

Stock Code: 8996



KAORI HEAT TREATMENT CO.,
LTD.

1st Extraordinary General Shareholders
Meeting of 2024

Agenda Handbook

Convening Method: Physical Shareholders' Meeting

Meeting Date: November 12, 2024

Location: No.5-2, Chi-Lin North Road, Chung-Li District,

Taoyuan City, Taiwan (Large conference room on 5F of the operational headquarters at the head office)

Note to Readers:

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

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KAORI HEAT TREATMENT CO., LTD
Procedures for the 1st Extraordinary General Shareholders
Meeting of 2024

1. Call the Meeting to Order

2. Chairman's Address

3. Discussion

4. Extempore Motions

5. Adjournment

KAORI HEAT TREATMENT CO., LTD

Agenda for the 1st Extraordinary Shareholders Meeting of 2024

Time: 9:30 a.m., Tuesday, November 12, 2024

Location: No.5-2, Chi-Lin North Road, Chung-Li District, Taoyuan City, Taiwan
(Large conference room on 5F of the operational headquarters at the head office)

1. Call the Meeting to Order

2. Chairman's Address

3. Discussion:

(1) Proposal to Handle the Company's Business Split and
Transfer of "Thermal Energy Division".

4. Extempore Motions:

5. Adjournment

Discussion

Item 1: (Proposed by the Board)

Proposal: Proposal to Handle the Company's Business Division and Transfer of "Thermal Energy Division" for your discussion.

Description: 1. For the purpose of reorganization and professional division of labor, thereby enhancing the competitiveness and advancing the asset management performance, it's proposed to divide and transfer the business (including assets, liabilities and operation) of the Company's "Thermal Energy Division" to Kaori Thermal Technology Co., Ltd. (hereinafter referred to as "Kaori Thermal"), which is wholly-owned by the Company in accordance with Company Act and Business Mergers and Acquisitions Act. Kaori Thermal will issue new shares to the Company as consideration.

2. The value of the business proposed to be divided is NT\$ (the same below) 850,000,000, with reference to the evaluation opinion issued by the independent experts. Following that, Kaori Thermal will issue 42,500,000 new shares at NT\$20 per share, totaling NT\$850,000,000 to the Company. However, the actual operating value shall be based on the book value of the Company on the day before the Division Base Date.
3. The "Division Plan" is prepared pursuant to Business Mergers and Acquisitions Act, Company Act and other relevant laws and rules. Please refer to Pages 5~37, Attachment 1 of the Handbook for the Division Plan and Evaluation Opinion Issued by Independent Experts.
4. December 31, 2024 is hereby set as the Division Base Date, and the Chairman is authorized to deal with any transaction in full power.
5. This Division gives the Board full authority to deal with matters relating to the division based on the operational assessment or as necessary or otherwise unstated due to changes in objective circumstances, or as amended in the future with the approval of the relevant authorities.
6. Under any of the following circumstances, the Board of Directors of the Company agrees to authorize the Board of Directors to terminate the Division after evaluation and to deal with the relevant matters, but the Board of Directors shall subsequently report to the next shareholders' meeting:
 - (1) The total amount of shares requested to be repurchased by all the dissenting shareholders of the Company in this Division is more than 3% of the total number of shares

issued by the Company.

- (2) The Company was unable to obtain the consent of the borrowing bank under the loan agreement for the Company to proceed with the Division.
 - (3) The Company fails to obtain approval for continued listing in accordance with Article 53-19 of the Operating Rules of the Taiwan Stock Exchange Corporation.
 - (4) A major or force majeure event occurs with the risk of far-reaching effects.
7. For your discussion and public decision.

Resolution:

Extempore Motions

Adjournment

Kaori Heat Treatment Co., Ltd.

Division Plan

For the purpose of reorganization and professional division of labor, thereby enhancing the competitiveness and advancing the asset management performance, Kaori Heat Treatment Co., Ltd. (hereinafter referred to as “the Company”) proposes to divide and transfer the business (including assets, liabilities and operation) of the Company’s “Thermal Energy Division” under independent operation to Kaori Thermal Technology Co., Ltd. (hereinafter referred to as “Kaori Thermal”), which is wholly-owned by the Company in accordance with Business Mergers and Acquisitions Act and Company Act. And Kaori Thermal will issue new shares to the Company as consideration (hereinafter referred to as the “Division Proposal”). The Division Plan (hereinafter referred to as the “Plan”) is hereby formulated in accordance with Business Mergers and Acquisitions Act, Company Act and other relevant laws and rules as follows:

Article 1: Companies Participating in Division and Division Method

Divided Company: Kaori Heat Treatment Co., Ltd.

Surviving Transferee Company: Kaori Thermal Technology Co., Ltd.

Adopting the method of division and transfer to the Surviving Transferee Company, Kaori divides and transfers its relevant businesses (including assets, liabilities and operation) of its “Thermal Energy Division” to the Surviving Transferee Company, Kaori Thermal, on the Division Base Date, and Kaori Thermal will issue new shares to the Company as consideration.

Article 2: Articles of Incorporation of the Surviving Transferee Company to Be Modified

There is nothing to be modified in the Articles of Incorporation of the Surviving Transferee Company, Kaori Thermal; see Attachment 1 for Kaori Thermal’s Articles of Incorporation.

Article 3: Business Scope, Business Value, Assets and Liabilities Transferred by the Divided Company

I. Business Scope Divided and Transferred:

1. Business of the Company’s Thermal Energy Division.
2. Related assets (including tangible and intangible assets) such as equipment, inventory, bank deposits, accounts receivable and other related assets required following the division of the Company’s Thermal Energy Division, as well as adjustment accounts related to assets and related liabilities.

3. Relevant personnel of the Company's Thermal Energy Division.
 4. Relevant contracts (including but not limited to sales contracts, technology authorization contracts, technology service contracts, loan contracts and other relevant contracts), litigation cases, legal relations, legal status, licenses, permits and related rights and interests of the Company's Thermal Energy Division. The contracts may become valid only with the consent of the counterparties where it's necessary to obtain the consent from the counterparties of original contracts for the transfer of contracts,
 5. All technologies, software, know-hows, and business secrets owned by the Thermal Energy Division of the Company shall be divided and transferred to Kaori Thermal by the Company's Thermal Energy Division prior to Division Base Date.
 6. Other related assets, liabilities, rights and obligations, interests, and tax incentives, licenses, permits, and related legal relationships, factual relationships, and status that have been enjoyed but not yet expired or offset for the business/property transferred after the division from the Company's Thermal Energy Division.
- ii. The operating value related to the division and transfer: calculated on the basis of the assets less liabilities of the division and transfer, it is estimated to be NT\$ (the same as below) 850,000,000.
 - iii. Assets divided and transferred: the assets expected to be divided and transferred before division are shown in Attachment 2, which is estimated to be NT\$1,088,406,554.
 - iv. Liabilities divided and transferred: the liabilities expected to be divided and transferred before the division are shown in Attachment 2, which is estimated to be NT\$238,406,554.
 - v. The operating value, assets, and liabilities of the above-mentioned division and transfer are temporarily evaluated based on the book value of the Company's self-closing balance sheet as of August 31, 2024, but the actual amount is still based on the book value on the Division Base Date.
 - vi. If it is necessary to adjust the amount of assets, liabilities and shareholders' equity as divided and transferred above, the Board of Directors of the Company shall authorize the Board of Directors to adjust.

Article 4: Exchange Ratio and Calculation Basis for Share Issuing by the Surviving Transferee Company.

1. Exchange ratio:

The operating value divided and transferred by The Company is

NT\$850,000,000, which will be exchanged for one new ordinary share issued by Kaori Thermal at a price of NT\$20 per share, totaling 42,500,000 shares at a price of NT\$10 per share.

2. Calculation Basis:

The foresaid exchange ratio is set based on the book value of assets and liabilities to be divided by the Company and by referring to the evaluation opinion of independent experts. Please refer to Attachment 3 for evaluation opinion of independent experts.

Article 5: Total number, Types and Number of New Shares Issued by the Surviving Transferee Company; Total Number, Types and Quantity of Shares Acquired by the Divided Company and the Cash Requirement for the Allotment of Less Than One Share

The book value undertaken by Kaori Thermal is NT\$20 per share, with 42,500,000 ordinary shares issued; the difference between the actual book value of Kaori Thermal and the face value of the issued share capital is fully recognized as capital reserve, and there has been no allotment of less than one share payable in cash.

Article 6: Adjustment of the Operating Value, Assets and Liabilities Transferred by the Divided Company and the Number and Proportion of Issued Shares of Surviving Transferee Company in Exchange for Operation

The proportion of new shares issued by Kaori Thermal in exchange for this Division shall be adjusted in the following circumstances:

1. Where the assets and liabilities to be divided and transferred by the Company change in detail or amount due to asset evaluation, revaluation, depreciation, amortization, addition or impairment.
2. Where the business transferred under this Division Plan on the basis of the Division Base Date needs to be adjusted due to changes in the scope of assets or liabilities or other reasons resulting in an increase or decrease in business value.
3. Disposition of material assets of the company and other acts affecting the company's financial business.
4. Major disasters, major technological changes and other events affecting the equity of shareholders or securities prices of the company.
5. Other conditions for the change have been stipulated in the contract and have been disclosed to the public.
6. Other adjustments necessary due to changes in laws or approval by relevant competent authorities.

Article 7: Rights and Obligations Taken over and Relevant Matters

1. The assets, liabilities and rights divided and transferred to Kaori Thermal and obligations arising therefrom in this Division Proposal shall be assumed by Kaori Thermal from the Division Base Date. If it's necessary to go through transfer procedures, the Company and Kaori Thermal shall cooperate with each other. Following the Division Base Date, the costs incurred by applying for rights and maintenance shall be borne by Kaori Thermal.
2. Kaori Thermal shall be jointly liable for the debts incurred by the Company in respect of the division of the business prior to the Division Base Date, within the capital contribution of Kaori Thermal. However, the creditor's joint and several liability claim shall be extinguished if not exercised within two years from the Division Base Date.

Article 8: Capital Reduction, Share Cancellation of the Divided Company

The paid-in capital of the Company will remain the same share capital as before after the completion of this division, except for the cancellation or reduction of capital as required by other laws. There is no share cancellation or capital reduction.

Article 9: Division Base Date

1. The Division Base Date and capital increase of this Division Proposal is provisionally set as December 31, 2024. In case of any change due to the practice of relevant legal procedures or practical needs, the Chairmen of both companies are authorized to adjust the Division Base Date (hereinafter referred to as the "Division Base Date").
2. The Company shall transfer the subject matter of the division and transfer to Kaori Thermal on the Division Base Date, except that the division approval letter from the registration authority shall be obtained before the transfer of the registrant.

Article 10: Estimated Implementation Progress of the Plan, Estimated Completion Schedule and Countermeasures against Delay

1. The Division Plan is expected to be adopted at the Shareholders' Meeting on November 12, 2024, but the Board of Directors of both parties may set another date depending on the actual implementation.
2. Both parties agree that the legal representatives of both parties or their designees shall jointly work out the estimated progress and schedule of the implementation of the division in order to handle the matters related to the

division. In case of delay in the completion of the Division Plan and its estimated implementation progress, the Chairman of both parties will be authorized to agree on the date of convening the shareholders' meeting and other related matters according to the actual situation and needs.

