

**Stock Code: 3213**



**茂訊電腦股份有限公司**

**MilDef Crete Inc.**

**2026 Meeting Handbook  
General Shareholder's Meeting**

**(Translation)**

**Time:** 9:00 a.m. on Wednesday, June 10, 2026

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

(Education and Training Center of the Company)

**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	3
Chapter 4. Discussion items	4
Chapter 5. Election items	4
Chapter 6. Other proposals	5
Chapter 7. Extempore motions	5
Chapter 8. Adjourning meeting	5
Chapter 9. Annex	6
I.    2025 Annual Business Report	6
II.   Audit Committee Review Report	11
III.  Accountant's Audit Report and Independent and Consolidated Financial Statements for 2025	12
IV.  2025 Distribution of Earnings	29
V.   Table of Comparison of the Articles of Association Before and After Revision	30
VI.  List of Candidates for Directors (Including Independent Directors)	32
Chapter 10. Appendix	35
I.   Articles of Association	35
II.  Rules of Procedure for the Shareholders' Meeting	43
III. Procedures for the Selection of Directors	57
IV.  Shareholding of directors	61

# **Chapter 1. Agenda of the regular shareholders' meeting**

## **Mildef Crete Inc.**

### **Agenda of 2026 Regular Shareholders' Meeting**

- I. Time: 9:00 a.m. on Wednesday, June 10, 2026
- II. Location: 7F., No. 250, Sec. 3, Beishen Rd., Shenkeng Dist., New Taipei City, Taiwan (R.O.C.)  
(Education and Training Center of the Company)
- III. Announcement
- IV. Address by the Chairman
- V. Reporting matters
  - (I) 2025 Annual Business Report
  - (II) Report of the Audit Committee on the Examination of the Final Accounts of 2025
  - (III) Report on Remuneration Distribution of Directors and Employees in 2025
- VI. Recognition matters
  - (I) 2025 Annual Business Report and Financial Statements
  - (II) 2025 Earnings distribution project
- VII. Discussion items
  - (I) Amendment to the "Articles of Association"
- VIII. Election items
  - (I) Proposal for the Re-election of Directors
- IX. Other proposals
  - (I) Proposal to release directors from non-compete restrictions
- X. Extempore motions
- XI. Adjourning meeting

## Chapter 2. Reporting matters

Proposal I:

Subject: To the board - the 2025 Annual Business Report.

Description: Please refer to Annex I on Pages 6-10 of this manual.

Proposal II:

Subject: To the board - the Report of the Audit Committee on the examination of the Final Accounts of 2025.

Description: Please refer to Annex II on Page 11 of this manual.

Proposal III:

Subject: To the board - the Report on remuneration distribution of directors and employees in 2025.

Description:

- I. Shall be handled under Article 20 of the Articles of Association.
- II. In 2025, the Company earned a profit of **NT\$618,995,737** (i.e. the pre-tax income before deducting the remuneration for employees and directors) and appropriated **1.92%** of the profit **NT\$11,884,718** to pay the directors' remuneration and **9.58%** **NT\$59,299,791** to pay the employees' remuneration. Of the aforementioned employee remuneration, **10%** was allocated as remuneration for entry-level employees, totaling **NT\$5,929,979**, and was fully distributed in cash.
- III. There is no difference between the above allocation amount and the estimated amount of listed expenses in 2025.

## Chapter 3. Recognition matters

Proposal I: (proposed by the Board of Directors)

Subject: To the board - Approval of the 2025 Annual Business Report and Financial Statements.

Description:

- I. The balance sheet, comprehensive income statement, statement of changes in equity, and cash flow statement of 2025 have been audited by Kao Ching-Wen and Tang Ci-Jie of KPMG.
- II. Please refer to Annex I on Pages 6-10 of this handbook for the attached business report for 2025.
- III. Please refer to Annex III on Pages 12-28 of this handbook for the attached CPA audit report and independent and consolidated financial statements for 2025.

Resolution:

Proposal II: (proposed by the Board of Directors)

Subject: To the board - the 2025 Earnings Distribution Proposal is hereby submitted.

Description:

- I. Please refer to Annex IV on Page 29 of this handbook for the statement of earnings distribution in 2025.
- II. The proposed distribution of 2025 profits to shareholders totaled **NT\$410,798,829** (cash dividends), with each shareholder entitled to receive a cash dividend of **NT\$7.0** 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: In response to the establishment of new departments and to comply with relevant laws and regulations, certain provisions of the Company's Articles of Association have been amended; Please refer to Annex V on Page 30-31 for a comparison of the amended provisions.

Resolution:

## Chapter 5. Election items

Proposal I: (proposed by the Board of Directors)

Subject: Election of directors. The matter is hereby submitted for election.

Description:

- I. The 14th term of office of the Company's directors will expire on June 13, 2026, and it is intended that all directors will be re-elected at the Annual Shareholders' Meeting in 2026.
- II. In accordance with the Company's Articles of Association, **eight** directors (including **four** independent directors) will be elected for a term of three years from June 10, 2026 to June 9, 2029. They will take office after the conclusion of the shareholders' meeting.
- III. Directors (including independent directors) shall adopt the candidate nomination system and be selected by the shareholders' meeting from the list of candidates.
- IV. The list of director candidates (including independent directors) was approved by the Board of Directors on March 11, 2026. Please refer to Annex VI in Page 32-34 of this handbook.

