

Stock Code: 3213



茂訊電腦股份有限公司

MilDef Crete Inc.

**2025 Meeting Handbook
General Shareholder's Meeting**

(Translation)

Time: 9:00 a.m. on Wednesday, June 11, 2025

Location: 7F., No. 250, Sec. 3, Beishen Rd., Shenkeng Dist.,
New Taipei City, Taiwan (R.O.C.)

(Education and Training Center of the Company)

Method of Convening the Meeting : Physical shareholders' meeting

Notice to Readers:

For the convenience of readers, the Meeting Handbook has been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.

Table of Contents

Chapter 1. Agenda of the regular shareholders' meeting	1
Chapter 2. Reporting matters	2
Chapter 3. Recognition matters	4
Chapter 4. Discussion items	6
Chapter 5. Election items	6
Chapter 6. Extempore motions	7
Chapter 7. Adjourning meeting	7
Chapter 8. Annex	8
I. 2024 Annual Business Report	8
II. Audit Committee Review Report	13
III. Comparison Table of Revisions to the Operating Procedures and Code of Conduct for Integrity	14
IV. Accountant's Audit Report and Independent and Consolidated Financial Statements for 2024	15
V. 2024 Distribution of Earnings	32
VI. Table of Comparison of the Articles of Association Before and After Revision	33
VII. List of Candidates for Independent Directors	35
Chapter 9. Appendix	36
I. Articles of Association	36
II. Rules of Procedure for the Shareholders' Meeting	42
III. Procedures for the Selection of Directors	55
IV. Operating Procedures and Code of Conduct for Integrity Management	58
V. Shareholdings by directors	65

Chapter 1. Agenda of the regular shareholders' meeting

Mildef Crete Inc.

Agenda of 2025 Regular Shareholders' Meeting

- I. Time: 9:00 a.m. on Wednesday, June 11, 2025
- II. Location: 7F., No. 250, Sec. 3, Beishen Rd., Shengkeng Dist.,
New Taipei City, Taiwan
(Education and Training Center of the Company)
- III. Announcement
- IV. Address by the Chairman
- V. Reporting matters
 - (I) 2024 Annual Operation Report
 - (II) Report of the Audit Committee on the Examination of the Final Accounts of 2024
 - (III) Report on Remuneration Distribution of Directors and Employees in 2024
 - (IV) Report on Amendments to the Operating Procedures and Code of Conduct for Integrity Management
- VI. Recognition matters
 - (I) 2024 Annual Business Report and Financial Statements
 - (II) 2024 Earnings distribution project
- VII. Discussion items
 - (I) Amendment to the "Articles of Association"
- VIII. Election items
 - (I) Proposal to elect an additional independent director.
- IX. Extempore motions
- X. Adjourning meeting

Chapter 2. Reporting matters

Proposal I:

Subject: To the board - the 2024 Annual Operation Report.

Description: Please refer to Annex I on Pages 8-12 of this manual.

Proposal II:

Subject: To the board - the Report of the Audit Committee on the examination of the Final Accounts of 2024.

Description: Please refer to Annex II on Page 13 of this manual.

Proposal III:

Subject: To the board - the Report on remuneration distribution of directors and employees in 2024.

Description:

- I. Shall be handled under Article 20 of the Articles of Association.
- II. In 2024, the Company earned a profit of NT\$707,275,295 (i.e. the pre-tax income before deducting the remuneration for employees and directors) and appropriated 1.92% of the profit NT\$13,578,724 to pay the directors' remuneration and 9.58% NT\$67,752,173 to pay the employees' remuneration, all of which were paid in cash.
- III. There is no difference between the above allocation amount and the estimated amount of listed expenses in 2024.

Proposal IV:

Subject: To the board - the Report on Amendments to the Operating Procedures and Code of Conduct for Integrity Management.

Description: In order to meet practical operational needs, certain provisions of the Operating Procedures and Code of Conduct for Integrity Management have been amended. For a comparison of the provisions before and after the amendments, please refer to Annex III on Page 14 of this manual.

Chapter 3. Recognition Matters

Proposal I: (proposed by the Board of Directors)

Subject: To the board - Approval of the 2024 Annual Business Report and Financial Statements.

Description:

- I. The balance sheet, comprehensive income statement, statement of changes in equity, and cash flow statement of 2024 have been audited by Kao Ching-Wen and Tang Ci-Jie of KPMG.
- II. Please refer to Annex I on Page 8-12 of this handbook for the attached business report for 2024.
- III. Please refer to Annex IV on Page 15-31 of this handbook for the attached CPA audit report and independent and consolidated financial statements for 2024.

Resolution:

Proposal II: (proposed by the Board of Directors)

Subject: To the board - the 2024 Earnings Distribution Proposal is hereby submitted.

Description:

- I. Please refer to Annex V on Page 32 of this handbook for the statement of earnings distribution in 2024.
- II. The proposed distribution of 2024 profits to shareholders totaled NT\$352,113,282 (cash dividends), with each shareholder entitled to receive a cash dividend of NT\$6.0 per share, rounded down to the nearest whole number. The sum of the fractional amount will be recognized as the Company's other revenue. Upon approval at the Shareholders' General Meeting, the Chairman will be authorized to determine the ex-dividend date, payment date, and other related matters.
- III. The Chairman of the Board of Directors is authorized to

adjust the aforementioned earnings if the number of outstanding shares is affected by the change in the Company's stock capital, resulting in a change in the dividend distribution rate.

Resolution:

Chapter 4. Discussion items

Proposal I: (proposed by the Board of Directors)

Subject: Propose amendments to the Articles of Association and submit them for discussion.

Description: Proposed to amend some provisions of the Articles of Association in accordance with relevant laws and regulations; Please refer to Annex VI on Page 33-34 for a comparison of the amended provisions.

Resolution:

Chapter 5. Election items

Proposal I: (proposed by the Board of Directors)

Subject: Proposal to elect an additional independent director submitted to a vote.

Description:

- I. According to Article 4 of the Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of TPEx Listed Companies, since the Chairman and the General Manager of the Company are the same individual, it is required to appoint at least four independent directors. Therefore, this proposal is to elect one additional independent director.
- II. The term of the newly elected independent director shall commence immediately after the shareholders' meeting, from June 11, 2025 to June 13, 2026.
- III. The election of independent directors shall be conducted under the candidate nomination system. The list of independent director nominees was approved by the Board of Directors on March 12, 2025. For details, please refer to Annex VII on page 35 of this manual.

Election results:

Chapter 6. Extempore motions

Chapter 7. Adjourning meeting

Chapter 8. Annex

Annex I.

Mildef Crete Inc. 2024 Annual Business Report

Dear shareholders, investors, and distinguished guests:

Greetings! Thank you all for your continued support and attention to Mildef Crete Inc. The year 2024 was a year full of challenges and opportunities. The global economic situation was complex and volatile, and the technology industry, especially the military and PC sectors, encountered new development opportunities. I present to you the Company's performance in 2024, as well as its development strategy for the future.

I. Overview of the Top 5 Global Economic Events

In 2024, the global economic environment was affected by several major events, which had a profound impact on various industries, particularly the technology and defense sectors. The following is an overview of the top five global economic events of 2024:

1. Acceleration of Global Supply Chain Restructuring

As geopolitical tensions escalate, the global supply chain continues to undergo further restructuring. Many countries and enterprises have begun to reduce their dependence on a single region (particularly China), and are shifting towards a diversified supply chain layout. This has had a significant impact on the technology manufacturing industry, particularly in the production and supply of computers and electronic products.

2. Intensified U.S.-China Technology Competition

The technological competition between China and the United States escalated further in 2024, particularly in the fields of semiconductors, artificial intelligence, and 5G. The United States continued to tighten export controls on technology to China, while China accelerates its independent research and development efforts, thereby promoting domestic alternatives. This has introduced uncertainty into the global technology supply chain, but also created opportunities for independent innovation.

3. Energy Transition and Green Economy

The issue of global climate change has become increasingly severe, prompting countries to accelerate their energy transitions. In 2024, the green economy emerged as a new driver of global economic growth, particularly in the European and North American markets, where investments in renewable energy, electric vehicles, and sustainable technologies increased significantly. This has introduced new demands for green manufacturing and energy-saving technologies in the computer industry.

4. Global Inflationary Pressures Easing, but Concerns Remain

In 2024, global inflationary pressures eased but did not fully dissipate. Central banks in various countries have remained cautious with their monetary policies, keeping interest rates at elevated levels. This has affected the consumer market, especially as the growth in demand for electronic products has decelerated. Nevertheless, there continues to be robust demand for high-end products and innovative technologies.

5. Geopolitical Conflicts Persist

In 2024, geopolitical issues such as the Russia-Ukraine conflict and the situation in the Middle East continued to escalate, leading to further increases in global defense budgets. This has brought new growth opportunities to the defense industry, particularly in fields such as unmanned aerial vehicle, cybersecurity, and smart weapon systems.

II. The overall financial performance of the company in 2024 is as follows:

1. Operating Results

In 2024, the Company's consolidated turnover was NT\$2.85 billion, a decrease of 4.68% compared with NT\$2.99 billion in 2023. The after-tax profit attributable to the parent company was NT\$500 million, representing an increase of 8.70% from NT\$460 million in 2023.

2. Financial revenue and expenditure (consolidated company)

Unit: NT\$1,000

Item	2024	2023	Increase (decrease) ratio (%)
Operation interests	542,476	580,770	(6.59)
Net non-operating income and expenditure	96,974	7,871	1,132.04
Net income before tax	639,450	588,641	8.63
After-tax earnings per share	8.44	7.85	7.52

3. Profitability (consolidated company):

Item		2024	2023
Return on assets (%)		12.89	13.73
Return on shareholders' equity (%)		16.96	18.71
Ratio to paid-in capital (%)	Operation interests	92.44	98.96
	Net income before tax	108.96	100.30
Net profit rate (%)		17.36	15.61
Retroactive adjustment of earnings per share (NT\$)		8.44	7.85

4. Research and development

The R&D expenses in 2024 were NT\$102.7 million, representing an increase of 18.45% as compared with NT\$86.7 million in 2023, which was mainly due to the upgrading of existing model platforms and the development of special models for regional clients. We completed the development of 14 Series and started to prepare products for Android platform. To prepare for the new market, we have invested in R&D and started to develop targeted products for the mining market.

III. Development of the Defense Industry

In 2024, the global defense industry encountered new opportunities for development. As geopolitical tensions escalate, national defense budgets of various countries are continuing to increase, particularly due to a significant rise in demand for unmanned aerial vehicles, cybersecurity, and smart weapon systems.

1. Unmanned Aerial Vehicles and Smart Weapon Systems

In 2024, technology of unmanned aerial vehicles has advanced, becoming one of the core component of modern warfare. Mildef Crete Inc. has made significant progress in the development of unmanned aerial vehicles control systems and has established partnerships with several defense clients. We believe that the unmanned aerial vehicles market will continue to expand in the coming years.

2. Cybersecurity and Information Warfare

With the widespread of information warfare, cybersecurity has become a top priority in the defense sector. Mildef Crete Inc. has continuously invested research and development resources to address information security and has successfully developed multiple products aimed at the defense market for information security. These products received multiple defense contracts in 2024, further strengthening our position in the defense market.

3. Digital Transformation in National Defense

The digital transformation of national defense is expected to accelerate in 2024, as military around the world begins to extensively adopt smart devices and information systems. Mildef Crete Inc.'s rugged industrial computers and customized solutions have demonstrated exceptional performance in this sector. In the future, we will continue to increase our investment in R&D to meet the demands of the defense market.

IV. Development of the PC Industry

In 2024, after experiencing explosive growth during the pandemic, the PC industry entered a period of adjustment. Market demand has stabilized, but the application of innovative technologies has introduced new drivers of growth for the industry.

1. The Rise of the AI-PC

The widespread adoption of artificial intelligence technology has accelerated the rapid development of AI-PCs. In 2024, Mildef Crete Inc. became the distributor for several models

of laptops equipped with AI chips, addressing the market's need for high-performance computing devices. We believe that AI-PCs will emerge as the mainstream product in the future computer market.

2. Green Manufacturing and Sustainable Development

With the growing global focus on environmental protection, green manufacturing has emerged as a significant trend in the computer industry. In 2024, Mildef Crete Inc. further optimized its production processes, reducing energy consumption and waste emissions, and launched several products that meet environmental protection standards. This not only enhances our market competitiveness but also earned the trust of more customers.

3. Supply Chain Optimization and Localization of Production

In response to uncertainties in the global supply chain, Mildef Crete Inc. accelerated the optimization of its supply chain and the layout of the localization of its production in 2024. We have established new production facilities and formed close partnerships with local suppliers. This not only reduces production costs but also enhances the stability of the supply chain.

