in the Securities Issuer Financial Reporting Preparation Standards. | to 10% of the Company's paid-in capital or total assets. | |
| Article 15-1<br>The provision in this procedure regarding 10% of total assets shall be calculated based on the total asset amount in the most recent individual or separate financial report as stipulated in the financial reporting preparation standards for securities issuers.<br><br>For company shares without par value or with a par value other than NT$10 per share, the provision in this procedure regarding 20% of paid-in capital shall be calculated based on 10% of the equity attributable to the parent company's owners<br><br>The provisions of this standard regarding transactions involving 5% of paid-in capital shall be calculated based on 2.5% of the equity attributable to the owners of the parent company; the provisions of this standard regarding transactions involving paid-in capital reaching NT$10 billion shall be calculated based on NT$20 billion of the equity attributable to the owners of the parent company; and the provisions of this standard regarding transactions involving paid-in capital reaching NT$50 billion shall be calculated based on NT$100 billion of the equity attributable to the owners of the parent company. | Article 15-1<br>The provision in this procedure regarding 10% of total assets shall be calculated based on the total asset amount in the most recent individual or separate financial report as stipulated in the financial reporting preparation standards for securities issuers.<br><br>For company shares without par value or with a par value other than NT$10 per share, the provision in this procedure regarding 20% of paid-in capital shall be calculated based on 10% of the equity attributable to the parent company's owners. | |

**Attachment 7**

Chernan Technology Co., Ltd.

Comparison Table of Amendment of Procedures for lending funds to others

| Amended Article | Current Article | Explanation |
|---|---|---|
| Article 1: Purpose<br>~~If our company needs to lend funds to other companies (hereinafter referred to as "borrowers") for business purposes, this operating procedure shall be followed. Any matters not covered in this procedure shall be handled in accordance with the relevant laws and regulations.~~<br><br>This operating procedure shall be followed. However, if other financial laws and regulations stipulate otherwise, those provisions shall prevail. | Article 1: Purpose<br>If our company needs to lend funds to other companies (hereinafter referred to as "borrowers") for business purposes, this operating procedure shall be followed. Any matters not covered in this procedure shall be handled in accordance with relevant laws and regulations. | The procedure is in accordance with the provisions of Order No. 1080304826 issued by the Financial Regulatory Commission |
| Article 2: Assessment Standards for ~~Loan Recipients, Total Loan Amount, and Limits for Individual~~ Recipients:<br><br>I. In accordance with Article 15 of the Company Law, the Company's funds shall not be lent to shareholders or any other person except in the following circumstances:<br><br>(I) Companies or firms that have business dealings with the Company; ~~the aforementioned "business dealings" refers to those with whom the Company has engaged in purchasing or selling goods.~~<br><br>(II) Companies or firms that require short-term financing from the Company. The amount of financing shall not exceed 40% of the Company's net asset value.<br><br>The term "short-term" as used above refers to a period of one year ~~or one operating cycle (whichever is longer). The financing amount refers to the~~ | Article 2: Loan recipients, total loan amount, and limits for individual recipients.<br><br>I. In accordance with Article 15 of the Company Law, the Company's funds shall not be lent to shareholders or any other person except in the following circumstances:<br>(I) Companies or firms that have business dealings with the Company; the aforementioned "business dealings" refers to those with whom the Company has engaged in purchasing or selling goods.<br><br>(II) Companies or firms that require short-term financing from the Company. The amount of financing shall not exceed 40% of the Company's net asset value.<br><br>The aforementioned "short-term" refers to a period of one year or one operating cycle (whichever is longer). The amount of financing refers to the | |

| | | |
|---|---|---|
| ~~cumulative balance of the Company's short-term financing funds.~~<br>However, for companies with an operating cycle longer than one year, the operating cycle shall prevail. The financing amount mentioned in the second paragraph of the first item refers to the cumulative balance of the company's short-term financing funds.<br><br>(III) Loans between foreign companies in which the Company directly or indirectly holds 100% of the voting rights, or loans between foreign companies in which the Company directly or indirectly holds 100% of the voting shares, are not subject to the restrictions in paragraph (II).<br><br>II. Total Loan Amount and Limits for Individual Clients<br><br>(Omitted)<br><br>(II) Funds shall be lent to companies or firms that need short-term financing, with the total amount of such lending not exceeding 40 percent of the company's net worth; and the amount of any individual loan shall not exceed 20 percent of the company's net worth. It also lists the reasons and circumstances under which the loans were obtained.<br>(III) Loans between foreign companies in which the Company directly or indirectly holds 100% of the voting shares are not subject to the ~~restrictions in paragraph 2~~. Similarly, loans between foreign companies in which the Company directly or indirectly holds 100% of the voting shares ~~are not subject to the restrictions in paragraph 2. However, the limits and terms of the total amount and individual loan amounts shall still be stipulated in accordance with Article 3, and the loan terms shall be clearly defined.~~ The total amount shall not exceed 100% of the net value of the lending company; the individual loan amount shall not exceed 100% of | Company's cumulative balance of short-term financing funds.<br><br>II. Total Loan Amount and Limits for Individual Clients<br><br>(Omitted)<br><br>(II) Funds shall be lent to companies or firms that need short-term financing, with the total amount of such lending not exceeding 40 percent of the company's net worth; and the amount of any individual loan shall not exceed 20 percent of the company's net worth.<br><br>(III) Loans between foreign companies in which the Company directly or indirectly holds 100% of the voting shares are not subject to the restrictions in paragraph 2. However, the limits and terms of such loans shall still be determined in accordance with Article 3. | |

| | | |
|---|---|---|
| the net value of the lending company. | | |
| Article 4: ~~Review Procedures~~ Loan Processing Procedures<br>I. Application Procedure<br><br>~~(I) Borrowers shall provide basic and financial information, complete an application form, describe the purpose of the funds, the loan period, and the amount, and submit it to the company's finance department.~~<br><br>~~(II)~~ (I) Omitted<br><br>~~(III) (II)~~ Omitted<br><br>~~(IV) If the company has appointed independent directors, when lending funds to others, the opinions of each independent director shall be fully considered, and their explicit opinions of agreement or disagreement, along with the reasons for their objection, shall be included in the board minutes.~~<br><br>(Omitted below) | Article 4: Review Procedure<br><br>I. Application Procedure<br><br>(I) Borrowers shall provide basic and financial information, complete an application form, describe the purpose of the funds, the loan period, and the amount, and submit it to the company's finance department.<br><br>(II) Omitted<br><br>(III) Omitted<br><br>(IV) If the company has appointed independent directors, when lending funds to others, the opinions of each independent director shall be fully considered, and their explicit opinions of agreement or disagreement, along with the reasons for their objection, shall be included in the board minutes.<br>(Omitted below) | |
| Article 5: ~~Repayment~~ Subsequent control measures for the loan amount already disbursed, and handling of overdue claims.<br><br>I. After loan disbursement, the borrower's and guarantor's financial, business, and credit status should be regularly monitored. If collateral is provided, its value should be monitored for any changes. One month before the loan maturity date, the borrower should be notified of the due date for principal and interest repayment.<br><br>~~I.~~ II When the borrower repays the loan at maturity, the accrued interest should be calculated first, and the principal should be repaid together before any promissory notes, IOUs, | Article 5: Repayment<br><br>After loan disbursement, the borrower's and guarantor's financial, business, and credit status should be regularly monitored. If collateral is provided, its value should be monitored for any changes. One month before the loan maturity date, the borrower should be notified of the due date for principal and interest repayment.<br><br>I. When the borrower repays the loan at maturity, the accrued interest should be calculated first, and the principal should be repaid together before any promissory notes, IOUs, or other debt repayment | |

| | | |
|---|---|---|
| or other debt repayment instruments can be cancelled and returned to the borrower.<br><br>~~II.~~ III If the borrower applies to cancel the mortgage, any outstanding loan balance should be verified before deciding whether to approve the mortgage cancellation. | instruments can be cancelled and returned to the borrower.<br><br>II. If the borrower applies to cancel the mortgage, any outstanding loan balance should be verified before deciding whether to approve the mortgage cancellation. | |
| Article 7: Registration and Custody of Cases<br><br>(Omitted)<br><br>2. After the loan is disbursed, the personnel handling the loan cases shall organize the debt instruments such as contracts and promissory notes, as well as collateral documents, insurance policies, and correspondence in order, put them into a safekeeping bag, and indicate the contents of the safekeeping bag and the name of the customer on the bag. The bag shall be submitted to the unit supervisor of the finance department for inspection. After the inspection is completed and there are no problems, the bag shall be sealed. Both parties shall sign or affix their seals to the safekeeping register before the bag is kept. | Article 7: Registration and Custody of Cases<br><br>(Omitted)<br><br>2. After the loan is disbursed, the personnel handling the loan cases shall organize the debt instruments such as contracts and promissory notes, as well as collateral documents, insurance policies, and correspondence in order, put them into a safekeeping bag, and indicate the contents of the safekeeping bag and the name of the customer on the bag. The bag shall be submitted to the unit supervisor of the finance department for inspection. After the inspection is completed and there are no problems, the bag shall be sealed. Both parties shall sign or affix their seals to the safekeeping register before the bag is kept. | |
| Article 8: Precautions for Lending Funds to Others:<br><br>1. Before lending company funds to others, the company shall carefully assess whether it complies with the provisions of this operating procedure, and submit the assessment results to the board of directors for resolution before proceeding. No other person may be authorized to make the decision.<br><br>2. The company's internal auditors shall audit the fund lending procedures and their implementation at least | Article 8: Precautions for Lending Funds to Others:<br><br>1. Before lending company funds to others, the company shall carefully assess whether it complies with the provisions of this operating procedure, and submit the assessment results to the board of directors for resolution before proceeding. No other person may be authorized to make the decision.<br><br>2. The company's internal auditors shall audit the fund lending procedures and their implementation at least | |

| | | |
|---|---|---|
| quarterly, and keep written records. If any major violations are found, the ~~auditors~~ audit committees shall be notified in writing immediately.<br><br>3. If the company's lending balance exceeds the limit due to changes in circumstances, the audit unit shall urge the finance department to set a deadline for recovering the excess funds and submit an improvement plan to the audit committees for implementation according to the plan's schedule.<br><br>4. The responsible personnel shall prepare a detailed statement of fund lending to other companies for the previous month before the 10th of each month and submit it for review at each level. | quarterly, and keep written records. If any major violations are found, the auditors shall be notified in writing immediately.<br><br>3. If the company's lending balance exceeds the limit due to changes in circumstances, the auditing unit shall urge the finance department to set a deadline for recovering the excess funds and submit an improvement plan to the auditors for completion according to the plan's schedule.<br><br>4. The responsible personnel shall prepare a detailed statement of fund lending to other companies for the previous month before the 10th of each month and submit it for review at each level. | |
| Article 9: Control Procedures for Subsidiary Funds Lending to Others<br><br>(Omitted)<br>III. The subsidiary's internal auditors shall also audit the procedures and implementation of fund lending to others at least quarterly, and make written records. If any significant violations are discovered, the subsidiary's audit unit shall be notified immediately in writing. The subsidiary's audit unit shall then submit the written materials to the relevant supervisory committee.<br><br>(Omitted) | Article 9: Control Procedures for Subsidiary Funds Lending to Others<br><br>(Omitted)<br>III. The subsidiary's internal auditors shall also audit the procedures and implementation status of fund lending to others at least quarterly, and make written records. If any significant violations are discovered, the subsidiary's auditing unit shall be notified immediately in writing, and the company's auditing unit shall forward the written materials to the relevant supervisors.<br>(Omitted) | |
| Article 10: Information Disclosure<br><br>I. The Company shall, by the 10th of each month, submit a public announcement of the Company's and its subsidiaries' cash and loan balances for the previous month to the ~~Public Information Observation Station.~~<br><br>II. If the Company's cash and loan balances reach one of the following | Article 10: Information Disclosure<br><br>I. The Company shall input the cash loan balances of the Company and its subsidiaries for the previous month into the Public Information Observation Station by the 10th of each month.<br><br>II. If the Company's cash loan balance reaches one of the following | |

| | | |
|---|---|---|
| criteria, the Company shall submit a public announcement of these balances to the ~~Public Information Observation Station~~ within two days from the date of the event (~~whichever is earlier: the transaction signing date, the payment date, the board resolution date, or other date on which the transaction counterparty and amount are sufficiently determined)~~:<br><br>(Omitted)<br><br>III. If a subsidiary of the Company is not a publicly listed company in Taiwan, the Company shall be responsible for submitting any matters requiring public announcement under paragraph III of the preceding paragraph. ~~The calculation of the subsidiary's cash and loan balance as a percentage of net asset value shall be based on the subsidiary's cash and loan balance as a percentage of the Company's net asset value.~~<br><br>IV. The Company shall, in accordance with ~~generally accepted accounting principles,~~ assess its cash and loan situation and set aside an appropriate allowance for bad debts, appropriately disclose relevant information in its financial statements, and provide relevant materials to the auditing accountant for necessary auditing procedures. | criteria, it shall be input into the Public Information Observation Station within two days from the date of the event (whichever is earlier: the transaction signing date, the payment date, the board resolution date, or other date on which the transaction counterparty and transaction amount are sufficiently determined):<br><br>(Omitted)<br><br>III. If a subsidiary of the Company is not a publicly listed company in Taiwan, and there are matters in paragraph III of the preceding paragraph that require public disclosure, the Company shall handle these matters. The calculation of the subsidiary's cash loan balance as a percentage of net asset value shall be based on the percentage of the subsidiary's cash loan balance as a percentage of the Company's net asset value.<br><br>IV. The Company shall assess its cash loan situation and set aside an appropriate allowance for bad debts in accordance with generally accepted accounting principles, and shall appropriately disclose relevant information in its financial statements and provide relevant materials to the auditing accountant for necessary auditing procedures. | |
| Article 11: Penalties<br><br>1. If any manager or staff member of this company violates these operating procedures, they will be subject to evaluation in accordance with the company's work rules and ~~performance appraisal methods,~~ and penalties will be imposed according to the severity of the violation.<br><br>2. If any person in charge of this company violates these operating procedures, they shall be jointly | Article 11: Penalties<br><br>If any manager or supervisor of the Company violates these operating procedures, they shall be subject to evaluation in accordance with the Company's work rules and performance appraisal methods, and penalties shall be imposed according to the severity of the violation. | |

| | | |
|---|---|---|
| liable with the borrower for the return of the equipment; if the company suffers losses, they shall also be liable for damages. | | |
| Article 12: Implementation and Revision<br><br>I. This procedure shall be implemented after being approved by the Board of Directors, ~~sent to the supervisors, and~~ submitted to the Shareholders' Meeting for approval. ~~If any director expresses objection and there is a record or written statement, the Company shall send the objection to the supervisors and submit it to the Shareholders' Meeting for discussion~~. The same applies to revisions.<br><br>~~II. If the Company has appointed independent directors, when submitting this procedure to the Board of Directors for discussion in accordance with the preceding paragraph, the opinions of each independent director shall be fully considered, and their explicit opinions of agreement or disagreement, along with the reasons for their objection, shall be included in the Board minutes.~~ | Article 12: Implementation and Revision<br><br>I. This procedure shall be implemented after being approved by the Board of Directors, sent to the supervisors, and submitted to the Shareholders' Meeting for approval. If any director expresses objection and there is a record or written statement, the Company shall send the objection to the supervisors and submit it to the Shareholders' Meeting for discussion. The same applies to revisions.<br><br>II. If the Company has appointed independent directors, when submitting this procedure to the Board of Directors for discussion in accordance with the preceding paragraph, the opinions of each independent director shall be fully considered, and their explicit opinions of agreement or disagreement, along with the reasons for their objection, shall be included in the Board minutes. | |

**Attachment 8**

Chernan Technology Co., Ltd.