Election results:

## **Chapter 6. Other proposals**

Proposal I: (proposed by the Board of Directors)

Subject: Proposal to release directors from non-compete restrictions. The matter is hereby submitted for discussion.

Description:

- I. Pursuant to Article 209 of the Company Act, a director who conducts business, either for himself/herself or on behalf of others, within the scope of the Company's business shall disclose to the shareholders' meeting the material content of such conduct and obtain its approval.
- II. As certain directors of the Company may have invested in or operated other companies engaged in the same or similar line of business as the Company and serve as directors or managers thereof, and provided that such activities do not prejudice the interests of the Company, it is hereby proposed to the shareholders' meeting for approval. If newly elected directors of the Company have the aforementioned circumstances, it is proposed to approve the release of such directors and their representatives from non-compete restrictions.
- III. The details of concurrent positions held by director candidates (including independent directors) in other companies are as follows:

Title	Name	Concurrent positions in other companies
Independent director	Liao Tsung-Hsien	General Manager of Mitsutech International Corporation

Resolution:

## **Chapter 7. Extempore motions**

## **Chapter 8. Adjourning meeting**

## Chapter 9. Annex

### Annex I.

# Mildef Crete Inc. 2025 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 2025 has once again been a year of significant change. Under the new policies of U.S. President Donald Trump, the world has been attempting to reshape the global economic balance and trade agreements. As a result, many countries have experienced shifts in their economic, political, and defense-related policies, leading to the emergence of a new global order. For Mildef Crete Inc., these developments have brought both opportunities and challenges. On the one hand, the new defense and military drone markets are rapidly expanding across the globe. On the other hand, the instability of supply chains continues to test our organization's core capabilities—specifically, whether we can effectively adapt to this new order and evolving market landscape.

The following is an overview of the market developments in 2025:

#### I. Development of the Defense Industry

In 2025, driven by both geopolitical conflicts and rapid technological transformation, the global defense industry has undergone profound restructuring. U.S. companies continue to consolidate their leading position, while Europe is accelerating integration toward greater defense autonomy. Meanwhile, emerging players represented by Turkey and Korea are rising quickly through differentiated competitive strategies. At the same time, cutting-edge technologies such as artificial intelligence are becoming critical variables shaping the future landscape of the industry.

The following are the key highlights of the global defense industry in 2025:

<b>Defense Industry Trends</b>	<b>Core Performance and Drivers</b>	<b>Key Data/Impact</b>
<b>U.S. Leading Companies Continue to Dominate</b>	Driven by geopolitical conflicts and increased defense budgets, leading companies have maintained a stable dominant position.	Lockheed Martin, RTX, and Northrop Grumman remain the top three in the SIPRI ranking. Total revenue of U.S. defense companies reached USD 334 billion, accounting for nearly half of the global total.

<b>Defense Industry Trends</b>	<b>Core Performance and Drivers</b>	<b>Key Data/Impact</b>
<b>Europe Accelerates Defense Autonomy</b>	The EU continues to promote domestic procurement. Countries such as France and Germany are increasing defense spending and advancing cross-border programs such as sixth-generation fighter jets.	Revenue of 23 European companies increased, reaching USD 151 billion, a 13% year-on-year growth.
<b>Emerging Powers Achieve Differentiated Breakthroughs</b>	Countries such as Turkey and Korea are avoiding direct competition with traditional defense giants and instead focusing on niches such as drones and armored vehicles.	Hanwha Group’s revenue increased by 42% to USD 7.97 billion, while five Turkish companies entered the global rankings.
<b>Technology Companies Reshape the Industry Landscape</b>	Artificial intelligence and unmanned systems have become core competitive drivers, enabling rapid growth of startups.	German company Helsing secured a key AI contract for a sixth-generation fighter program, and multiple drone companies are expected to enter the global top 100.

## II. Development of the PC Industry

The PC industry in 2025 experienced a pivotal turning point amid the intersection of recovery and transformation. Driven by the end of support for Windows 10, the market saw a strong wave of device replacements, bringing an end to the previous downturn. At the same time, the industry itself has been undergoing a profound shift from a “performance race” toward “intelligent computing.”

The following outlines the key developments shaping the industry during the year:

<b>Development Trends</b>	<b>Core Performance</b>	<b>Key Drivers and Impacts</b>
<b>Market Recovery</b>	Global shipments increased by 9.2%, reaching NT\$279.5 million.	The end of support for Windows 10 triggered a wave of enterprise PC replacement.
<b>The First Year of AI PCs</b>	The industry moved from the “AI PC” concept to broad real-world deployment.	AI has become a new engine for the industry, though it has not yet become the primary driver of consumer demand.
<b>Supply Chain Pressures</b>	Memory and storage costs surged by 40%-70%.	Tight supply prompted vendors to adjust product strategies and shift toward developing higher-end products.

Development Trends	Core Performance	Key Drivers and Impacts
<b>Competitive Landscape</b>	Lenovo remained the market leader with a 25.4% market share.	Growth among leading vendors diverged, and AI capabilities may become a key differentiator in the future.
<b>Form Factor Innovation</b>	New form factors such as Arm-based PCs, rollable displays, and handheld devices emerged.	Competition is evolving from purely multidimensional race involving architecture, form factors, and intelligent capabilities.