V. Future Development Strategies of the Company, Estimated Sales Quantity, and Basis

1. Continuous Innovation and Investment in Research and Development

We will continue to increase our investment in research and development, particularly in the areas of AI technology, unmanned aerial vehicle control systems, and information security. We believe that maintaining a leading position in the highly competitive market requires continuous innovation.

2. Expanding Global Markets

Mildef Crete Inc. will continue to expand its global market, particularly in Europe, North America, and the Asia-Pacific region. We will further increase our market share through close collaboration with local partners.

3. Improving Customer Service and Product Quality

We will continue to uphold the principle of "Customer First" while enhancing the quality of our products and the level of our services. Only by earning the trust of our customers can we achieve long-term sustainable development.

In summary, we will continue to drive growth momentum and increase sales volume in the coming years.

VI. Outlook

In 2024, the global economic landscape remains challenging; however, we are optimistic about the future. Mildef Crete Inc. will continue to uphold a development strategy driven by innovation and focused on quality, actively responding to market changes and seizing new development opportunities. We believe that, with the efforts of all our colleagues, Mildef Crete Inc. will achieve even more remarkable results in the future.

In conclusion, we wish to extend our sincere gratitude to all shareholders, clients, and partners for their ongoing support and trust. We will continue to strive to create greater value for everyone.

Best wishes

Good health and good luck!

Chairman:
Shen Yi-Tong

General Manager:
Shen Yi-Tong

Accounting Manager:
Liu Ya-Ping

Annex II.

Mildef Crete Inc.
Audit Committee Review Report

The Board of Directors prepared the Company's 2024 2024 Annual Business Report, independent and consolidated financial statements, and earnings distribution proposal, among which the independent and consolidated financial statements were audited by CPA Ching-Wen Kao and CPA Ci-Jie Tang of KPMG and issued an audit report. The above business report, individual and consolidated financial statements, and profit distribution proposal have been reviewed by this Audit Committee and found to be in order. A report has been prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your review and verification.

Sincerely Yours

2025 Shareholders' Meeting of Mildef Crete Inc.

Auditor Jun-Ming Wang _____

Auditor Xiao-Long Feng _____

Auditor Yong-Cheng Chun _____

March 12, 2025

Annex III.

Mildef Crete Inc.

Comparison Table of Revisions to the Operating Procedures and Code of Conduct for Integrity Management

Revised article	After revision	Before revision	Reasons for revision
Article 21	<p>The Company encourages both internal and external personnel to report unethical or improper behavior. However, if internal personnel make false reports or malicious accusations, they will be subject to disciplinary action, and in severe cases, termination of employment may be warranted.</p> <p>The Company has established and announced an internal independent whistleblower email hr303@crete.com.tw or a special line (02) 2662-6074#303 on both the company's website and the internal website for use by internal and external personnel.</p> <p>(Following omitted)</p>	<p>The Company encourages both internal and external personnel to report unethical or improper behavior. However, if internal personnel make false reports or malicious accusations, they will be subject to disciplinary action, and in severe cases, termination of employment may be warranted.</p> <p>The Company has established and announced an internal independent whistleblower email- vanessaw@crete.com.tw or a special line (02)- 26626074*303 on both the company's website and the internal website for use by internal and external personnel.</p> <p>(Following omitted)</p>	Change of email for appeal
Article 24	<p>Operation Procedures and Code of Conduct was enacted on November 3, 2021.</p> <p>1st amendment made on December 25, 2024.</p>	<p>Operation procedures and guidelines of conduct were enacted on November 3, 2021.</p>	Added date of revision

Annex IV.

Certified Public Accountant's Audit Report

To the Board of Directors of Mildef Crete Inc.,:

Opinion

We have audited balance sheets of Mildef Crete Inc. as of December 31, 2024 and 2023, as well as statements of comprehensive income, changes in equity and cash flows for 2024 and 2023 from January 1 to December 31, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the aforementioned parent company only financial statements have been prepared in all material aspects according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers. They fairly present the financial position of Mildef Crete Inc. as of December 31, 2024 and 2023, its financial performance and cash flow for the periods from January 1 to December 31, 2024 and 2023.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of Mildef Crete Inc. in accordance with the Norm of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of Mildef Crete Inc. for the year 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We judge that they key audit matters to be communicated in the audit report are as follows:

Inventory Valuation

As to detailed accounting policies related to inventory valuation refer to Note 4 (7) to the parent company only financial statements; for details on estimation and hypothesis uncertainty of inventory valuation, refer to Note 5 to the parent company only financial statements; concerning provision for inventory write-down, refer to Note 6 (4) to the parent company only financial statements.

Explanations of key audit matters:

Inventories shall be measured based on the cost or the net realizable value whichever is lower. Mildef Crete Inc. is engaged in manufacturing and selling rugged computers. Generally, the life cycle of rugged computers is long. In consideration of businesses, inventories of certain key components shall be maintained for in a relatively long term. However, future requirements might change. As a consequence, related components would not be sold as expected and their inventories would become obsolete and slow-moving. In that case, inventory costs would exceed their net realizable value. The net realizable value of inventories has to be estimated dependent upon subjective judgment of the management, so inventory valuation is one of the important matters for evaluation in our audit of the financial statements of Mildef Crete Inc.

Corresponding audit procedures:

Our audit procedures performed in respect of the above key audit matter mainly included checking the inventory aging reports provided by Mildef Crete Inc. and analyzing changes in inventory age in different phases; randomly checking correctness of the inventory aging report; performing inventory valuation and confirming implementation of existing accounting policies by Mildef Crete Inc.; and evaluating appropriateness of the past provision for obsolete and slow-moving inventories by the management.

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

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

In preparing the parent company only financial statements, management is responsible for assessing the ability of Mildef Crete Inc. to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Mildef Crete Inc. or to cease **operations**, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of Mildef Crete Inc.

Accountants' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high degree of assurance, but audits performed in accordance with audit standards cannot guarantee that the existence of material misstatements in an audit will be detected. Misstatements might arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence

the economic decisions of users taken on the basis of these parent company only financial statements. As part of an audit in accordance with the generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. The accountant also performs the following tasks:

1. Identify and assess the risks of material misstatement of the parent company only financial statements resulting from fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but the purpose is not to express an opinion on the effectiveness of the internal control of Mildef Crete Inc.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Based on the verification evidence obtained, the conclusion is drawn as to whether there is a material uncertainty regarding the appropriateness of management adopting a going concern accounting basis and the event or circumstance that may raise significant doubts on the ability of Mildef Crete Inc. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Mildef Crete Inc. to cease to continue as a going concern.
5. Evaluate the overall expression, structure and content of the parent company only financial reports (including related notes) and whether the parent company only financial reports are fair presentation of related transactions and events.
6. Obtain sufficient and appropriate audit evidence on the financial information of the invested company by using the equity method to express opinions on the parent company only financial statements. We are responsible for direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion issued in respect of the parent company only financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Taiwan

CPA

: Kao Ching-Wen
Tang Tzu-Chieh

Competent Securities Authority's
Approval Document No.

: Jin-Guan-Zheng-Shen-Zi No.
1060005191

Jin-Guan-Zheng-Liu-Zi No.
0940100754

March 12, 2025

Mildef Crete Inc.
Balance Sheets
2024 and 2023

Unit: NT\$1000

Assets		2024.12.31		2023.12.31		Liabilities and equity		2024.12.31		2023.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6 (1))	\$ 431,684	10	217,417	6	2130	Contract liabilities - current (Notes 6 (15) and 7)	\$ 162,781	4	237,639	7
1110	Financial assets at fair value through profit or loss - current (Note 6 (2))	210,499	5	-	-	2150	Notes payable	26,774	-	30,480	-
1150	Notes and accounts receivable, net (Notes 6 (3) and (15))	61,619	1	119,101	4	2170	Accounts payable (Note 7)	108,244	3	120,498	4
1180	Accounts receivable - related parties, net (Notes 6 (3) & (15), 7)	167,751	4	310,481	9	2209	Other Payables (Notes 6 (16) and 7)	147,552	4	136,928	4
1212	Other payables-related party (Note 7)	8	-	5,015	-	2230	Current income tax liabilities	122,015	3	99,638	3
130X	Inventories (Note 6 (4))	1,263,811	31	1,247,797	37	2280	Lease liabilities - current (Note 6 (9))	29,351	-	28,762	1
1476	Other financial assets - current (Note 6 (1))	234,771	6	206,100	6	2399	Other current liabilities	616	-	387	-
1479	Other current assets	17,730	-	16,166	-		Total current liabilities	597,333	14	654,332	19
Total current assets		2,387,873	57	2,122,077	62	2552	Provisions for warranty liabilities (Note 6 (10))	21,621	1	13,152	-
Non-current assets:						2570	Deferred income tax liabilities (Note 6 (12))	237,627	6	166,833	5
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6 (2))	1,248,678	30	865,975	25	2580	Lease liabilities - non-current (Note 6 (9))	32,493	1	29,127	1
1550	Investments accounted for using the equity method (Note 6 (5))	43,748	1	38,894	1	2640	Net defined benefit liabilities - non-current (Note 6 (11))	11,651	-	30,301	1
1600	Property, plant and equipment (Notes 6 (6) and 7)	317,412	8	227,564	7		Total non-current liabilities	303,392	8	239,413	7
1755	Right-of-use assets (Note 6 (7))	61,595	2	57,812	2		Total liabilities	900,725	22	893,745	26
1780	Intangible assets (Note 6 (8))	3,880	-	3,678	-	3100	Share capital	586,855	14	586,855	17
1840	Deferred income tax assets (Note 6 (12))	77,807	2	73,317	2	3200	Capital surplus	74,381	2	74,113	2
1900	Other non-current assets (Notes 7 and 8)	16,686	-	41,606	1	3300	Retained earnings	1,925,319	46	1,634,564	48
Total non-current assets		1,769,806	43	1,308,846	38	3400	Other equity	670,399	16	241,646	7
Total assets		\$ 4,157,679	100	3,430,923	100		Total equity	3,256,954	78	2,537,178	74
							Total liabilities and equity	\$ 4,157,679	100	3,430,923	100

(For details, please refer to notes to the parent company only financial statements)

Chairman: Shen Yi-Tong

Manager: Shen Yi-Tong

Accounting Manager: Liu Ya-Ping

Mildef Crete Inc.
Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NT\$1000

		<u>Fiscal Year 2024</u>		<u>Fiscal Year 2023</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (Notes 6 (15) and 7)	\$ 2,839,413	100	2,984,261	100
5000	Operating cost (Notes 6 (4), (6), (7), (8), (10), (11), (16), 7 and 12)	1,991,116	70	2,125,367	71
	Gross operating profit	848,297	30	858,894	29
5910	Less: Unrealized gain from sales	21	-	267	-
	Realized gross operating profit	848,276	30	858,627	29
	Operating expenses (Notes 6 (3), (6), (7), (8), (9), (11), (16), 7 and 12):				
6100	Selling and marketing expenses	169,153	6	162,821	5
6200	General and administrative expenses	62,301	2	52,238	2
6300	Research and development expenses	99,472	4	85,565	3
	Total operating expenses	330,926	12	300,624	10
	Net operating profit	517,350	18	558,003	19
	Non-operating income and expenses (Notes 6(9), (17) and (18)):				
7100	Interest income	10,931	-	9,371	-
7010	Other income	65,719	2	7,580	-
7020	Other gains and losses	20,786	1	(9,330)	-
7375	Recognition of profits from subsidiary companies using the equity method	12,283	1	6,571	-
7510	Financial cost	(1,125)	-	(539)	-
	Total non-operating income and expenses	108,594	4	13,653	-
	Net profit before tax	625,944	22	571,656	19
7950	Minus: Income tax expense (Note 6 (12))	130,723	5	110,828	4
	Current net profit	495,221	17	460,828	15
8300	Other comprehensive income (Notes 6 (11), (12), (13), and (18)):				
8310	Items not reclassified as income and loss				
8311	Defined benefits plans remeasurement	12,270	1	(4,685)	-
8316	Unrealized gain (loss) on investments in equity instruments as at fair value through other comprehensive income	660,732	23	(153,658)	(5)
8349	Minus: Income tax related to items not reclassified	131,810	5	(31,357)	(1)
	Total amount of items not reclassified to profit or loss	541,192	19	(126,986)	(4)
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences arising from the translation of the financial statements of foreign operations	(428)	-	20	-
8367	Unrealized valuation gains on debt instrument investments measured at fair value through other comprehensive income	531	-	-	-
8399	Minus: Income tax related to potentially classifiable items	106	-	-	-
	Total amount of items that may be reclassified subsequently to profit or loss	(3)	-	20	-
8300	Other comprehensive income	541,189	19	(126,966)	(4)
	Total amount of other current comprehensive gains and losses	\$ 1,036,410	36	333,862	11
	Earnings per share (NT\$; (Note 6 (14))				
	Basic earnings per share	<u>\$ 8.44</u>		<u>7.85</u>	
	Diluted earnings per share	<u>\$ 8.31</u>		<u>7.74</u>	