Comparison Table of Amendment of Procedures for Endorsement guarantee

| Amended Article | Current Article | Explanation |
|---|---|---|
| Article 1: Purpose<br>This procedure is established to ensure that the ~~Company has a clear framework for matters related to external~~ endorsements and guarantees. ~~Any matters not covered in this procedure shall be handled in accordance with relevant laws and regulations.~~<br><br>This procedure shall be followed. However, if there are other provisions in financial laws and regulations, those provisions shall prevail. | Article 1: Purpose<br>This procedure is established to ensure that the Company has a clear framework for matters related to external endorsements and guarantees. Any matters not covered in this procedure shall be handled in accordance with relevant laws and regulations. | The procedure is in accordance with the provisions of Order No. 1080304826 issued by the Financial Regulatory Commission |
| Article 2: Scope of Application<br><br>~~In principle, this company shall not provide endorsements or guarantees to external parties. However, in exceptional circumstances necessary for business operations, regardless of the amount, such endorsements or guarantees must be approved by the Board of Directors.~~<br>~~The endorsements and guarantees referred to in these Measures include:~~<br><br>The endorsement guarantee referred to in this operating procedure includes the following:<br><br>1. Financing endorsements ~~and~~ guarantees including: ~~These refer to through~~<br>(I)bill discounting~~, this bills to as collateral.~~ financing.<br>(II)endorsements or guarantees made for the purpose of financing other companies.<br>(III) And guarantees issuing by the Company for the purpose of financing non- financing enterprises | Article 2: Scope of Application<br><br>In principle, this company shall not provide endorsements or guarantees to external parties. However, in exceptional circumstances necessary for business operations, regardless of the amount, such endorsements or guarantees must be approved by the Board of Directors.<br>The endorsements and guarantees referred to in these Measures include:<br><br>1. Financin g endorsements and guarantees: These refer to endorsements or guarantees made for the purpose of financing other companies through bill discounting, and for the purpose of financing this company by issuing bills to non-financial enterprises as collateral. | |

| | | |
|---|---|---|
| II. Customs endorsements and guarantees: These refer to endorsements or guarantees made by this company or other companies concerning customs matters.<br><br>III Other endorsements and guarantees: These refer to endorsements or guarantees that cannot be categorized under the preceding two items.<br><br>IV. Publicly listed companies that provide movable or immovable property as collateral for loans to other companies to establish pledges or mortgages shall also be handled in accordance with this procedure. | II. Customs endorsements and guarantees: These refer to endorsements or guarantees made by this company or other companies concerning customs matters.<br><br>III Other endorsements and guarantees: These refer to endorsements or guarantees that cannot be categorized under the preceding two items.<br><br>IV.When the company provides movable or immovable property as collateral for loans to other companies, establishing pledges or mortgages, this procedure shall also be followed. | |
| Article 3: Endorsement Guarantee Entities<br>A publicly listed company may endorse or guarantee the following companies:<br><br>I. Companies with which our company has business dealings.<br><br>(The following is omitted)<br><br>~~IV.~~ Guarantees may be provided between subsidiaries of a publicly listed company that directly or indirectly hold more than 90% of the voting shares, and the amount shall not exceed 10% of the net asset value of the publicly listed company. However, this restriction does not apply to guarantees between companies that directly or indirectly hold 100% of the voting shares of the publicly listed company.<br><br>~~V.~~If the recipient of the endorsement guarantee is a subsidiary whose net asset value is less than half of its paid-in capital, subsequent relevant control measures should be clearly stipulated. | Article 3: Endorsement Guarantee Entities<br><br>I. Companies with business dealings with the Company.<br><br>(The following is omitted)<br><br>IV. Guarantees may be provided between subsidiaries of a publicly listed company that directly or indirectly hold more than 90% of the voting shares, and the amount shall not exceed 10% of the net asset value of the publicly listed company. However, this restriction does not apply to guarantees between companies that directly or indirectly hold 100% of the voting shares of the publicly listed company.<br><br>V.If the recipient of the endorsement guarantee is a subsidiary whose net asset value is less than half of its paid-in capital, subsequent relevant control measures should be clearly stipulated. | |

| | | |
|---|---|---|
| The term "capital contribution" as used in the preceding paragraph refers to capital contributions made directly by a publicly listed company or through a company that holds 100% of the voting shares.<br><br>The terms "subsidiary" and "parent company" as used in these Measures shall be determined in accordance with the Financial Reporting Standards for Securities Issuers. For publicly traded companies whose financial reports are prepared in accordance with International Financial Reporting Standards, the net asset value referred to in these Measures means the equity attributable to the owners of the parent company as stipulated in the Financial Reporting Standards for Securities Issuers.<br><br>~~The term "reporting" as used in these guidelines refers to submitting information to the information reporting website designated by the Securities and Futures Bureau of the Financial Supervisory Commission (hereinafter referred to as the Securities and Futures Bureau).~~ | The terms "subsidiary" and "parent company" as used in these Measures shall be determined in accordance with the Financial Reporting Standards for Securities Issuers. For publicly traded companies whose financial reports are prepared in accordance with International Financial Reporting Standards, the net asset value referred to in these Measures means the equity attributable to the owners of the parent company as stipulated in the Financial Reporting Standards for Securities Issuers.<br><br>The term "reporting" as used in these guidelines refers to submitting information to the information reporting website designated by the Securities and Futures Bureau of the Financial Supervisory Commission (hereinafter referred to as the Securities and Futures Bureau). | |
| Article 5: Amount of Endorsement Guarantee<br><br>I. The total amount of guarantees endorsed by the Company shall not exceed 100% of the Company's net worth for the current period. Guarantees endorsed to a single company shall not exceed 60% of the Company's net worth for the current period; however, guarantees endorsed to a single overseas affiliate shall not exceed 60% of the Company's net worth for the current period. Guarantees endorsed for business purposes shall not exceed the total amount of transactions with the Company in the most recent fiscal year (whichever is higher, the purchase or sales amount). Net worth is based on the financial | Article 5: Amount of Endorsement Guarantee<br><br>I. The total amount of guarantees endorsed by the Company shall not exceed 100% of its net worth for the current period. Guarantees endorsed to a single company shall not exceed 60% of its net worth for the current period; however, guarantees endorsed to a single overseas affiliate shall not exceed 60% of its net worth for the current period. Guarantees endorsed for business purposes shall not exceed the total amount of transactions with the Company in the most recent fiscal year (whichever is higher, the amount of goods purchased or sold between the two parties). Net worth is based on the | |

| | | |
|---|---|---|
| statements audited and reviewed by an accountant in the most recent period.<br><br>2. ~~The amount of endorsement guarantee provided includes the total amount of endorsement guarantee provided by the publicly listed company and the amount of endorsement guarantee provided to a single enterprise, as well as the total amount of endorsement guarantee provided by the publicly listed company and its subsidiaries as a whole and the amount of endorsement guarantee provided to a single enterprise.~~If a publicly listed company and its subsidiaries agree to provide a total amount of guarantees that constitutes an integral part of the publicly listed company's net asset value of more than 50 percent, the necessity and reasonableness of such guarantees shall be explained at the shareholders' meeting. | financial statements audited and reviewed by an accountant in the most recent period.<br><br>2. The amount of endorsement guarantee provided includes the total amount of endorsement guarantee provided by the publicly listed company and the amount of endorsement guarantee provided to a single enterprise, as well as the total amount of endorsement guarantee provided by the publicly listed company and its subsidiaries as a whole and the amount of endorsement guarantee provided to a single enterprise. If a publicly listed company and its subsidiaries agree to provide a total amount of guarantees that constitutes an integral part of the publicly listed company's net asset value of more than 50 percent, the necessity and reasonableness of such guarantees shall be explained at the shareholders' meeting. | |
| <u>Article 6: Endorsement and Guarantee Procedures</u><br><u>A publicly listed company intending to endorse or provide guarantees for others shall establish an endorsement and guarantee procedure in accordance with these guidelines. This procedure shall be approved by the board of directors and submitted to the shareholders' meeting for consent. If any director objects and there is a record or written statement, the company shall submit the objection to the shareholders' meeting for discussion, and the same applies to amendments.</u><br><br><u>A publicly listed company not intending to endorse or provide guarantees for others may, upon board approval, be exempt from establishing an endorsement and guarantee procedure. Subsequent attempts to obtain endorsements and guarantees shall still be made in accordance with the preceding paragraph.</u> | | |

| | | |
|---|---|---|
| For publicly listed companies that have established an audit committee, the procedures for establishing or amending endorsements and guarantees shall be governed by these provisions. | | |
| Article 6.1: Detailed Review Procedures ~~for Endorsement Guarantee Processing~~<br><br>I. When an endorsed company needs to use the guaranteed amount within the limit, it should provide basic and financial information, and submit an application form to the company's finance department. The finance department should conduct a detailed evaluation and perform credit investigation. The detailed review and ~~evaluation process~~ should include:<br><br>(Omitted)<br><br>III. The endorsement and guarantee register established by the Finance Department shall record in detail the endorsement and guarantee recipient, amount, date of board approval or chairman's decision, endorsement and guarantee date, matters to be prudently assessed according to these regulations, contents of the collateral and its assessed value, and conditions and dates for release from endorsement and guarantee liability, etc., for future reference.<br><br>(Omitted)<br><br>~~V. Publicly listed companies shall, in accordance with the provisions of Financial Accounting Standards Bulletin No. 9, assess or recognize the contingent losses of endorsements and guarantees, appropriately disclose endorsement and guarantee information in their financial reports, and provide~~ | Article 6: Endorsement and Guarantee Procedures<br><br>I. When an endorsed company needs to use the amount of the endorsement guarantee within the limit, it shall provide basic information and financial information, and submit an application form to the company's finance department. The finance department shall conduct a detailed assessment and credit investigation. Assessment items include:<br><br>(Omitted)<br><br>III. The endorsement and guarantee registration form established by the finance department shall record in detail the endorsement guarantee object, amount, date of board approval or chairman's decision, endorsement guarantee date, matters that should be carefully assessed according to these regulations, content of collateral and its assessed value, and conditions and dates for releasing the endorsement guarantee liability, etc., for future reference.<br><br>(Omitted)<br><br>V. Publicly listed companies shall, in accordance with the provisions of Financial Accounting Standards Bulletin No. 9, assess or recognize the contingent losses of endorsements and guarantees, appropriately disclose endorsement and guarantee information in their financial reports, and provide | |

| | | |
|---|---|---|
| ~~relevant information to the auditing accountant for necessary verification procedures.~~ | relevant information to the auditing accountant for necessary verification procedures. | |
| Article ~~10~~ 7: Control Procedures for Endorsement Guarantees for Subsidiaries (Omitted) | Article 10: Control Procedures for Endorsement Guarantees for Subsidiaries (Omitted) | |
| Article ~~7~~ 8: Custody and Procedures for Official Seals | Article 7: Custody and Procedures for Official Seals | |
| Article ~~8~~ 9: Points to Note When Handling Endorsement Guarantees:<br><br>1. The Company's internal auditors shall audit the endorsement guarantee procedures and their implementation at least quarterly and keep written records. If any significant violations are discovered, the independent directors shall be notified in writing immediately.<br><br>2. If, due to changes in circumstances, the endorsement guarantee recipient, who originally met the requirements of Article 3 of these procedures, subsequently fails to comply, or if the endorsement guarantee amount exceeds the limit stipulated in Article 4 of these regulations due to changes in the basis for calculating the limit, the auditing unit shall urge the finance department to formulate an improvement plan for the amount of the endorsement guarantee for that recipient or the excess portion. This plan shall be completely eliminated by the expiration of the contractually agreed term or within a specified period. The improvement plan shall be submitted to the independent directors, and the improvement shall be completed according to the plan's schedule, and a report shall be submitted to the board of directors.<br><br>3. Omitted.<br><br>4. If, due to changes in circumstances, the endorsement guarantee recipient no longer meets the requirements of these guidelines or the amount | Article 8: Points to Note Regarding Endorsement and Guarantee:<br><br>1. The Company's internal auditors shall audit the endorsement and guarantee procedures and their implementation at least quarterly, and keep written records. If any significant violations are discovered, the auditors shall be notified in writing immediately.<br><br>2. If, due to changes in circumstances, the endorsement recipient, who originally met the requirements of Article 3 of this procedure, subsequently fails to comply, or if the endorsement amount exceeds the limit stipulated in Article 4 of this procedure due to changes in the basis for calculating the limit, the auditing unit shall urge the Finance Department to formulate an improvement plan for the amount of the endorsement or guarantee for that recipient or the excess portion. This plan shall be completely eliminated by the expiration of the contractually agreed term or within a specified period. The improvement plan shall be submitted to the auditors, and the improvements shall be completed according to the plan's schedule, and a report shall be submitted to the Board of Directors.<br><br>3. (Omitted) | |