### III. The overall financial performance of the company in 2025 is as follows:

#### 1. Operating Results

In 2025, the Company's consolidated turnover was NT\$2.89 billion, an increase of 1.40% compared with NT\$2.85 billion in 2024. The after-tax profit attributable to the parent company was NT\$430 million, representing a decrease of 14% from NT\$500 million in 2024.

#### 2. Financial revenue and expenditure (consolidated company)

Unit: NT\$1,000

Item	2025	2024	Increase (decrease) ratio (%)
Operation interests	514,845	542,476	(5.09)
Net non-operating income and expenditure	44,013	96,974	(54.61)
Net income before tax	558,858	639,450	(12.60)
After-tax earnings per share	7.40	8.44	(12.32)

#### 3. Profitability (consolidated company):

Item	2025	2024	
Return on assets (%)	9.66	12.89	
Return on shareholders' equity (%)	12.37	16.96	
Ratio to paid-in capital (%)	Operation interests	87.73	92.44
	Net income before tax	95.23	108.96
Net profit rate (%)	15.16	17.36	
Retroactive adjustment of earnings per share (NT\$)	7.40	8.44	

#### **4. Research and development**

The R&D expenses in 2025 were NT\$108.4 million, representing an increase of 5.55% as compared with NT\$102.7 million in 2024, 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 several products in the 15 Series and started to prepare products for Android platform. We also invested in R & D for the preparation of the new market and began to develop targeted products for the mining market.

### **IV. Future Development Strategies**

#### **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, the Middle East, India, 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.

### **V. Outlook**

In 2025, 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

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 2025 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

2026 Shareholders' Meeting of Mildef Crete Inc.

Auditor Jun-Ming Wang \_\_\_\_\_

Auditor Xiao-Long Feng \_\_\_\_\_

Auditor Yong-Cheng Chun \_\_\_\_\_

Auditor Mei-Hsueh Yang \_\_\_\_\_

March 11, 2026

## **Annex III.**

### **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, 2025 and 2024, as well as statements of comprehensive income, changes in equity and cash flows for 2025 and 2024 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, 2025 and 2024, its financial performance and cash flow for the periods from January 1 to December 31, 2025 and 2024.

#### **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 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, 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. We also:

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 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 11, 2026

**Mildef Crete Inc.**  
**Balance Sheets**  
**2025 and 2024**

**Unit: NTS1000**

Assets		2025.12.31		2024.12.31		Liabilities and equity		2025.12.31		2024.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (Note 6 (1))	\$ 1,431,536	30	431,684	10	2130	Contract liabilities - current (Notes 6 (15) and 7)	\$ 213,707	4	162,781	4
1110	Financial assets at fair value through profit or loss - current (Note 6 (2))	301,057	6	210,499	5	2150	Notes payable	56,700	1	26,774	-
1120	Financial assets at fair value through other comprehensive income - current (Notes 6 (2) and 11)	576,846	12	-	-	2170	Accounts payable (Note 7)	185,885	4	108,244	3
1150	Notes and accounts receivable, net (Notes 6 (3) and (15))	85,402	2	61,619	1	2209	Other Payables (Note 6 (16))	139,348	3	147,552	4
1180	Accounts receivable - related parties, net (Notes 6 (3), (15) and 7)	11,544	-	167,751	4	2230	Current income tax liabilities	255,694	5	122,015	3
130X	Inventories (Note 6 (4))	1,254,026	26	1,263,811	31	2280	Lease liabilities - current (Note 6 (9))	26,799	1	29,351	-
1476	Other financial assets - current (Note 6 (1))	167,900	4	234,771	6	2399	Other current liabilities	849	-	616	-
1479	Other current assets (Note 7)	60,528	1	17,738	-		<b>Total current liabilities</b>	878,982	18	597,333	14
	<b>Total current assets</b>	3,888,839	81	2,387,873	57		<b>Non-current liabilities:</b>				
<b>Non-current assets:</b>						2552	Provisions for warrant liabilities (Note 6 (10))	12,492	-	21,621	1
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6 (2))	389,974	8	1,248,678	30	2570	Deferred income tax liabilities (Note 6 (12))	114,451	3	237,627	6
1550	Investments accounted for using the equity method (Note 6 (5))	65,722	1	43,748	1	2580	Lease liabilities - non-current (Note 6 (9))	25,734	1	32,493	1
1600	Property, plant and equipment (Notes 6 (6) and 7)	317,134	7	317,412	8	2640	Net defined benefit liabilities - non-current (Note 6 (11))	7,114	-	11,651	-
1755	Right-of-use assets (Note 6 (7))	52,243	1	61,595	2		<b>Total non-current liabilities</b>	159,791	4	303,392	8
1780	Intangible assets (Note 6 (8))	3,593	-	3,880	-		<b>Total liabilities</b>	1,038,773	22	900,725	22
1840	Deferred income tax assets (Note 6 (12))	78,402	2	77,807	2		<b>Equity (Notes 6(2), (5), (13) and 7):</b>				
1900	Other non-current assets (Note 8)	15,564	-	16,686	-	3100	Share capital	586,855	12	586,855	14
	<b>Total non-current assets</b>	922,632	19	1,769,806	43	3200	Capital surplus	74,381	2	74,381	2
						3300	Retained earnings	2,816,141	58	1,925,319	46
						3400	Other equity	295,321	6	670,399	16
							<b>Total equity</b>	3,772,698	78	3,256,954	78
<b>Total assets</b>		<b>\$ 4,811,471</b>	<b>100</b>	<b>4,157,679</b>	<b>100</b>		<b>Total liabilities and equity</b>	<b>\$ 4,811,471</b>	<b>100</b>	<b>4,157,679</b>	<b>100</b>