(For details, please refer to notes to the parent company only financial statements)

Chairman: Shen Yi-Tong

Manager: Shen Yi-Tong

Accounting Manager: Liu Ya-Ping

Mildef Crete Inc.
Statement of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: NT\$1000

						Other Equity Items				Total equity
						Exchange differences arising from the translation of Financial Report of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Defined benefits plans remeasurement	Total	
	Ordinary share capital	Capital surplus	Legal reserve	Unappropriated earnings	Total					
Balance on January 1, 2023	\$ 586,855	72,650	519,751	853,040	1,372,791	-	387,473	(6,648)	380,825	2,413,121
Current net profit	-	-	-	460,828	460,828	-	-	-	-	460,828
Other comprehensive income	-	-	-	-	-	20	(123,238)	(3,748)	(126,966)	(126,966)
Total amount of other current comprehensive gains and losses	-	-	-	460,828	460,828	20	(123,238)	(3,748)	(126,966)	333,862
Appropriation and distribution of earnings:										
Appropriation of legal reserve	-	-	22,827	(22,827)	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	(211,268)	(211,268)	-	-	-	-	(211,268)
Differences between equity price paid and book value of subsidiaries disposed of	-	1,463	-	-	-	-	-	-	-	1,463
Disposal of equity instruments designated at fair value through other comprehensive income(Note 6 (2))	-	-	-	12,213	12,213	-	(12,213)	-	(12,213)	-
Balance on December 31, 2023	586,855	74,113	542,578	1,091,986	1,634,564	20	252,022	(10,396)	241,646	2,537,178
Current net profit	-	-	-	495,221	495,221	-	-	-	-	495,221
Other comprehensive income	-	-	-	-	-	(428)	531,801	9,816	541,189	541,189
Total amount of other current comprehensive gains and losses	-	-	-	495,221	495,221	(428)	531,801	9,816	541,189	1,036,410
Appropriation and distribution of earnings:										
Appropriation of legal reserve	-	-	47,304	(47,304)	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	(316,902)	(316,902)	-	-	-	-	(316,902)
Differences between equity price paid and book value of subsidiaries disposed of	-	268	-	-	-	-	-	-	-	268
Disposal of equity instruments designated at fair value through other comprehensive income(Note 6 (2))	-	-	-	112,436	112,436	-	(112,436)	-	(112,436)	-
Balance on December 31, 2024	<u>\$ 586,855</u>	<u>74,381</u>	<u>589,882</u>	<u>1,335,437</u>	<u>1,925,319</u>	<u>(408)</u>	<u>671,387</u>	<u>(580)</u>	<u>670,399</u>	<u>3,256,954</u>

(For details, please refer to notes to the parent company only financial statements)

Chairman: Shen Yi-Tong

Manager: Shen Yi-Tong

Accounting Manager: Liu Ya-Ping

Mildef Crete Inc.
Statement of Cash Flow
January 1 to December 31, 2024 and 2023

Unit: NT\$1000

	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>
Cash flows from operating activities:		
Net income before tax	\$ 625,944	571,656
Adjustments for:		
Profit and loss		
Depreciation expense	58,068	43,368
Amortization expense	4,444	4,543
Expected credit loss	498	-
Net gain on financial assets at fair value through profit or loss	(1,509)	(339)
Interest expense	1,125	539
Interest income	(10,931)	(9,371)
Dividend income	(61,203)	(6,796)
Share of gain/loss of associates recognized under equity method	(12,283)	(6,571)
Gain or loss on the disposal of property, plant and equipment	(346)	63
Unrealized gain from sales	21	267
Lease Modification Benefits	(4)	-
Total profit/(loss)	<u>(22,120)</u>	<u>25,703</u>
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Notes and accounts receivable	57,133	(23,572)
Accounts receivable from related parties	142,581	(298,798)
Other accounts receivable - related parties	3	(11)
Inventories	(16,014)	(182,129)
Other current assets	4,064	9,792
Total net changes in assets related to operating activities	<u>187,767</u>	<u>(494,718)</u>
Net changes in liabilities related to operating activities		
Contract liabilities	(74,858)	(9,025)
Notes payable	(3,706)	(17,190)
Accounts payable	(12,254)	(32,168)
Provisions for warranty liabilities	8,469	6,297
Other Accounts Payable and Other Current Liabilities	10,853	38,463
Net defined benefit liabilities	(6,380)	(3,121)
Total amount of net changes in liabilities related to operating activities	<u>(77,876)</u>	<u>(16,744)</u>
Total amount of net changes in assets and liabilities related to operating activities	<u>109,891</u>	<u>(511,462)</u>
Total adjustments	<u>87,771</u>	<u>(485,759)</u>
Net cash generated from/(used in) operations	713,715	85,897
Interest received	10,913	9,371
Income tax paid	(179,567)	(61,803)
Net cash inflow from operating activities	<u>545,061</u>	<u>33,465</u>
Cash flows from investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive income	(18,918)	-
Disposal of financial assets at fair value through other comprehensive income	297,478	34,867
Purchase of financial assets at fair value through profit or loss	(410,000)	(40,000)
Disposal of financial assets at fair value through profit or loss	201,010	60,369
Investments accounted for using the equity method	-	(12,548)
Acquisition of property, plant and equipment (including prepayment for equipment)	(86,362)	(50,687)
Proceeds from the disposal of property, plant and equipment	346	-
Increase in other financial assets - current	(28,671)	-
Increase in refundable deposits	(1,115)	(2,389)
Acquisition of intangible assets	(3,214)	(1,075)
Increase in other non-current assets	(3,860)	(4,146)
Dividends received	72,446	6,408
Net cash inflows (outflows) from investing activities	<u>19,140</u>	<u>(9,201)</u>
Cash flows from financing activities:		
Payment of the principal portion of lease liabilities	(32,915)	(28,253)
Payments of cash dividends	(316,902)	(211,268)
Disposal of equity in subsidiaries (without control lost)	1,008	5,040
Interests paid	(1,125)	(539)
Net cash outflow from financing activities	<u>(349,934)</u>	<u>(235,020)</u>
Increase (decrease) in cash and cash equivalents	214,267	(210,756)
Beginning cash and cash equivalents balance	217,417	428,173
Ending cash and cash equivalents balance	<u>\$ 431,684</u>	<u>217,417</u>

(For details, please refer to notes to the parent company only financial statements)

Chairman: Shen Yi-Tong

Manager: Shen Yi-Tong

Accounting Manager: Liu Ya-Ping

Declaration

The companies of which the consolidated financial statements for affiliates shall include the Company's for the Year 2024 (from January 1 to December 31) as stipulated by the Standards for Preparing Affiliates' Business Reports, Consolidated Financial Statements and Relationship Reports are the same as those to be included in the consolidated financial statements of the parent company and its subsidiaries as recognized by the Financial Supervisory Commission and specified by the valid International Financial Reporting Standard 10. All related information which shall be disclosed in the affiliates' consolidated financial statements have been disclosed in the foregoing consolidated financial statements of the parent company and its subsidiaries. Hence, the affiliates' consolidated financial statements are no longer prepared.

A statement is hereby specially made

Name of the Company: Mildef Crete Inc.

Chairman: Shen Yi-Tong

Date: March 12, 2025

Certified Public Accountant's Audit Report

To the Board of Directors of Mildef Crete Inc.,:

Opinion

We have audited the accompanying consolidated balance sheets of Mildef Crete Inc. and subsidiaries as of December 31, 2024 and 2023, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements, which comprise a summary of significant accounting policies.

In our opinion, the aforementioned consolidated financial statements have been prepared in all material aspects according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission. They fairly present the financial position of Mildef Crete Inc. as of December 31, 2024 and 2023, its financial performance and cash flow for the periods from January 1 to December 31, 2024 and 2023.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Mildef Crete Inc. and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of Mildef Crete Inc. and its subsidiaries for the year 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We judge that they key audit matters to be communicated in the audit report are as follows:

Inventory Valuation

As to detailed accounting policies related to inventory valuation refer to Note 4 (8) to the consolidated financial statements; for details on estimation and hypothesis uncertainty of inventory valuation, refer to Note 5 to the consolidated financial statements; concerning provision for Write-downs of inventories and obsolescence losses, refer to Note 6 (4) to the consolidated financial statements.

Explanations of key audit matters:

Inventories shall be measured based on the cost or the net realizable value whichever is lower. Mildef Crete Inc. and its subsidiaries are engaged in manufacturing and selling rugged computers. Generally, life cycle of rugged computers is long. In consideration of businesses, inventories shall be maintained for certain key components in a relatively long term. However, future requirements might change. As a consequence, related components would not be sold as expected and their inventories would become obsolete and slow-moving. In that case, inventory costs would exceed their net realizable value. The net realizable value of inventories has to be estimated dependent upon subjective judgment of the management, so inventory valuation is one of important matters for evaluation in our audit of financial statements of Mildef Crete Inc. and its subsidiaries.

Corresponding audit procedures:

Our audit procedures performed in respect of the above key audit matter mainly included checking the inventory aging reports provided by Mildef Crete Inc. and its subsidiaries and analyzing changes in inventory age in different phases; randomly checking correctness of the inventory aging reports; performing inventory valuation and confirming implementation of existing accounting policies by Mildef Crete Inc. and its subsidiaries; and evaluating appropriateness of the past loss allowance for obsolete and slow-moving inventories by the management.

Other matters

Mildef Crete Inc. has prepared standalone financial statements for 2024 and 2023, and we have issued an auditors' report with unqualified opinions for reference.

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

Management is responsible for preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the abilities of Mildef Crete Inc. and its subsidiaries to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Crete System Inc. and its subsidiaries or to cease their operations or has no realistic alternative, but to do so.

Those of Mildef Crete Inc. and its subsidiaries charged with governance, including the audit committee, are responsible for overseeing the financial reporting processes.

Accountants' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the general accepted auditing standards will always detect a material misstatement when it exists. Misstatements might arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with the generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. The accountant also performs the following tasks:

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

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

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

From the matters communicated with those charged with governance, we determine those key matters in the audit of the consolidated financial statements of Mildef Crete Inc. and its subsidiaries for the year 2024. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Taiwan

CPA:

Kao Ching-Wen
Tang Tzu-Chieh

Competent Securities Authority's
Approval Document No.

Jin-Guan-Zheng-Shen-Zi No.
1060005191
Jin-Guan-Zheng-Liu-Zi No.
0940100754

March 12, 2025

Mildef Crete Inc. and Its Subsidiaries
Consolidated Balance Sheets
2024 and 2023

Unit: NT\$1000

Assets		2024.12.31		2023.12.31				Liabilities and equity		2024.12.31		2023.12.31	
		Amount	%	Amount	%					Amount	%	Amount	%
Current assets:								Current liabilities:					
1100	Cash and cash equivalents (Note 6 (1))	\$ 533,521	13	311,156	9	2130		Contract liabilities - current (Notes 6 (14) and 7)		\$ 163,573	4	237,639	7
1110	Financial assets at fair value through profit or loss - current (Note 6 (2))	210,499	5	-	-	2150		Notes payable		32,734	1	34,132	1
1150	Notes and accounts receivable, net (Notes 6 (3) and (14))	63,338	2	120,085	3	2170		Accounts payable		94,676	2	119,254	3
1180	Accounts receivable - related parties, net (Notes 6 (3) & (14), 7)	151,421	4	309,437	9	2209		Other Payables (Notes 6 (15) and 7)		160,803	4	150,795	5
1212	Other payables-related party (Note 7)	-	-	5,004	-	2230		Current income tax liabilities		123,251	3	107,867	3
130X	Inventories (Note 6 (4))	1,217,761	28	1,197,819	34	2280		Lease liabilities - current (Note 6 (8))		35,771	1	33,798	1
1476	Other financial assets - current (Note 6 (1))	234,771	6	206,100	6	2399		Other current liabilities		826	-	560	-
1479	Other current assets	18,678	-	17,976	1			Total current liabilities		611,634	15	684,045	20
Total current assets		2,429,989	58	2,167,577	62			Non-current liabilities:					
Non-current assets:						2552		Provisions for warranty liabilities (Note 6 (9))		21,621	-	13,152	-
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6 (2))	1,248,678	30	865,975	26	2570		Deferred income tax liabilities (Note 6 (11))		237,627	6	166,833	5
1600	Property, plant and equipment (Note 6 (5))	343,674	8	256,545	7	2580		Lease liabilities - non-current (Note 6 (8))		45,763	1	42,018	1
1755	Right-of-use assets (Note 6 (6))	80,804	2	75,344	2	2640		Net defined benefit liabilities - non-current (Note 6 (10))		11,651	-	30,301	1
1780	Intangible assets (Note 6 (7))	5,722	-	6,458	-			Total non-current liabilities		316,662	7	252,304	7
1840	Deferred income tax assets (Note 6 (11))	79,013	2	74,107	2			Total liabilities		928,296	22	936,349	27
1990	Other non-current assets (Note 8)	20,967	-	48,162	1	3110		Equity attributed to owners of the parent company (Notes 6 (2) and (12)):					
Total non-current assets		1,778,858	42	1,326,591	38	3200		Ordinary share capital		586,855	14	586,855	17
						3300		Capital surplus		74,381	2	74,113	2
						3400		Retained earnings		1,925,319	45	1,634,564	47
								Other equity		670,399	16	241,646	7
								Equity attributed to owners of the parent company		3,256,954	77	2,537,178	73
						36xx		Non-controlling interests		23,597	1	20,641	-
								Total equity		3,280,551	78	2,557,819	73
Total assets		\$ 4,208,847	100	3,494,168	100	Total liabilities and equity				\$ 4,208,847	100	3,494,168	100