| | | |
|---|---|---|
| exceeds the limit, the publicly listed company shall formulate an improvement plan, submit the relevant improvement plan to each independent director, and complete the improvement according to the plan's schedule. | | |
| Article ~~9~~ 10: ~~The time limit, content, and~~ procedures for submitting applications shall be announced.<br><br>I. The Company shall submit the announcement of the previous month's endorsement guarantee balance of the Company and its subsidiaries to the ~~public information observation station~~ before the 10th of each month.<br><br>II. If any of the following criteria are met in the company's endorsement guarantee, the company shall, within two days from the date of occurrence (~~whichever is earlier: the transaction signing date, the payment date, the board resolution date, or other date on which the transaction counterparty and amount are sufficiently determined~~), ~~submit a public information observation station~~ announcement:<br><br>(Omitted)<br><br>(III) The outstanding balance of guarantees provided by the Company and its subsidiaries to a single enterprise exceeds NT$10 million, and the combined book value of the guarantees, ~~long-term investments~~ using the equity method, and outstanding cash and cash equivalents of such investments exceed 30% of the net asset value in the most recent financial statements of the publicly traded company.<br><br>(IV) Omitted<br><br>III. If any of the Company's subsidiaries are not publicly listed companies in | Article 9: Time Limit and Content for Public Announcement of Reports<br><br>I. The Company shall input the outstanding balance of its and its subsidiaries' endorsements for the previous month into the Public Information Observation Station before the 10th of each month.<br><br>II. If the Company's endorsements meet one of the following criteria, the Company shall input the information into the Public Information Observation Station within two days from the date of the event (whichever is earlier: the transaction signing date, the payment date, the board resolution date, or other date on which the counterparty and transaction amount are sufficiently determined):<br><br>(Omitted)<br><br>(III) The outstanding balance of the Company's and its subsidiaries' endorsements to a single enterprise exceeds NT$10 million, and the total outstanding balance of their endorsements, long-term investments, and loans exceeds 30% of the net asset value of the publicly listed company's most recent financial statements.<br><br>(IV) (Omitted)<br><br>III. If a subsidiary of the Company is not a publicly listed company in | |

| | | |
|---|---|---|
| China, and such subsidiaries have matters that should be reported and disclosed to the Public ~~Information Observation Station~~ as stated in paragraph IV of the preceding paragraph, the Company shall handle these matters.<br><br>~~The calculation of the proportion of the outstanding balance of the endorsed guarantees of the subsidiaries to the net asset value in the preceding paragraph shall be based on the proportion of the outstanding balance of the endorsed guarantees of the subsidiaries to the Company's net asset value.~~<br><br>~~IV.. The Company shall, in accordance with the provisions of Financial Accounting Standard No. 9, assess or recognize the contingent loss of the endorsement guarantee and appropriately disclose relevant information in the financial statements, and provide relevant information to the certified public accountant to perform the necessary verification procedures.~~<br><br>The term "reporting" as used in these guidelines refers to submitting information to the information reporting website designated by the Securities and Futures Bureau of the Financial Supervisory Commission (hereinafter referred to as the "Securities and Futures Bureau").<br><br>The term "date of occurrence" as used in these regulations refers to the earlier of the following dates: the signing date, the payment date, the board resolution date, or other date on which the funds are sufficiently determined to be loaned to or guaranteed by the party and amount of the guarantee.<br><br>Publicly listed companies shall assess or recognize contingent losses from guarantees and appropriately disclose guarantee information in | China, and that subsidiary has any matters that should be entered into the Public Information Observation Station as described in paragraph 4 of the preceding paragraph, the Company shall handle such matters. The calculation of the proportion of the outstanding balance of the endorsed guarantees of the subsidiary to the net asset value shall be based on the proportion of the outstanding balance of the endorsed guarantees of the subsidiary to the Company's net asset value.<br><br>IV. The Company shall, in accordance with the provisions of Financial Accounting Standard No. 9, assess or recognize the contingent loss of the endorsement guarantee and appropriately disclose relevant information in the financial statements, and provide relevant information to the certified public accountant to perform the necessary verification procedures. | |

| | | |
|---|---|---|
| their financial statements, and provide relevant information to the auditing accountant for necessary verification procedures.<br><br>The net worth calculated by a foreign company in accordance with these guidelines refers to the equity attributable to the parent company's owners as stated on the balance sheet. | | |
| Article 11: Penalties<br>If any ~~manager~~r, supervisor, ~~or staff member~~ of this company violates these operating procedures, they will be subject to evaluation in ~~accordance with the company's work rules and performance appraisal methods, and will be punished~~ according to the severity of the violation. They shall be jointly liable with the borrower for returning the item; if the company suffers losses, they shall also be liable for damages. | Article 11: Penalties<br>When managers and staff of this company violate these operating procedures, they will be subject to evaluation in accordance with the company's work rules and performance appraisal methods, and will be punished according to the severity of the violation. | |
| Article 12: Implementation and Revision<br><br>After this procedure is approved by the Board of Directors, it shall be ~~sent to the supervisors and~~ submitted to the Shareholders' Meeting for approval. ~~If any director expresses objection and there is a record or written statement, the Company shall send the objection to the supervisors and submit it to the Shareholders' Meeting for discussion, and the same shall apply to amendments. In addition, when this procedure is submitted to the Board of Directors for discussion, the opinions of each independent director shall be fully considered, and their explicit opinions of agreement or opposition and the reasons for opposition~~ shall be included in the Board minutes. | Article 12: Implementation and Revision<br><br>After this regulation is approved by the Board of Directors, it shall be sent to the supervisors and submitted to the Shareholders' Meeting for approval. If any director expresses objection and there is a record or written statement, the Company shall send the objection to the supervisors and submit it to the Shareholders' Meeting for discussion. The same applies to amendments. Furthermore, when this regulation is submitted to the Board of Directors for discussion, the opinions of each independent director shall be fully considered, and their explicit opinions of agreement or disagreement, along with the reasons for their objection, shall be included in the Board minutes. | |

**Appendix 1**

Chernan Technology Co., Ltd.

Articles of Incorporation

# Chapter 1 General Provisions

**Article 1** The company is organized in accordance with the provisions of the Company Law and is named Chernan Technology Co., Ltd.

**Article 2** **The company's business operations are as follows:**

1.CA02010 Metal structure and building component manufacturing industry.
2.CA02030 Manufacturing of screws, nuts, screws, rivets and other products.
3.CA02040 Spring manufacturing industry.
4.CA02070 Lock manufacturing industry.
5.CA02090 Metal wire products manufacturing industry.
6.CA02990 Other metal products manufacturing industry.
7. CA03010 Heat treatment industry.
8 CA04010 Surface treatment industry.
9. CB01010 Machinery and equipment manufacturing industry.
10. CB01030 Pollution prevention and control equipment manufacturing industry.
11. CB01990 Other machinery manufacturing industry.
12.CC01010 Power generation, transmission and distribution machinery manufacturing industry.
13.CC01070 Wireless communication machinery and equipment manufacturing industry.
14.CC01080 Electronic components manufacturing industry.
15.CC01090 Battery manufacturing industry.
16.CC01100 Telecommunications controlled radio frequency equipment manufacturing industry.
17.CC01110 Computer and peripheral equipment manufacturing industry.
18.CC01120 Data storage media manufacturing and reproduction industry.
19.CC01990 Other electrical and electronic machinery equipment manufacturing industry.
20. E604010 Machinery installation industry.
21. E605010 Computer equipment installation industry.
22. E901010 Painting engineering industry.
23.EZ15010 thermal insulation and cold insulation installation engineering industry.
24 F106010 Hardware wholesale industry.
25.F113010 Machinery wholesale industry.
26.F113050 Wholesale of computers and office machinery and equipment.
27. F113070 Telecommunications equipment wholesale industry.
28.F113100 Wholesale of pollution prevention and control equipment.
29. F113110 Battery wholesale industry.
30. F118010 Information software wholesale industry.
31 F119010 Electronic materials wholesale industry.
32 F206010 Hardware retail industry.
33. F213060 Telecommunications equipment retail industry.
34. F213080 Retail trade of machinery and equipment.
35. F218010 Information software retail industry.
36 F219010 Electronic materials retail trade.
37.F401010 International trade industry.

38 H701010 Residential and building development, rental and sale industry.
39 H701020 Industrial plant development, rental and sale industry.
40 H701040 Specific professional area development industry.
41.I301010 Information software services industry.
42.I301030 Electronic information supply service industry.
43.IG03010 Energy technology service industry.
44.JE01010 Leasing industry.
45 ZZ99999 In addition to the permitted business, it may operate businesses that are not prohibited or restricted by laws.

**Article 3** The company has its head office in Guishan Township, Taoyuan County. If necessary, it may establish branches at home and abroad upon resolution of the board of directors.

**Article 4** The company's announcement method shall be in accordance with Article 28 of the Company Law.

**Article 4-1** The amount of the company's investment in other enterprises is not subject to the restriction of Article 13 of the Company Law, which shall not exceed 40% of the company's paid-in share capital.

**Article 4-2** The company may provide external guarantees due to business needs.

## Chapter 2 Shares

**Article 5**

The total capital of the company is set at NT$1,280 million, divided into 100,280,000 shares, with an amount of NT$100 per share. Among them, unissued shares are authorized to be issued in batches by the board of directors.

Within the capital amount specified in the preceding paragraph, NT$10,000 is reserved for the issuance of employee stock option certificates, totaling 1 million shares, which may be issued in installments in accordance with the resolution of the board of directors.

**Article 6** **delete.**

**Article 7**

The company's stocks are all in registered form, signed or stamped by three or more directors, and issued after being certified by the competent authority or its issuance registration agency.

The shares issued by this company are exempted from printing stock certificates and registration must be registered with the centralized securities custody institution.

**Article 8**

The closing date of regular shareholders' meetings and extraordinary shareholders' meetings shall be handled in accordance with Article 165 of the Company Law. In addition, the distribution of dividends, bonuses or other benefits shall be stopped within five days before the base date when the company decides to distribute them.

# Chapter 3 Shareholders meeting

**Article 9**

There are two types of shareholders' meetings: regular meetings and extraordinary meetings. Regular meetings are held once a year and are convened by the board of directors in accordance with the law within six months after the end of each fiscal year. Extraordinary meetings shall be convened in accordance with the law when necessary.

**Article 10**

If a shareholder is unable to attend the shareholders' meeting for any reason, he may issue a power of attorney and entrust a proxy to attend in accordance with Article 177 of the Company Law. Unless otherwise provided by the Company Law, the method for shareholders to attend by proxy shall be governed by the "Rules for the Use of Proxy Letters for Publicly Offered Companies to Attend Shareholders' Meetings" promulgated by the competent authority. Shareholders of the Company may exercise their voting rights electronically. Shareholders who exercise their voting rights electronically are deemed to be present in person, and relevant matters shall be handled in accordance with legal provisions.

**Article 11**

Each shareholder of the company shall have one vote per share, except for those shares without voting rights stipulated in Article 179 of the Company Law.

**Article 12**

Unless otherwise stipulated by the Company Law, resolutions of shareholders' meetings must be attended by shareholders representing more than half of the total number of issued shares and must be approved by more than half of the voting rights of the shareholders present.

**Article 12-1**

When the company's stocks intend to withdraw from public issuance, a resolution of the shareholders' meeting shall be submitted, and this article shall not be changed during the period of establishment and listing.

# Chapter 4 Director

**Article 13**

The company shall have seven to nine directors, who shall be appointed by the shareholders' meeting who have the capacity to act. The term of office is three years, and they are subject to re-election. Among the number of directors of the company, there shall be no less than three independent directors, and no less than one-fifth of the number of directors. The professional qualifications, shareholding and part-time restrictions of independent directors, determination of independence, nomination methods and other matters to be complied with shall be handled in accordance with the relevant regulations of the securities regulatory authority. The election of directors (including independent directors) and supervisors adopts the candidate nomination system in Article 192-1 of the Company Law. The acceptance and announcement of candidate nominations and other related matters shall be handled in accordance with the relevant laws and regulations of the Company Law and the Securities and Exchange Law. Independent directors and non-independent directors shall be elected together and the number of elected directors shall be calculated separately.

**Article 13-1**

The election of directors (including independent directors) of the company shall adopt a cumulative voting system. Each share has the same voting rights as the number of directors or supervisors to be elected. One person may be elected centrally, or several persons shall be elected, and the votes obtained shall represent the greater number of voting rights. If more than one person is elected as a director or supervisor, if it is necessary to amend the method, in addition to complying with Article 172 of the Company Law and other provisions, a comparison table of the amendments to the method should be listed in the reason for the convocation.

**Article 13-2**

The company has established an audit committee in accordance with the provisions of the Securities and Exchange Law. The audit committee shall be composed of all independent directors. The audit committee or members of the audit committee are responsible for executing the relevant supervisory powers stipulated in the Company Law, the Securities and Exchange Law and other laws and regulations.

**Article 14**

The board of directors is organized by the directors. More than two-thirds of the directors are present and more than half of the directors present agree to elect one person to be the chairman of the board. The chairman represents the company externally.

**Article 15**

The board of directors shall be chaired by the chairman. When the chairman takes leave or is unable to exercise his powers for any reason, his representation shall be handled in accordance with the provisions of Article 208 of the Company Law. If a director is unable to attend the board of directors for any reason, his proxy shall be handled in accordance with the provisions of Article 205 of the Company Law.