(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, 2025 and 2024**

**Unit: NT\$1000**

		2025		2024	
		Amount	%	Amount	%
4000	<b>Operating revenue (Notes 6 (15) and 7)</b>	\$ 2,832,763	100	2,839,413	100
5000	<b>Operating cost (Notes 6 (4), (6), (7), (8), (10), (11), (16), 7 and 12)</b>	2,015,290	71	1,991,116	70
	<b>Gross operating profit</b>	817,473	29	848,297	30
5910	Less: Unrealized gain from sales	114	-	21	-
	<b>Realized gross operating profit</b>	817,359	29	848,276	30
	<b>Operating expenses (Notes 6 (3), (6), (7), (8), (9), (11), (16), 7 and 12):</b>				
6100	Selling and marketing expenses	157,412	5	169,153	6
6200	General and administrative expenses	73,983	3	62,301	2
6300	Research and development expenses	104,558	4	99,472	4
	<b>Total operating expenses</b>	335,953	12	330,926	12
	<b>Net operating profit</b>	481,406	17	517,350	18
	<b>Non-operating income and expenses (Notes 6(9), (17) and 7):</b>				
7100	Interest income	34,932	1	10,931	-
7010	Other income	5,392	-	65,719	2
7020	Other gains and losses	2,222	-	20,786	1
7375	Recognition of profits from subsidiary companies using the equity method	24,899	1	12,283	1
7510	Financial cost	(1,040)	-	(1,125)	-
	<b>Total non-operating income and expenses</b>	66,405	2	108,594	4
	<b>Net profit before tax</b>	547,811	19	625,944	22
7950	<b>Minus: Income tax expense (Note 6 (12))</b>	113,737	4	130,723	5
	<b>Current net profit</b>	434,074	15	495,221	17
8300	<b>Other comprehensive income (Notes 6 (11), (12), (13), and (18)):</b>				
8310	<b>Items not reclassified as income and loss</b>				
8311	Defined benefits plans remeasurement	968	-	12,270	1
8316	Unrealized gain on investments in equity instruments as at fair value through other comprehensive income	547,220	19	660,732	23
8349	Minus: Income tax related to items not reclassified	115,291	4	131,810	5
	<b>Total amount of items not reclassified to profit or loss</b>	432,897	15	541,192	19
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences arising from the translation of the financial statements of foreign operations	1,349	-	(428)	-
8367	Unrealized valuation gains (losses) on investments in debt instruments at fair value through other comprehensive income	(580)	-	531	-
8399	Minus: Income tax related to potentially classifiable items	(117)	-	106	-
	<b>Total amount of items that may be reclassified subsequently to profit or loss</b>	886	-	(3)	-
8300	<b>Other comprehensive income</b>	433,783	15	541,189	19
	<b>Total amount of other current comprehensive gains and losses</b>	<u>\$ 867,857</u>	<u>30</u>	<u>1,036,410</u>	<u>36</u>
	<b>Earnings per share (NT\$; (Note 6 (14))</b>				
	<b>Basic earnings per share</b>	<u>\$ 7.40</u>		<u>8.44</u>	
	<b>Diluted earnings per share</b>	<u>\$ 7.31</u>		<u>8.31</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, 2025 and 2024**

**Unit: NTS1000**

	<u>Retained earnings</u>					<u>Other Equity Items</u>				
	<u>Ordinary share capital</u>	<u>Capital surplus</u>	<u>Legal reserve</u>	<u>Unappropriated earnings</u>	<u>Total</u>	<u>Exchange differences arising from the translation of Financial Report of foreign operations</u>	<u>Unrealized gain (loss) on financial assets at fair value through other comprehensive income</u>	<u>Defined benefits plans remeasure ment</u>	<u>Total</u>	<u>Total equity</u>
<b>Balance on January 1, 2024</b>	\$ 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 (Note 6 (5))	-	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)	-
<b>Balance on December 31, 2024</b>	<b>586,855</b>	<b>74,381</b>	<b>589,882</b>	<b>1,335,437</b>	<b>1,925,319</b>	<b>(408)</b>	<b>671,387</b>	<b>(580)</b>	<b>670,399</b>	<b>3,256,954</b>
Current net profit	-	-	-	434,074	434,074	-	-	-	-	434,074
Other comprehensive income	-	-	-	-	-	1,349	431,659	775	433,783	433,783
Total amount of other current comprehensive gains and losses	-	-	-	434,074	434,074	1,349	431,659	775	433,783	867,857
Appropriation and distribution of earnings:										
Appropriation of legal reserve	-	-	60,765	(60,765)	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	(352,113)	(352,113)	-	-	-	-	(352,113)
Disposal of equity instruments designated at fair value through other comprehensive income (Note 6 (2))	-	-	-	808,861	808,861	-	(808,861)	-	(808,861)	-
<b>Balance on December 31, 2025</b>	<b>\$ 586,855</b>	<b>74,381</b>	<b>650,647</b>	<b>2,165,494</b>	<b>2,816,141</b>	<b>941</b>	<b>294,185</b>	<b>195</b>	<b>295,321</b>	<b>3,772,698</b>