(Please refer to notes to the consolidated financial statements for details)

Chairman: Shen Yi-Tong

Manager: Shen Yi-Tong

Accounting Manager: Liu Ya-Ping

Mildef Crete Inc. and Its Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NT\$1000

		Fiscal Year 2024		Fiscal Year 2023	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6 (14), 7 and 14)	\$ 2,853,391	100	2,989,074	100
5000	Operating cost (Notes 6(4), (5), (6), (7), (8), (9), (10), (15), 7, and 12)	1,955,354	69	2,088,559	70
	Gross operating profit	898,037	31	900,515	30
	Operating expenses (Notes 6 (3), (5), (6), (7), (8), (10), (15), 7, and 12):				
6100	Selling and marketing expenses	177,515	6	167,932	6
6200	General and administrative expenses	75,328	3	65,105	2
6300	Research and development expenses	102,718	3	86,708	3
	Total operating expenses	355,561	12	319,745	11
	Net operating profit	542,476	19	580,770	19
	Non-operating income and expenses: (Notes 6(8), (16), and (17))				
7100	Interest income	11,459	-	9,859	-
7010	Other income	65,884	2	7,966	-
7020	Other gains and losses	21,055	1	(9,059)	-
7510	Financial cost	(1,424)	-	(895)	-
	Total non-operating income and expenses	96,974	3	7,871	-
	Net profit before tax	639,450	22	588,641	19
7951	Minus: Income tax expense (Note 6 (11))	137,153	4	122,004	4
	Current net profit	502,297	18	466,637	15
8300	Other comprehensive income (Notes 6 (10), (11), and (12)):				
8310	Items not reclassified as income and loss				
8311	Defined benefits plans remeasurement	12,270	1	(4,685)	-
	Unrealized gain (loss) on investments in equity instruments as at fair value through other				
8316	comprehensive income	660,732	23	(153,658)	(5)
8349	Minus: Income tax related to items not reclassified	131,810	5	(31,357)	(1)
	Total amount of items not reclassified to profit or loss	541,192	19	(126,986)	(4)
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences arising from the translation of the financial statements of foreign operations	(428)	-	20	-
	Unrealized valuation gains on debt instrument investments measured at fair value through other				
8367	comprehensive income	531	-	-	-
8399	Minus: Income tax related to potentially classifiable items	106	-	-	-
	Total amount of items that may be reclassified subsequently to profit or loss	(3)	-	20	-
8300	Other comprehensive income	541,189	19	(126,966)	(4)
	Total amount of other current comprehensive gains and losses	\$ 1,043,486	37	339,671	11
	Net profit/(loss) attributable to:				
8610	Owners of the Parent Company	\$ 495,221	18	460,828	15
8620	Non-controlling interests	7,076	-	5,809	-
		\$ 502,297	18	466,637	15
	Total comprehensive income/(loss) attributable to:				
8710	Owners of the Parent Company	\$ 1,036,410	37	333,862	11
8720	Non-controlling interests	7,076	-	5,809	-
		\$ 1,043,486	37	339,671	11
	Earnings per share (NT\$; (Note 6 (13))				
	Basic earnings per share	\$ 8.44		7.85	
	Diluted earnings per share	\$ 8.31		7.74	

(For details, please refer to notes to the consolidated financial statements)

Chairman: Shen Yi-Tong

Manager: Shen Yi-Tong

Accounting Manager: Liu Ya-Ping

Mildef Crete Inc. and Its Subsidiaries
Consolidated statements of changes in equity
January 1 to December 31, 2024 and 2023

Unit: NT\$1000

	Retained earnings					Other Equity Items			Total equity attributable to owners of the parent company	Non-controlling interests	Total equity	
	Ordinary share capital	Capital surplus	Legal reserve	Unappropriated earnings	Total	Exchange differences arising from the translation of Financial Report of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Defined benefits plans remeasurement				
Balance on January 1, 2023	\$ 586,855	72,65	519,751	853,040	1,372,79	-	387,47	(6,648)	380,825	2,413,121	15,947	2,429,068
Current net profit	-	-	-	460,828	460,82	-	-	-	-	460,828	5,809	466,637
Other comprehensive income	-	-	-	-	-	20	(123,238	(3,748)	(126,966)	(126,966)	-	(126,966)
Total amount of other current comprehensive gains and losses	-	-	-	460,828	460,82	20	(123,238	(3,748)	(126,966)	333,862	5,809	339,671
Appropriation and distribution of earnings:												
Appropriation of legal reserve	-	-	22,827	(22,827)	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	(211,268)	(211,268	-	-	-	-	(211,268)	-	(211,268)
Differences between actual equity price paid and book value of subsidiaries	-	1,46	-	-	-	-	-	-	-	1,463	(1,463)	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	5,040	5,040
Cash dividends on acquiring subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,692)	(4,692)
Disposal of equity instruments designated at fair value through other comprehensive income(Note 6 (2))	-	-	-	12,213	12,21	-	(12,213	-	(12,213)	-	-	-
Balance on December 31, 2023	586,855	74,11	542,578	1,091,986	1,634,56	20	252,02	(10,396)	241,646	2,537,178	20,641	2,557,819
Current net profit	-	-	-	495,221	495,22	-	-	-	-	495,221	7,076	502,297
Other comprehensive income	-	-	-	-	-	(428)	531,80	9,816	541,189	541,189	-	541,189
Total amount of other current comprehensive gains and losses	-	-	-	495,221	495,22	(428)	531,80	9,816	541,189	1,036,410	7,076	1,043,486
Appropriation and distribution of earnings:												
Appropriation of legal reserve	-	-	47,304	(47,304)	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	(316,902)	(316,902	-	-	-	-	(316,902)	-	(316,902)
Differences between actual equity price paid and book value of subsidiaries	-	26	-	-	-	-	-	-	-	268	(268)	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,008	1,008
Cash dividends on acquiring subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,860)	(4,860)
Disposal of equity instruments designated at fair value through other comprehensive income(Note 6 (2))	-	-	-	112,436	112,43	-	(112,436	-	(112,436)	-	-	-
Balance on December 31, 2024	\$ 586,855	74,38	589,882	1,335,437	1,925,31	(408)	671,38	(580)	670,399	3,256,954	23,597	3,280,551

(Please refer to notes to the consolidated financial statements for details)

Chairman: Shen Yi-Tong

Manager: Shen Yi-Tong

Accounting Manager: Liu Ya-Ping

Mildef Crete Inc. and Its Subsidiaries
Consolidated statements of cash flows
January 1 to December 31, 2024 and 2023

Unit: NT\$1000

	Fiscal Year 2024	Fiscal Year 2023
Cash flows from operating activities:		
Net income before tax	\$ 639,450	588,641
Adjustments for:		
Profit and loss		
Depreciation expense	70,077	53,534
Amortization expense	7,758	5,553
Expected credit loss	498	-
Net gain on financial assets at fair value through profit or loss	(1,509)	(339)
Interest expense	1,424	895
Interest income	(11,459)	(9,859)
Dividend income	(61,203)	(6,796)
Gain or loss on the disposal of property, plant and equipment	(198)	108
Lease Modification Benefits	(4)	-
Total profit/(loss)	5,384	43,096
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Notes and accounts receivable	56,383	(23,905)
Accounts receivable from related parties	157,882	(297,754)
Inventories	(19,942)	(156,745)
Other current assets	4,926	8,272
Other non-current assets	(10)	-
Total net changes in assets related to operating activities	199,239	(470,132)
Net changes in liabilities related to operating activities		
Contract liabilities	(74,066)	(9,025)
Notes payable	(1,398)	(19,079)
Accounts payable	(24,578)	(30,369)
Provisions for warranty liabilities	8,469	6,297
Other Accounts Payable and Other Current Liabilities	10,274	42,467
Net defined benefit liabilities	(6,380)	(3,121)
Total amount of net changes in liabilities related to operating activities	(87,679)	(12,830)
Total amount of net changes in assets and liabilities related to operating activities	111,560	(482,962)
Total adjustments	116,944	(439,866)
Net cash generated from/(used in) operations	756,394	148,775
Interest received	11,440	9,859
Income tax paid	(193,406)	(67,071)
Net cash inflow from operating activities	574,428	91,563
Cash flows from investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive income	(18,918)	-
Disposal of financial assets at fair value through other comprehensive income	297,478	34,867
Purchase of financial assets at fair value through profit or loss	(410,000)	(40,000)
Disposal of financial assets at fair value through profit or loss	201,010	60,369
Acquisition of property, plant and equipment (including prepayment for equipment)	(89,398)	(64,838)
Proceeds from the disposal of property, plant and equipment	346	100
Increase in refundable deposits	(1,284)	(2,900)
Acquisition of intangible assets	(3,655)	(2,594)
Increase in other financial assets - current	(28,671)	-
Increase in other non-current assets	(3,860)	(9,124)
Dividends received	66,208	-
Net cash inflows (outflows) from investing activities	9,256	(24,120)
Cash flows from financing activities:		
Payment of the principal portion of lease liabilities	(38,713)	(33,243)
Payments of cash dividends	(316,902)	(211,268)
Dividends paid to non-controlling interests	(4,860)	(4,692)
Disposal of equity in subsidiaries (without control lost)	1,008	5,040
Interests paid	(1,424)	(895)
Net cash outflow from financing activities	(360,891)	(245,058)
Effect of exchange rate changes on cash and cash equivalents	(428)	20
Increase (decrease) in cash and cash equivalents	222,365	(177,595)
Opening balance of cash and cash equivalents in the consolidated statements of cash flows	311,156	488,751
Closing balance of cash and cash equivalents in the consolidated statements of cash flows	\$ 533,521	311,156

(Please refer to notes to the consolidated financial statements for details)

Chairman: Shen Yi-Tong

Manager: Shen Yi-Tong

Accounting Manager: Liu Ya-Ping

Annex V.

Mildef Crete Inc.

Mildef Crete Inc. Statement of Earnings Distribution <u>2024</u> Unit: New Taiwan dollars	
Item	Amount
Undistributed earnings at the beginning of the period	727,780,547
Add:	
Profit after tax in 2024	495,220,993
Disposal of equity investments measured at fair value through other comprehensive income - non-current	112,436,482
Less: 10% legal reserve	(60,765,748)
Distributable earnings for the current year	1,274,672,274
Distributed items:	
Shareholder dividends-Cash (@ 5.40)	(352,113,282)
Undistributed earnings at the end of period	922,588,992

Chairman:
Shen Yi-Tong

Manager:
Shen Yi-Tong

Accounting Manager:
Liu Ya-Ping

Annex VI.

Mildef Crete Inc.