**Article 16**

Directors of the company shall be paid remuneration when performing their duties regardless of the company's operating profits and losses. The maximum total annual remuneration for each person is set at NT$5 million. The remuneration payment standards for individual directors are authorized to be determined within the limits based on the level of participation in the company's business and the value of their contributions by the company's board of directors. The company shall take out liability insurance for the directors' liability for compensation according to law during the execution of their business scope during their term of office.

**Article 16-1**

The board of directors shall convene once a quarter, and the reasons for the convening shall be stated and notified to each director seven days in advance; however, in case of emergency, it may be convened at any time. Notice of board meeting can be sent by fax, email (E-mail), etc.

## Chapter 5 Manager

**Article 17**

The company may appoint a number of managers, and their appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Law.

## Chapter 6 Accounting

**Article 18**

The company shall, at the end of each fiscal year, prepare the following forms by the board of directors and submit them to the regular meeting of shareholders for approval in accordance with the law:

(1) Business report;

(2) Financial statements;

(3) Proposals for profit distribution or loss appropriation.

**Article 19** **delete.**

**Article 20**

If the company makes a profit during the year, it should allocate (1) 6% (0.1-2% of the total employee compensation should be allocated to frontline employees.)of employee remuneration; (2) directors

The remuneration shall not exceed 5%; however, if the company still has accumulated losses, the compensation amount shall be reserved in advance.

Employee remuneration shall be in the form of stocks or cash, and shall be implemented by the board of directors with more than two-thirds of the directors present and a resolution approved by more than half of the directors present, and shall be reported to the shareholders' meeting.

The employee remuneration mentioned in the preceding paragraph may be paid in cash or stocks, and the recipients of employee remuneration in stocks may include employees of affiliated companies whose direct and indirect shareholdings total up to 50% of the company's shares.

**Article 20-1**

If the Company has a surplus in its annual general settlement, after paying all taxes, when distributing the surplus, it will first offset previous years' losses, and then set aside 10% as statutory surplus reserve; however, this restriction does not apply if the statutory surplus reserve has reached the Company's paid-in capital. If necessary, a special surplus reserve may be set aside or reversed in accordance with the law, and accumulated undistributed profits from previous years will be added as distributable surplus. The Board of Directors will retain this as needed for operational purposes and will draft a shareholder dividend distribution proposal for approval by the Shareholders' Meeting.

The Company's dividend policy is designed to align with current and future development plans, consider the investment environment, capital needs, and domestic and international competition, and take into account shareholder interests. A balanced dividend policy will be adopted, distributing dividends in both stock and cash formats. However, the cash dividend ratio will not be less than 20% of the total dividend distribution for the year. The type and ratio of surplus distribution will depend on the Company's current financial situation and profitability, and the Board of Directors will draft a surplus distribution proposal for approval by the Shareholders' Meeting.

## Chapter 7 Supplementary Provisions

**Article 21**

Matters not covered in this Articles of Association shall be handled in accordance with the provisions of the Company Law.

**Article 22**

This Articles of Incorporation was established on March 22, 1984.
The first revision was on July 15,1986.
The second revision was on October 22, 1988.
The third revision was on August 5, 1999.
The fourth revision was on July 18, 2006.
The fifth revision was on November 2, 2006.
The sixth revision was on September 26, 2007
The seventh revision was on November 30, 2007.
The eighth revision was on May 30, 2008.
The ninth revision was on December 17, 2008.
The tenth revision was on October 21, 2009.
The eleventh revision was on May 14, 2010.
The twelfth revision was made on June 17, 2011.
The thirteenth revision was made on June 18, 2012.
The fourteenth revision was made on June 20, 2014.
The fifteenth revision was made on June 17, 2016.
The sixteenth revision was made on June 16, 2017.
The seventeenth revision was made on August 30, 2021.
The eighteenth revision was made on June 28, 2024.
The nineteenth revision was made on June 30, 2025.

Chernan Technology Co., Ltd.
Su-Chu Wei

**Appendix 2**

# Chernan Technology Co., Ltd.
## Procedures for Acquisition or Disposal of Assets

Article 1: Purpose

This procedure is established to protect assets and ensure information disclosure. The acquisition or disposal of assets by this company shall be handled in accordance with this procedure. However, where other laws stipulate otherwise, those provisions shall prevail.

Article 2: Legal Basis

This procedure is established in accordance with Article 36-1 of the Securities and Exchange Act (hereinafter referred to as the "SEC Act") and the relevant provisions of the "Guidelines for the Handling of Asset Acquisition or Disposal by Publicly Issued Companies."

Article 3: Scope of Assets

I. Securities: Including stocks, government bonds, corporate bonds, financial bonds, securities of government funds, depositary receipts, warrants, beneficial securities, and asset-backed securities.

II. Real estate (including land, buildings and structures, investment properties, land use rights, and inventory of construction companies) and equipment.

III. Membership certificates.

IV. Intangible assets: Including patent rights, copyrights, trademark rights, franchise rights, and other intangible assets.

V. Claims against financial institutions (including receivables, foreign exchange discounting and lending, and collection of debts).

VI Derivative products.

VII. Assets acquired or disposed of through mergers, divisions, acquisitions, or share transfers pursuant to law.

VIII. Other significant assets.

Article 4: Definitions

I. Derivatives: These refer to forward contracts, option contracts, futures contracts, leveraged margin contracts, exchange contracts, and composite contracts formed by combinations of the above products, whose value is derived from assets, interest rates, exchange rates, indices, or other benefits. Forward contracts do not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, or long-term purchase (sale) contracts.

II. Assets Acquired or Disposed of Through Merger, Division, Acquisition, or Share Transfer: These refer to assets acquired or disposed of through merger, division, or acquisition under the Corporate Merger Act, the Financial Holding Company Act, the Financial Institutions Merger Act, or other laws, or those acquired by issuing new shares to acquire shares of another company under Article 156, Paragraph 6 of the Company Act (hereinafter referred to as share transfer).

III. Related Parties and Subsidiaries: These should be identified in accordance with the Financial Reporting Standards for Securities Issuers.

IV. Professional Valuers: These refer to real estate valuers or other persons legally authorized to engage in real estate and equipment valuation.

V. Date of Transaction: This refers to the earlier of the following dates: the date of signing the transaction agreement, the date of payment, the date of completion of the entrustment, the date of transfer of ownership, the date of the board resolution, or other date on which the transaction counterparty and transaction amount are sufficiently confirmed. However, for investors requiring approval from the competent authority, the earlier of the above-mentioned date or the date of receiving approval from the competent authority shall prevail.

VI. Investment in Mainland China: This refers to investments in Mainland China conducted in accordance with the Regulations Governing Investment or Technological Cooperation in Mainland China issued by the Investment Commission of the Ministry of Economic Affairs.

VII. The term "within one year" is calculated retroactively to the date of acquisition or disposal of assets, one year prior. Items already publicly announced are exempt from inclusion.

VIII. The term "most recent financial statements" refers to the financial statements that the company legally disclosed and audited or reviewed by an accountant before acquiring or disposing of assets.

Article 5: Investment Limits in Non-Business Use Real Estate and Securities

The limits for the acquisition of the aforementioned assets by the Company and its subsidiaries are as follows:

1. The total amount of non-business use real estate shall not exceed 50% of its net value.

2. The total amount of investment in securities shall not exceed 100% of its net value.

3. The amount of investment in any individual securities shall not exceed 40% of its net value.

Article 6:

The valuation reports or opinions from accountants, lawyers, or securities underwriters obtained by the Company must not be related parties of the valuation professionals, their personnel, accountants, lawyers, or securities underwriters, or the parties to the transaction.

Article 7: Procedures for Acquiring or Disposing of Real Estate or Other Fixed Assets

I. Valuation and Operational Procedures The acquisition or disposal of real estate and other fixed assets by the Company shall be handled in accordance with the Company's internal control system's fixed asset cycle procedure.

II.. Procedures for Determining Transaction Terms and Authorized Limits

(I) When acquiring or disposing of real estate, the transaction terms and price should be determined with reference to the announced current value, appraised value, and actual transaction prices of neighboring real estate. An analysis report should be prepared and submitted to the responsible supervisor. For amounts of NT$10 million (inclusive) or less, approval should be sought according to the approval authority. For amounts exceeding NT$10 million and less than 20% (inclusive) of the company's current capital, approval from the chairman should be requested, and the matter should be reported at the most recent board meeting. For amounts exceeding 20% of the company's current capital, board approval is required before proceeding.

(II) The acquisition or disposal of other fixed assets shall be carried out through inquiry, comparison, negotiation or bidding. For amounts of NT$10 million (inclusive) or less, approval shall be granted at each level in accordance with the authorization method. For amounts exceeding NT$10 million, up to 20% of the company's current capital, approval shall be obtained from the chairman of the board and reported to the most recent board meeting afterward. For amounts exceeding 20% of the company's current capital, approval shall be obtained from the chairman of the board and then approved by the board of directors before proceeding.

III. Implementing Unit When the Company acquires or disposes of real estate or other fixed assets, the acquisition or disposal shall be approved according to the approval authority outlined in the preceding paragraph, and the user department and management department shall be responsible for execution.

IV. Valuation Report for Real Estate or Other Fixed Assets Except for transactions with government agencies, self-construction, leased construction, or acquisition/disposal of machinery and equipment for business use, if the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more, the Company shall obtain a valuation report issued by a professional appraiser before the transaction occurs, and the following requirements shall be met:

(I) If, due to special reasons, a limited price, specific price, or special price must be used as a reference for the transaction price, the transaction shall first be approved by the Board of Directors. Any future changes to the transaction terms shall also be handled in accordance with the above procedure.

(II) For transactions exceeding NT$1 billion, at least two professional appraisers shall be engaged to conduct valuations.

(III) If the valuation results of a professional appraiser fall under any of the following circumstances, except that the valuation results of acquired assets are all higher than the transaction amount, or the valuation results of disposed assets are all lower than the transaction amount, an accountant should be consulted to handle the matter in accordance with the provisions of Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation, and to provide a specific opinion on the reasons for the differences and the appropriateness of the transaction price:

1. A transaction where the appraised value differs from the transaction amount by more than 20%.
2. A transaction where the appraised values from two or more professional appraisers differ by more than 10% of the transaction amount.

(IV) If the valuation results of a professional appraiser fall under any of the following circumstances, except where the valuation results for acquired assets are all higher than the transaction amount, or the valuation results for disposed assets are all lower than the transaction amount, an accountant should be consulted to conduct an audit in accordance with the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation of the Republic of China (hereinafter referred to as the Accounting Research and Development Foundation), and to provide a specific opinion on the reasons for the difference and the appropriateness of the transaction price.

(V) If there is a legitimate reason for not being able to obtain the valuation report immediately, the valuation report and the accountant's opinion in paragraph (iii) above should be obtained within two weeks from the date of the event.

(VI) If the Company acquires or disposes of assets through court auction proceedings, the certificate issued by the court may be used in place of the valuation report or the accountant's opinion.

Article 8: Procedures for Acquiring or Disposing of Securities Investments

I. Assessment and Operating Procedures

(I) For each long-term equity investment and disposal using the equity method, a statement from Mr. Lin Chao-rong confirming that he does not hold any shares in the same underlying asset is required. Additionally, a detailed list of shareholdings held by Mr. Lin Chao-rong, his spouse, minor children, and their invested businesses must be obtained. A necessity and benefit assessment report of the investment plan must be prepared.A certified public accountant must then be commissioned to provide an assessment of the reasonableness of the investment transaction price. The investment and disposal can only proceed after all directors of the company are present and unanimously approve the resolution.

(II) For equity investments and disposals not using the equity method, orders or other supporting documents demonstrating a business relationship between the company and the investment must be obtained. A necessity and benefit assessment report of the investment plan must be prepared.A financial expert must then be commissioned to provide an assessment of the reasonableness of the investment transaction price.The same investment and disposal procedures as in the preceding paragraph must be followed before each investment and disposal can proceed.

(III) Any subsequent revisions to this procedure should be entered into the Public Information Observation Station for material information disclosure and reported to the Taipei Exchange for record.

II. Implementing Unit When investing in securities, the Company shall, after following the aforementioned assessment and operating procedures, have its accounting unit responsible for implementation.

III. Obtaining Expert Opinions

(I) When a publicly listed company acquires or disposes of securities, it should obtain the most recent financial statements of the target company, audited or reviewed by an accountant, before the date of the transaction as a reference for assessing the transaction price. Furthermore, if the transaction amount reaches 20% of the company's paid-in capital or NT$300 million or more, the company should consult an accountant for an opinion on the reasonableness of the transaction price before the date of the transaction. If the accountant needs to use an expert report, it should do so in accordance with the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation. However, this does not apply if the securities have a publicly quoted price in an active market or if the Financial Supervisory Commission has other regulations.

1. Acquiring securities with cash investment through incorporation or public offering.
2. Participating in the subscription of securities issued at par value by a target company through a cash capital increase in accordance with relevant laws and regulations.
3. Participating in the subscription of securities issued through a cash capital increase of a wholly-owned investee company.
4. Listed, over-the-counter, and emerging stock market securities traded on stock exchanges or securities firms' business premises.
5. Government bonds with buy-back or sell-back conditions.
6. Domestic and international funds.
7. Acquiring or disposing of shares of listed (OTC) companies in accordance with the

bidding or auction regulations for listed securities on stock exchanges or the Taipei Exchange.

8. Acquiring shares through participation in a public offering of cash capital increases, provided that the acquired securities are not privately placed securities.
9. Subscribing to funds before their establishment in accordance with Article 11, Paragraph 1 of the Securities Investment Trust and Advisory Act and the Financial Supervisory Commission Order No. 0930005249 issued on November 1, 2004.
10. Subscribing to or buying back domestic private equity funds where the investment strategy, excluding securities margin trading and unallocated securities-related commodity positions, is identical to that of public funds.

(II) If the Company acquired or disposed of assets through court auction proceedings, a certificate issued by the court may replace a valuation report or accountant's opinion.