(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, 2025 and 2024**

**Unit: NT\$1000**

	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
<b>Net income before tax</b>	\$ 547,811	625,944
<b>Adjustments for:</b>		
Profit and loss		
Depreciation expense	63,127	58,068
Amortization expense	1,245	4,444
Expected credit loss (reversal gain) loss	(417)	498
Net gain on financial assets at fair value through profit or loss	(2,954)	(1,509)
Interest expense	1,040	1,125
Interest income	(34,932)	(10,931)
Dividend income	(4,058)	(61,203)
Unrealized exchange gain on financial assets measured at fair value through other comprehensive income	(7,826)	-
Share of gain/loss of associates recognized under equity method	(24,899)	(12,283)
Loss (gain) on disposal of property, plant and equipment	684	(346)
Unrealized gain from sales	114	21
Lease modification benefits	-	(4)
<b>Total profit/(loss)</b>	<b>(8,876)</b>	<b>(22,120)</b>
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Notes and accounts receivable	(23,515)	57,133
Accounts receivable from related parties	156,356	142,581
Inventories	9,785	(16,014)
Other current assets	(44,251)	4,067
<b>Total net changes in assets related to operating activities</b>	<b>98,375</b>	<b>187,767</b>
Net changes in liabilities related to operating activities:		
Contract liabilities	50,926	(74,858)
Notes payable	29,926	(3,706)
Accounts payable	77,641	(12,254)
Provisions for warranty liabilities	(9,129)	8,469
Other accounts payable and other current liabilities	(7,971)	10,853
Net defined benefit liabilities	(3,569)	(6,380)
<b>Total amount of net changes in liabilities related to operating activities</b>	<b>137,824</b>	<b>(77,876)</b>
<b>Total amount of net changes in assets and liabilities related to operating activities</b>	<b>236,199</b>	<b>109,891</b>
<b>Total adjustments</b>	<b>227,323</b>	<b>87,771</b>
Net cash generated from/(used in) operations	775,134	713,715
Interest received	29,835	10,913
Income tax paid	(212,292)	(179,567)
<b>Net cash inflow from operating activities</b>	<b>592,677</b>	<b>545,061</b>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets measured at fair value through other comprehensive income	(391,547)	(18,918)
Disposal of financial assets at fair value through other comprehensive income	1,227,871	297,478
Purchase of financial assets at fair value through profit or loss	(300,000)	(410,000)
Disposal of financial assets at fair value through profit or loss	212,242	201,010
Acquisition of property, plant and equipment (including prepayment for equipment)	(25,989)	(86,362)
Proceeds from the disposal of property, plant and equipment	-	346
(Increase) decrease in other current financial assets	66,871	(28,671)
(Increase) decrease in refundable deposits	218	(1,115)
Acquisition of intangible assets	(958)	(3,214)
Increase in other non-current assets	(4,606)	(3,860)
Dividends received	8,218	72,446
<b>Net cash inflow from investing activities</b>	<b>792,320</b>	<b>19,140</b>
<b>Cash flows from financing activities:</b>		
Payment of the principal portion of lease liabilities	(31,992)	(32,915)
Payments of cash dividends	(352,113)	(316,902)
Disposal of equity in subsidiaries (without control lost)	-	1,008
Interests paid	(1,040)	(1,125)
<b>Net cash outflows from financing activities</b>	<b>(385,145)</b>	<b>(349,934)</b>
Increase in cash and cash equivalents	999,852	214,267
Beginning cash and cash equivalents balance	431,684	217,417
Ending cash and cash equivalents balance	<b>\$ 1,431,536</b>	<b>431,684</b>

(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 2025 (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 11, 2026

## **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, 2025 and 2024, 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, 2025 and 2024, its financial performance and cash flow for the periods from January 1 to December 31, 2025 and 2024.

### **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 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, 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 2025 and 2024, 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. We also:

- I. 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.
- II. 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.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- IV. 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.

- V. 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.
- VI. 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 group 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 2025. 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 11, 2026