Table of Comparison of the Articles of Association Before and After Revision

Revised article	After revision	Before revision	Reasons for revision
Article 13	The company has seven to nine directors with a term of office of three years. The system of candidate nomination is adopted. The shareholders' meeting shall elect them from the list of candidates, and they can be re-elected. Among the directors of the company, there shall be no less than three independent directors and no less than one-third of the seats of directors. The company has established an audit committee composed of all independent directors under Article 14-4 of the Securities and Exchange Act. They are responsible for the implementation of the functions and powers of supervisors prescribed by the Company Act, the Securities and Exchange Act, and other regulations.	The company has seven to nine directors with a term of office of three years. The system of candidate nomination is adopted. The shareholders' meeting shall elect them from the list of candidates, and they can be re-elected. Among the directors of the company, there shall be no less than three independent directors and no less than one-fifth of the seats of directors. The company has established an audit committee composed of all independent directors under Article 14-4 of the Securities and Exchange Act. They are responsible for the implementation of the functions and powers of supervisors prescribed by the Company Act, the Securities and Exchange Act, and other regulations.	Made in accordance with the law
Article 20	It shall allocate 5% to 10% for the remuneration of employees and no more than 3% for the remuneration of directors if the company makes profits in the year. In the employee remuneration amount mentioned above, no less than 10% should be allocated as remuneration for junior employees. However, it shall reserve the amount to be made up in advance if the company has accumulated losses in previous years, and the rest shall be appropriated under the proportion in	It shall allocate 5% to 10% for the remuneration of employees and no more than 3% for the remuneration of directors if the company makes profits in the year. However, it shall reserve the amount to be made up in advance if the company has accumulated losses in previous years, and the rest shall be appropriated under the proportion in	Made in accordance with the law

Revised article	After revision	Before revision	Reasons for revision
	<p>the preceding paragraph.</p> <p>The objects of employee remuneration in the first paragraph to be distributed to stocks or cash include employees of subordinate companies who meet certain conditions.</p>	<p>the preceding paragraph.</p> <p>The objects of employee remuneration in the first paragraph to be distributed to stocks or cash include employees of subordinate companies who meet certain conditions.</p>	
Article 22	<p>The Article was enacted on March 8, 1990.</p> <p>1st amendment made on May 5, 1990.</p> <p>2nd amendment made on October 1, 1990.</p> <p>(...)</p> <p>24th amendment made on July 15, 2021.</p> <p>25th amendment made on June 14, 2023.</p> <p>26th amendment made on June 11, 2025.</p>	<p>The Article was enacted on March 8, 1990.</p> <p>1st amendment made on May 5, 1990.</p> <p>2nd amendment made on October 1, 1990.</p> <p>(...)</p> <p>24th amendment made on July 15, 2021.</p> <p>25th amendment made on June 14, 2023.</p>	Added date of revision

Annex VII.

Mildef Crete Inc.

List of Candidates for Independent Directors

Title category	Name	Education background	Experience	Present post	Number of shares held
Independent director	Yang Mei-hsueh	<ul style="list-style-type: none">• Department of Accounting, National Chengchi University• EMBA, National Chengchi University	<ul style="list-style-type: none">• Senior Manager, KPMG Taiwan• Consultant, KPMG Taiwan• Aragon Trust Company, Managing Director	None	None

The qualifications of the nominees of the above independent directors were adopted by the resolution of the 14th meeting of the 14th term of the Board of Directors made on March 12, 2025.

Chapter 9. Appendix

Appendix I.

Articles of Association of Mildef Crete Inc.

Chapter 1. General Provisions

- Article 1: The company is organized under the Company Act and is named 茂訊電腦股份有限公司. The English name is Mildef Crete Inc.
- Article 2: The business of the company is as follows:
1. CC01110 Computer and Peripheral Equipment Manufacturing
 2. CC01120 Data Storage Media Manufacturing and Duplicating
 3. CC01080 Electronics Components Manufacturing
 4. F113050 Wholesale of Computers and Clerical Machinery Equipment
 5. F213030 Retail Sale of Computers and Clerical Machinery Equipment
 6. E605010 Computer Equipment Installation
 7. F118010 Wholesale of Computer Software
 8. F218010 Retail Sale of Computer Software
 9. I301010 Information Software Services
 10. J399010 Software Publishing
 11. F119010 Wholesale of Electronic Materials
 12. F219010 Retail Sale of Electronic Materials
 13. E701010 Telecommunications Engineering
 14. I501010 Product Designing
 15. F401010 International Trade
- ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1 Investment in other related enterprises is not subject to the restriction of Article 13 of the Company Act that it shall not exceed 40% of the paid-in share capital of the company.
- Article 2-2 The company may provide external guarantees for operation.
- Article 3: The company has a head office in New Taipei City, and may set up branches at home and abroad by resolution of the Board of Directors when necessary.
- Article 4: The announcement method of the company shall be handled per Article 28 of the Company Act.

Chapter 2. Shares

- Article 5: The total capital rating of the company is NT \$700 million, which is divided into 70 million shares with an amount of NT \$10 per share. The Board of Directors is

authorized to release the unissued shares in installments under the operation of the company.

The first item is to allocate NT\$48 million within the capital for the issuance of employee stock option certificates. This includes convertible bonds with stock options and preferred shares with stock options for the exercise of stock options, totaling 4.8 million shares with a par value of NT\$10 per share. These may be issued in multiple tranches as determined by the board of directors.

Article 6: Deleted.

Article 7: The shares of this company are registered, signed, or sealed by the directors representing the company, and issued after being certified under the law.

Article 7-1 The shares issued by the company may be exempt from printing, but shall be registered with the centralized securities depository enterprise.

Article 7-2 When the shareholders of this company handle stock affairs such as stock transfer, pledge of rights, loss reporting, inheritance, gift, change of seal or address, and exercise all rights unless otherwise provided by laws and regulations and securities rules, they shall handle such affairs per the Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 8: The registration of stock transfer shall suspend within sixty days before the ordinary meeting of shareholders, thirty days before the extraordinary meeting of shareholders, or five days before the benchmark date on which the company decides to distribute dividends and other benefits.

Chapter 3. Shareholders' meeting

Article 9: The shareholders' meeting can divide into the regular meeting and interim meeting. The regular meeting shall hold once a year, which shall hold by law within six months after the end of each fiscal year, and the interim meeting shall be convened by law when necessary.

Article 9-1 The shareholders' meeting is convened by the Board of Directors, with the chairman of the board serving as the chair. In the absence of the chairman, a director designated by the chairman will act as the chair. If no designation is made, the directors will elect one among themselves to act as the chair. If the meeting is convened by other conveners outside the board, the convener will serve as the chair. If there are multiple conveners, they shall elect one among themselves to serve as the chair.

Article 9-2 The Company's shareholders' meeting may be held by video conferencing or other means announced by the central competent authority. Relevant regulations such as the conditions, operating procedures, and other matters to be complied with for the adoption of video conferencing, if otherwise stipulated by the competent authority, shall prevail.

Article 10: If a shareholder is unable to attend the shareholders' meeting, they should issue a proxy form provided by the company, specifying the scope of authorization, and sign and seal it to authorize an agent to attend on their behalf. It shall be handled under the provisions of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies in addition to the provisions of Article 177 of the Company Act.

- Article 11: The shareholders of the company have one voting right per share unless restricted or listed in Item 2 of Article 179 of the Company Act.
- Article 12: Resolutions of the shareholders' meeting, unless otherwise stipulated by relevant laws and regulations, require the presence, in person or by proxy, of shareholders representing more than half of the total issued shares, and the approval of more than half of the voting rights of the shareholders present. However, in the following circumstances, the voting rights require the presence, in person or by proxy, of shareholders representing two-thirds of the total issued shares, and the approval of a majority of the voting rights of the attending shareholders.
1. Acquire or merge with domestic and international companies.
 2. Dissolution or liquidation, division.
- Article 12-1 Resolutions adopted at a shareholders' meeting shall be recorded in the meeting minutes, 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 meeting minutes referred to in the preceding paragraph may be prepared and distributed electronically.
- The meeting minutes refer to in paragraph I may be distributed by public announcement.

Chapter 4. Director

- Article 13: The company has seven to nine directors with a term of office of three years. The system of candidate nomination is adopted. The shareholders' meeting shall elect them from the list of candidates, and they can be re-elected. Among the directors of the company, there shall be no less than three independent directors and no less than one-fifth of the seats of directors. The company has established an audit committee composed of all independent directors under Article 14-4 of the Securities and Exchange Act. They are responsible for the implementation of the functions and powers of supervisors prescribed by the Company Act, the Securities and Exchange Act, and other regulations.
- Article 13-1 When the term of office of a director expires and there is no time for re-election, his executive duties shall be extended until the re-election of a director takes office.
- Article 13-2 A director may be dismissed at any time by the shareholders' meeting under a resolution per Article 199 of the Company Act.
- Article 13-3 When the vacancy of directors reaches one-third, the Board of Directors shall convene an interim shareholders' meeting within sixty days of the by-election, and its term of office shall be limited to the period of making up the original term.
- Article 13-4 The company may purchase liability insurance for all directors to reduce the risk of directors being sued by shareholders or other related parties due to the performance of their duties by law.
- Article 14: The Board of Directors is composed of directors. The chairman is elected from among the directors with the attendance of more than two-thirds of the directors and the consent of a majority of the attending directors. The chairman represents the company externally and presides over all business activities.

The chairman of the Board of Directors may, unless otherwise provided by laws and regulations, increase or decrease the necessary institutions and organizations of the company to prevent the company from encountering emergency adverse events or dealing with major accidents, or meeting the needs of the company's operation, and decide on relevant business policies and deal with current business.

The chairman of the Board of Directors shall convene and serve as the chairman of the Board of Directors under Article 204V of the Company Act in addition to the convening of the first meeting of the Board of Directors under Article 203 of the Company Act. However, it may call at any time in case of an emergency.

The convener referred to in the preceding paragraph may be notified in writing, by e-mail, or by fax.

It may entrust other directors as his agent if a director is unable to attend the Board of Directors for some reason, but each person shall be limited to one representative.

However, independent directors shall attend in person on matters that should be attended to in person under the regulations, and shall not appoint non-independent directors to act as agents. It shall record in the meeting minutes of the board of independent directors who have objections or reservations. If independent directors cannot attend in person for some reason, if they have objections or reservations about the proposal, they shall issue written opinions in advance and record them in the meeting minutes of the board, except for justified reasons.

Article 15: The agency shall be handled under Article 208 of the Company Act if the chairman asks for leave or is unable to exercise his functions and powers for any reason.

Article 16: Deleted.

Chapter 5. Manager

Article 17: The company shall have a general manager, whose appointment, dismissal, and remuneration shall be handled under Article 29 of the Company Act.

Chapter 6. Accounting

Article 18: The company's fiscal year is from January 1 to December 31. The Board of Directors shall prepare the following statements and books and submit them to the regular meeting of shareholders for a list at the end of each fiscal year.

(I) Business report.

(II) Financial statements.

(III) Proposal for earnings distribution or loss compensation.

After the statements and books referred to in paragraph 1 are listed by the shareholders' ordinary meeting, the Board of Directors shall distribute the financial statements and the resolution on the earnings distribution or loss compensation to all shareholders.

The financial statements referred to in the preceding paragraph and the distribution of earnings distribution or loss-making up resolutions may be made by public announcement.

Article 19: Deleted.

Article 20: It shall allocate 5% to 10% for the remuneration of employees and no more than 3% for the remuneration of directors if the company makes profits in the year.

However, it shall reserve the amount to be made up in advance if the company has accumulated losses in previous years, and the rest shall be appropriated under the proportion in the preceding paragraph.

The objects of employee remuneration in the first paragraph to be distributed to stocks or cash include employees of subordinate companies who meet certain conditions.

Article 20-1 If there is any profit in the annual general accounts of the Company, the Company shall withhold the tax to make up the past losses, and withhold a legal reserve by 10%. However, when the legal reserve has reached the amount of the paid-in capital of the Company, it shall not be withheld anymore. In addition, after the special reserve is raised or transferred as required by laws and regulations, the Company shall accumulate the undistributed earnings, and the Board of Directors shall propose the allocation of surplus to the Shareholders' Meeting for resolution and distribution.

Article 20-2 The Company's dividend distribution policy is based on the Company's capital budget, medium-term and long-term operational plan and financial position, and is distributed after the resolution of the shareholders' meeting in accordance with the following principles:

I. Except under the provisions of Paragraph II below, the Company shall not distribute dividends when there is no earnings. However, the excess part may be distributed as a bonus when the statutory earnings reserve has exceeded 50% of the total capital. Earnings

1. To meet the needs of the company to expand its operation scale in the future
2. Maintain the balance of earnings per share and profit level of the Company
3. To consider the Company's cash flow and operating earnings situation

Cash Dividends account for 20% ~ 100% of the total dividends, and Stock Dividends account for 0% ~ 80% of the total dividends.

The distribution of earnings referred to in the preceding paragraph shall be decided by the Board of Directors and distributed by resolution of the shareholders' meeting.

II. When the Company has no distributable surplus available in the current year, or the amount of the surplus is much lower than the surplus distributed by the Company in the preceding year, or distribute all or part of the reserves for financial, business, and operation considerations according to the laws and regulations, or the regulations of the competent authorities.

Chapter 7. Supplementary Provisions

Article 21: All matters not stipulated in these articles of association shall be handled under the provisions of the Company Law. The relevant organizational procedures and other detailed rules of the company shall be formulated by the Board of Directors.

Article 22: These Articles of Association were established on March 8, 1990.

Revision I was made on May 5, 1990.

Revision II was made on October 1, 1990.

Revision III was made on March 15, 1991.

Revision IV was made on December 5, 1991.

Revision V was made on November 1, 1993.

Revision VI was made on January 23, 1997.

Revision VII was made on June 26, 1997.

Revision VIII was made on April 28, 1998.