Article 11: Repurchase and Cancellation of Dissent Shareholders' Shares

If a shareholder of the Company lawfully objects to matters related to this Division Proposal or this Plan, it shall repurchase the shares held by such shareholder in accordance with the law; the repurchased shares shall be handled in accordance with Article 13 of the Business Mergers and Acquisitions Act.

Article 12: Obligations of Notice and Announcement of Creditors and Related Matters

1. After the adoption of the resolution of the legal deliberative organs of the two companies, the resolution of the division shall be notified and announced to each creditor, and a period of more than 30 days shall be specified, stating that creditors may raise objections within the period. If the creditor raises an objection within the time limit specified, the two companies shall settle the debt or provide an equivalent security or deal with it in accordance with the provisions of law.
2. If the Company repays the debt of the dissenting creditor in accordance with the provisions of the preceding paragraph, which falls within the scope of the original division and transfer in this Division Proposal, the Board of Directors of both companies shall adjust the business scope, business value, assets, and liabilities as stipulated in Article 3. If it is necessary to adjust the proportion and price per share of Kaori Thermal's issuance of new shares as a result accordingly, the same shall apply.

Article 13: Handling of Employee Transfer and Employment

The relevant employees of the "Thermal Energy Division" of the Company will continue to be employed by Kaori Thermal. Kaori Thermal shall notify the employees in accordance with the procedures stipulated in the Business Mergers and Acquisitions Act to inquire about their willingness to stay, and acknowledge the seniority of the retained employees at the Company prior to the Division Base Date.

Article 14: Assumption of Taxes and Expenses

1. Unless otherwise agreed in this Plan, all taxes or expenses incurred in connection with the execution or performance of this Division Plan shall be assumed by each party in half, except those exempted from tax or

exemption; if this Division Proposal is not approved by the legal deliberative organs or competent authorities of both parties or for other reasons, the relevant expenses incurred shall be assumed by the Company.

2. The parties shall cooperate to obtain the tax incentives related to the Proposal.

Article 15: Settlement of Breach of Contract

Before the Division Base Date, unless the parties authorize their legal representatives or their designated persons to negotiate for settlement due to changes in laws, provisions of government letters and other reasons not attributable to the parties, either party refuses or delays to cooperate in the process without justifiable reasons and fails to rectify the breach within 30 days after receiving the written notice from the other party, the other party may terminate the Division Plan by giving a written notice to the defaulting party; the aforesaid rectification time limit shall be no later than the Division Base Date.

Article 16: Other Matters

1. If any provision of this Plan contravenes the relevant Act and is invalid, only that part of the contravention shall be invalid, but the other provisions shall remain valid. As for the provisions that are deemed invalid due to conflicts with relevant laws and regulations, they shall be separately agreed upon by both parties within legal bounds in accordance with the provisions of relevant laws and regulations.
2. If it is necessary to change any provision of this Plan in accordance with the approval of the relevant competent authorities, it shall be amended in accordance with the approval of the relevant competent authorities or separately by the legal deliberative bodies of both parties in accordance with the approval of the relevant competent authorities.
3. Any matters not covered in this Plan shall be handled by the legal organs of both parties.
4. This Division Proposal is subject to the adoption of a resolution by the legal deliberative bodies of both companies and shall become effective once signed by both parties. If this Division Proposal fails to obtain approval or permission from the relevant competent authority, this Plan shall become invalid since its inception.
5. If any party violates the content of this plan and damages its rights and interests, it shall be liable for damages.

Article 17: This Plan shall be interpreted in accordance with laws of the Republic of China.

The Parties agree that in the event of any dispute arising from this division, the Taoyuan District Court of Taiwan shall be the court of first instance.

Article 18: Any matters not covered in this Plan shall be handled in accordance with the relevant laws and regulations of the competent authorities. In the absence of such provisions, the chairmen of both companies shall be authorized to handle the matters with full authority.

Proposer:

Kaori Heat Treatment Co., Ltd.

Chairman: Dr. Allen C.H. Wu

Kaori Thermal Technology Co., Ltd.

Chairman: Ku, Hung-Tao

S e p t e m b e r 1 3 , 2 0 2 4

Kaori Thermal Technology Co., Ltd.
Articles of Incorporation

Chapter I General Rules

Article 1: The Company is incorporated in accordance with the provisions regarding Company Limited by Shares stipulated in the Company Act, and its name is “Kaori Thermal Technology Co., Ltd.”

Article 2: The business scope of the Company is listed as follows:

1. CA02010 Manufacture of Metal Structure and Architectural Components.
2. CA02090 Metal Wire Products Manufacturing.
3. CA02990 Other Metal Products Manufacturing
4. CA03010 Heat Treatment.
5. CB01010 Mechanical Equipment Manufacturing.
6. CB01990 Other Machinery Manufacturing.
7. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing.
8. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing.
9. CD01020 Rail Vehicle and Parts Manufacturing.
10. CD01060 Aircraft and Parts Manufacturing.
11. CP01010 Hand Tools Manufacturing.
12. F106010 Wholesale of Hardware.
13. F113990 Wholesale of Other Machinery and Tools.
14. F401010 International Trade.
15. E599010 Piping Engineering.
16. E601010 Electric Appliance Construction.
17. E601020 Electric Appliance Installation.
18. E604010 Machinery Installation.
19. IG03010 Energy Technical Services.
20. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company may make external guarantee for business needs.

Article 4: The head office of the company is situated in Taoyuan City. The company may set up branch offices at home and abroad in accordance with the laws.

Chapter II Shares

Article 5: The Company holds a total capital of one billion TWD, which is divided into 100 million shares, with NT\$10 per share.

Article 6: Shareholders shall notify the company of their name or title, domicile or residence, and number of shares to be recorded in the shareholder register, and submit the seal card to the company for future reference. Corporate shareholders may also request the registration of their representative's seal and submit it to the Company for future reference.

Article 7: When the shareholder's seal is lost, they should sign a guarantee and apply to the Company for a new seal.

Article 8: The transferor and the transferee shall apply to the Company for the transfer of the shares by filling out an application form and signing and sealing it, and shall not transfer the shares against the Company unless it is recorded in the shareholders' register of the Company.

Article 9: No change shall be made to the shareholders' register within 30 days before the meeting of each Extraordinary Shareholders' Meeting, 15 days before the meeting of an Extraordinary Shareholders' Meeting or five days before the base date on which the Company decides to distribute dividends and bonuses or other benefits.

Chapter III Shareholders' Meeting

Article 10: The Company's shareholders' meeting shall be of two kinds:

1. Regular shareholders' meeting: Regular shareholders' meeting shall be convened once every year within six months after the close of each fiscal year.
2. Extraordinary Shareholders' Meeting: convened as needed in accordance with provisions of the Company Act.

Article 11: The date, time, venue and cause of convening shall be notified to shareholders 20 days prior to the convening of regular shareholders meeting and 10 days prior to the convening of extraordinary shareholders' meeting

Article 12: The functions and powers of the shareholders' meeting of the Company are as follows:

1. Modify the Articles of Incorporation.
2. Appointment, dismissal of directors and supervisors.
3. Adoption of Annual Financial Statements.
4. Resolution of increase/decrease of total capital.
5. Proposal of resolution of surplus distribution or loss allocation.
6. Resolution of remunerations of directors and supervisors.
7. Proposal of resolution of company dissolution, merger or division.

8. Other powers conferred by the Company Act or other laws.

Article 13: Unless otherwise provided for in the Company Act or these Articles of Incorporation, the resolutions of the shareholders' meeting shall be made with the consent of more than half of the voting rights of the shareholders present and represented by more than half of the total number of issued shares.

Article 14: Unless otherwise provided by law, shareholders of the Company shall have one vote per share.

Article 15: Where the shareholder fails to attend the shareholders' meeting for any reason, he/she may present a power of attorney, affix the seal of the Company, state the scope of authorization as well as appoint an agent to attend the shareholders' meeting on his/her behalf. Except for trust enterprises or stock affairs agencies approved by the competent authority governing securities, if a person is entrusted by two or more shareholders at the same time, the voting rights of his/her proxy shall not exceed 3% of the voting rights of the total number of shares issued. The excess voting rights shall not be counted.

A power of attorney issued by a shareholder, limited to one person, shall be delivered to the Company five days before the shareholders' meeting.

The shareholders' meeting may be held via video conference or other means announced by the central competent authority.

In the case of a video conference, a shareholder who participates in the meeting via video conference shall be deemed to be present in person.

Article 16: If convened by the Board of Directors, the shareholders' meeting shall be chaired by the Chairman. In case that the Chairman asks for leave or fails to exercise his/her power for some reason, his/her agent shall be handled subject to Article 208 of the Company Act.

When a shareholders' meeting is convened by a person other than the Board of Directors, the convener shall serve as the Chairman. If there are two or more conveners, one of them shall be elected from each other as the Chairman.

Article 17: The minutes of a general meeting shall be kept with the Company under the signature or seal of the Chairman together with the signature register of the members present and the power of attorney to attend.

The minutes shall record the year, month, day, place of the meeting, the name of the Chairman, the method of resolution, the essentials of the proceedings and their results, and shall be kept permanently during the existence of the Company. Unless otherwise provided for in the Company Act, the retention period of the signature register of the present shareholders and the power of attorney to attend shall be at least one year.

Article 18: If the shareholder of the Company is only one corporate shareholder, the directors and supervisors shall be appointed by the corporate shareholder. The powers of the shareholders' meeting of the Company shall be exercised by the Board of Directors, and the provisions of the Articles of Incorporation relating to the shareholders' meeting shall not apply.

Chapter IV Directors, Supervisors and Manager

Article 19: The Company shall have three to nine directors, with a term of three years. Where the Company's shareholder is one corporate shareholder, there shall be no supervisor and rules for supervisors hereunder shall not apply.

Article 20: Except for matters subject to resolution of the shareholders' meeting as provided in the Company Act or these Articles of Association, the business of the Company shall be carried out by resolution of the Board of Directors, including but not limited to the following paragraphs:

1. Prepare business plan.
2. Propose a motion for the allocation of surplus or the appropriation of loss
3. Propose a motion for capital increase/decrease.
4. Prepare important rules and stipulate contracts.
5. Appoint and dismiss the Company's manager.
6. Approve the re-investment in other causes.
7. Establishment and dissolution of branches (organizations).
8. Prepare budgets and final accounts.
9. Appoint and dismiss accountants and chief accountant.
10. Within the authorized capital limit, shareholders shall determine the amount of capital stock that can be offset by all monetary debts or technology required by the company.
11. Within the authorized capital limit, the Company issues new shares as consideration for acquiring shares of other companies.
12. Make a resolution to issue employee stock option certificates.
13. Make a resolution to repurchase the Company's shares and transfer them to employees.
14. Make a resolution to handle a public offering with the competent authority governing securities.
15. Other powers conferred by the Company Act or shareholder resolutions.