**Mildef Crete Inc. and Its Subsidiaries**  
**Consolidated Balance Sheets**  
**2025 and 2024**

Unit: NTS1000

Assets	2025.12.31		2024.12.31		Liabilities and equity	2025.12.31		2024.12.31	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>Current assets</b>					<b>Current liabilities</b>				
1100 Cash and cash equivalents (Note 6 (1))	\$ 1,558,801	32	533,521	13	2130 Contract liabilities - current (Notes 6 (14) and 7)	\$ 214,600	4	163,573	4
1110 Financial assets at fair value through profit or loss - current (Note 6 (2))	301,057	6	210,499	5	2150 Notes payable	61,079	1	32,734	1
1121 Financial assets at fair value through other comprehensive income - current (Note 6 (2) and 11)	576,846	12	-	-	2170 Accounts payable	184,871	4	94,676	2
1150 Notes and accounts receivable, net (Notes 6 (3) and (14))	89,416	2	63,338	2	2209 Other Payables (Note 6 (15))	154,190	3	160,803	4
1180 Accounts receivable - related parties, net (Notes 6 (3) & (14), 7)	-	-	151,421	4	2230 Current income tax liabilities	263,285	6	123,251	3
130X Inventories (Note 6 (4))	1,223,834	25	1,217,761	28	2280 Lease liabilities - current (Note 6 (8))	33,887	1	35,771	1
1476 Other financial assets - current (Note 6 (1))	167,900	3	234,771	6	2399 Other current liabilities	1,996	-	826	-
1479 Other current assets	52,420	1	18,678	-	<b>Total current liabilities</b>	<b>913,908</b>	<b>19</b>	<b>611,634</b>	<b>15</b>
<b>Total current assets</b>	<b>3,970,274</b>	<b>81</b>	<b>2,429,989</b>	<b>58</b>	<b>Non-current liabilities:</b>				
<b>Non-current assets:</b>					2552 Provisions for warranty liabilities (Note 6 (9))	12,492	-	21,621	-
1517 Financial assets at fair value through other comprehensive income - non-current (Note 6 (2))	389,974	8	1,248,678	30	2570 Deferred income tax liabilities (Note 6 (11))	114,451	2	237,627	6
1600 Property, plant and equipment (Note 6 (5))	347,681	7	343,674	8	2580 Lease liabilities - non-current (Note 6 (8))	32,449	1	45,763	1
1755 Right-of-use assets (Note 6 (6))	65,612	2	80,804	2	2640 Net defined benefit liabilities - non-current (Note 6 (10))	7,114	-	11,651	-
1780 Intangible assets (Note 6 (7))	5,030	-	5,722	-	<b>Total non-current liabilities</b>	<b>166,506</b>	<b>3</b>	<b>316,662</b>	<b>7</b>
1840 Deferred income tax assets (Note 6 (11))	79,458	2	79,013	2	<b>Total liabilities</b>	<b>1,080,414</b>	<b>22</b>	<b>928,296</b>	<b>22</b>
1990 Other non-current assets (Note 8)	19,037	-	20,967	-	<b>Equity attributed to owners of the parent company (Notes 6 (2), (12), and 7):</b>				
<b>Total non-current assets</b>	<b>906,792</b>	<b>19</b>	<b>1,778,858</b>	<b>42</b>	3110 Ordinary share capital	586,855	12	586,855	14
					3200 Capital surplus	74,381	2	74,381	2
					3300 Retained earnings	2,816,141	58	1,925,319	45
					3400 Other Equity	295,321	6	670,399	16
					Equity attributed to owners of the parent company	3,772,698	78	3,256,954	77
					36xx Non-controlling interests	23,954	-	23,597	1
					<b>Total equity</b>	<b>3,796,652</b>	<b>78</b>	<b>3,280,551</b>	<b>78</b>
<b>Total assets</b>	<b>\$ 4,877,066</b>	<b>100</b>	<b>4,208,847</b>	<b>100</b>	<b>Total liabilities and equity</b>	<b>\$ 4,877,066</b>	<b>100</b>	<b>4,208,847</b>	<b>100</b>

(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, 2025 and 2024**

Unit: NTS1000

		2025		2024	
		Amount	%	Amount	%
4000	<b>Operating revenue (Notes 6 (14), 7 and 14)</b>	\$ 2,887,211	100	2,853,391	100
5000	<b>Operating cost (Notes 6(4), (5), (6), (7), (8), (9), (10), (15) and 12)</b>	2,005,788	69	1,955,354	69
	<b>Gross operating profit</b>	881,423	31	898,037	31
	<b>Operating expenses (Notes 6 (3), (5), (6), (7), (8), (10), (15), 7, and 12):</b>				
6100	Selling and marketing expenses	165,400	6	177,515	6
6200	General and administrative expenses	92,730	3	75,328	3
6300	Research and development expenses	108,448	4	102,718	3
	<b>Total operating expenses</b>	366,578	13	355,561	12
	<b>Net operating profit</b>	514,845	18	542,476	19
	<b>Non-operating income and expenses (Notes 6(8) and (16)):</b>				
7100	Interest income	35,897	1	11,459	-
7010	Other income	6,875	-	65,884	2
7020	Other gains and losses	2,726	-	21,055	1
7510	Financial cost	(1,485)	-	(1,424)	-
	<b>Total non-operating income and expenses</b>	44,013	1	96,974	3
	<b>Net profit before tax</b>	558,858	19	639,450	22
7951	<b>Minus: Income tax expense (Note 6 (11))</b>	121,187	4	137,153	4
	<b>Current net profit</b>	437,671	15	502,297	18
8300	<b>Other comprehensive income (Notes 6(2), (10), (11) and (12)):</b>				
8310	<b>Items not reclassified as income and loss</b>				
8311	Defined benefits plans remeasurement	968	-	12,270	1
	Unrealized gain (losses) on investments in equity instruments as at fair value through other				
8316	comprehensive income	547,220	19	660,732	23
8349	Minus: Income tax related to items not reclassified	115,291	4	131,810	5
	<b>Total amount of items not reclassified to profit or loss</b>	432,897	15	541,192	19
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences arising from the translation of the financial statements of foreign operations	1,349	-	(428)	-
	Unrealized valuation losses on debt instrument investments measured at fair value through				
8367	other comprehensive income	(580)	-	531	-
8399	Minus: Income tax related to potentially classifiable items	(117)	-	106	-
	<b>Total amount of items that may be reclassified subsequently to profit or loss</b>	886	-	(3)	-
8300	<b>Other comprehensive income</b>	433,783	15	541,189	19
	<b>Total amount of other current comprehensive gains and losses</b>	<b>\$ 871,454</b>	<b>30</b>	<b>1,043,486</b>	<b>37</b>
	<b>Net profit/(loss) attributable to:</b>				
8610	Owners of the Parent Company	\$ 434,074	15	495,221	18
8620	Non-controlling interests	3,597	-	7,076	-
		<b>\$ 437,671</b>	<b>15</b>	<b>502,297</b>	<b>18</b>
	<b>Total comprehensive income/(loss) attributable to:</b>				
8710	Owners of the Parent Company	\$ 867,857	30	1,036,410	37
8720	Non-controlling interests	3,597	-	7,076	-
		<b>\$ 871,454</b>	<b>30</b>	<b>1,043,486</b>	<b>37</b>
	<b>Earnings per share (NTS; (Note 6 (13))</b>				
	<b>Basic earnings per share</b>	<b>\$ 7.40</b>		<b>8.44</b>	
	<b>Diluted earnings per share</b>	<b>\$ 7.31</b>		<b>8.31</b>	