Revision IX was made on April 28, 1998.

Revision X was made on July 14, 2000.

Revision XI was made on June 21, 2002.

Revision XII was made on June 26, 2003.

Revision XIII was made on June 28, 2004.

Revision XIV was made on June 28, 2004.

Revision XV was made on June 22, 2006.

Revision XVI was made on June 21, 2007.

Revision XVII was made on June 19, 2008.

Revision XVIII was made on June 16, 2009.

Revision XIX was made on June 23, 2010.

Revision XX was made on June 22, 2011.

Revision XXI was made on June 6, 2012.

Revision XXII was made on June 8, 2016.

Revision XXIII was made on June 18, 2020.

Revision XXIV was made on July 15, 2021.

Revision XXV was made on June 14, 2023.

Mildef Crete Inc.

Chairman: Shen Yi-Tong

Appendix II.

Mildef Crete Inc.

Rules of Procedure for the Shareholders' Meeting

- Article 1: These rules are formulated under Article 5 of the code of practice for the governance of listed and OTC companies to establish a good governance system of the company's shareholders' meeting, improve the supervision function and strengthen the management function.
- Article 2: The rules of procedure of the shareholders' meeting of this company shall be under these rules unless otherwise provided by law or the Articles of Association.
- Article 3: Unless otherwise provided by law, the shareholders' meeting shall be convened by the Board of Directors.

Any change in the method of holding the shareholders' meeting shall be resolved by the Board of Directors and shall be made before the mailing of the notice of the shareholders' meeting.

Thirty days before the Company convenes a regular shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors or supervisors, and other matters on the shareholders' meeting agenda, and upload them to the Market Observation Post System. Twenty-one days before the Company is to convene a regular shareholders' meeting, or 15 days before it convenes an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting handbook and the supplemental materials referred to in the preceding paragraph, and upload it to the Market Observation Post System. However, in the case of the Company's paid-in capital reaching NT\$10 billion or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' register at the time of holding of the regular shareholders' meeting in the most recent fiscal year, it shall upload the aforesaid electronic file by 30 days prior to the day on which the regular shareholders' meeting is to be held.

The Company shall, 15 days before the scheduled date of the shareholders' meeting, prepare the shareholders' meeting handbook and supplemental materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its stock registrar and transfer agent.

The handbook and supplemental materials under the preceding paragraph shall be provided for review by the shareholders by the following means on the date the shareholder's meeting is convened:

1. If the Company convenes a physical shareholder's meeting, it shall distribute them on-site at the shareholder's meeting.
2. If the Company convenes a hybrid shareholder's meeting, it shall distribute them on-site at the shareholder's meeting and upload the electronic files to the video conferencing platform.
3. If the Company convenes a virtual-only shareholder's meeting, it shall upload the electronic files to the video conferencing platform.

The notice and announcement shall specify the reasons for the convening.

It shall list and explain the reasons for convening the meeting for the election or removal of directors, alteration of the Articles of Association, capital reduction, application for suspension of the public offering, director's permission to compete, conversion of earnings to capital increase, conversion of the reserve to capital increase, dissolution, merger, division of the company, or matters in the subparagraphs of Paragraph 1, Article 185 of the Company Act, and shall not propose by temporary motion; The main contents may place on the website designated by the securities authority or the company, and the website shall specify in the notice.

The reason for convening the shareholders' meeting has stated the full re-election of directors and the date of taking office. The date of taking office shall not change by temporary motion or other means at the same meeting after the re-election of the shareholders' meeting completes.

Shareholders holding more than 1% of the total number of issued shares may submit a written proposal to the company at the regular meeting of shareholders. However, it is limited to one proposal. It will not include in the proposal if there is more than one proposal. However, the Board of Directors may still include it in the proposal if the shareholder's proposal is a proposal to urge the company to promote the public interest or fulfill its social responsibility. Furthermore, the Board of Directors may not list it as a proposal if the proposal proposed by the shareholders falls under any of the circumstances in Paragraph 4, Article 172-1 of the Company Act.

The company shall announce the acceptance of shareholders' proposals, written or electronic acceptance methods, acceptance places, and acceptance period before the date of suspension of share transfer before the convening of the ordinary meeting of shareholders; The period of acceptance shall not be less than ten days.

A proposal proposed by a shareholder shall be limited to 300 words. The proposal shall not be included in the proposal if it exceeds 300 words; The proposing shareholders shall attend the regular meeting of shareholders in person or entrust others to participate in the discussion of the proposal.

The company shall notify the proposing shareholders of the handling results before the date of the meeting notice of convening the shareholders' meeting and list the proposals under this article in the notice of meeting. As for the proposal of shareholders not included in the proposal, the Board of Directors shall explain the

reasons for not being included in the proposal at the shareholders' meeting.

Article 4: A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy.

A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the company no later than 5 days prior to the meeting date of the shareholders' meeting. In case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail, unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

After the service of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her/its voting power, a proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

After the service of the power of attorney of a proxy to the company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her/its voting power by way of video conferencing, a proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5: The shareholders' meeting shall be held at the place where the Company is located or at a place convenient for the attendance of directors and suitable for the holding of the meeting. It shall not be held earlier than 9:00 a.m. or later than 3:00 p.m. The place and time of such meeting shall take full account of the opinions of the independent directors.

If the Company hold a shareholders' meeting by video conferencing, it shall not be subject to the restriction on the venue of the meeting referred to in the preceding paragraph.

Article 6: The Company shall set out in the meeting announcement the time and place of registration and other matters that shall be noted for the shareholders, solicitors, and proxy agents (hereinafter collectively referred to as shareholders).

The registration time for the shareholders referred to in the preceding paragraph shall be at least 30 minutes before the commencement of the meeting. The registration office shall be clearly marked and a sufficient number of qualified personnel shall be assigned to handle the registration; The registration for the video conferencing of the shareholders' meeting shall be handled on the video conferencing platform of the

shareholders' meeting 30 minutes prior to the commencement of the meeting. The shareholders who have completed the registration shall be deemed to have attended the meetings in person.

Shareholders shall attend the shareholders' meeting by presenting their attendance cards, sign-in cards, or other certificates of attendance. The Company shall not arbitrarily require additional documents to be provided in support of the attendance of shareholders; The solicitors of power of attorneys shall bring identity documents for verification.

The Company shall provide a signature book for shareholders to sign in, or shareholders shall submit their sign-in cards to sign in.

The Company shall distribute meeting handbooks, annual reports, attendance cards, speaker slips, votes and other meeting materials to the shareholders present at the shareholders' meeting; in the case of election of directors, ballots shall be attached.

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

If the shareholders' meeting is held by video conferencing, shareholders who wish to attend the meeting by video conferencing shall register with the Company two days prior to the meeting.

If a shareholders' meeting is held by video conferencing, the Company shall upload the meeting handbook, annual report and other relevant information to the video conferencing platform at least 30 minutes prior to the commencement of the meeting and disclose them until the end of the meeting.

Article 6-1

If the Company convenes the shareholders' meeting by video conferencing, the following matters shall be stated in the notice of convening the shareholders' meeting:

- I. Methods for shareholders to participate in video conferencing and exercise their rights.
- II. The handling methods for the obstacles caused by natural disasters, accidents or other force majeure events to the video conferencing platform or to the participation by means of video conferencing shall at least include the following matters:
 - (I) To what time the meeting is postponed or from what time the meeting will resume if the above disruption continues and cannot be eliminated, and the date to which the meeting is postponed or on which the meeting will resume.
 - (II) Shareholders who have not registered to take part by video conferencing in the originally scheduled shareholders' meeting shall not take part by video conferencing in the postponed or reconvened meeting.
 - (III) When the Company convenes a hybrid shareholders' meeting, if the video

conferencing cannot be continued, then if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the shareholders meeting by video conferencing, meets the legal quorum for holding a shareholders' meeting, the shareholders meeting shall continue in session. The number of shares represented by the shareholders, proxy solicitors, or proxy agents who were attending the shareholders' meeting by video conferencing shall be counted toward the total number of shares represented by the shareholders attending the meeting, but they shall be deemed to have waived their voting rights on all proposals at that shareholders' meeting.

(IV) Measures to be taken if the results of all proposals have been announced, but extemporary motions have not yet been proceeded with.

III. If the Company convenes the video conferencing, it shall specify appropriate alternative measures available to shareholders who have difficulty taking part in the video conferencing.

Article 7: The chairman shall act as the chairman if a shareholders' meeting convenes by the Board of Directors. It shall appoint a director to act as his proxy when the chairman asks for leave or is unable to exercise his functions and powers for some reason. If the chairman fails to appoint an agent, one of the directors shall act as his proxy.

The chairman referred to in the preceding paragraph shall be a director who has been in office for more than six months and has an understanding of the company's financial and operating conditions. The same applies if the chairman is the representative of a corporate director.

The chairman of the Board of Directors shall preside over the shareholders' meeting convened by the Board of Directors in person, and more than half of the directors of the Board of Directors shall attend in person, and at least one representative of the members of various functional committees shall attend, and the attendance shall record in the meeting minutes of the shareholders' meeting.

The chairman shall be the convener if a shareholders' meeting is convened by a convener other than the Board of Directors. If there are more than two conveners, one of them shall elect from the other.

The company may appoint its appointed lawyers, accountants, or related personnel to attend the shareholders' meeting as nonvoting delegates.

Article 8: The Company shall make continuous and uninterrupted audio and video recordings of the whole process of shareholder registration, meeting and vote counting.

The audio and video recording of the video conferencing referred to in the preceding paragraph shall be kept for at least one year. If, however, a shareholder brings an action pursuant to Article 189 of the Company Act, the information shall be kept until the conclusion of the action.

If the Company convenes a shareholders' meeting with video conferencing, it shall keep and preserve records of information on matters including shareholder registration, registration for participation in video conferencing, sign-in, raising of questions, voting, and the results of the votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the video conferencing from beginning to end.

The information and audio and video recording under the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the entity engaged to handle video conferencing matters.

If the shareholders' meeting is held by video conferencing, the Company shall make audio and video recordings of the background operation interface of the video conferencing platform.

Article 9: Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the video conferencing platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

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

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. All shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month; In the event of a video conferencing, shareholders intending to attend the meeting by video conferencing shall re-register to the Company in accordance with Article 6.

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

Article 10: Its agenda shall determine by the Board of Directors if a shareholders' meeting is convened by the Board of Directors. Relevant motions (including interim motions and amendments to the original motion) shall decide by vote on a case-by-case basis. The meeting shall hold under the scheduled agenda and shall not change without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph shall apply *mutatis mutandis* to a shareholders' meeting convened by a person with convening power other than the Board of Directors.

The chairman shall not announce the adjournment of the meeting without a resolution before the conclusion of the proceedings (including provisional motions). Other members of the Board of Directors shall promptly assist the shareholders attending the meeting to formulate procedures by law if the chairman announces the adjournment of the meeting in violation of the rules of procedure, and elect one person as the chairman with the consent of more than half of the voting rights of the shareholders attending the meeting to continue the meeting.

The chairman shall give a full opportunity to explain and discuss the motion and the amendment or interim motion proposed by the shareholders. When they consider that it has reached the level of voting, they may announce the suspension of discussion, put it to vote, and arrange an adequate voting time.

Article 11: Before speaking, an attending shareholder shall specify on a speaker slip the subject of the speech, his/her shareholder account number (or attendance card number), and the name registered on the shareholder register. The order in which shareholders speak will be set by the chairman.

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

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

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

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

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

Where a video conferencing is convened, shareholders attending the video conferencing may raise questions in writing on the video conferencing platform, from the chairman declaring the meeting open until the chairman declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public on the video conferencing platform.

Article 12: The voting at the shareholders' meeting shall be based on the number of shares.

In the resolution of the shareholders' meeting, the number of shares of non-voting shareholders shall not include in the total number of released shares.

Shareholders with a personal interest in a matter discussed at the meeting that may harm the company's interests shall not participate in voting and may not act as a proxy to exercise voting rights for other shareholders.

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

The voting rights of his proxy shall not exceed 3% of the total voting rights of the issued shares, and the excess voting rights shall not count when one person is entrusted by two or more shareholders at the same time except for a trust enterprise or a stock affairs agency approved by the competent securities authority.

Article 13: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179-2 of the Company Act.