Article 21: The Board of Directors shall elect among themselves a Chairman of the Board with the presence of more than two-thirds of the directors and the consent of more than half of the directors present, and the Chairman shall represent the Company. In case the Chairman of the Board of Directors is on leave or unable

to exercise his/her power, the agency shall be subject to Article 208 of the Company Act.

Article 22: Unless otherwise provided for in the Company Act, the Board of Directors shall be convened by the Chairman of the Board and shall serve as the Chairman. Unless otherwise provided for in the Company Act, a resolution of the Board of Directors shall be attended by more than half of the directors present and shall be adopted with the consent of more than half of the directors present.

The directors of the Company may, with the consent of all the Directors, exercise their right to vote on the motions of the Board in writing without holding a physical meeting.

Article 23: The meeting of the Board of Directors shall be clearly stated and notified to the directors and supervisors three days in advance, but may be convened at any time in case of emergency. The Board of Directors of the Company may be convened in writing, by E-mail or by fax.

Article 24: If a director is unable to attend the Board meeting in person for any reason, he may entrust another director to attend the Board meeting on his behalf in accordance with the law.

Article 25: The Company may have managers whose appointment, removal and remuneration shall be subject to the provisions of the Company Act.

Chapter V Accountant

Article 26: The fiscal year of the Company begins on January 1 and ends on December 31 each year. At the end of each fiscal year, the final accounts shall be settled. The Board of Directors shall prepare the following forms and registers in accordance with the Company Act and submit them to the supervisor for review 30 days before the shareholders' meeting and the supervisor shall also issue a report and submit it to the shareholders' meeting for recognition:

1. Business report.
2. Financial statements.
3. Proposal of surplus distribution or loss allocation.

If there is a surplus in the final accounts of the year, after the Company has paid taxes and made up the accumulated losses in accordance with the law, another 10% shall be the statutory surplus reserve, but the statutory surplus reserve shall not be included if it has reached the amount of the paid-in capital; if the balance and the surplus are not distributed at the beginning of the same period, the Board of Directors shall draw up a surplus distribution proposal and submit it to the shareholders' meeting for a resolution on distributing dividends to shareholders.

Article 27: If the Company makes profits in the year, it shall set aside no less than 2% for employee compensation, which shall be distributed in stock or cash by the Board of Directors; the Board of Directors shall decide to set aside no more than 5% of the aforesaid profits for the remuneration of the directors and supervisors. Compensation of employees and remuneration of directors and supervisors shall be submitted to the shareholders' meeting for report.

However, if the company still has accumulated losses, it shall leave the amount to make up for it, and then allocate the compensation of employees and directors and supervisors in accordance with the proportion of the preceding paragraph.

The Company provides employee treasury stock, employee stock option certificates, employee stock subscription, RSA, and employee compensation to employees of controlled or affiliated companies who meet certain conditions.

Chapter VI Supplementary Provisions

Article 28: The organizational procedures and operating rules of the company are set out separately.

Article 29: Any matters not covered in the Articles of Incorporation shall be subject to the provisions of the Company Act.

Article 30: These Articles of Incorporation were made on August 12, 2024.

Initiator: Kaori Heat Treatment Co., Ltd.

Kaori Thermal Technology Co., Ltd.

Chairman: Ku, Hung-Tao

Kaori Heat Treatment Co., Ltd.

Operating Value of “Thermal Energy Division” to Be Divided

Unit: NT\$

Items	Amount
Assets	
Current assets	1,076,732,514
Non-current assets	11,674,040
Total assets--A	1,088,406,554
Liabilities	
Current liabilities	238,406,554
Non-current liabilities	0
Total liabilities--B	238,406,554
Equity adjustment account--C	0
Operating value (A-B-C)	850,000,000

Kaori Heat Treatment Co., Ltd.

Opinion on the Fairness of Division and Stock Exchange Ratio

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Summary of Opinion

To: Kaori Heat Treatment Co., Ltd. (hereinafter referred to as the Client Company, Kaori or the Company)

Purport: For the purpose of reorganization and professional division of labor, thereby improving the overall operation performance and market competitiveness, the Company proposes to divide and transfer the business (including assets, liabilities, and operation) of the Company's "Thermal Energy Division" under independent operation to Kaori Thermal Technology Co., Ltd. (hereinafter referred to as "Kaori Thermal"), which is wholly-owned by the Company. Kaori Thermal will issue new shares to the Company as consideration. The account is therefore entrusted to proceed with the evaluation of fairness of stock exchange price by division. The evaluation results are described as follows:

Description:

1. For the purpose of reorganization and professional division of labor, thereby improving the overall operation performance and market competitiveness, the Company proposes to divide and transfer the business (including assets, liabilities and operation) of the Company's "Thermal Energy Division" under independent operation to Kaori Thermal Technology Co., Ltd. (hereinafter referred to as "Kaori Thermal"), which is wholly-owned by the Company. And Kaori Thermal will issue new shares to the Company as consideration. The accountant has completed the case with necessary analytical processes. Based on the practical guidelines for expert opinions jointly developed by Taiwan Stock Exchange Corporation and Taipei Exchange, the summary of our accountant's evaluation results is as follows:

- Appointor and recipient of fairness opinion: Kaori Heat Treatment Co., Ltd.
- Goal and Purpose of Evaluation: For the purpose of reorganization and professional division of labor, thereby improving the overall operation performance and market competitiveness, the Company proposes to divide and transfer the business (including assets, liabilities and operation) of the Company's "Thermal Energy Division" under independent operation to Kaori

Thermal Technology Co., Ltd. (hereinafter referred to as “Kaori Thermal”), which is wholly-owned by the Company. And Kaori Thermal will issue new shares to the Company as consideration. In view of the above, the account was entrusted to give opinion on the fairness of the stock exchange price by division as a reference for making internal evaluation decision. The opinion shall be used for other purposes.

- Laws and Provisions: Articles 10 and 23 of Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
- Evaluation Base Date: August 31, 2024.
- Conclusion of Opinion:

The net value of the subject matter evaluated by the accountant is equivalent to the consideration of Kaori Thermal’s expected issue of new shares, and no profit or loss has been generated. Kaori Thermal was a wholly-owned subsidiary of the Company before and after the division, so the Division has no effect on the equity of the shareholders of the Company. Accordingly, the accountant considers that it would be reasonable for the division and transfer to be exchanged with the relevant business on the basis of book value.

2. This Price Fairness Opinion is for reference only in relation to the division, transfer and transaction on the base date of the Company’s internal evaluation and is not intended for other purposes. The Company should carefully evaluate other factors that may affect the transaction and the actual closing date in order to make investment or business decisions in connection with this transaction. This Opinion is not intended to provide advice on a specific transaction.

CHAMPiON CPA Firm

Accountant: Lin, Hsiu-Lien

September 13, 2024

Body of Price Fairness Opinion

I. Description of Appointment Contents

1. Appointor and Recipient of Fairness Opinion: Kaori Heat Treatment Co., Ltd.

2. Independent Expert

As the accountant of CHAMPiON CPA Firm, Lin, Hsiu-Lien works in the accounting firm located at 3F.-3, No. 316, Wenchang St., Xinyi Dist., Taipei City, Taiwan (R.O.C.)

3. Subject Matter of Evaluation

For the purpose of reorganization and professional division of labor, thereby enhancing the competitiveness and advancing the asset management performance, Kaori proposes to divide and transfer the business (including assets, liabilities and operation) (hereinafter referred to as subject matter of evaluation) of the Company's "Thermal Energy Division" to Kaori Thermal Technology Co., Ltd., which is wholly-owned by the Company by means of being divided to the Surviving Transferee Company. And Kaori Thermal will issue new shares to Kaori as consideration. The accountant is therefore entrusted to give opinion on the fairness of stock exchange by division.

4. Evaluation Base Date

August 31, 2024.

5. Value Standards

Given that this case is of reorganization, this opinion is based on the book value as the value standard.

6. Value Premise

It is an assumption made about the most likely trading environment of the assessed subject matter. For the purpose of the evaluation, this opinion assumes that Kaori Thermal's business is in compliance with the statutory regulations and is based on the assumption of going concern.

7. Evaluation Process

The accountant follows the procedures outlined in Article 4 of the Evaluation Process Standards for the execution of the evaluation process, as follows:

1. Undertaking of valuation case
2. Sign a letter of appointment
3. Obtain and analyze the information
4. Valuate
5. Prepare evaluation working papers
6. Issue a written opinion based on the evaluation results
7. Keep the working papers

8. Assumptions and Limitations of Evaluation

There have been no significant changes in domestic and international politics, regulations, tax laws, and overall economy from the date of the opinion evaluation to the date of issuance of the opinion evaluation. There have been no significant changes in industry the target company in from the date of the opinion evaluation to the date of issuance of the opinion evaluation. The accountant evaluates the fairness of the stock exchange in the Division Proposal from the perspective of independent third party, not actually involving in the structure design and planning of the Division Proposal. Where the actual transaction turns inconsistent with the information on the Evaluation Base Date provided by the Client Company, or there is any change in the actual situation with the issuance of opinion, the account will no longer update it without being appointed for re-evaluation. The accountant is not mainly responsible for legal and professional services, therefore, any legal action that will affect the evaluation cannot be judged by the accountant from the perspective of a professional lawyer. Therefore, it is assumed that there are no significant pending matters, litigation (including tax and other legal disputes), contingent liabilities and other matters that may affect the equity value of the subject matter of the evaluation as of the evaluation date, and it is assumed that there are no other transaction events affecting the value of the subject matter of the evaluation during the evaluation period. To the fullest extent permitted by law, the Firm will not be liable to any third party in connection with this report, the

information or instructions relating to this report. Accordingly, to the extent permitted by law, the Firm shall not be liable for the consequences of any actions taken or withheld by any third party in any form pursuant to this report, the information or instructions in connection with this report, whether contractual, tortious (including but not limited to those caused by negligence) or otherwise. This opinion is for evaluation purposes only and shall not be provided to other third parties without the written consent of our accountant.

In the exercise of the fairness opinion, the accountant made analysis based on the price evaluation information provided by the Client Company and information obtained from various information and public sources to confirm the reliability and reliability. However, based on the scope of appointment, the Firm didn't verify the correctness, existence or completeness of the foregoing information or assumptions or check them in accordance with Generally Accepted Auditing Standards, giving full confidence in all material respects and not expressing any opinion on the financial statements. We hereby declare that we shall not be liable for any loss or litigation arising from the inaccurate information provided by the client and the target company.

The fairness opinion is not an accurate calculation in nature, and in most cases its conclusions are bound to be subjective and professional. The enterprise evaluation report issued is based on the information obtained and certain transaction conditions set, so the results evaluated by different evaluators are also different. The case is of reorganization, so the value of the opinion based on the book value.

II. Overview of Target Company1. Company Background

Divided Company

Since it was established in 1970, listed on TPEX with the stock code of 8996 in 2006 and listed in 2014, Kaori's major goal is to pursue the cutting-edge heat treatment technology and to manufacture world class products. Kaori has kept on improving its technology and quality, investing in research and development, and

introducing the latest thermal technologies. Since 1992, based on its core technologies in heat treatment, brass welding and vacuum brazing, Kaori has developed industrial key components such as brazed plate heat exchanger, sendzimir mill roller with its own brand name. In recent years, Kaori has cooperated with several worldwide well-known companies to develop and manufacture system products in energy saving and hydrogen energy. Kaori is actively stepping into green energy market and becoming a green energy company. Kaori's production activity has evolved over time from "energy utilization" to "energy savings", and further to today's "energy production". It shows Kaori's commitment toward protecting our environment and the Earth, and creating a new green energy world with our partners together.