(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 Changes in Equity**  
**January 1 to December 31, 2025 and 2024**

**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				Total
<b>Balance on January 1, 2024</b>	\$ 586,855	74,113	542,578	1,091,986	1,634,564	20	252,022	(10,396)	241,646	2,537,178	20,641	2,557,819
Current net profit	-	-	-	495,221	495,221	-	-	-	-	495,221	7,076	502,297
Other comprehensive income	-	-	-	-	-	(428)	531,801	9,816	541,189	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	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	-	268	-	-	-	-	-	-	-	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	112,436	-	(112,436)	-	(112,436)	-	-	-
<b>Balance on December 31, 2024</b>	586,855	74,381	589,882	1,335,437	1,925,319	(408)	671,387	(580)	670,399	3,256,954	23,597	3,280,551
Current net profit	-	-	-	434,074	434,074	-	-	-	-	434,074	3,597	437,671
Other comprehensive income	-	-	-	-	-	1,349	431,659	775	433,783	433,783	-	433,783
Total amount of other current comprehensive gains and losses	-	-	-	434,074	434,074	1,349	431,659	775	433,783	867,857	3,597	871,454
Appropriation and distribution of earnings:												
Appropriation of legal reserve	-	-	60,765	(60,765)	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	(352,113)	(352,113)	-	-	-	-	(352,113)	-	(352,113)
Cash dividends on acquiring subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	-	(3,240)	(3,240)
Disposal of equity instruments designated at fair value through other comprehensive income (Note 6 (2))	-	-	-	808,861	808,861	-	(808,861)	-	(808,861)	-	-	-
<b>Balance on December 31, 2025</b>	\$ 586,855	74,381	650,647	2,165,494	2,816,141	941	294,185	195	295,321	3,772,698	23,954	3,796,652

(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, 2025 and 2024**

**Unit: NTS1000**

	2025	2024
<b>Cash flows from operating activities:</b>		
<b>Net income before tax</b>	\$ 558,858	639,450
<b>Adjustments for:</b>		
Profit and loss		
Depreciation expense	79,190	70,077
Amortization expense	2,660	7,758
Expected credit loss	42	498
Net gain on financial assets at fair value through profit or loss	(2,954)	(1,509)
Interest expense	1,485	1,424
Unrealized exchange gain on financial assets measured at fair value through other comprehensive income	(7,826)	-
Interest income	(35,897)	(11,459)
Dividend income	(4,058)	(61,203)
Loss (gain) on disposal of property, plant and equipment	593	(198)
Lease modification benefits	-	(4)
<b>Total profit/(loss)</b>	<b>33,235</b>	<b>5,384</b>
<b>Changes in assets/liabilities related to operating activities:</b>		
<b>Net changes in assets related to operating activities:</b>		
Notes and accounts receivable	(26,255)	56,383
Accounts receivable from related parties	151,556	157,882
Inventories	(6,073)	(19,942)
Other current assets	(35,161)	4,926
Other non-current assets	52	(10)
<b>Total net changes in assets related to operating activities</b>	<b>84,119</b>	<b>199,239</b>
<b>Net changes in liabilities related to operating activities:</b>		
Contract liabilities	51,027	(74,066)
Notes payable	28,345	(1,398)
Accounts payable	90,195	(24,578)
Provisions for warranty liabilities	(9,129)	8,469
Other accounts payable and other current liabilities	(5,443)	10,274
Net defined benefit liabilities	(3,569)	(6,380)
<b>Total amount of net changes in liabilities related to operating activities</b>	<b>151,426</b>	<b>(87,679)</b>
<b>Total amount of net changes in assets and liabilities related to operating activities</b>	<b>235,545</b>	<b>111,560</b>
<b>Total adjustments</b>	<b>268,780</b>	<b>116,944</b>
<b>Net cash generated from/(used in) operations</b>	<b>827,638</b>	<b>756,394</b>
Interest received	30,800	11,440
Income tax paid	(213,279)	(193,406)
<b>Net cash inflow from operating activities</b>	<b>645,159</b>	<b>574,428</b>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets measured at fair value through other comprehensive income	(391,546)	(18,918)
Disposal of financial assets at fair value through other comprehensive income	1,227,871	297,478
Purchase of financial assets at fair value through profit or loss	(300,000)	(410,000)
Disposal of financial assets at fair value through profit or loss	212,242	201,010
Acquisition of property, plant and equipment (including prepayment for equipment)	(40,687)	(89,398)
Disposal of property, plant and equipment	1,861	346
Decrease (increase) in refundable deposits	210	(1,284)
Acquisition of intangible assets	(1,968)	(3,655)
Increase in other financial assets - current	66,871	(28,671)
Increase in other non-current assets	(4,606)	(3,860)
Dividends received	4,058	66,208
<b>Net cash inflow from investing activities</b>	<b>774,306</b>	<b>9,256</b>
<b>Cash flows from financing activities:</b>		
Payment of the principal portion of lease liabilities	(38,697)	(38,713)
Payments of cash dividends	(352,113)	(316,902)
Dividends paid to non-controlling interests by subsidiaries	(3,240)	(4,860)
Disposal of equity in subsidiaries (without control lost)	-	1,008
Interests paid	(1,485)	(1,424)
<b>Net cash outflow from financing activities</b>	<b>(395,535)</b>	<b>(360,891)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>1,350</b>	<b>(428)</b>
<b>Increase in cash and cash equivalents</b>	<b>1,025,280</b>	<b>222,365</b>
<b>Beginning cash and cash equivalents balance</b>	<b>533,521</b>	<b>311,156</b>
<b>Ending cash and cash equivalents balance</b>	<b>\$ 1,558,801</b>	<b>533,521</b>