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

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

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in

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

Except as otherwise provided in the Company Act and in the Company's Articles of Association, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation Post System. A resolution shall be deemed to have been passed by all shareholders present without objection after consultation by the chairman, and shall have the same effect as voting by poll; in case of objection, voting by poll shall be conducted in accordance with the provisions of the preceding paragraph. If there is an amendment or an alternative to a proposal, the chairman shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

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

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

If the Company convenes a shareholders' meeting by video conferencing, the shareholders taking part by video conferencing shall cast votes on proposals and elections through the video conferencing platform, and shall complete the casting of their votes before the chair announces the close of voting, or shall be deemed to have abstained from voting. If the shareholders' meeting is held by video conferencing, votes shall be counted at once after the chair announces the close of voting, and the results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting by video conferencing in accordance with

Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting by video conferencing.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting by video conferencing, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14: When electing directors at the shareholders' meeting, the procedures established by the company must be followed, and the election results, including the list of elected directors and their respective voting rights, must be announced on the spot.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the ballot examiners and kept in proper custody for at least one year. If, however, a shareholder brings an action pursuant to Article 189 of the Company Act, the information shall be kept until the conclusion of the action.

Article 15: Resolutions adopted at a shareholders' meeting shall be recorded in the meeting minutes, 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 Company may distribute the meeting minutes in the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairman's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be kept persistently throughout the life of the Company.

If a shareholders' meeting is convened by video conferencing, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, the method of holding the meeting, the chairman's and secretary's names, and actions to be taken in the event of disruption to the video conferencing platform or participation in the video conferencing due to natural disasters, accidents or other force majeure events, and the approaches to solving issues shall also be included in the minutes.

In addition to complying with the provisions of the preceding paragraph, the Company shall record in the minutes of the shareholders' meeting held by video conferencing the alternative measures to be provided to shareholders who have difficulty in participating in the video conferencing.

Article 16: On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event of a shareholders' meeting by video conferencing, the Company shall upload the above meeting materials to the video conferencing platform at least 30 minutes before the meeting, and keep these materials disclosed until the end of the meeting.

If a shareholders' meeting is convened by video conferencing, when the meeting is called to order, the Company shall disclose the total number of shares held by the shareholders present on the video conferencing platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17: The business personnel handling the shareholders' meeting shall wear identification cards or armbands.

The chairman may direct pickets or security personnel to assist in maintaining order at the venue. When proctors or security personnel are present to assist in maintaining order, they shall wear an armband or identification badge labeled "Proctor."

The chairman may stop the shareholders from speaking with equipment not provided by the company if the venue is equipped with public address equipment.

If a shareholder violates the meeting rules and does not comply with the chairperson's correction, thereby obstructing the proceedings and refusing to desist, the chairperson may instruct security personnel or proctors to escort the individual out of the venue.

Article 18: The chairman may announce a break at his discretion when the meeting is in progress. The chairman may rule to suspend the meeting and announce the time of resumption as appropriate in case of force majeure.

Before the conclusion of the proceedings (including provisional motions) of the agenda set by the shareholders' meeting, the shareholders' meeting may decide to find another venue to continue the meeting if the venue of the meeting cannot be used at that time.

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

- Article 19: If the shareholders' meeting is held by video conferencing, after the voting session, the Company shall disclose real-time results of votes and election on the video conferencing platform in accordance with the regulations, and this disclosure shall continue at least 15 minutes after the chairman announces the end of the meeting.
- Article 20: If the Company holds a shareholders' meeting by video conferencing, the chairman and the recorder shall be in the same location, and the chairman shall declare the address of their location when the meeting is called to order.
- Article 21: If the shareholders' meeting is held by video conferencing, the Company shall provide shareholders with a simple connection test before the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

If the shareholders' meeting is held by video conferencing, when the meeting is called to order, the chairman shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the video conferencing platform or participation in the video conferencing is obstructed due to natural disasters, accidents or other force majeure events before the chairman announces the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to take part by video conferencing in the originally scheduled shareholders' meeting shall not take part by video conferencing in the postponed or reconvened meeting.

For a meeting to be postponed or resumed under the second paragraph, shareholders, who have registered to take part by video conferencing in the originally scheduled shareholders' meeting and completed sign-in, but do not participate in the postponed or reconvened meeting, the number of shares represented by them and voting rights and election rights exercised by them shall be counted toward the total number of shares, number of voting rights and number of election rights of shareholders represented at the postponed or reconvened meeting.

During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no redundant discussion or resolution is required for proposals, or for lists of elected directors and supervisors, for which the votes have already been cast and counted, and the results have been announced.

When inability to continue a video conferencing as set out in the second paragraph occurs at a hybrid shareholders' meeting convened by the Company, if the total number of shares represented at the shareholders' meeting after deduction of the number of shares represented through attendance by video conferencing still reaches the legal quorum for convening of the shareholders' meeting, the shareholders' meeting shall continue in session, without need to postpone or reconvene the meeting

as set out in the second paragraph.

When it occurs that a shareholders' meeting shall continue in session as set out in the preceding paragraph, the number of shares represented by the shareholders who were attending the shareholders' meeting by video conferencing shall be counted toward the total number of shares represented by the shareholders attending the meeting, but they shall be deemed to have waived their voting rights on all proposals at that shareholders' meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

With respect to the time periods set out in the following provisions, the Company shall perform the matters provided for therein based on the date of the shareholders' meeting as postponed or reconvened under the second paragraph herein: the latter part of Article 12, and Article 13, paragraph 3, of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies; Article 44-5 paragraph 2, Article 44-15, and Article 44-17 paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

- Article 22: If the Company convenes the video conferencing, it shall provide appropriate alternative measures available to shareholders who have difficulty taking part in the video conferencing.
- Article 23: The Rules shall take effect after having been submitted to and approved by a shareholders' meeting. The same shall apply to any amendments thereto.
- Article 24: These Rules were enacted on April 28, 1998.

Revision I was made on June 19, 2014.

Revision II was made on June 9, 2015.

Revision III was made on June 18, 2020.

Revision IV was made on June 14, 2023.

Appendix III.

Mildef Crete Inc.

Procedures for the Selection of Directors

Article 1: These Procedures have been formulated in accordance with Articles 21 and 41 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" for the fair, impartial, and open election of directors.

Article 2: The election (including by-election) and appointment of directors of Mildef Crete Inc. (hereinafter referred to as the Company) shall be governed by the provisions of these Procedures.

Article 3: The selection of directors of the Company shall take into account the overall composition of the Board of Directors. The members of the Board of Directors shall consider diversification and formulate appropriate diversification policies based on their own operation, business type and development needs, which should include but not limited to the following two standards:

- I. Basic conditions and values: gender, age, nationality, culture, etc.
- II. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience.

The members of the Board of Directors shall possess the knowledge, skills and qualities necessary for the performance of their duties, and they shall have the following abilities:

- I. Operational judgment.
- II. Accounting and financial analysis ability.
- III. Operation and management ability.
- IV. Crisis management ability.
- V. Industrial knowledge.
- VI. International market view.
- VII. Leadership.
- VIII. Decision-making ability.

The following relationships may not exist among more than half of the Company's directors:
1. A spousal relationship; 2. A familial relationship within the second degree of kinship.

The Company's Board of Directors shall consider adjusting the composition of board members based on the results of the performance evaluation.

Article 4: The qualifications of independent directors of the Company shall comply with Articles 2, 3 and 4 of the "Regulations Governing Appointment of Independent Directors and

Compliance Matters for Public Companies".

The appointment of independent directors of the Company shall comply with Articles 5, 6, 7, 8 and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and shall be conducted in accordance with Article 24 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".

Article 5: The election of independent directors of the Company shall be conducted in accordance with the candidate nomination system and procedures set forth in Article 192-1 of the Company Act. To examine the qualifications, education background, and the existence of matters set forth in Article 30 of the Company Act of the candidates for independent directors, no other documents evidencing the qualifications shall be added arbitrarily, and the results of the examination shall be provided to shareholders for reference, thus electing qualified independent directors.

Independent directors and non-independent directors shall be elected simultaneously, and the number of independent directors and non-independent directors elected shall be calculated separately. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes.

If the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. If the number of directors falls short by one third of the total number prescribed in the Company's Articles of Association, the Company shall call an extraordinary shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

If the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders' meeting to fill the vacancy. If all independent directors are dismissed, an extraordinary shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6: The cumulative voting method shall be used for election of the directors of the Company. Each share shall have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 7: The Board of Directors shall prepare ballots equal to the number of directors to be elected, with the voting rights indicated, and distribute them to the shareholders attending the meeting. The name of the voter may be replaced by the attendance certificate number printed on the ballot.

Article 8: The directors of the Company shall be elected in accordance with the number of seats prescribed in the Articles of Association, and those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. If two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9: Before the election, the chairman shall appoint a number of persons with the status of

shareholders to perform the relevant duties of vote monitoring and counting. The ballot boxes shall be prepared by the Board of Directors and examined publicly by the vote monitoring personnel before the voting.

Article 10: The elector shall fill in the electee's name or the name registered on the shareholder register in the "Electee" field on the ballot. Provided, however, that if the government or legal person shareholder is the electee, the name of the government or legal person shall be filled in the "the name registered on the shareholder register" field on the ballot, and the name of such government or legal person and the names of its representatives shall be filled in; if there are several representatives, the names of their representatives shall be separately filled in.

Article 11: A ballot is invalid under any of the following circumstances:

- I. The ballot is not prepared by a person with the right to convene.
- II. A blank ballot is placed in the ballot box.
- III. The writing is unclear and indecipherable or has been altered.
- IV. The candidate whose name is entered in the ballot does not conform to the director candidate list.
- V. Other words are entered in addition to the electee's name or household name.
- VI. Two or more electees are written on the same ballot.

Article 12: The number of votes shall be calculated on site immediately after the end of the voting, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chairman on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the ballot examiners and kept in proper custody for at least one year.

If, however, a shareholder brings an action pursuant to Article 189 of the Company Act, the information shall be kept until the conclusion of the action.

Article 13: The Board of Directors of the Company shall issue notifications to the persons elected as directors.

Article 14: These Procedures were enacted on June 16, 2000, and shall be implemented upon the approval of the shareholders' meeting.

1st amendment made on July 14, 2000.

2nd amendment made on June 21, 2007.

3rd amendment made on June 19, 2008.

4th amendment made on June 6, 2012.

5th amendment made on June 9, 2015.

6th amendment made on July 15, 2021.

Mildef Crete Inc.

Operating Procedures and Code of Conduct for Integrity Management

Article 1: The company engages in business activities based on the principles of fairness, honesty, integrity, and transparency. To implement the ethical corporate management policies and actively prevent dishonest behavior, the company has established the operational procedure and guidelines of conduct in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and relevant laws and regulations of the Company, group enterprises, and the organizations' location of operation. This document specifically outlines the matters that the company's employees should be mindful of when carrying out their business activities.

The operational procedure and guidelines of conduct apply to the subsidiaries of the Company, as well as to foundations and other organizations or legal entities that are directly or indirectly funded with cumulative donations exceeding 50%, and that possess substantial control within the group enterprises and organizations.

Article 2: The personnel referenced in the operating procedure and guidelines of conduct refers to the directors, managers, employees, appointees, and persons with substantial control in the Company and the group enterprises and organizations.

Any improper benefits provided, promised, requested, or received by a third party on behalf of the Company's personnel shall be presumed to have been done by the Company's personnel themselves.

Article 3: The term "dishonest behavior" as used in the operational procedure and guidelines of conduct refers to actions taken by the Company's personnel during the course of business to obtain or maintain benefits, including directly or indirectly providing, receiving, promising, or requesting any improper benefits, or engaging in other actions that violate integrity, are illegal, or breach fiduciary duties.

The subjects of the aforementioned behavior include public servant, political candidates, political parties or party personnel, as well as any public or private enterprises or organizations, and their directors, supervisors, managers, employees, persons with substantial control, or other stakeholders.

Article 4: The term "benefits" in the operating procedure and guidelines of conduct refers to any form or designation of money, gifts, presents, commissions, positions, services, privileges, kickbacks, facilitation payments, hospitality, social engagements, and other valuable items.

Article 5: The Audit Office is designated by the Company as a dedicated unit (hereinafter referred to as the Company's dedicated unit), which is subordinate to the Board of Directors, to handle the revision, implementation, interpretation, consulting services, registration and filing of notification contents and other related operations of these operating procedures and guidelines of conduct, supervise the implementation. The main responsibilities

include the following matters, and it shall be reported to the Board of Directors on a regular basis.

- I. Assist in integrating integrity and ethical values into the company's business strategy, and collaborate with legal regulations to establish relevant anti-corruption measures that ensure integrity in operations.
- II. Establish a plan to prevent dishonest behavior. Within each plan, outline the relevant standard operating procedures and guidelines of conduct for work operations.
- III. Plan the internal organization, structure, and responsibilities, and establish a mutual supervision and checks-and-balances mechanism for business activities with higher risks of dishonest behavior within the scope of operations.
- IV. The promotion and coordination of integrity policy advocacy and training.
- V. Establish a reporting system to ensure the effectiveness of its implementation.
- VI. Assist the Board of Directors and management in verifying and evaluating the effectiveness of the preventive measures established for implementing ethical corporate management, and regularly evaluate the compliance of relevant business processes and prepare reports accordingly.