Kaori Heat Treatment Co., Ltd. (Unified No. 35319185), with a total capital of NT\$1,500,000,000 (the same as below), divided into 150,000,000 shares with denomination of NT\$10 each and issued in installments. The paid-in capital as of August 31, 2024, the base date of the evaluation, was NT\$910,179,740 divided into 91,017,974 ordinary shares (the registered capital of the Ministry of Economic Affairs was NT\$898,011,560 divided into 89,801,156 ordinary shares, due to the pending registration of the conversion of convertible bonds into share capital), denomination \$10 per share. As of September 5, 2024, the paid-in capital registered with the Ministry of Economic Affairs was NT\$898,011,560, divided into 89,801,156 ordinary shares with a face value of NT\$10 each, and the time difference from the recorded paid-in capital is due to the reasons mentioned above. (Source: Client Company and collated by Kaori's official website)

Information on Directors and Supervisors (Business Registration website as of September 5, 2024)

No.	Title	Name	Representative Legal Person	Number of Shares Held (shares)
0001	Chairman	Dr. Allen C.H. Wu		227,001
0002	Deputy Chairman	H.F. Han		1,466,753
0003	Director	Leo H.W.		280,788

0004	Director	Wang Alan H.X. Huang	1,406,165
0005	Director	Ku, Hung- Tao	Aladdin Investments Co., Ltd. 370,000
0006	Director	Gilbert C.Y. Wu	Aladdin Investments Co., Ltd. 370,000
0007	Independent director	Hung, Hsiang- Wen	0
0008	Independent director	Tang, Chi- Yao	0
0009	Independent director	Mao, En- Kuang	0

Surviving Transferee Company

Established in August 2024, Kaori Heat Treatment Co., Ltd. primarily operates in the manufacturing of other metal products, mechanical equipment, other electrical and electronic and machinery equipment, and energy technology services. Kaori Thermal Technology Co., Ltd. (Tax ID: 00115956) has a total capital of NT\$1,000,000,000, divided into 100,000,000 shares with a face value of NT\$10 per share, all of which are ordinary shares issued in installments. The paid-in capital on the Evaluation Base Date, August 31, 2024, is NT\$1,000,000, divided into 100,000 shares with denomination of NT\$10 each. The paid-in capital as at September 5, 2024 is NT\$1,000,000 divided into 100,000 shares of NT\$10 each. (Source of Data: provided by the Client Company)

Information on Directors and Supervisors (information on the Business Registration Website as of the reporting date)

No.	Title	Name	Representative Legal Person	Number of Shares Held (shares)
1	Chairman	Ku, Hung- Tao	Kaori Heat Treatment Co., Ltd.	100,000
2	Director	Dr. Allen C.H. Wu	Kaori Heat Treatment Co., Ltd.	100,000
3	Director	Leo H.W. Wang	Kaori Heat Treatment Co., Ltd.	100,000

2. Financial Information

The financial position of the target company for the last three years is summarized as follows:

Divided Company Kaori Heat Treatment Co., Ltd.

Unit: NT\$1,000

Subjects	December 31, 2021	December 31, 2022	December 31, 2023	June 30, 2024	August 31, 2024
Balance sheet					
Current assets	1,413,570	2,039,124	2,464,985	2,514,608	3,011,485
Non-current assets	1,975,725	2,077,867	2,334,620	2,366,834	2,371,024
Total assets	3,389,295	4,116,991	4,799,605	4,881,442	5,382,509
Current liabilities	1,094,175	1,437,279	966,508	1,046,659	1,338,144
Non-current liabilities	410,281	620,715	1,129,415	924,175	894,818
Total liabilities	1,504,456	2,057,994	2,095,923	1,970,834	2,232,962
Equity	1,884,839	2,058,997	2,703,682	2,910,608	3,149,547
Total liabilities and equity	3,389,295	4,116,991	4,799,605	4,881,442	5,382,509

Subjects	2021	2022	2023	January to June 2024	January to August 2024
Income statement					
Operating revenue	2,087,001	2,684,398	4,143,285	1,693,500	2,472,610
Operating profits	185,372	288,905	664,378	287,575	464,926
Profit and loss after tax	149,156	301,020	576,526	294,303	448,932
Equity common stock	893,841	893,841	893,841	906,273	910,180

Source of data: financial statements of years 2022 and 2023 of the target company certified by CPA provided by the client, statements reviewed by CPA entrusted by the client company in the first half of 2024 as well as self-closing statements as of August 2024.

Surviving Transferee Company

Kaori Heat Treatment Co., Ltd.

Unit: NT\$1,000

Subjects	August 31, 2024
Balance sheet	
Current assets	1,000
Non-current assets	-
Total assets	1,000
Current liabilities	-
Non-current liabilities	-
Total liabilities	-
Equity	1,000
Total liabilities and equity	1,000
Subjects	August 2024
Income statement	
Operating revenue	-
Operating profits	-
Profit and loss after tax	-
Equity common stock	1,000

Source of Data: self-closing statements as of August 2024 of the target company provided by the client.

III. Evaluation of Price Fairness

1. Structure of Stock Exchange by Division

Subject to the Division Plan provided by the client company, this Division Proposal is in

accordance with the relevant regulations of the Business Mergers and Acquisitions Act, that is, Kaori divides and transfers the business (including assets, liabilities and operations) of its independently operated Thermal Energy Division to the surviving Kaori Thermal, which is wholly-owned by Kaori on the Division Base Date. The client company divides and transfers the business scope, operating value, assets and liabilities to Kaori Thermal, a subsidiary wholly-owned by it. Kaori Thermal then takes over the Thermal Energy Division for development and operation of the thermal business as well as issue new shares to Kaori as consideration. The net assets to be divided and transferred amount to NT\$850,000,000. Kaori Thermal plans to issue 42,500,000 new ordinary shares at NT\$20 per share, totaling NT\$850,000,000 with a face value of NT\$10 per share. The share capital will be NT\$425,000,000 and any excess capital will be recognized as capital reserve for consideration.

Table 1 Summary of Number of Shares for Stock Exchange by Division
Unit: Shares

Descriptions/Company	Kaori	Kaori Thermal
Number of common stock before the division	91,017,974	100,000
Number of new common stock divided and issued		42,500,000
Number of common stock after the division	91,017,974	42,600,000

Source of Data: provided by the client company. As of September 5, 2024, the registered capital with the Ministry of Economic Affairs is 89,801,156 shares, with a paid in capital of NT\$898,011,560. The difference from the registered capital of NT\$910,179,740 in the self-closing statement of the client company as of August 31, 2024 is due to the fact that the capital converted from convertible corporate bonds has not yet been fully registered.

Table 2 Summary of Shareholding by Kaori before and after the Division and Stock Exchange in Kaori Thermal

Kaori	Shares Held in Kaori Thermal (share)	Shareholding Ratio in Kaori Thermal %
Number of common stock before the division	100,000	100%
Number of new common stock divided and issued	42,500,000	100%
Number of common stock after the division	42,600,000	100%

Source of Data: provided by the client company

2. Selection of Equity Evaluation Method

The evaluation method should be adjusted by considering the industrial characteristics, stock liquidity, future profitability and other factors of the evaluation company. The division and transfer proposal is of reorganization, and therefore the Division Plan of the client company shall take book value as value standard. Besides, there's no substantial transfer of the right to operate and control, it's accordingly of reorganization in nature. The accountant believes that this Division and Transfer Proposal does not apply to the definition of International Financial Reporting Standard 3 (IFRS 3) for business combinations. By referring to the replies to Q&A of IFRS released on October 26, 2018 by Accounting Research and Development Foundation, it's believed that the interpretations released by Taiwan shall apply, the accounting treatment of book value and the descriptions of "Accounting Treatment Involving the Company Division" contained in the Chi-Mi Zi Letter 128 released by Accounting Research and Development Foundation shall be adopted. If the transferee company becomes an associated company after the transferee, the carrying value of the assets and liabilities is taken as the cost of acquiring the assets and liabilities on a net basis of the two, with the denomination being the share capital and the excess being the capital reserve.

3. Evaluation of Specific Methods and Assumptions

In accordance with the aforementioned division and stock exchange, using the book value of assets and liabilities as the cost of acquiring assets and liabilities, the entrusted company estimates the operating value of the division to be NT\$850,000,000 to acquire 42,500,000 ordinary shares of Kaori Thermal at NT\$20 per share. The total amount of NT\$850,000,000, face value of NT\$10 per share, capital of NT\$425,000,000 and capital reserves recognized in excess of capital as consideration. In accordance with the foregoing division and stock exchange and by taking the book value of assets and liabilities as the cost of acquiring assets and liabilities, the expected operating value of the division by the client company is NT\$850,000,000, to acquire 42,500,000 ordinary shares of Kaori Thermal at NT\$20 per share, totaling NT\$850,000,000, with a book value of NT\$10 per share, a share capital of NT\$850,000,000, and the excess capital will be recognized as capital reserve as consideration. The draft statement of the Evaluation Base Date provided by the client company is as follows in Table 3. As of August 31, 2024, the Evaluation Base Date, the book value (operating value) of the subject matter of evaluation is NT\$850,000,000. In the event of any subsequent change in the net asset value at the Division Base Date, the accountant will not update this opinion unless reappointed.

Table 3 Division of the Subject Matter of Evaluation and Details of Operating Value Unit: NT\$

Details of Operating Value of Division and Transfer Division			
Subjects	Amount	Subjects	Amount
Current assets	1,076,732,514	Current liabilities	238,406,554
Non-current assets	11,674,040	Non-current liabilities	-
Total assets	1,088,406,554	Total liabilities	238,406,554
		Net assets	850,000,000

Source of Data: provided by the client company

4. Description of Fairness of Stock Exchange Ratio by Division and Impact on Shareholder Equity

The evaluated operating value of the subject matter is NT\$850,000,000, with Kaori Thermal issuing 42,500,000 new ordinary shares at NT\$20 per share, totaling NT\$850,000,000 with a face value of NT\$10 per share. The share capital is NT\$425,000,000, and any excess capital is recognized as capital reserve and given to Kaori as consideration. After the above analysis, the net value is equivalent and no profit or loss has been generated. Kaori Thermal is a wholly-owned subsidiary of Kaori before and after the division, and this Division and Transfer has no impact on the equity of Kaori's shareholders.

IV. Conclusion of Price Evaluation

By checking and reviewing the transaction substance and relevant rules stipulated by Accounting Research and Development Foundation, the accounting treatment of book value is adopted. In accordance with the draft statement provide by the client company and after the necessary evaluation and analysis, the operating value of the subject matter of evaluation is NT\$850,000,000. Kaori Thermal issues 42,500,000 new ordinary shares at a price of NT\$20 per share, totaling NT\$850,000,000 with a book value of NT\$10 per share. The share capital is NT\$850,000,000 and any excess capital is recognized as capital reserve and given to Kaori as consideration for the division. The net value checked and analyzed turns to be equivalent and no profits (losses) are generated. And Kaori Thermal is the wholly-owned subsidiary of Kaori before and after the division, indicating that there is no impact of the Division and Transfer Proposal on shareholders' equity of Kaori. As a result, the accountant believes that it is still reasonable to use the book value

method to value the division and transfer and related operations.