Article 8.1: The Company shall not waive its right to increase its capital in Samoa-based Gaway Limited (hereinafter referred to as Gaway), Samoa-based Eagle International Limited (hereinafter referred to as Eagle), and Brunei-based Chernan Technology (Brunei) Limited (hereinafter referred to as Brunei Chernan Technology) in any future year; Gaway, Eagle, and Brunei Chernan Technology shall not waive their right to increase their capital in Shengnan Technology (Hong Kong) Limited (hereinafter referred to as Shengnan (Hong Kong)), Samoa-based Gaofu International Limited (hereinafter referred to as Gaofu), Shengnan Technology (Morris) Limited (hereinafter referred to as Shengnan (Morris)), and Seychelles Chernan Technology Group Limited (hereinafter referred to as Seychelles Chernan Technology) in any future year; Kao Fu Company, Sheng Nan (Morris) Company, and Chernan Technology shall not waive their respective rights to increase capital in Bainianda Technology (Shenzhen) Co., Ltd. (hereinafter referred to as Bainianda Technology), Sheng Nan Electrical Materials (Kunshan) Co., Ltd., Sheng Ji Metal Resource Recycling (Ji'an) Co., Ltd. (hereinafter referred to as Sheng Ji Metal Resource Recycling), and Sheng Nan Technology (Ji'an) Co., Ltd. (hereinafter referred to as Sheng Nan (Ji'an)). If, in the future, due to strategic alliance considerations or other reasons agreed upon by the OTC Exchange, it is necessary to waive capital increases in the aforementioned companies or dispose of the aforementioned companies, a special resolution of the Company's Board of Directors is required. Any subsequent revisions to this procedure shall be entered into the Public Information Observation Station for material information disclosure and reported to the OTC Exchange for record.

Article 9: Related Party Transactions

I. When the Company acquires or disposes of assets with related parties, in addition to following the procedures for acquiring real estate as stipulated in Article 7, if the transaction amount reaches 10% or more of the Company's total assets, a valuation report issued by a professional appraiser or an accountant's opinion shall be obtained in accordance with Article 7.

The calculation of the transaction amount mentioned above shall be handled in accordance with Article 10.

II. Valuation and Operating Procedures

When the Company acquires or disposes of real estate from related parties, or acquires or disposes of other assets besides real estate with related parties, and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of its total assets, or NT$300 million or more, except for the purchase and sale of government bonds, bonds with buy-back or sell-back conditions, or the subscription or buy-back of money market funds issued by domestic securities investment trust enterprises, the following information shall be submitted to the Board of Directors for approval and the Supervisory Officer for acknowledgment before the transaction contract can be signed and payments made:

(I) The purpose, necessity, and expected benefits of acquiring or disposing of the assets.

(II) The reasons for selecting related parties as transaction counterparties.

(III) Information regarding the acquisition of real estate from related parties, and an assessment of the reasonableness of the proposed transaction terms in accordance with paragraph 3 of this Article.

(IV) The original acquisition date and price by the related party, the counterparty in the transaction, and their relationship with the Company and related parties.

(V) A forecast of cash inflows and outflows for each month of the coming year, beginning in the month of contract signing, and an assessment of the necessity of the transaction and the reasonableness of the use of funds.

(VI) Valuation reports issued by professional appraisers or opinions of accountants obtained in accordance with the preceding article.

(VII) Restrictions and other important agreements related to this transaction.

The calculation of the transaction amount mentioned above shall be handled in accordance with Article 14, Paragraph 2, and the term "within one year" refers to the period preceding the date of the transaction, retroactively calculated for one year. Amounts already submitted to the Board of Directors for approval and the Supervisory Board for ratification in accordance with this procedure are exempt from inclusion.

Regarding the acquisition or disposal of equipment for business use between the Company and its parent company or subsidiaries, the Board of Directors may authorize the Chairman to make a preliminary decision within a certain limit, which shall then be submitted to the most recent Board of Directors for ratification.

For companies that have appointed independent directors in accordance with the Securities and Exchange Act, the opinions of each independent director shall be fully considered when submitting the matter to the Board of Directors for discussion. Any objections or reservations from independent directors shall be recorded in the minutes of the Board meeting.

For entities that have established an audit committee in accordance with the Securities and Exchange Act, matters requiring the approval of the supervisor must first be agreed upon by more than half of all audit committee members and submitted to the board of directors for resolution. If the matter does not receive the approval of more than half of all audit committee members, it may be carried out with the consent of more than two-thirds of all directors, and the audit committee's

III. Assessment of the Reasonableness of Transaction Costs

(I) When the Company acquires real estate from a related party, the reasonableness of the transaction costs shall be assessed using the following methods:

1. The transaction price from the related party plus necessary interest on the funds and costs legally borne by the buyer. The necessary interest cost shall be calculated based on the weighted average interest rate of the loans taken out by the Company in the year of asset acquisition, but it shall not exceed the maximum non-financial industry borrowing rate published by the Ministry of Finance.

2. If the related party has previously used the property as collateral for a loan from a financial institution, the total appraised value of the loan from the financial institution for the property shall be considered, provided that the cumulative actual loan amount from the financial institution for the property reaches at least 70% of the total appraised value and the loan period has exceeded one year. However, this does not apply if the financial institution and one of the parties to the transaction are related parties.

(II) When purchasing land and buildings of the same property in a combined transaction, the transaction costs for the land and buildings may be assessed separately using any of the methods listed in the preceding paragraph.

(III) When the Company acquires real estate from related parties, it shall assess the cost of the real estate in accordance with the provisions of paragraphs (i) and (ii) of Section III of this Article, and shall consult with an accountant for review and specific opinion.

(IV) If the valuation results of the real estate acquired by the Company from a related party, as stipulated in paragraphs (i) and (ii) of this Article, are both lower than the transaction price, the Company shall proceed in accordance with paragraph (v) of paragraph (iii) of this Article. However, this shall not apply if, due to the following circumstances, objective evidence is presented and specific reasonable opinions from real estate appraisers and accountants are obtained:

1. The related party acquired the land or leased the land for subsequent construction, and may provide evidence that one of the following conditions is met:

(1) The land was valued according to the method stipulated in the preceding Article, and the building was valued based on the related party's construction costs plus reasonable construction profits, the total of which exceeds the actual transaction price. The reasonable construction profit shall be the lower of the average gross profit margin of the related party's construction department over the most recent three years or the most recent gross profit margin of the construction industry published by the Ministry of Finance.

(2) Other non-related party transactions within one year involving the same property or adjacent areas, with similar areas, and whose transaction conditions are comparable after valuation according to the reasonable floor or area price difference expected in real estate transactions. (3) Other non-related parties leasing other floors of the same property within one year, whose transaction conditions are comparable based on reasonable floor price differences as per real estate leasing practices.

2. The Company will provide evidence that the real estate purchased from related parties is comparable in terms of transaction conditions and area to other non-related party transactions in the same neighborhood within the past year. The aforementioned "neighboring neighborhood transactions" are defined as those occurring in the same or adjacent blocks and within a radius of no more than 500 meters from the property being traded, or those with similar publicly announced market values. The "similar area" refers to transactions where the area of other non-related party transactions is no less than 50% of

the area of the property being traded. The "past year" refers to the period preceding the date of this acquisition of the real estate, calculated backwards for one year.

(V) If the Company acquires real estate from a related party, and the valuation results according to paragraphs (I) and (II) of Section III of this Article are both lower than the transaction price, the following shall be handled:

1. The Company shall allocate the difference between the transaction price and the valuation cost of the real estate to a special surplus reserve in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act, and shall not distribute or transfer it for capital increase or rights issue. Investors whose investments in the Company are valued using the equity method, if they are publicly listed companies, shall also allocate the amount to a special surplus reserve in proportion to their shareholding in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act.

2. The supervisor shall handle the matter in accordance with Article 218 of the Company Act.

3. The handling of points 1 and 2 of paragraph (V) of Section III of this Article shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and prospectus.
4. The Company and publicly traded companies whose investments in the Company are valued using the equity method shall not use the special surplus reserve in accordance with the foregoing provisions until the assets purchased at a high price have been recognized as depreciated or disposed of, or have been appropriately compensated or restored to their original state, or there is other evidence to determine that there is no unreasonableness, and only after obtaining the consent of the Financial Supervisory Commission of the Executive Yuan (hereinafter referred to as the FSC).

(VI) Where the Company acquires real estate from a related party, the provisions of paragraph 2 of this Article concerning valuation and operating procedures shall apply, and the provisions of paragraphs (I), (II), and (III) of this Article concerning the valuation of reasonable transaction costs shall not apply:

1. The related party acquired the real estate through inheritance or gift.

2. More than five years have passed since the date of the contract to acquire the real estate.

3. The Company acquired the real estate by signing a joint construction contract with the related party, or by commissioning the related party to construct the real estate through land commissioning, leased land commissioning, or other similar means.

(VII) Where the Company acquires real estate from a related party, if there is other evidence indicating that the transaction is not in accordance with normal business practices, the provisions of paragraph (V) of paragraph 3 of this Article shall also apply.

Article 10: Procedures for Acquiring or Disposing of Membership Certificates or Intangible Assets

I. Assessment and Operating Procedures

(I) When acquiring or disposing of membership certificates, the transaction terms and price should be determined with reference to the fair market value. An analysis report should be prepared and submitted to the Chairman. For amounts up to 10% of the paid-in capital or NT$20 million (inclusive), approval from the Chairman is required, and the transaction should be reported at the most recent board meeting. For amounts exceeding NT$20 million, board approval is also required.

(II) When acquiring or disposing of intangible assets, the transaction terms and price should be determined with reference to an expert assessment report or the fair market value. An analysis report should be prepared and submitted to the Chairman. For amounts up to 10% of the paid-in capital or NT$20 million (inclusive), approval from the Chairman is required, and the transaction should be reported at the most recent board meeting. For amounts exceeding NT$20 million, board approval is also required.

II. Implementing Entity When this company acquires or disposes of membership certificates or intangible assets, it shall submit a request for approval in accordance with the aforementioned approval authority, and the user department and the finance or administration department shall be responsible for implementation.

III. Expert Evaluation Report on Membership Certificates or Intangible Assets

(I) For transactions involving the acquisition or disposal of membership certificates or intangible assets exceeding NT$20 million, the Company shall request an expert appraisal report.

(II) For transactions involving the acquisition or disposal of membership certificates or intangible assets exceeding 20% of the Company's paid-in capital or NT$300 million, except for transactions with government agencies, the Company shall, prior to the occurrence of the transaction, consult with an accountant regarding the reasonableness of the transaction price. The accountant shall also comply with the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation.

Article 10.1: The calculation of the transaction amounts in Articles 7, 8, and 10 above shall be handled in accordance with the provisions of Article 14, Paragraph 2. The term "within one year" refers to the period preceding the date of the transaction, calculated retroactively for one year. Valuation reports or accountant opinions obtained in accordance with these guidelines are exempt from inclusion.

Article 11: Procedures for Acquiring or Disposing of Claims Against Financial Institutions In principle, the Company does not engage in transactions involving the acquisition or disposal of claims against financial institutions. If the Company subsequently wishes to engage in such transactions, it will submit the matter to the Board of Directors for approval before establishing its valuation and operational procedures.

Article 12: Procedures for Acquiring or Disposing of Derivative Products

I. Trading Principles and Policies

(I) Types of Transactions

1. The derivative financial products traded by the Company refer to transaction contracts whose value is derived from assets, interest rates, exchange rates, indices, or other benefits (such as forward contracts, options, futures, interest rates or exchange rates, raw materials, exchanges, and composite contracts composed of the above-mentioned products).
2. Other derivative financial products may not be traded without the approval of the Board of

Directors.

(II) Business (Hedging) Strategy

The Company's trading of derivative financial products shall be based on the principle of risk hedging. The traded products should primarily be selected to mitigate the risks arising from the Company's business operations. The currencies held must be consistent with the Company's actual foreign currency needs for import and export transactions. The principle is to balance the Company's overall internal structure (referring to actual precious metal transactions or inventory and foreign currency income and expenditure) to reduce the Company's risks due to precious metal price fluctuations and foreign exchange rate fluctuations, and to save on foreign exchange operation costs.

(III) Division of Responsibilities

1. Finance Department

(1) Trading Personnel

A. Responsible for formulating the company's overall financial product trading strategy.

B. Trading personnel should calculate positions every two weeks, collect market information, conduct trend judgment and risk assessment, formulate operational strategies, and use these strategies as the basis for trading after approval by the board of directors.

C. Execute trades according to authorized authority and established strategies.

D. When there are significant changes in the financial market and trading personnel determine that the established strategies are no longer applicable, they should submit an evaluation report, revise the strategy, and use it as the basis for trading after approval by the chairman.

E. Trading personnel should be competent in their duties and have received appropriate training.

(2) Accounting Personnel

A. Execute trade confirmation.

B. Review whether trades are conducted in accordance with authorized authority and established strategies.

C. Conduct monthly evaluations, and submit evaluation reports to the board of directors or senior executives authorized by the board.

D. Handle accounting entries.

E. Report and announce in accordance with the regulations of the Securities and Futures Commission.

(3) Settlement Personnel: Execute settlement tasks.

2. Audit Department: Responsible for understanding the adequacy of internal controls for derivatives trading and verifying the trading department's compliance with operating procedures, preparing audit reports, and reporting to the supervisor when there are significant deficiencies.

3. Performance Evaluation

(1) Hedging Transactions

A. The performance evaluation is based on the difference between the company's book exchange rate costs and the profits and losses generated from derivative financial transactions.

B. To fully understand and express the evaluation risks of transactions, the company adopts a monthly evaluation method to assess profits and losses.

C. The finance department should provide the chairman with foreign exchange position evaluations, foreign exchange market trends, and market analysis for management reference and guidance.

(IV) Determination of Total Contract Amount and Loss Limits

1. Hedging Transaction Limits

(1) For precious metal derivatives, the net position is based on the demand for precious metals in the most recent four months, multiplied by the average purchase price per ton in the most recent four months, as the limit for unoffset contracts.

(2) The cumulative position for foreign exchange derivatives is limited to a total unoffset contract amount of US$6 million.