Article 6: When the Company's personnel directly or indirectly provide, receive, promise, or request the benefits specified in Article 4, they must comply with the regulations of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and the operation procedure and guidelines of conduct, except in the following circumstances, and must follow the relevant procedures before proceeding:

- I. The Company's responsible departments, based on business needs, shall conduct domestic and international visits, host foreign guests, promote business, and facilitate communication and coordination in accordance with local etiquette, customs, or practices.
- II. Compliant with the company's "Employee Code of Conduct."
- III. Other who comply with the Company's regulations.

Article 7: When the Company's personnel are directly or indirectly offered or promised the benefits specified in Article 4 by others, except in the circumstances outlined in the previous article, if the recipient is a company's department or an individual, the benefit should be returned or declined. The personnel must proactively report the matter to their direct supervisor within three days, and subsequently report it to the Chairman, while informing the dedicated unit.

Article 8: The Company shall not provide or promise any facilitation fees.

If the Company's personnel provide or promise facilitation fees due to threats or intimidation, they should follow the procedures outlined in Article 7 for handling such situations.

The Company's dedicated unit shall take immediate action upon receiving the aforementioned notification and review the relevant circumstances to reduce the risk of recurrence. If any illegal activity is discovered, it should be immediately reported to the judicial authorities.

Article 9: The Company does not provide any political donations.

Article 10: The Company provides charitable donations or sponsorships, with the total annual donation and sponsorship amount limited to 0.1% of total operating revenue. Any adjustment to the annual total must be approved by the Board of Directors before implementation.

The company shall manage the following matters and procedures within the approved limits. The responsible unit shall submit the proposal and execute it only after approval by the Chairman of the company. The Company's dedicated unit must be informed, and reported to the Board of Directors. If the annual total amount exceeds the limit, except for donations of a public welfare nature made for urgent assistance in the case of major natural disasters, which may be submitted for ratification at the next board meeting, all other donations must be approved by the Board of Directors before execution.

- I. It must comply with the laws and regulations of the operating location.
- II. The use of donations is limited to providing assistance in response to significant emergency relief events that occur both domestically and internationally.
- III. The decision should be documented in writing.
- IV. The recipients of charitable donations should be charitable organizations and must not be used as a form of disguised bribery.
- V. Due to the clear and reasonable benefits associated with sponsorship, individuals or entities engaged in business transactions with this company, or those with a vested interest in the personnel of the Company, are ineligible for sponsorship.
- VI. After charitable donations or sponsorships, it is essential to verify that the allocation of funds aligns with the intended purpose of the donation.

Article 11: If the Company's director, manager, or other stakeholders attending or present at the board meeting have an interest in the matters proposed at the board meeting himself or the legal person he represents, he shall explain the important contents of his interest at the current board meeting. If it is harmful to the interests of the Company, he shall not participate in discussion and voting, and shall recuse during discussion and voting, and shall not exercise his voting rights on behalf of other Directors. Directors should also exercise self-discipline and are refrain from providing inappropriate mutual support

When the Company's personnel encounter situations during the execution of business that involve a conflict of interest with themselves or the legal person they represent, or situations that may result in improper benefits to themselves, their spouse, parents, children, or other stakeholders, they should report the relevant circumstances to both their direct supervisor and the Company's dedicated unit. The direct supervisor should provide appropriate guidance.

The Company's personnel must not use company resources for business activities outside the company, nor should their participation in external business activities impact their job performance.

Article 12: The Company shall establish a dedicated unit responsible for formulating and implementing procedures for the management, preservation, and confidentiality of intellectual property such as trade secrets, trademarks, patents, and copyrights. This unit

shall also regularly review the implementation results to ensure the ongoing effectiveness of these procedures.

The Company's personnel shall strictly comply with the relevant operational regulations regarding the intellectual property mentioned above. They must not disclose any trade secrets, trademarks, patents, copyrights, or other intellectual property to any third parties, nor shall they inquire about or collect such intellectual properties that are not related to their job duties.

Article 13: When engaging in business activities, the Company shall comply with the Fair Trade Act and relevant competition regulations. It must not engage in price fixing, bid rigging, production or quota restrictions, or sharing or dividing markets through methods such as allocating customers, suppliers, operating regions, or types of business.

Article 14: The Company shall collect and understand the relevant regulations and international standards applicable to the products and services it provides. Necessary explanations should be given during internal meetings within the organization to ensure that, throughout the processes of development, procurement, manufacturing, provision, or sales of products and services, the transparency of the information and the safety of products and services is maintained.

If the Company's products or services may directly or indirectly harm the rights, health, or safety of consumers or other stakeholders, the company will publicly disclose its policies on measures to protect the rights of consumers and other stakeholders in the stakeholder section of its official website.

If a third party (including but not limited to the media) discloses that the Company's products or services may pose a risk to the safety and health of consumers or other stakeholders, and if the government authorities have ordered the removal of the concerned product from shelves or the suspension of the services, the Company shall immediately comply with the order, investigate the validity of the disclosure, and propose a review and improvement plan.

The Company's dedicated unit shall report the aforementioned circumstances, its methods of handling, and the subsequent review and improvement measures to the Board of Directors.

Article 15: The Company's personnel shall comply with the regulations of the Securities and Exchange Act and must not engage in insider trading using non-public information they have become aware of. Furthermore, they must not disclose such information to others to prevent facilitating insider trading based on that non-public information.

Institutions or individuals participating in the Company's mergers, demergers, acquisitions, share transfers, significant memorandums, strategic alliances, other business cooperation plans, or major contracts shall sign a confidentiality agreement with the Company. They must commit not to disclose any trade secrets or other significant information of the Company they become aware of to any third party, and such information must not be used without the Company's consent.

Article 16: The Company shall disclose its ethical corporate management policies in internal regulations, annual reports, the company website, or other promotional materials. It shall timely announce the policy at external events such as product launches and corporate briefings. This ensures that suppliers, customers, and other business-related organizations

and personnel clearly understand the company's ethical corporate management philosophy and standards.

Article 17: Before establishing business relations with others, the Company shall first evaluate the legitimacy, ethical corporate management policies and records of unethical conduct of agents, suppliers, customers or other business contacts, so as to ensure that its business operation is fair and transparent and will not ask for, provide or accept bribes.

When the Company conducts the aforementioned evaluation, it may implement appropriate auditing procedures to review the following matters regarding its business counterparts, in order to understand their ethical corporate management status:

- I. The country of the enterprise, its operating location, organizational structure, management policies, and payment locations.
- II. Whether the enterprise has established an ethical corporate management policy and the status of its implementation.
- III. Whether the operating location of the enterprise is in a country with a high risk of corruption.
- IV. Whether the business operations of the enterprise belong to industries with a high risk of bribery.
- V. The long-term operational status and reputation of the enterprise.
- VI. Consult with business partners regarding their opinions on the enterprise.
- VII. Whether the enterprise has a history of involvement in bribery, illegal political donations, or other unethical behaviors.

Article 18: During the course of engaging in business activities, the Company's personnel should explain the company's ethical corporate management policy and relevant regulations to the transaction counterparties, and explicitly refuse to provide, promise, request, or accept any form or name of improper benefits, whether directly or indirectly.

Article 19: The Company's personnel should avoid engaging in business transactions with agents, suppliers, customers, or other business counterparts involved in unethical behavior. If it is discovered that a business partner or collaborator has engaged in unethical conduct, the company should immediately cease all business relations with them and classify them as a debarred counterparty, in order to uphold the company's ethical corporate management policy.

Article 20: When signing a contract with others, the company shall fully understand the ethical corporate management of the other party, and incorporate compliance with the ethics policy of the company into the terms of the contract. At least the following matters shall be specified in the contract:

- I. After signing the contract, the contracting party shall advocate and explain the honesty code within the Company.
- II. When a contracting party violates the principle of ethics, its improper interests or losses may be claimed from the other party and may be deducted from the contract price payable.

III. If the contracting parties are involved in unethical conduct in their commercial activities, the other party may sever the trading relationship between them.

The Company's "Integrity Policy" should be regularly resent to our business partners to ensure effective promotion and cooperation.

Both parties to the contract may notify the other party if they become aware of any violations of the aforementioned ethical corporate management principles, and provide relevant evidence while cooperating with the other party's investigation.

Article 21: The Company encourages both internal and external personnel to report unethical or improper behavior. However, if internal personnel make false reports or malicious accusations, they will be subject to disciplinary action, and in severe cases, termination of employment may be warranted.

The Company has established and announced an internal independent whistleblower email vanessaw@crete.comtw or a special line (02) 26626074*303 on both the company's website and the internal website for use by internal and external personnel. The whistleblower should provide at least the following information:

- I. The whistleblower's name, identification number, and contact information such as address, phone number, or email address that can be used to reach the whistleblower.
- II. The name of the person being reported or other information that can sufficiently identify the identity of the person being reported.
- III. Specific evidence that can be used for the investigation.

The Company's personnel handling the whistleblowing matters must provide a written statement to ensure the confidentiality of the whistleblower's identity and the content of the report. The Company also commits to protecting the whistleblower from any improper treatment as a result of the whistleblowing. The Company's dedicated unit shall handle the matter according to the following procedures:

- I. If the whistleblowing involves general employees, the matter should be reported to the Chairman. If the whistleblowing involves directors or senior managers, it should be reported to the independent directors.
- II. The Company's dedicated unit and the managers or personnel to whom the matter is reported, as mentioned in the previous section, must immediately investigate the relevant facts. If necessary, assistance may be provided by the compliance department or other relevant departments.
- III. If it is confirmed that the person being reported has violated relevant laws or the Company's ethical corporate management policies and regulations, they should be immediately instructed to stop the related actions. Appropriate measures should be taken, and if necessary, legal procedures should be pursued to seek compensation for damages, in order to safeguard the company's reputation and interests.
- IV. The acceptance of whistleblowing, investigation process, and investigation results must be documented in writing and kept for five years. These records may be stored electronically. Before the expiration of the retention period, if a lawsuit related to the content of the whistleblowing occurs, the relevant materials should be retained until the conclusion of the lawsuit.

- V. For whistleblowing matters that are verified to be true, the relevant units of the Company should be held responsible for reviewing the internal control systems and operational procedures. Improvement measures should be proposed to prevent the recurrence of similar incidents.
- VI. The Company's dedicated unit shall report the whistleblowing matter, its methods of handling, and the subsequent review and improvement measures to the Board of Directors.

Article 22: If the Company's personnel encounter others engaging in unethical behavior towards the company, and the behavior involves illegal activities, the company should report the relevant facts to judicial and prosecutorial authorities. If the matter involves public agencies or public servants, the company should notify the government's anti-corruption agencies.

Article 23: During the onboarding process for new employees and at significant internal meetings, each manager should promote the importance of integrity.

The Company shall incorporate ethical corporate management into employee's performance evaluations and human resources policies, and establish a clear and effective system of rewards, penalties, and appeals.

If the Company's personnel commits a serious violation of integrity, the company shall dismiss or terminate the individual in accordance with relevant laws or the company's personnel regulations.

The Company shall disclose on its internal website the job titles, names, dates of violations, details of the violations, and the actions taken for any personnel found to have violated integrity policies.

Article 24: The operation procedures and guidelines of conduct shall be implemented upon resolution by the Board of Directors, and shall be submitted to the Audit Committee and reported at the Shareholders' Meeting; the same procedure shall apply to any amendments.

When the operation procedures and guidelines of conduct are submitted to the Board of Directors for discussion, the opinions of all independent directors shall be fully considered. Any objections or reservations expressed by independent directors shall be recorded in the minutes of the board meeting. If an independent director is unable to attend the board meeting in person to express their objections or reservations, they shall, except for legitimate reasons, submit a written opinion in advance, which shall also be included in the board meeting minutes.

Operation procedures and guidelines of conduct were enacted on November 3, 2021.

Appendix V.

Mildef Crete Inc.
Shareholdings by directors

- I. As of April 13, 2025, the minimum number of shares to be held by all directors and the number of shares recorded in the shareholder register

Title	Number of shares to be held	Number of shares registered in the register of shareholders
Director	4,694,843 shares	6,237,775 shares

- II. List of shares held by Directors

Title	Name	Number of shares registered in the register of shareholders
Chairman	Shen Yi-Tong	3,126,244 shares
Director	Nankang Rubber Tire Representative: Lin Jun-Ying	2,150,829 shares
Director	Lu Ming-Xiao	945,563 shares
Director	Cai Wen-Chun	15,139 shares
Independent director	Wang Jun-Ming	
Independent director	Feng Xiao-Long	65,132 shares
Independent director	Chun Yong-Cheng	

Note 1: Date of suspension of transfer: April 13 to June 11, 2025.

Note 2: The shareholding of independent directors elected by a public company does not include in the total number of legal shares.