The price fairness opinion is for the Company's reference only in evaluating the value of the share exchange ratio in the division and transfer case, and is not for the use of a third party or for any other purpose. The accountant will not assume any obligation or responsibility for the use of this price fairness opinion by a third party. If the client company indicates that there are no major pending litigation and contingent liabilities that may affect the equity value of the subject matter of the evaluation as of the reporting date, if the actual transaction is inconsistent with the information provided by the client company on the Evaluation Base Date, or if the actual situation changes after the opinion is issued, the accountant will not update it. Please refer to I. Assumptions and Limitations of the Evaluation Description of the Content of the Appointment for more details. The Firm analyzed based on the relevant evaluation information provided by the client company and publicly available sources during the assignment, and the conclusion of the analysis is based on the premise that the above information is complete and without major errors.

Appendixes

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I. Source of Data:

- The Firm analyzed based on the relevant evaluation information provided by the client company and publicly available sources during the assignment, and the conclusion of the analysis is based on the premise that the above information is complete and without major errors.
- The information you provide mainly includes:
 - Certified financial reports of the client company for the years 2022 and 2023 and the first half of 2024
 - Information on the operating value of the division transferred by the client company on August 31, 2024, the Base Date of Division and Stock Exchange
 - Draft Division Plan and relevant management meeting information for the client company
 - Self-closing financial statements of the client company and the transferee company as at August 31, 2024
- Discussion of the management of the client company
 - Interview and discuss with the finance department of the client company and clarify relevant information.

II. Introduction of Independent Experts

Resume of the Accountant

Accountant	Lin, Hsiu-Lien
Professional Qualification	Passed the qualifying examination for the CPA of R.O.C. and U.S. Business Appraiser of Intangible Assets and Enterprise Evaluation Association of R.O.C. Real Estate Appraiser Land Administration Agent
Experience	Partner of Deloitte Touche Taiwan Partner of AMS TW RG President (concurrently) of CHAMPiON CPAs Firm
Contact Method of the Firm	CHAMPiON CPAs Firm Address: 3F.-3, No. 316, Wenchang St., Xinyi Dist., Taipei City, Taiwan (R.O.C.) Tel.: 02-87802040 / 0910685262

III. Statement of Independent Experts

This accountant accepts the appointment of this case and makes an evaluation opinion. I follow the practical guidelines for expert opinion writing and relevant laws and regulations to declare as follows:

1. The opinion I have given and the sources, parameters, and information used for executing the work procedures are appropriate and reasonable, serving as the basis for issuing this opinion.
2. Before undertaking the case, I have confirmed that I meet the eligibility requirements of the relevant laws and carefully evaluated my professional competence and practical experience.
3. In executing the case, appropriate operational procedures have been properly planned and implemented to form conclusions and to issue opinions thereon; the procedures, information collected and conclusions of the case are detailed in the working paper of the case.
4. I have been entrusted to handle this case without receiving contingent remuneration, and no opinion conclusion has been set in advance.
5. I have no mutual or substantial relationship with the parties involved in this transaction and the professional appraiser or appraiser who issued the appraisal opinion, and declare that there are no of the following circumstances:
 - (1) My spouse or I am currently employed by a party to the transaction in a regular job, on a regular salary or as an executive supervisor.
 - (2) My spouse or I have served as the Board of Directors, supervisors, managers or employees of positions that have a significant impact on the case, and have resigned or left the office for less than two years.
 - (3) The unit where my spouse or I work and the parties involved in the transaction are mutually related parties.
 - (4) The Board of Directors, supervisors, managers or staff who have a significant impact on the case and have a spouse or relatives within the second generation.
 - (5) Those who have significant investment or share financial interests with the parties to the transaction.

Appraisal:

Accountant: Lin, Hsiu-Lien

S e p t e m b e r 1 3 , 2 0 2 4

KAORI HEAT TREATMENT CO., LTD
Articles of Incorporation

Chapter I General Principles

Article 1: The Company is incorporated in accordance with the provisions regarding Company Limited by Shares stipulated in the Company Act, and its name is “Kaori Heat Treatment Co., Ltd.”

Article 2: The business scope of the company is listed as follows:

- (1) CA02010 Manufacture of Metal Structure and Architectural Components.
- (2) CA02090 Metal Wire Products Manufacturing.
- (3) CA02990 Other Metal Products Manufacturing.
- (4) CA03010 Heat Treatment.
- (5) CB01010 Mechanical Equipment Manufacturing.
- (6) CB01990 Other Machinery Manufacturing.
- (7) CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing.
- (8) CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing.
- (9) CD01020 Rail Vehicle and Parts Manufacturing.
- (10) CD01060 Aircraft and Parts Manufacturing.
- (11) CP01010 Hand Tools Manufacturing.
- (12) F106010 Wholesale of Hardware.
- (13) F113990 Wholesale of Other Machinery and Tools.
- (14) F401010 International Trade.
- (15) E599010 Piping Engineering.
- (16) E601010 Electric Appliance Construction.
- (17) E601020 Electric Appliance Installation.
- (18) E604010 Machinery Installation.
- (19) IG03010 Energy Technical Services.
- (20) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The head office of the company is situated in Taoyuan City. The company may, upon any resolution adopted by its Board of Directors, set up branch offices at home and abroad in accordance with the laws.

Article 4: The public announcements about the company shall appear in a prominent part of any daily newspaper in the city/county or city/province where the company is located, unless otherwise provided by other laws and regulations.

Article 4-1: For business needs, the company may act as guarantor, and its operations shall be handled in accordance with the company's Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees.

Chapter II Shares

Article 5: The company holds a total capital of NT\$1.5 billion, which is divided into 150 million shares, with NT\$10 per share. The foregoing unissued shares shall be issued in installments upon the issuance conditions stipulated by the Board of Directors according to business needs. Five million shares of the foregoing total capital shall be reserved for issuing employee stock warrants, which may be issued in

installments in accordance with the resolution adopted by the Board of Directors.

Article 5-1: In accordance with Article 56-1 of the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers” and Article 10-1 of the “Regulations Governing Share Repurchase by Exchange-Listed and OTC Listed Companies”, the company shall obtain the consent of at least two-thirds of the voting rights represented at a shareholders’ meeting attended by shareholders representing a majority of the issued shares, so as to issue employee stock warrants at a price less than the closing price of the company's common shares on the issue date and transfer the shares to employees at a price less than the average actual shares repurchase price.

Article 5-2: As for the treasury shares bought back by the company, the persons/parties entitled to such transfer include the employees of the parent company or its subsidiaries that meet certain specific requirements.

The persons/parties entitled to receiving the company's employee stock warrants include the employees of the parent company or its subsidiaries that meet certain specific requirements.

When the company issues new shares, the employees who subscribe for shares include the employees of the parent company or its subsidiaries that meet certain specific requirements.

The persons/parties entitled to receiving the restricted stocks for employees issued by the company include the employees of the parent company or its subsidiaries that meet certain specific requirements.

The Board of Directors should be authorized to stipulate those certain specific requirements.

Article 6: The shares of the company shall be affixed with the signatures or personal seals of three directors or more, and then issued after being certified by the competent authority or any approved issuance registration agency according to the laws. The company may be exempted from printing any share certificate for the shares issued.

Article 7: The regulations governing the company’s stock affairs shall be all handled in accordance with relevant laws and regulations as well as the provisions enacted by the competent authority.

Article 8: The share transfer registration shall be suspended within 60 days prior to the convening date of a regular shareholders' meeting or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus, or other benefits.

Chapter III Shareholders' Meeting

Article 9: Shareholders' meeting shall be of two kinds: Regular shareholders' meeting, and Special shareholders' meeting. Regular shareholders' meeting shall be convened once every year within six months after the close of each fiscal year. Special shareholders' meeting shall be convened according to the laws when necessary. A notice to convene a Regular shareholders' meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. A notice to convene a Special shareholders' meeting shall be given to each shareholder no later than 15 days prior to the scheduled meeting date. The shareholders' meeting can be held by means of video conference or other methods promulgated by the competent

authority upon the resolution adopted by the Board of Directors. The operating procedures and other matters to be followed shall be handled in accordance with the provisions stipulated by the competent authority.

Article 10: In accordance with Article 177 of the Company Act, if a shareholder is unable to attend the shareholders' meeting for any reason, he/she may appoint a proxy to attend the meeting by executing a power of attorney.

Article 11: The chairman of the Board of Directors shall preside the shareholders' meeting. In case the chairman of the Board of Directors is on leave or absent, the chairman of the Board of Directors shall designate one of the directors to act on his/her behalf. In the absence of such a designation, the directors shall elect from among themselves to act on his/her behalf. When the meeting is called by a convener other than the Board of Directors, the convener shall preside. If there are more than two conveners, one shall be elected from among themselves.

Article 12: A shareholder of the company shall have one voting power in respect of each share in his/her/its possession, except for those who have been restricted or those who have no voting right as listed in Paragraph 2, Article 179 of the Company Act.

Article 13: Resolutions at a shareholders' meeting shall, unless otherwise provided by the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 14: Resolutions adopted at the shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The distribution of the minutes of shareholders' meeting may be effected by means of a public notice. The minutes of shareholders' meeting shall record a summary of the essential points of the proceedings and the results of the meeting. The minutes of the meeting, together with the attendance list bearing the signatures of shareholders present at the meeting as well as the powers of attorney of the proxies, shall be kept by the company.

Chapter IV Directors and Audit Committee

Article 15: The Company shall have nine directors. A candidate nomination system is adopted. Shareholders shall elect the directors from among the nominees listed in the roster of director candidates. The term of office shall be three years. The elected directors may be eligible for re-election next time. The company may obtain liability insurance for directors in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", while the Board of Directors is authorized to make any resolution regarding the insurance coverage.

Article 15-1: The directors of the company shall include at least two independent directors, which shall not account for less than one-fifth of the total number of directors. The professional qualifications, shareholding, part-time job limitations, nomination and election modes of independent directors, as well as other matters for compliance, shall be handled in accordance with relevant regulations enacted by the competent authority in charge of securities affairs.

Article 15-2: In accordance with Article 14-4 of the Securities and Exchange Act, the company shall establish an Audit Committee which shall be composed of the entire number of independent directors. The Audit Committee and its members shall exercise their

power and matters related thereto, in accordance with the Securities and Exchange Act and other relevant laws and regulations.

Article 16: When the number of vacancies in the Board of Directors equals to one-third of the total number of directors, the Board of Directors shall call a special shareholders' meeting within 60 days, to elect succeeding directors to fill the vacancies.

Article 17: In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time when new directors have been elected and assumed their office.

Article 18: The directors organize the Board of Directors and shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairman of the board, to handle all the affairs of the company in accordance with laws and regulations, the Articles of Incorporation, the resolutions adopted by the shareholders' meetings and the meetings of the Board of Directors.