2. Determination of Contract Loss Limits When the company engages in derivative financial transactions, a stop-loss point should be set after the position is established to prevent excess losses. The stop-loss point is set at a maximum of 10% of the transaction contract amount, applicable to both individual contracts and all contracts. If the loss exceeds 10% of the transaction amount, the matter must be immediately reported to the Chairman and discussed with the next Board meeting to determine necessary countermeasures.

II. Risk Management Measures

(I) Credit Risk Management: Given the susceptibility of the market to various factors, which can easily lead to operational risks associated with derivative financial products, credit risk management will adhere to the following principles:

1. Trading Partners: Primarily renowned domestic and international financial institutions.
2. Trading Products: Limited to products offered by renowned domestic and international financial institutions.

(II) Market Risk Management: Primarily utilizing the open foreign exchange market offered by banks; the futures market will not be considered at this time.

(III) Liquidity Risk Management: To ensure market liquidity, financial products with high liquidity (i.e., readily available for market settlement) will be selected. The entrusted financial institutions must possess sufficient information and the ability to trade in any market at any time.

(IV) Cash Flow Risk Management: To ensure the stability of the company's working capital turnover, the company's funds for derivative product trading will be limited to its own funds, and the trading amount will consider the cash inflow and outflow forecasts for the next three months.

(V) Operational Risk Management

1. Company-authorized limits and operational procedures must be strictly followed to avoid operational risks.
2. Personnel engaged in derivatives trading and confirmation/settlement operations must not hold concurrent positions.
3. Personnel responsible for risk measurement, monitoring, and control should belong to different departments than those mentioned above and should report to the board of directors or senior management who are not responsible for trading or position decisions.

(VI) Product Risk Management

Internal trading personnel should possess complete and accurate professional knowledge of financial products and require banks to fully disclose risks to avoid misuse of financial products.

(VII) Legal Risk Management

Documents signed with financial institutions should be reviewed by specialized personnel in foreign exchange and legal affairs or legal counsel before formal signing to avoid legal risks.

III. Internal Audit System

(I) Internal auditors shall regularly review the adequacy of internal controls over derivatives trading and conduct monthly audits of the trading department's compliance with procedures for handling derivatives trading, preparing audit reports. When necessary, they may periodically send confirmation letters to brokers and reconcile these with accounting records. Any significant violations discovered shall be reported to the supervisor in writing.

(II) Internal auditors shall submit their audit reports, along with the annual audit findings, to the Securities and Futures Commission (SFC) by the end of February of the following year, and report any improvements to any irregularities to the SFC no later than the end of May of the following year. (This applies if the company is a publicly traded company).

IV. Periodic Assessment Methods and Handling of Abnormal Situations

(I) The Board of Directors shall authorize senior management to periodically supervise and assess whether derivatives trading is conducted in accordance with the company's established trading procedures and whether the risks undertaken are within the permissible scope. If any abnormalities are found in the market valuation report (such as holdings exceeding the loss limit), the Board of Directors shall be notified immediately, and appropriate measures shall be taken.

(II)Positions held in derivatives trading should be assessed at least weekly, except for hedging transactions that are necessary for business purposes, which should be assessed at least twice a month. The assessment report should be submitted to a senior executive authorized by the board of directors.

V. Principles of Board Supervision and Management in Derivative Transactions

(I) The Board of Directors shall designate senior executives to oversee and control the risks of derivative transactions at all times. The management principles are as follows:

1. Regularly assess the appropriateness of currently used risk management measures and ensure they are handled in accordance with the company's established procedures for handling derivative transactions.
2. Monitor transactions and profit/loss. If any abnormalities are discovered, necessary countermeasures shall be taken, and the Board of Directors shall be notified immediately. If the company has appointed independent directors, an independent director shall attend and express their opinion.

(II) Regularly assess whether the performance of derivative transactions aligns with the established business strategy and whether the risks undertaken are within the company's acceptable range.

(III) When the company engages in derivative transactions, if authorized personnel are involved in the transactions in accordance with the established procedures for handling derivative transactions, a report shall be submitted to the most recent Board of Directors meeting afterward.

(IV) When engaging in derivative transactions, the Company shall establish a register to record in detail the types and amounts of derivative transactions, the date of board approval, and the matters that should be carefully assessed under paragraph 4(II), paragraph 5(I) and (II) of this Article.

Article 13: Procedures for Mergers, Divisions, Acquisitions, or Share Transfers

I. Assessment and Operating Procedures

(I) When the Company undertakes a merger, division, acquisition, or share transfer, it shall engage lawyers, accountants, and underwriters to jointly discuss the expected timetable for the statutory procedures and organize a special task force to execute the procedures in accordance with the statutory procedures. Prior to convening a board resolution, the Company shall engage accountants, lawyers, or securities underwriters to provide their opinions on the reasonableness of the share exchange ratio, acquisition price, or cash or other assets allocated to shareholders, and submit these opinions to the board for discussion and approval. However, the Company shall be exempt from obtaining the aforementioned opinions on reasonableness when merging its wholly-owned or directly or indirectly wholly-owned subsidiaries or subsidiaries whose total issued shares or total capital is 100%.

(II) The Company shall prepare a public document to shareholders before the shareholders' meeting detailing the material terms of the merger, division, or acquisition, as well as related matters, and deliver it along with the expert opinion in paragraph (i) of this Article and the notice of the shareholders' meeting, for reference in deciding whether to approve the merger, division, or acquisition. However, this shall not apply if a shareholders' meeting is exempted from resolution of the merger, division, or acquisition under other laws. Furthermore, if any shareholder meeting of any of the participating companies in the merger, division, or acquisition is unable to be convened or a resolution is passed due to insufficient attendance, voting rights, or other legal restrictions, or if the resolution is rejected by the shareholders' meeting, the participating company shall immediately publicly explain the reasons for the failure, the subsequent procedures, and the expected date of the shareholders' meeting.

II. Other Important Notes

(I) Board Meeting Date: Unless otherwise stipulated by law or with prior approval from the Financial Supervisory Commission (FSC) due to special circumstances, companies participating in a merger, division, or acquisition shall hold their board meetings and shareholders' meetings on the same day to resolve matters related to the merger, division, or acquisition. Companies participating in a share transfer shall also hold their board meetings on the same day, unless otherwise stipulated by law or with prior approval from the FSC due to special circumstances.

(II) Prior Confidentiality Commitment: All persons involved in or aware of the company's merger, division, acquisition, or share transfer plan shall provide a written confidentiality commitment, agreeing not to disclose the plan's contents to any third party before its public release, and not to buy or sell, either directly or through others, any shares or other equity securities of the companies involved in the merger, division, acquisition, or share transfer.

(III) Principles for Determining and Changing the Share Exchange Ratio or Acquisition Price: Companies participating in a merger, division, acquisition, or share transfer shall, before convening their respective board meetings, engage an accountant, lawyer, or securities underwriter to provide an opinion on the reasonableness of the share exchange ratio, acquisition price, or the distribution of cash or other assets to shareholders, and submit this opinion to the shareholders' meeting. The share exchange ratio or acquisition price shall not be arbitrarily changed except in the following circumstances:

1. Handling cash capital increases, issuing convertible bonds, granting rights issues, issuing bonds with warrants, preferred shares with warrants, warrants, and other securities with equity characteristics.
2. Actions affecting the company's finances and operations, such as disposing of significant company assets.
3. Events affecting the company's shareholders' equity or securities prices, such as major disasters or significant technological changes.
4. Adjustments to the repurchase of treasury shares by any party involved in a merger, division, acquisition, or share transfer in accordance with the law.
5. Changes in the number or number of parties involved in a merger, division, acquisition, or share transfer.
6. Other conditions that have been stipulated in the contract and are subject to change, and have been publicly disclosed.

(IV) Required Contents of the Contract: In addition to the provisions of Article 317-1 of the Company Act and Article 22 of the Enterprise Merger and Acquisition Act, the contract for a merger, division, acquisition, or share transfer of companies shall include the following:

1. Handling of breach of contract.
2. Principles for handling previously issued equity securities or repurchased treasury shares of companies dissolved or divided due to mergers.
3. The quantity of treasury shares that participating companies may legally repurchase after the share exchange ratio calculation date, and the principles for handling such repurchases.
4. Procedures for handling changes in the number or number of participating entities.
5. Expected progress and completion schedule of the plan.
6. Procedures for handling situations where the plan is not completed on schedule, including the scheduled date for a shareholders' meeting required by law.

(V) When the number of companies participating in a merger, division, acquisition, or share transfer changes: Unless the number of participating companies decreases and the shareholders' meeting has resolved and authorized the board of directors to change its authority, the participating companies are exempt from holding a new shareholders' meeting for resolution. All procedures or legal acts already completed in the original merger, division, acquisition, or share transfer case shall be repeated by all participating companies.

(VI) If any of the companies participating in a merger, division, acquisition, or share transfer is not a publicly traded company, the Company shall enter into an agreement with it and proceed in accordance with the provisions of paragraphs (I), (II), and (V) of this Article.

(VII) Companies participating in a merger, division, acquisition, or share transfer that are listed or whose shares are traded on a securities firm's premises shall keep a complete written record of the following information for five years for verification. The Company shall, within two days from the date of the board resolution, submit the information in points 1 and

2 below, in the prescribed format, to the Financial Supervisory Commission via the Internet Information System for verification.

1. Basic Personnel Information: This includes the titles, names, and identification numbers (passport numbers if foreigners) of all persons involved in or executing the merger, division, acquisition, or share transfer plan prior to the public announcement.
2. Dates of Important Events: This includes the dates of signing letters of intent or memorandums, engaging financial or legal advisors, signing contracts, and board meetings.
3. Important Documents and Minutes: This includes documents related to the merger, division, acquisition, or share transfer plan, letters of intent or memorandums of intent, important contracts, and board meeting minutes.

(VIII) Companies involved in the merger, division, acquisition, or share transfer that are not listed companies or whose shares are traded on securities brokerage premises shall enter into an agreement with them and comply with the provisions of paragraph (VII) of this Article.

Article 14: Information Disclosure Procedures

I. Items Subject to Disclosure and Disclosure Standards

(I) Acquiring or disposing of real estate from related parties, or acquiring or disposing of assets other than real estate with related parties, where the transaction amount exceeds 20% of the company's paid-in capital, 10% of its total assets, or NT$300 million. However, this does not apply to the purchase or sale of government bonds, bonds with buy-back or sell-back conditions, or the subscription or buy-back of money market funds issued by domestic securities investment trust companies.

(II) Merging, splitting, acquiring, or transferring shares.

(III) Losses from derivative transactions reaching the maximum amount of total or individual contractual losses stipulated in the prescribed handling procedures.

(IV) The type of assets acquired or disposed of is equipment used for business operations, and the counterparty is not a related party, and the transaction amount meets one of the following requirements:

1. For publicly listed companies with paid-in capital of less than NT$10 billion, the transaction amount exceeds NT$500 million.
2. Publicly listed companies with paid-in capital of NT$10 billion or more, and transaction amounts of NT$1 billion or more.

(V) Publicly listed companies engaged in construction business that acquire or dispose of real estate for construction purposes, provided that the counterparty is not a related party and the transaction amount does not exceed NT$500 million.

(VI) Companies that acquire real estate through self-construction, leased construction, joint construction of separate units, joint construction of profit sharing, or joint construction of separate sales, where the company's expected investment in the transaction does not exceed NT$500 million.

(VII) Asset transactions other than those listed in the preceding six paragraphs, disposal of debt by financial institutions, or investments in mainland China, where the transaction amount exceeds 20% of the company's paid-in capital or NT$300 million. However, the following situations are not subject to this limitation:

1. Buying and selling government bonds.
2. Securities trading conducted professionally on domestic or overseas stock exchanges or securities firms' business premises, or subscribing to ordinary corporate bonds and general financial bonds not involving equity in the domestic primary market, or securities subscribed to by securities firms as underwriters or as recommending securities firms for emerging stock companies in accordance with the regulations of the Taiwan Securities and Exchange Center. 3. Buying and selling bonds with buyback or sellback conditions, and subscribing to or buying back money market funds issued by domestic securities investment trust companies.

The transaction amounts mentioned above shall be calculated as follows:

1. Amount of each individual transaction.
2. Amount of transactions involving the acquisition or disposal of the same type of asset with the same counterparty within one year.
3. Amount of real estate acquired or disposed of (acquisition and disposal are accumulated separately) under the same development project within one year.
4. Amount of securities acquired or disposed of (acquisition and disposal are accumulated separately) under the same securities within one year.

The term "within one year" in the preceding paragraph refers to the period preceding the date of this transaction, calculated retroactively for one year. Amounts already announced in accordance with this guideline are exempt from further calculation.

II. Time Limit for Announcement and Reporting If the Company acquires or disposes of assets that fall under the circumstances requiring announcement and reporting as described in paragraph 1 of this article, it shall, according to the nature of the asset and the prescribed format, announce and report the relevant information on the website designated by the Financial Supervisory Commission within two days from the date of the transaction.

III. Announcement and Reporting Procedures

(I) The Company shall submit relevant information to the website designated by the Financial Supervisory Commission (FSC) for announcement and reporting.

(II) The Company shall, on a monthly basis, submit information on derivative transactions conducted by the Company and its non-domestic publicly listed subsidiaries as of the end of the previous month, in accordance with the prescribed format, to the information reporting website designated by the FSC before the 10th of each month.

(III) If any item required to be announced by the Company is found to be incorrect or incomplete and needs to be corrected, the Company shall re-announce and report all items within two days from the date of becoming aware of the error.

(IV) When the Company acquires or disposes of assets, it shall keep relevant contracts, minutes, registers, valuation reports, and opinions from accountants, lawyers, or securities underwriters at the Company's premises for at least five years, unless otherwise stipulated by law.

(V) After the Company has announced and reported a transaction in accordance with regulations, if any of the following circumstances occur, the Company shall submit relevant information to the website designated by the FSC for announcement and reporting within two days from the date of the event:

1. The relevant contracts signed in the original transaction are amended, terminated, or dissolved.
2. The merger, division, acquisition, or share transfer was not completed according to the agreed schedule.
3. The content of the original announcement has been changed.