Article 19: The Company's business policies and other major matters shall be handled according to the resolutions adopted by the Board of Directors. Other than the first meeting of the Board of Directors convened each year in accordance with Article 203 of the Company Act, the rest meetings of the Board of Directors shall be called and presided by the chairman of the Board of Directors. In case the chairman of the Board of Directors cannot exercise his/her power and authority for any cause, the vice chairman shall act on his/her behalf. In case the vice chairman is also on leave or absent or unable to exercise his power and authority for any cause, the chairman of the Board of Directors shall designate one of the directors to act on his/her behalf. In the absence of such designation, the directors shall elect from among themselves an acting chairman of the Board of Directors.

Article 20: The meeting of the Board of Directors shall be convened once every three months. In calling a meeting of the Board of Directors, a notice shall set forth therein the subject(s) to be discussed at the meeting and then be sent to each director no more than seven days prior to the scheduled meeting. However, in the case of emergency, a meeting of the Board of Directors may be convened at any time. The notice may be effected by means of writing, e-mail or fax.

Article 20-1: When a director performs his/her power, he/she may get remuneration regardless of the company's profits and losses. The Board of Directors is authorized to determine the payment standards that limit the amount to be within the total amount of NT\$ 1 million per person per month.

Article 21: Unless otherwise provided for in the Company Act, a meeting of the Board of Directors shall be attended by more than half of the directors at the meeting attended by more than half of the directors. If a director is unable to attend the meeting for any cause, he/she may appoint another director to attend a meeting of the Board of Directors on his/her behalf and he/she shall issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. A director may accept the appointment to act as the proxy of one other director only.

Article 22: Resolutions adopted at a Board of Directors' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all directors of the company

within 15 days after the close of the meeting. The minutes of the meeting shall record a summary of the essential points of the proceedings and the results of the meeting. The minutes, together with the attendance list bearing the signatures of the directors present at the meeting as well as the powers of attorney of the of proxies, shall be kept by company.

Article 23: The company authorizes the Board of Directors to make a flexible decision on the amount of reinvestment according to the de facto actual situation, and the total amount of its reinvestment is not subject to the percentage restriction as provided in Article 13 of the Company Act that the total amount of reinvestment shall not exceed 40% of the company's paid-in capital.

Chapter V Managers and Staff

Article 24: The Company may have one or more General Managers, whose appointment, dismissal, and remuneration shall be decided by more than half of voting shares of all the Board of Directors.

Article 25: Upon the resolution adopted by the Board of Directors in accordance with Article 21 of the Articles of Incorporation, the company may hire consultants and major staff.

Article 26: General Manager may authorize a department head to appoint or dismiss other employees in the company.

Chapter VI Final Accounts

Article 27: The fiscal accounting year of the company starts from January 1 to December 31 of each year. At the close of each fiscal accounting year, the Board of Directors shall prepare the following statements and records, submit them to the Audit Committee for auditing not later than 30 days prior to the meeting date of the regular shareholders' meeting, and then forward them to the regular shareholders' meeting for recognition.

- (1) Business reports.
- (2) Financial statements.
- (3) Proposals concerning surplus earning distribution or loss off-setting

Article 28: If the company makes profits each year, it shall set aside no less than 2% of profits of the current year distributable as employees' remuneration and no more than 5% of profits of the current year distributable as directors' remuneration. The company may, by a resolution adopted at a meeting of Board of Directors, have the profit distributable as employees' compensation distributed in the form of shares or in cash. The employees entitled to receiving such shares or cash include the employees of subsidiaries of the company meeting certain specific requirements. However, the company's accumulated losses shall have been covered first by means of certain amounts reserved, and then the remuneration for employees and directors shall be set aside according to the foregoing ratios.

Article 29: If there is any surplus in the company's annual final accounts after income tax are paid according to the laws, the cumulative annual losses shall be covered first. Then, the company should set aside ten percent of the surplus of said profits as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. Aside from the aforesaid legal reserve, the company may, in accordance with relevant laws and regulations or the provisions enacted by the competent authority, set aside or reverse another sums as special reserve. If there is still any surplus profit, plus the undistributed surplus at the beginning of the year,

the Board of Directors can formulate a proposal on the distribution of dividends, as well as the bonuses to shareholders, based on the range of 10% to 100% of such surplus, according to the company's industrial development situation. If such a distribution is done by means of issuing new shares, a proposal shall be submitted to the shareholders' meeting for having a resolution before such a distribution. In accordance with Paragraph 5, Article 240 of the Company Act, the company can authorize the distributable dividends and bonuses to be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; or according to Paragraph 1, Article 241 of the Company Act, the company can distribute its legal reserve and capital reserve by cash, in whole or in part. Such distribution shall be submitted to the shareholders' meeting. When the company sets aside special reserve according to the laws, as for the insufficient amount in "the cumulative net amount of other deductions from equity in a preceding period(s)", an amount of special reserve should be set aside prior to the distribution of surplus, and such an amount should be equal to the amount allocated to the undistributed surplus for the preceding period. If there is still any insufficiency, set aside it from the amount of the after-tax net profit for that period, plus the items other than after-tax net profit for that period, which are included in the undistributed surplus of the period.

Article 29-1: The Company may distribute cash dividends at no less than 10% of the total dividends paid to shareholders, by considering the company's environment and growth stage, responding to future capital demand and long-term financial planning, and considering both shareholder interests and Balancing Dividends Policy.

Chapter VII Supplementary Provisions

Article 30: The organizational rules and bylaws of the company can be stipulated by the Board of Directors otherwise.

Article 31: Regarding the matters not stipulated in the Articles of Incorporation, the Company Act and other laws and regulations shall govern.

Article 32: The Articles of Incorporation was enacted on October 12, 1970. The first amendment was made on November 15, 1970. The second amendment was made on May 23, 1971. The third amendment was made on August 20, 1973. The fourth amendment was on made on August 20, 1981. The fifth amendment was made on May 22, 1983. The sixth amendment was made on August 7, 1984. The seventh amendment was made on November 1, 1986. The eighth amendment was made on November 30, 1987. The ninth amendment was made on July 16, 1988. The tenth amendment was made on February 28, 1989. The eleventh amendment was made on August 20, 1989. The twelfth amendment was made on November 20, 1989. The thirteenth amendment was made on February 12, 1990. The fourteenth amendment was made on March 21, 1990. The fifteenth amendment was made on June 12, 1991. The sixteenth amendment was made on June 6, 1993. The seventeenth amendment was made on July 25, 1994. The eighteenth amendment was made on June 22, 1997. The nineteenth amendment was made on May 3, 1998. The twentieth amendment was made on July 16, 1998. The 21st amendment was made on June 13, 1999. The 22nd amendment was made on June 29, 2002. The 23rd amendment was made on June 25, 2004. The 24th amendment

was made on June 22, 2005. The 25th amendment was made on June 21, 2006. The 26th amendment was made on June 21, 2007. The 27th amendment was made on June 25, 2009. The 28th amendment was made on June 25, 2010. The 29th amendment was made on June 28, 2011. The 30th amendment was made on June 20, 2012. The 31st amendment was made on June 20, 2014. The 32nd amendment was made on June 23, 2016. The 33rd amendment was made on June 23, 2017. The 34th amendment was made on June 20, 2019. The 35th amendment was made on June 17, 2020. The 36th amendment was made on June 16, 2022. The 37th amendment was made on June 20, 2024.

Kaori Heat Treatment Co., Ltd.

Rules of Procedures for Shareholders' Meetings

Article: The shareholders' meeting of the Company shall be conducted in accordance with these Rules.

Article 2: The shareholders' meeting shall be convened by resolution of the Board of Directors, via video conference or by other means announced by the competent authority, and its operating procedures and other matters to be followed shall be subject to the provisions of the competent authority.

Unless otherwise provided for in the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall hold a video conference for the shareholders' meeting in accordance with the provisions set out in the Articles of Incorporation and shall be decided by the Board of Directors, and the video conference shall be decided by the Board of Directors with the presence of more than two-thirds of the directors and the consent of a majority of the directors present.

The change in the method of convening the shareholders' meeting of the Company shall be subject to a resolution of the Board of Directors and shall be made no later than the date of the notice of the shareholders' meeting served.

The Company shall, 30 days before the regular shareholders' meeting or 15 days before the extraordinary shareholders' meeting, make an electronic file of the notice of shareholders' meeting, the paper special for power of attorney, the reasons for motions relating to the recognition, discussion, election or removal of directors and other matters, and upload it to MOPS. The Company will also make an electronic file of the agenda handbook and supplementary information of the shareholders' meeting and transmit it to the MOPS before the 21st day of the regular shareholders' meeting or the 15th day of the extraordinary shareholders' meeting. However, if the Company has a paid-in capital of more than NT\$10 billion as of the end date of the most recent fiscal year, or if the combined foreign and mainland shareholding ratio in the shareholders' register of the most recent fiscal year is more than 30%, the electronic file shall be transmitted before the completion of the regular shareholders' meeting 30 days before the completion of the regular shareholders' meeting. 15 days before the shareholders' meeting, an agenda handbook and supplementary information of the meeting shall be prepared for the shareholders to obtain from time to time and displayed in the Company and the professional stock agents appointed by the Company.

If a shareholders' meeting is held via video conference, any shareholder who wishes to attend via video conference shall register with the Company two days before the meeting.

If the shareholders' meeting is held via video conference, the Company shall upload the agenda handbook, annual report and other relevant materials to the video conference platform at least 30 minutes before the start of the meeting, and continue to disclose them until the end of the meeting.

If the Company holds a shareholders' meeting with video conferencing, the following matters shall be stated in the notice of the shareholders' meeting:

1. Methods for shareholders to participate in video conferences and exercise their rights.
2. Methods for dealing with obstacles caused by natural disasters, incidents or other force majeure events to the video conference platform or to participate in video conferences, including at least the following:

- (1) Time of postpone or resumption of the meeting due to the occurrence of aforementioned obstacles that cannot be resolved and if so, the date of the meeting postpone or resumption.
 - (2) Shareholders who have not registered to participate in the original shareholders' meeting via video conferencing are not allowed to participate in the postponed or resumed meeting.
 - (3) In the case where it is not possible to continue the hybrid video conference, if the total number of shares present at the meeting reaches the statutory quota after deducting the number of shares present at the meeting via video conference, the meeting shall continue; the number of shares present at the meeting shall be counted towards the total number of shares present and shall be deemed to have abstained in respect of all the motions of the meeting.
 - (4) The handling methods for the cases where all motions have been declared and no provisional motion has been proposed.
3. Where a video meeting is held, it shall set out appropriate alternatives for shareholders who would have difficulty participating via video conference. Except for the circumstances stipulated in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, at least shareholder connection equipment and necessary assistance shall be provided, and the period during which shareholders may apply to the Company and other relevant precautions shall be specified.

The Company shall specify in the meeting notice the registration time, registration location, and other matters to be noted for the accepting shareholders, solicitor, and entrusted proxy (hereinafter referred to as shareholders).