IV. Regarding the announcement filing procedure in this clause, since the offering has not yet been publicly issued, it is not required to file an announcement according to the regulations of the competent authority. This procedure will only apply after the public offering.

Article 15: Subsidiaries of the Company shall comply with the following provisions:

I. Subsidiaries shall formulate "Acquisition or Disposal Procedures for Assets" in accordance with the relevant provisions of the "Guidelines for the Handling of Acquisitions or Disposals of Assets by Publicly Listed Companies." After being approved by the subsidiary's board of directors, these procedures shall be submitted to the parent company's board of directors, and the same applies to amendments.

II. Subsidiaries shall also comply with the Company's regulations when acquiring or disposing of assets.

III. If a subsidiary is not a publicly listed company, and its acquisition or disposal of assets reaches the disclosure and reporting standards stipulated in the "Guidelines for the Handling of Acquisitions or Disposals of Assets by Publicly Listed Companies," the Company shall handle the disclosure and reporting matters on its behalf.

IV. The phrase "reaching 20% of the company's paid-in capital" in the subsidiary's disclosure and reporting standards refers to 10% of the Company's paid-in capital or total assets.

Article 15-1: The provision in this procedure regarding 10% of total assets shall be calculated based on the total asset amount in the most recent individual or separate financial report as stipulated in the Securities Issuer Financial Reporting Preparation Standards.

For company shares without par value or with a par value not exceeding NT$10 per share, the provision in this procedure regarding 20% of paid-in capital shall be calculated based on 10% of the equity attributable to the parent company's owners.

Article 16: If the acquisition or disposal of assets by the Company requires board approval according to the established procedures or other legal provisions, and any director expresses dissent with record or written statement, the director's dissent information shall be sent to the respective supervisors. For companies that have appointed independent directors in accordance with the Securities and Exchange Act, when submitting asset acquisition or disposal transactions to the board for discussion, the opinions of each independent director shall be fully considered. Any objections or reservations from independent directors shall be recorded in the minutes of the board meeting. For companies that have established an audit committee in accordance with the Securities and Exchange Act, significant asset or derivative transactions must be approved by more than half of all audit committee members and submitted to the board of directors for a resolution. If the approval is not obtained by more than half of all audit committee members, it may be carried out with the approval of more than two-thirds of all directors, and the audit committee's resolution shall be recorded in the minutes of the board meeting. The term "all members of the audit committee" and "all directors" refers to those actually in office.

Article 16.1: Any revisions to this procedure shall be entered into the Public Information Observation Station for disclosure of material information and reported to the Over-the-Counter Trading Center for record-keeping.

Article 17: Penalties

I. Managers and related personnel of the company who violate this procedure and cause damage to the company shall be liable for damages; if their violations cause damage to others, they shall be jointly and severally liable with the company for compensation to those others.

II. Managers and related personnel of the company who violate this procedure shall be punished according to the severity of the offense, ranging from reprimands, minor demerits, major demerits, or demotion.

Article 18: Implementation and Amendment

I. The Company's "Acquisition or Disposal of Assets Procedures," after being approved by the Board of Directors, shall be sent to the Supervisors and submitted to the Shareholders' Meeting for approval. The same applies to amendments. If any director objects and there is a record or written statement, the Company shall also send the director's objection information to the Supervisors.

II. For companies that have established independent directors in accordance with the Securities and Exchange Act, when submitting the "Acquisition or Disposal of Assets Procedures" to the Board of Directors for discussion, the opinions of each independent director shall be fully considered, and their opinions or reasons for agreement or objection shall be included in the meeting minutes.

III. For companies that have established an Audit Committee in accordance with the Securities and Exchange Act, the establishment or amendment of the "Acquisition or Disposal of Assets Procedures" shall first be approved by more than half of all members of the Audit Committee and then submitted to the Board of Directors for approval. If more than half of all members of the Audit Committee do not agree, it may be carried out with the consent of more than two-thirds of all directors, and the Audit Committee's resolution shall be recorded in the minutes of the Board meeting.

IV. The "all members of the Audit Committee" and "all directors" referred to in paragraph III shall be calculated based on those actually in office.

V. Regarding the procedures for handling securities investments and derivative products under the Company's "Acquisition or Disposal of Assets Procedures," the Company's auditors shall conduct monthly audits, and the securities investment procedures shall be reviewed on a case-by-case basis to ensure compliance with the "Acquisition or Disposal of Assets Transaction Procedures" and the Investment Cycle Procedures.

V.1. The Company's auditors shall review the audit reports on the acquisition and disposal of assets by subsidiaries monthly, and randomly select samples of subsidiaries' fund management procedures to verify whether they are carried out in accordance with the "Acquisition and

Disposal of Assets Procedures."

Article 19: For companies that have established an audit committee in accordance with the Securities and Exchange Act, the provisions of Articles 9, 12, Paragraph 3, 16, and 18 concerning supervisors shall apply to the audit committee. For companies that have established an audit committee in accordance with the Securities and Exchange Act, the provisions of Article 9, Paragraph 3, Subparagraph (5), Point 2 shall apply to the independent directors of the audit committee.

Article 20: Supplementary Provisions: Any matters not covered in these procedures shall be handled in accordance with relevant laws and regulations.

**Appendix 3**

# Chernan Technology Co., Ltd.
## Procedures for lending funds to others

Article 1: Purpose

If the Company needs to lend funds to other companies (hereinafter referred to as "borrowers") for business purposes, this operating procedure shall be followed. Any matters not covered in this procedure shall be handled in accordance with relevant laws and regulations.

Article 2: Lending Targets, Total Lending Amount, and Limits for Individual Targets

I. In accordance with Article 15 of the Company Law, the Company's funds shall not be lent to shareholders or any other person except in the following circumstances:

(I) Companies or firms that have business dealings with the Company; the aforementioned "business dealings" refers to those with whom the Company has purchased or sold goods.

(II) Companies or firms that require short-term financing from the Company. The amount of financing shall not exceed 40% of the Company's net worth. The aforementioned "short-term" refers to a period of one year or one business cycle (whichever is longer). The amount of financing refers to the Company's cumulative balance of short-term financing funds.

II. Total Amount and Individual Limits for Loans

(I) For loans to companies or firms with which the Company has business dealings, the total amount of such loans shall not exceed 40% of the Company's net worth; and the individual loan amount shall not exceed the amount of business transactions between the two parties in the most recent fiscal year. The amount of business transactions refers to the higher of the purchase or sales amounts between the two parties.

(II) For loans to companies or firms with short-term financing needs, the total amount of such loans shall not exceed 40% of the Company's net worth; and the individual loan amount shall not exceed 20% of the Company's net worth.

(III) Loans between foreign companies in which the Company directly or indirectly holds 100% of the voting shares are not subject to the restrictions in paragraph II. However, the limits and terms of such loans shall still be determined in accordance with Article III.

Article 3: Loan Term and Interest Calculation Method

I. The term of each loan shall not exceed one year from the date of disbursement.

II. Interest on the loaned funds shall be calculated on a daily basis. The sum of the daily loan balances (i.e., the total amount) shall be multiplied by the annual interest rate, and then divided by 365 to obtain the interest amount. The annual interest rate shall not be lower than the company's average short-term bank loan rate.

III. Unless otherwise specified, interest shall be paid monthly. The borrower shall be notified one week before the agreed interest payment date to make timely payment.

Article 4: Review Procedure

I. Application Procedure

(I) The borrower shall provide basic information and financial information, and fill out an application form, describing the purpose of the funds, the loan period, and the amount, and submit it to the company's finance department.

(II) If the loan is made due to business dealings, the finance department personnel of the Company shall assess whether the loan amount is equivalent to the amount of business dealings; if it is necessary for short-term financing, the reasons and circumstances for obtaining the loan shall be listed, and a credit investigation shall be conducted. The relevant information and the proposed loan terms shall be submitted to the Board of Directors for resolution.

(III) Loans between the Company and its subsidiaries, or between its subsidiaries, shall be subject to a board resolution as stipulated in the preceding paragraph. The Chairman may be authorized to disburse or recycle funds to the same borrower within a specified limit and a period not exceeding one year, as resolved by the board. The aforementioned "specified limit," except as provided in Article II, Paragraph 2, Subparagraph 3, shall not exceed 10% of the net asset value of a single company as authorized for lending by the Company or its subsidiaries.

(IV) When the Company has appointed independent directors, the opinions of each independent director shall be fully considered when lending funds to others, and their explicit opinions of agreement or disagreement, along with the reasons for their objection, shall be recorded in the board minutes.

II. Credit Investigation

(I) For first-time borrowers, the borrower shall provide basic and financial information for credit investigation.

(II) For renewing loans, a new credit investigation shall, in principle, be conducted upon request for renewal. In cases of significant or urgent matters, investigations may be conducted as needed.

(III) If the borrower is in good financial standing and its annual financial statements have been certified by an accountant, an investigation report no more than one year old may be used, along with the certified report from the accountant for that period, as a reference for lending.

(IV) When conducting credit investigations on borrowers, the Company shall also assess the impact of lending on the Company's operational risks, financial condition, and shareholder equity.

III. Loan Approval and Notification

(I) If, after credit investigation and assessment, the Board of Directors decides not to grant a loan, the responsible personnel should promptly reply to the borrower with the reasons for the refusal.

(II) If, after credit investigation and assessment, the Board of Directors decides to grant a loan, the responsible personnel should promptly notify the borrower in writing, detailing the company's loan terms, including the amount, term, interest rate, collateral, and guarantor, etc., and request the borrower to complete the signing procedures within the specified period.

IV. Contractual Guarantee

(I) For loan cases, the responsible personnel should draft the terms of the loan agreement, which should be reviewed by the supervisor and submitted to the legal counsel for approval before the signing procedures are completed.

(II) The content of the agreement should conform to the approved loan terms. After the borrower and the joint guarantor sign and seal the agreement, the responsible personnel should complete the guarantee procedures.

V. Collateral Valuation and Rights Establishment

If the loan case involves collateral, the borrower should provide the collateral and complete the procedures for establishing a pledge or mortgage. The company also needs to assess the value of the collateral to ensure the company's claims.

VI. Insurance

(I) Except for land and securities, all collateral should be insured against fire and other relevant risks. The insured amount should not be less than the collateral value, and the insurance policy should specify the company as the beneficiary. The name, quantity, storage location, insurance conditions, and insurance endorsements of the collateral stated on the policy should be consistent with the company's original loan approval conditions.

(II) The handling personnel should notify the borrower to renew the insurance before the expiration of the insurance period.

VII. Disbursement

After the loan disbursement conditions are approved, the borrower signs the contract, and the collateral (mortgage) registration is completed, and all procedures are verified to be correct, the disbursement can proceed.

Article 5: Repayment

After the loan is disbursed, the financial, business, and credit status of the borrower and guarantor should be regularly monitored. If collateral has been provided, the value of the collateral should be monitored for any changes. One month before the loan maturity date, the borrower should be notified to repay the principal and interest on the due date.

I. When the borrower repays the loan upon maturity, the accrued interest should be calculated first, and the principal should be repaid together before the promissory note, IOU, or other debt repayment instruments can be cancelled and returned to the borrower.

II. If the borrower applies to cancel the mortgage, it should first be ascertained whether there is an outstanding loan balance before deciding whether to agree to cancel the mortgage.

Article 6: Extension <Deleted>

Article 7: Registration and Custody of Cases

I. When handling loan matters, the company shall establish a record book, detailing the loan recipient, amount, board approval date, loan disbursement date, and matters requiring careful assessment according to this operating procedure.

II. After disbursement, the personnel handling the loan cases shall, in order, organize the debt instruments such as promissory notes and promissory notes, as well as collateral documents, insurance policies, and correspondence, and place them in a safekeeping bag. The bag shall be labeled with the contents and the client's name, and submitted to the finance department supervisor for inspection. Once the inspection is successful, the bag shall be sealed, and both parties shall sign or affix their seal to the safekeeping register before safekeeping.

Article 8: Precautions for Lending Funds to Others:

I. Before lending company funds to others, the company shall carefully assess whether it complies with the provisions of this operating procedure, and submit the assessment results to the board of directors for resolution before proceeding. No other person may be authorized to make the decision.

II.The company’s internal auditors shall audit the procedures for lending funds to others and their implementation at least quarterly, and make written records. If any major violations are found, they shall immediately notify the relevant supervisors in writing.

III. If, due to changes in circumstances, the Company's lending balance exceeds the limit, the auditing unit shall urge the finance department to set a deadline for recovering the excess funds and submit an improvement plan to each supervisor for completion according to the plan's schedule.

IV. The responsible personnel shall prepare a detailed statement of funds lending to other companies for the previous month by the 10th of each month and submit it for review at each level.

Article 9: Control Procedures for Subsidiary Fund Lending to Others

I. If a subsidiary of the Company intends to lend funds to others, it shall also establish this operating procedure, which must be approved by the Board of Directors and carried out in accordance with this operating procedure.

II. Subsidiaries shall prepare a detailed statement of funds lending to other companies for the previous month by the 10th of each month (excluding the 10th) and submit it to the Company for review.

III. The internal auditing personnel of subsidiaries shall also audit the fund lending to other companies operating procedures and their implementation at least quarterly and make written records. If any major violations are discovered, the Company's auditing unit shall be notified immediately in writing, and the Company's auditing unit shall submit the written materials to each supervisor.

IV. When our company’s auditors conduct audits at subsidiaries in accordance with the annual audit plan, they should also understand the implementation of the subsidiary’s procedures for lending funds to others. If any deficiencies are found, they should continue to track the improvement and prepare a follow-up report to submit to the chairman.

Article 10: Information Disclosure

I. The Company shall input the outstanding balance of its and its subsidiaries' funds loans for the previous month into the Public Information Observation Station by the 10th of each month.

II. If the Company's outstanding balance of funds loans reaches any of the following criteria, it shall input the information into the Public Information Observation Station within two days from the date of the event (whichever is earlier: the transaction signing date, the payment date, the board resolution date, or other date on which the transaction counterparty and transaction amount are sufficiently determined):

(I) The outstanding balance of funds loans by the Company and its subsidiaries to others reaches 20% or more of the net value of the Company's most recent financial statements.

(II) The outstanding balance of funds loans by the Company and its subsidiaries to a single enterprise reaches 10% or more of the net value of the Company's most recent financial statements.

(III) The amount of new funds loans by the Company or its subsidiaries reaches NT$10 million or more and reaches 2% or more of the net value of the Company's most recent financial statements.

III. If a subsidiary of the Company is not a publicly listed company in Taiwan, the Company shall be responsible for any matters that require public disclosure under paragraph (iii) of the preceding paragraph. The calculation of the subsidiary's outstanding loans as a percentage of net asset value shall be based on the percentage of the subsidiary's outstanding loans as a percentage of the company's net asset value.

IV. The Company shall, in accordance with generally accepted accounting principles, assess the lending situation and set aside an appropriate allowance for bad debts, and appropriately disclose relevant information in its financial statements, providing relevant materials to the auditing accountant for necessary auditing procedures.

Article 11: Penalties If the Company's managers and key personnel violate this operating procedure, they shall be subject to assessment in accordance with the Company's work rules and performance appraisal methods, and penalties shall be imposed according to the severity of the violation.

Article 12: Implementation and Revision

I. This procedure shall be implemented after being approved by the Board of Directors, sent to the supervisors, and submitted to the Shareholders' Meeting for approval. If any director expresses objection and there is a record or written statement, the Company shall send the objection to the supervisors and submit it to the Shareholders' Meeting for discussion, and the same applies to revisions.

II. If the Company has appointed independent directors, when submitting this operating procedure to the Board of Directors for discussion in accordance with the preceding paragraph, the opinions of each independent director shall be fully considered, and their explicit opinions of agreement or disagreement and the reasons for their objection shall be included in the Board minutes.

**Appendix 4**

# Chernan Technology Co., Ltd.
## Procedures for Endorsement guarantee

Article 1: Purpose

This procedure is established to ensure that the Company has guidelines for matters related to external endorsements and guarantees. Any matters not covered in this procedure shall be handled in accordance with relevant laws and regulations.

Article 2: Scope of Application

In principle, the Company shall not provide external endorsements or guarantees. However, in exceptional circumstances necessary for business operations, regardless of the amount, approval from the Board of Directors is required.

The endorsements and guarantees referred to in this procedure include:

I. Financing endorsements and guarantees, which refer to endorsements or guarantees made for the purpose of financing other companies through bill discounting, and the issuance of bills by the Company for financing non-financial enterprises as collateral.

II. Customs endorsements and guarantees, which refer to endorsements or guarantees made by the Company or other companies regarding customs matters.

III. Other endorsements and guarantees, which refer to endorsements or guarantees that cannot be categorized under the preceding two items.

IV. When the Company provides movable or immovable property as collateral for loans to other companies, establishing pledges or mortgages, this procedure shall also apply.

Article 3: Endorsement Guarantee Entities

I. Companies that have business dealings with the Company.

II. Companies in which the Company directly or indirectly holds more than 50% of the voting shares.

III. Companies in which the Company directly or indirectly holds more than 50% of the voting shares.

IV. Endorsement guarantees may be made between subsidiaries of a publicly listed company that directly or indirectly hold more than 90% of the voting shares, and the amount shall not exceed 10% of the net asset value of the publicly listed company. However, this restriction does not apply to endorsement guarantees between companies in which the publicly listed company directly or indirectly holds 100% of the voting shares.

V. If the endorsement guarantee entity is a subsidiary whose net asset value is less than half of its paid-in capital, subsequent relevant control measures should be clearly defined.

The terms "subsidiary" and "parent company" as used in these Measures shall be determined in accordance with the Financial Reporting Standards for Securities Issuers. For publicly listed companies whose financial reports are prepared in accordance with International Financial Reporting Standards, the net asset value referred to in these Standards means the equity attributable to the owners of the parent company as stipulated in the Financial Reporting Standards for Securities Issuers.

The term "reporting" as used in these guidelines refers to submitting information to the information reporting website designated by the Securities and Futures Bureau of the Financial Supervisory Commission (hereinafter referred to as the "Securities and Futures Bureau").

Article 4: Decision-Making and Authorization Levels

I. Any endorsement or guarantee made by the Company exceeding 20% of the current period's net asset value must first be approved by a resolution of the Board of Directors. For endorsements within 20% of the current period's net asset value, the Chairman of the Board is authorized to approve, and the matter must subsequently be submitted to the most recent Board of Directors for ratification.

II. Before a subsidiary of a publicly listed company directly or indirectly holding more than 90% of the voting shares can make an endorsement or guarantee as stipulated in Article 3, Paragraph 4, it must be submitted to the publicly listed company's Board of Directors for a resolution before proceeding. However, this does not apply to inter-company endorsements or guarantees where the publicly listed company directly or indirectly holds 100% of the voting shares.

Article 5: Limits of Endorsement Guarantees

I. The total amount of guarantees endorsed by the Company shall not exceed 100% of its net asset value for the current period. The limit for a single company's guarantee shall not exceed 60% of its net asset value for the current period, except for a single overseas affiliate, whichever is higher. Guarantees endorsed for business purposes shall not exceed the total amount of transactions with the Company in the most recent year (whichever is higher, the purchase or sales amount). Net asset value shall be based on the most recent financial statements audited and reviewed by an accountant.

II. The limits of guarantees include the total amount of guarantees endorsed by the publicly listed company and the amount of guarantees endorsed by a single company, as well as the total amount of guarantees that the publicly listed company and its subsidiaries can collectively endorse and guarantee to a single company. If the total amount of guarantees that the publicly listed company and its subsidiaries can collectively endorse exceeds 50% of the publicly listed company's net asset value, the necessity and reasonableness of such guarantees shall be explained at the shareholders' meeting.

Article 6: Endorsement and Guarantee Procedures

I. When an enterprise receiving an endorsement needs to use the endorsement amount within the limit, it shall provide basic information and financial information, and submit an application form to the company's finance department. The finance department shall conduct a detailed assessment and credit investigation. Assessment items include:

(I) The necessity and reasonableness of the endorsement.

(II) Credit investigation and risk assessment of the endorsement recipient.

(III) The impact on the company's operational risks, financial condition, and shareholders' equity.

(IV) Whether collateral should be obtained and its appraised value.

II. The company's finance department personnel shall compile the relevant information and assessment results mentioned above and submit them to the board of directors for approval, and proceed according to the board's resolution.

III.The endorsement and guarantee registration form established by the finance department shall record in detail the endorsement recipient, amount, date of board approval or chairman's decision, endorsement date, matters requiring careful assessment according to these regulations, collateral content and its appraised value, and the conditions and date for releasing the endorsement liability, etc., for future reference.

IV.When the company that has provided the guarantee repays the loan, it shall send the repayment information to our company so that our company may be released from its guarantee liability and the information shall be recorded on the endorsement guarantee registration form.

V. Publicly listed companies shall, in accordance with the provisions of Financial Accounting Standards Bulletin No. 9, assess or recognize contingent losses of endorsements and guarantees, appropriately disclose endorsement and guarantee information in their financial reports, and provide relevant information to the auditing accountant for necessary verification procedures.

Article 7: Seal Custody and Procedures

The official seal for endorsements and guarantees shall be the company seal registered with the Ministry of Economic Affairs. This seal shall be kept by a designated person approved by the board of directors, and this person shall not be the same as the person responsible for handling the endorsement and guarantee matters, even if there is a change in personnel. When handling endorsements and guarantees, the seal shall be used or documents issued in accordance with the company's established operating procedures. If the company provides a guarantee to a foreign company, the guarantee letter issued by the company shall be signed by a person authorized by the board of directors.

Article 8: Precautions for Handling Endorsements and Guarantees:

I. The company's internal auditors shall audit the endorsement and guarantee procedures and their implementation at least quarterly and make written records. If any major violations are discovered, the relevant supervisors shall be notified in writing immediately.

II. If, due to changes in circumstances, the party to which the endorsement guarantee originally met the requirements of Article III of this procedure subsequently fails to do so, or if the amount of the endorsement guarantee exceeds the limit stipulated in Article IV of this procedure due to changes in the basis on which the limit is calculated, the auditing unit shall urge the finance department to formulate an improvement plan for the amount of the endorsement guarantee for that party or the excess portion. This plan shall be completely eliminated by the expiration of the contractually stipulated period or within a specified period. The improvement plan shall be submitted to the supervisors, and the improvement shall be completed according to the planned schedule, and a report shall be submitted to the board of directors.

III. If, due to business needs, the company needs to extend the endorsement guarantee beyond the limit stipulated in this procedure and meets the conditions stipulated in this procedure, the board of directors shall approve the amendment, and more than half of the directors shall jointly guarantee the potential losses arising from the excess. This procedure shall be amended and submitted to the shareholders' meeting for ratification. If the shareholders' meeting does not agree, a plan shall be formulated to eliminate the excess portion within a specified period. If the company has appointed independent directors, the opinions of each independent director shall be fully considered during the board meeting as described above, and their explicit opinions of agreement or disagreement and the reasons for their disagreement shall be included in the board minutes.

Article 9: Time Limit and Content for Public Announcement of Declarations.

I. The Company shall input the outstanding balance of its and its subsidiaries' endorsements for the previous month into the Public Information Observation Station before the 10th of each month.

II. If the Company's endorsements meet any of the following criteria, the Company shall input the information into the Public Information Observation Station within two days from the date of the event (whichever is earlier: the transaction signing date, the payment date, the board resolution date, or other date on which the transaction counterparty and transaction amount are sufficiently determined):

(I) The outstanding balance of the Company's and its subsidiaries' endorsements exceeds 50% of the Company's most recent net financial statement value.

(II) The outstanding balance of the Company's and its subsidiaries' endorsements to a single enterprise exceeds 20% of the Company's most recent net financial statement value.

(III) The outstanding balance of the Company's and its subsidiaries' endorsements to a single enterprise exceeds NT$10 million, and the combined outstanding balance of their endorsements, long-term investments, and loans exceeds 30% of the publicly listed company's most recent net financial statement value.

(IV) The Company or its subsidiaries' new endorsement amount exceeds NT$30 million and exceeds 5% of the publicly listed company's most recent net financial statement value.

III. If a subsidiary of the Company is not a publicly listed company in Taiwan, and such subsidiary has any matters requiring input into the public information observation station as described in paragraph IV of the preceding paragraph, the Company shall handle these matters. The calculation of the proportion of the outstanding balance of endorsements by the subsidiary to its net asset value shall be based on the proportion of the outstanding balance of the subsidiary's endorsements to the Company's net asset value.

IV. The Company shall, in accordance with the provisions of Financial Accounting Standard No. 9, assess or recognize contingent losses of endorsements and appropriately disclose relevant information in its financial statements, and provide relevant information to the auditing accountant for the necessary auditing procedures.

Article 10: Control Procedures for Endorsements by Subsidiaries

I. If a subsidiary of the Company intends to endorse or guarantee for others, it shall also establish and follow these operating procedures, which shall be approved by the subsidiary's board of directors, and the same applies to amendments. If the subsidiary's shares have no par value or the par value per share is not NT$10, the total amount shall be the sum of share capital plus capital reserve - issue premium.

II. Subsidiaries shall prepare a detailed statement of endorsements for others for the previous month before the 10th of each month (excluding the 10th) and submit it to the Company for review.

III. Subsidiary internal auditors shall audit the endorsement and guarantee procedures and their implementation at least quarterly, and keep written records. If any significant violations are discovered, the subsidiary's audit unit shall be notified immediately in writing, and the subsidiary's audit unit shall forward the written materials to the respective supervisors.

IV. When the subsidiary's auditors conduct audits according to the annual audit plan, they shall also understand the subsidiary's implementation of the endorsement and guarantee procedures for others. If any deficiencies are found, their improvement shall be continuously tracked, and a follow-up report shall be submitted to the Chairman.

Article 11: Penalties

If the subsidiary's managers and responsible personnel violate these procedures, the subsidiary's work rules and performance appraisal methods shall be used for assessment, and penalties shall be imposed according to the severity of the violation.

Article 12: Implementation and Revision

After this procedure is approved by the Board of Directors, it shall be sent to the supervisors and submitted to the Shareholders' Meeting for approval. If any director expresses objection and there is a record or written statement, the subsidiary shall send the objection to the supervisors and submit it to the Shareholders' Meeting for discussion. The same applies to amendments. Furthermore, when this procedure is submitted to the board of directors for discussion, the opinions of each independent director should be fully considered, and their explicit opinions of agreement or opposition, as well as the reasons for their opposition, should be included in the board minutes.

**Appendix 5**

# Chernan Technology Co., Ltd.
## Shareholdings of the entire directors and supervisors

I. Up to April 28, 2026, the Company's paid-in capital was NT$818,209,090 and the total number of issued shares was 81,820,909.

II. As of the book closure date for the shareholders' meeting, the shareholding status of all director as recorded in the shareholders' register has met the percentage criteria stipulated in Article 26 of the Securities and Exchange Act. Please refer to the following:

| Position | Name | Date elected | Term Duration | Number of Shares | % |
|---|---|---|---|---|---|
| Chairman | Su-Chu Wei | 2024.06 | 3 years | 4,280,118 | 5.23 |
| Director | Sheng-Yuan Yu | 2024.06 | 3 years | 408,492 | 0.50 |
| Director | Jui-San Cao | 2024.06 | 3 years | | |
| Corporate Director | Yen-Chih Lin | 2024.09 | 3 years | 29,896,572 | 36.54 |
| Independent Director | Chang-Sheng Wang | 2024.06 | 3 years | - | - |
| Independent Director | Chin-Hung Lin | 2024.06 | 3 years | - | - |
| Independent Director | Shih-Chia Chang, | 2024.06 | 3 years | | |
| Independent Director | Hsieh-Yu Chen | 2024.06 | 3 years | - | - |
| Number and percentage of shares held by all directors | | | | 34,585,182 | 42.27 |