The time for accepting the registration of shareholders in the preceding paragraph shall be at least 30 minutes before the beginning of the meeting; the report shall be clearly marked and shall be handled by competent personnel; registration for the video meeting shall be accepted on the video meeting platform 30 minutes before the start of the meeting. Shareholders who complete the registration shall be deemed to have attended the meeting in person.

Shareholders shall attend the shareholders' meeting with their attendance certificate, attendance sign-in card, or other attendance documents. The Company shall not arbitrarily request any other proof of attendance from shareholders; a solicitor who is a solicitor of power of attorney should bring identification documents for verification. The Company shall provide an autograph book for the attendance of the present shareholders or have the attendance card submitted by the present shareholders to sign on their behalf.

The Company shall deliver to the shareholders present at the meeting the agenda handbook, annual report, attendance card, speech slip, voting votes and other materials of the meeting, and if there is an election of directors, an election vote shall be attached.

When the government or legal person is a shareholder, the representative attending the shareholders' meeting is not limited to one. When the legal person is entrusted to attend the shareholders' meeting, only one representative may be appointed to attend.

Article 2-1: At each shareholders' meeting, a shareholder may issue a power of attorney issued by the Company, indicating the scope of authorization, and appoint a proxy to attend the shareholders' meeting.

A shareholder shall deliver a power of attorney, limited to one person authorized, to the Company five days before the shareholders' meeting. In case of duplicate power of attorney, the first one delivered shall prevail. But the revocation of the previous power of attorney is not subject to this restriction.

After the power of attorney has been served on the Company, a shareholder who wishes to attend the shareholders' meeting in person or to exercise his or her voting rights by written or electronic means shall, two days before the shareholders' meeting, give a written notice to the Company of revocation of the power of attorney; in case of cancellation within the time limit, the voting rights of the entrusted proxy shall prevail.

After the power of attorney has been served on the Company, a shareholder who wishes to attend the shareholders' meeting by conference shall, two days before the shareholders' meeting, give a written notice to the Company of revocation of the power of attorney; in case of cancellation within the time limit, the voting rights of the entrusted proxy shall prevail.

Article 2-2: If the shareholders' meeting is convened by the Board of Directors, the Chairman shall be the Chairman of the Board. If the Chairman asks for leave or is unable to exercise his/her powers for some reason, the Vice Chairman shall act for him/her. If there is no Vice Chairman, or if the Vice Chairman also asks for leave or is unable to exercise his/her powers for some reason, the Chairman shall appoint a managing director to act for him/her; if there is no managing director, one director shall be appointed to act for him/her; if the Chairman does not appoint an agent, the managing director or one of the directors shall be nominated to act for him/her.

The Chairman of the Board as mentioned in the preceding paragraph shall be a managing director or a director's proxy who has held office for more than six months and is familiar with the financial business of the Company. The same applies if the Chairman of the Board is the representative of a corporate director. A shareholders' meeting convened by the Board of Directors shall be presided over by the Chairman himself/herself and shall be attended in person by more than half of the Directors of the Board and by at least one representative of each functional committee member, and the attendance shall be recorded in the minutes of the shareholders' meeting.

If the shareholders' meeting is convened by a person with convening authority other than the board of directors, the Chairman of the Board shall be the person with convening authority. If there are two or more convening authority, one of them shall be elected from each other.

The Company may appoint such lawyers, accountants or related personnel as it may appoint to attend the shareholders' meeting.

Article 3: The number of shares obtained by the solicitor, the number of shares represented by the entrusted agent and the number of shares attended by the shareholders by written or electronic means shall be clearly disclosed in a statistical table prepared by the Company in accordance with the prescribed format on the day of the shareholders' meeting; if the shareholders' meeting is held via video conference, the Company shall upload the aforesaid information to the video conference platform at least 30 minutes before the beginning of the meeting and continue to disclose it until the end of the meeting.

In a video meeting of shareholders, when the Company announces the start of the meeting, it shall disclose the total number of shares of shareholders present on the video meeting platform. The same applies if the total number of shares and voting weights of the shareholders present are otherwise counted at the meeting.

If there is significant information stipulated by law and TSEC (TPEX), the Company shall transmit the content to MOPS within the specified time.

When the Company holds a video meeting, the Chairman of the Board and the recorder shall be at the same place in the country, and the Chairman of the Board shall announce the address of such place at the meeting.

When the Company holds a video meeting, it shall provide appropriate alternatives to shareholders who would have difficulty attending the meeting via video conference. Except for the circumstances stipulated in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, at least shareholder connection equipment and necessary assistance shall be provided, and the period during which shareholders may apply to the company and other relevant precautions shall be specified.

Article 4: The agenda of the shareholders' meeting shall be determined by the Board of Directors, and the relevant motions (including provisional motions and amendments to the original motions) shall be voted on a case-by-case basis, and the meeting shall be conducted in accordance with the procedure specified in the agenda. No change shall be made without a resolution of the shareholders' meeting.

If the shareholders' meeting is convened by anyone other than the Board of Directors who has the right to convene, the provisions of the preceding paragraph shall apply.

The Chairman of the Board may not adjourn the meeting without a resolution before the conclusion of the business (including the provisional motion) mentioned in the preceding two items of the agenda. After the adjournment of a meeting, the shareholders shall not elect another Chairman of the Board to continue the meeting at the same address or at another place. However, if the Chairman of the Board, in violation of the rules of procedure, declares the meeting adjourned, the other members of the Board of Directors shall promptly assist the present shareholders in the procedures prescribed by law to elect a Chairman of the Board with the consent of more than half of the voting rights of the present shareholders to continue the meeting.

The Company shall, on the day of the shareholders' meeting, provide the shareholders with the handbook and supplementary materials for their reference in the following ways:

1. When convening a physical shareholders' meeting, the distribution should be made on site at the shareholders' meeting.
2. When holding a video assisted shareholders' meeting, it shall be issued at the site of the shareholders' meeting and upload to the video conference platform in an electronic file.
3. When convening a shareholders' meeting via video conference, the electronic files shall be uploaded to the video conference platform.

The notice and announcement shall state the cause of the call; the notification may be made electronically with the consent of the other party.

Election or dismissal of directors, change, Articles of Incorporation, capital reduction, application for suspension of public offering, permission of directors to participate in business competition, transfer of surplus to capital increase, transfer of capital reserve to capital increase, dissolution, merger, division of a company or the matters mentioned in Paragraph 1, Article 185 of the Company Act; Article 26-1 and Article 43-6 of the Securities Exchange Act; and Article 56-1 and Article 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed and explained in the cause of convening and no provisional motions shall be proposed.

The reason for convening the shareholders' meeting has stated the general re-election of directors and the date of appointment, and after the completion of the re-election of the shareholders' meeting, the date of appointment of directors shall not be changed by provisional motion or other means at the same meeting.

A shareholder holding more than 1% of the total number of issued shares may propose to the Company a motion at the regular shareholders' meeting, up to a limit of one, and more than one proposal shall not be included as the motion. In addition, if a

shareholder's proposal falls under one of the circumstances of Paragraph 4, Article 172-1 of the Company Act, the Board of Directors may not list it as a proposal.

Shareholders shall propose an advisory proposal to urge the Company to promote public interests or fulfill social responsibilities subject to a procedure of limiting to one proposal as contained in Article 172-1 of the Company Act. Proposal more than one shall not be listed as motion.

The Company shall, before the ordinary meeting of shareholders and the day before the suspension of the transfer of shares, announce the acceptance of shareholders' proposals, the written or electronic acceptance method, the acceptance place and the acceptance period; the period of acceptance shall not be less than ten days.

The proposal proposed by the shareholder shall be limited to 300 words, exceeding that, the proposal will not be included a motion; the shareholder proposing motion shall attend the regular shareholders' meeting in person or by proxy and participate in the discussion over the proposal.

The Company shall, prior to the date of the notice of the convening of the shareholders' meeting, inform the proposing shareholders of the result of the handling and list the motions subject to this article in the notice of the meeting. For shareholders' proposals not included in the motion, the Board of Directors shall explain the reasons for not being included in the shareholders' meeting.

Article 4-1: When convening the shareholders' meeting via video conference, the restriction of the foresaid place of convening shall not apply.

The meeting of shareholders shall be held at the place of the Company or at such place as is convenient and suitable for the attendance of the shareholders and shall commence no earlier than 9:00 a.m. or later than 3:00 p.m.

Article 5: When there are amendments or substitutes to the same motion, the Chairman of the Board shall determine the order of voting along with the original motion. If one of the motions has been passed, the other motions shall be deemed to be rejected and no further vote shall be taken.

The supervisors and counting officers for voting on motions shall be appointed by the Chairman of the Board, provided that the scrutineer shall have the status of shareholders.

The counting of votes or election motions at the shareholders' meeting shall be carried out in an open place in the shareholders' meeting, and the voting results, including the counted weights, shall be announced on the spot after the counting is completed and shall be recorded.

The Company shall make continuous and uninterrupted audio and video recordings of the reporting process, the meeting in session and the voting and counting process of the shareholders from the time of accepting the reporting of shareholders.

The audio and video materials mentioned in the preceding paragraph shall be kept for at least one year. However, if a shareholder brings a lawsuit in accordance with Article 189 of the Company Act, it shall be kept until the end of the lawsuit.

If the shareholders' meeting is held via video conference, the Company shall keep records of the shareholders' sign-in, registration, reporting, questions, voting and counting results of the Company, and shall continuously record and video record the whole video conference. The Company shall properly store the information and audio and video recordings mentioned in the preceding paragraph during the retention period and shall store the audio and video recordings with the parties entrusted to handle video conference services.

If the shareholders' meeting is held via video conference, the Company shall make audio and video recording on the back-end user interface of the video conference platform.

When electing directors, the shareholders' meeting shall conduct the election in

accordance with the relevant rules of the Company and shall announce the election results at the meeting, including the list of elected directors and the number of elected directors, the list of unsuccessful directors and the number of elected votes obtained. The ballot for the election mentioned in the preceding paragraph shall be sealed and signed by the scrutineers and kept securely for at least one year. However, if a shareholder brings a lawsuit in accordance with Article 189 of the Company Act, it shall be kept until the end of the lawsuit.

Article 5-1: Shareholders' attendance at shareholders' meetings shall be based on shares. The number of shares present shall be calculated on the basis of the number of shares registered in the visitor's book or the attendance card submitted and the video conference platform, plus the number of shares exercising their voting rights in writing or electronically. When the time for meeting has expired, the Chairman of the Board shall immediately declare the meeting open and at the same time announce the number of non-voting shares and the number of shares present. However, if the shareholders representing more than half of the total number of issued shares are not present, the Chairman of the Board may announce that the meeting shall be adjourned no more than twice, and the total postpone time shall not exceed one hour. If the second postpone is still insufficient to the presence of shareholders representing more than one third of the total number of issued shares, the Chairman of the Board shall announce the suspension of the meeting; if the shareholders' meeting is held via video conference, the Company shall also announce the suspension of the meeting on the video conference platform of the shareholders' meeting.

If the preceding paragraph is delayed twice but the quota is still insufficient, and the shareholders representing more than one-third of the total number of issued shares are present, the resolution may be regarded as tentative in accordance with the provisions of Paragraph 1, Article 175 of the Company Act. After notifying the shareholders of the tentative resolution, the shareholders' meeting shall be convened again within one month; if the shareholders' meeting is held via video conference, the shareholders who wish to attend via video conference shall re-register with the Company in accordance with Article 6.

If, before the end of the meeting, the number of shares represented by the shareholders present reaches more than half of the total number of shares issued, the Chairman of the Board may submit the resulting tentative resolution to the shareholders' meeting for a new vote in accordance with Article 174 of the Company Act.

Article 6: Cases other than motions will not be discussed or voted on. When a motion is being discussed, the Chairman of the Board may at an appropriate time declare the discussion closed and, if necessary, adjourn the discussion.

Article 7: The Chairman shall put to the vote a question on which discussion has been declared closed or discontinued.

Article 8: Unless otherwise provided by the Company Act, a motion shall be passed with the consent of more than half of the voting rights of the shareholders present. When voting, the Chairman of the Board or his/her designee shall announce the total number of voting rights of the present shareholders on a case-by-case basis, and the shareholders shall vote on a case-by-case basis, and the results of the shareholders' approval, opposition and abstention shall be entered into MOSP on the day after the convening of the shareholders' meeting.

Where the shareholders' meeting is convened via video conference, the participating shareholders by means of it shall vote on the motions and vote on the election motions through the video conference platform and shall complete the voting before the

Chairman of the Board announces the closing of the voting. Those who are overdue shall be deemed to have abstained.

If the shareholders' meeting is held via video conference, the votes shall be counted in one go and the voting and election results shall be announced after the Chairman of the Board has declared the polls closed.

Where the Company convenes the video assisted shareholders' meeting and if a shareholder who has registered to attend the shareholders' meeting via video conference in accordance with Article 2 and wishes to attend the physical shareholders' meeting in person shall cancel his/her registration two days before the meeting in the same manner as for registration; those who cancel after the deadline can only attend the shareholders' meeting via video conference.

A person who has voted in writing or electronically, has not revoked his/her expression of intention, and has participated in the shareholders' meeting via video conference, shall not exercise his/her right to vote on the original motion or to propose an amendment to the original motion or to exercise his right to vote on an amendment to the original motion, except for a provisional motion.

If the shareholders' meeting is held via video conference, the Company shall disclose the voting results of each motion and the election results on the video conference platform of the shareholders' meeting in real time after the close of the voting, and shall continue to disclose the results for at least 15 minutes after the Chairman of the Board announces the meeting is adjourned.

Article 9: When a shareholder speaks, he/she must first fill in his/her attendance card number, name and number of shares held. The Chairman of the Board shall set the order of his/her speeches.

The present shareholder shall be deemed not to have made a speech if he only submitted a statement without speaking. If the content of the speech does not conform to the statement, the content of the speech shall prevail.

Article 10: Without the consent of the Chairman of the Board, each shareholder shall not speak more than twice on the same motion, and each shareholder shall not speak for more than five minutes. However, if the shareholder's speech violates the rules or exceeds the scope of the topic, the Chairman of the Board may stop his speech.

When a shareholder is present to make a speech, other shareholders shall not interfere with the speech unless they have obtained the consent of the Chairman of the Board and the shareholder who has spoken, and the Chairman of the Board shall stop the violation.

When a legal shareholder appoints two or more representatives to attend the shareholders' meeting, only one person may speak on the same motion.

After a shareholder has spoken, the Chairman of the Board may reply in person or by appointing a relevant person.

If the meeting is held via video conference, shareholders who participate via video conference may ask questions in text on the video conference platform of the meeting between the announcement of the meeting by the Chairman of the Board and the announcement of the adjournment of the meeting. The number of questions asked on each motion shall not exceed two and each question shall be limited to 200 words.

If the question mentioned in the preceding paragraph does not violate the provisions or does not exceed the scope of the motion, the question should be disclosed on the video conference platform of the shareholders' meeting for public notice.

Article 11: The conference staff members handling shareholders' meeting shall wear ID card or armband.

The Chairman of the Board must command the security personnel to assist in maintaining order at the venue.

If the meeting venue is equipped with loudspeaker equipment, the Chairman of the

Board may stop the shareholder from speaking other than the equipment provided by the Company.

If a shareholder violates the rules of procedure by disobeying the correction of the Chairman of the Board and obstructing the conduct of the meeting, he/she may be asked to leave the meeting by the security personnel under the command of the Chairman of the Board.

Article 12: In the session of meeting, the Chairman of the Board may, at his/her discretion, declare a recess.

Article 13: If irresistible circumstances arise during a meeting, the Chairman of the Board may rule to suspend the meeting and, as the case may be, announce the extension of the meeting.

If the meeting venue cannot be used before the conclusion of the agenda set by the shareholders' meeting (including the provisional motion), the shareholders' meeting may decide to find another venue to continue the meeting.

The shareholders' meeting may, in accordance with Article 182 of the Company Act, decide to postpone or renew the meeting within five days.

Article 13-1: The minutes of the resolutions of the shareholders' meeting shall be made and signed or sealed by the Chairman of the Board. The minutes shall be distributed to the shareholders within 20 days after the meeting. Proceedings may be produced and distributed electronically.

For the distribution of the proceedings mentioned in the preceding paragraph, the Company may enter the announcement form of the MOPS.

The minutes shall be recorded in accordance with the year, month, day, place, name of the Chairman of the Board, method of resolution, essentials of the proceedings and voting results (including the counted weights) of the meeting, and in the case of the election of directors, the number of votes received by each candidate shall be disclosed. It shall be kept permanently during the existence of the Company.

Where the shareholders' meeting is held via video conference, the proceedings shall, in addition to the matters to be recorded in accordance with the preceding paragraph, record the beginning and end time of the shareholders' meeting, the method of convening the meeting, the name of the Chairman of the Board and the record, and the method and circumstances of handling the obstruction caused by natural disaster, incident or other force majeure to the video conference platform or participation via video conference.

The Company shall, in addition to conducting a video meeting in accordance with the preceding paragraph, set out in the minutes the alternative measures provided by shareholders who may have difficulty in participating in the meeting via video conference.

Article 13-2: If the shareholders' meeting is held via video conference, the Company may provide a simple connection test for shareholders before the meeting and provide relevant services in real time before and during the meeting to assist in handling technical issues of communication.

If the shareholders' meeting is held via video conference, the Chairman of the Board shall announce separately when announcing the meeting, except for the circumstances stipulated in Paragraph 4, Article 44-20 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers that do not require an extension or continuation of the meeting, if the video conference platform or participation via video conference is obstructed for more than 30 minutes due to natural disasters, incidents or other force majeure events before the Chairman of the Board's announcement, the date of the meeting shall be extended or continued within five days, and the provisions, as contained in Article 182 of the Company

Act shall not apply.

Shareholders who have not registered to participate in the original shareholders' meeting via video conference shall not be allowed to participate in the postponed or resumed meeting as mentioned in the preceding paragraph.

According to the Paragraph 2, if a meeting should be postponed or resumed, shareholders who have registered to participate in the original shareholders' meeting via video conference and have completed registration but have not participated in the postponed or resumed meeting shall have their number of shares, voting rights, and voting rights exercised at the original shareholders' meeting counted towards the total number of shares, voting rights, and voting rights of shareholders attending the postponed or resumed meeting.

When proceeding with the postponement or continuation of a shareholders' meeting in accordance with the provisions of the Paragraph 2, there is no need to renegotiate or pass a resolution on a proposal that has already completed voting and counting or where the voting results or the list of directors elected has been announced.

If it is not possible to continue the hybrid video conference, if the total number of shares present at the meeting reaches the statutory quota for the meeting after deducting the number of shares present at the meeting via video conference, the meeting shall continue and the number of shares present at the meeting shall be counted towards the total number of shares present and shall be deemed to have abstained in respect of all the motions of the meeting.

In the event that the meeting should be continued in the preceding paragraph, a shareholder who participates in the meeting via video conference shall count the total number of shares of the shareholders present, but shall be deemed to abstain in respect of all the motions of the meeting.

The Company postpones or resumes the meeting in accordance with Paragraph 2 of the Company Act and handles the preparatory work pursuant to the provisions as contained in Paragraph 7, Article 44-20 of Regulations Governing the Administration of Shareholder Services of Public Companies and based on the date of the original shareholders' meeting.

During the period specified in the second half of, Article 12 and Paragraph 3, Article 13 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Paragraph 2, Article 44-5, Article 44-15, Paragraph 1, Article 44-17 of Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or renew the date of the shareholders' meeting in accordance with Paragraph 2.

Article 13-3: The voting of the shareholders' meeting shall be based on the shares.

In the resolution of the shareholders' meeting, the number of shares granted to non-voting shareholders shall not be counted as the total number of shares issued.

A shareholder shall not vote on matters arising from his own interests which may be detrimental to the interests of the Company, and shall not exercise his voting rights on behalf of other shareholders.

The number of shares that cannot exercise voting rights in the preceding paragraph shall not be counted as the voting rights of the shareholders present.

Article 13-4: Shareholders have one vote per share; however, it is not limited or without voting rights listed in Paragraph 2, Article 179 of the Company Act.

When the Company holds a shareholders' meeting, it shall exercise its voting rights by electronic means and may also exercise its voting rights in writing; when voting rights are exercised in writing or electronically, the exercise method shall be stated in the notice of convening the shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically shall be deemed to have attended the shareholders' meeting in person. However, the provisional motion and amendments

to the original motion at the meeting shall be deemed to be a waiver and the Company should therefore refrain from making the provisional motion and amendments to the original motion.

Article 14: Matters not specified in these Rules shall be handled in accordance with the Company Act, the Articles of Incorporation of the Company and the relevant standards prescribed by the competent authority.

Article 15: These Rules shall enter into force after being passed by the shareholders' meeting, and shall be the same when amended.

Article 16: These Rules of Procedure were introduced in October 1997 and have been revised twice, with the fourth revision on June 17, 2021, the fifth revision on June 16, 2022 and the sixth revision on June 20, 2024.

Kaori Heat Treatment Co., Ltd.

Shareholding of All Directors

1. As of October 14, 2024, the closing date of this regular shareholders meeting, the paid-in capital of the Company is NT\$913,417,550 and the total number of issued shares is 91,341,755.
2. Pursuant to Article 26 of the Securities Exchange Act, the statutory minimum number of shares held by all directors is 7,305,824 shares. (Due to the presence of two independent directors, the shareholding ratio of all directors other than independent directors is reduced to 80%).

3. Details of Shareholding of Directors

Title	Name	Shares Held as at 14 October 2024	
		Number of Shares	Ratio %
Chairman	Dr. Allen C.H. Wu	227,001	0.25 %
Director (Vice Chairman)	H.F. Han	2,661,753	2.91 %
Director (General Manager)	Leo H.W. Wang	280,778	0.31 %
Director (Vice President)	Alan H.X. Huang	1,406,165	1.54 %
Director	Aladdin Investments Co., Ltd. Representative Gilbert C.Y. Wu (Vice President) Representative Ku, Hung-Tao	495,000	0.54 %
Independent Director	Hung, Hsiang-Wen	0	-
Independent Director	Mao, En-Kuang	0	-
Independent Director	Tang, Chi-Yao	0	-
Total		5,070,697	5.55 %