(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 IV.**

**Mildef Crete Inc.**

Statement of Earnings Distribution	
<u>2025</u>	
Unit: New Taiwan dollars	
Item	Amount
Undistributed earnings at the beginning of the period	922,558,992
Add:	
Profit after tax in 2025	434,074,444
Disposal of equity investments measured at fair value through other comprehensive income - non-current	808,860,890
Less: 10% legal reserve	(124,293,533)
Earnings available for distribution in the current year	2,041,200,793
Assign items:	
Shareholder dividends-Cash (@ 7.0)	(410,798,829)
Undistributed earnings at the end of period	1,630,401,964

**Chairman:**  
**Shen Yi-Tong**

**Manager:**  
**Shen Yi-Tong**

**Accounting Manager:**  
**Liu Ya-Ping**

Annex V.

**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 2	<p>The business of the company is as follows:</p> <p>(Following omitted)</p> <p><b><u>16. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing</u></b></p> <p><b><u>17. CD01060 Aircraft and Parts Manufacturing</u></b></p> <p><b><u>18. F114070 Wholesale of Aircraft and Component Parts Thereof</u></b></p> <p><b><u>19. F214070 Retail Sale of Aircraft and Component Parts Thereof</u></b></p> <p><b><u>20. F113030 Wholesale of Precision Instruments</u></b></p> <p><b><u>21. IG02010 Research and Development Service</u></b></p> <p>ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>The business of the company is as follows:</p> <p>(Following omitted)</p> <p>ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>Addition to align with the establishment of the aerospace products division</p>
Article 20-2	<p>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:</p> <p>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. The distribution of earnings may be made in the form of stock dividends or cash dividends. In determining the distribution</p>	<p>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:</p> <p>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. The distribution of earnings may be made in the form of stock dividends or cash dividends. In determining the</p>	<p>Made in accordance with the law</p>

	<p>ratio, the following factors shall be taken into consideration:</p> <ol style="list-style-type: none"> <li>1. To meet the needs of the Company to expand its operation scale in the future</li> <li>2. Maintain the balance of earnings per share and profit level of the Company</li> <li>3. To consider the Company's cash flow and operating earnings situation</li> </ol> <p>Cash dividends account for 20%~100% of the total dividends, and stock dividends account for 0%~80% of the total dividends.</p> <p>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.</p> <p><b><u>Where new shares or cash are issued from the legal reserve, such distribution shall be limited to the portion of the reserve that exceeds 25% of the paid-in capital.</u></b></p> <p>(Following omitted)</p>	<p>distribution ratio, the following factors shall be taken into consideration:</p> <ol style="list-style-type: none"> <li>1. To meet the needs of the Company to expand its operation scale in the future</li> <li>2. Maintain the balance of earnings per share and profit level of the Company</li> <li>3. To consider the Company's cash flow and operating earnings situation</li> </ol> <p>Cash dividends account for 20%~100% of the total dividends, and stock dividends account for 0%~80% of the total dividends.</p> <p>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.</p> <p>(Following omitted)</p>	
<p>Article 19</p>	<p>These Articles of Association were established on March 8, 1990.</p> <p>(Following omitted)</p> <p>Revision XXVI was made on June 11, 2025.</p> <p><b><u>Revision XXVII was made on June 10, 2026.</u></b></p>	<p>These Articles of Association were established on March 8, 1990.</p> <p>(Following omitted)</p> <p>Revision XXVI was made on June 11, 2025.</p>	<p>Added date of revision</p>

Annex VI.

**Mildef Crete Inc.**  
**List of candidates for directors (including independent directors)**  
**nominated by the Board of Directors**

Title category	Name (Chinese/English)	Education background	Experience	Present post	Name of government or juridical person represented	Number of shares held	Reasons for nomination (for independent directors serving three terms or more)
Director	Shen Yi-Tong Shen,I-Tung	Graduated from the Department of Electronic Engineering, National Taipei University of Technology	Chairman and President of Mildef Crete Inc.	Chairman and President of Mildef Crete Inc.		3,126,244	
Director	Lu Ming-Xiao Lu,Ming-Shiaw	Graduated from the Department of Mechanical Science, National Taipei University of Technology	<ul style="list-style-type: none"> <li>• Vice President of Yung Long Engineering Corp.</li> <li>• Director of Mildef Crete Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• Director of Motech Industries Inc.</li> <li>• Director of Mildef Crete Inc</li> </ul>		945,563	
Director	Cai Wen-Chun Tsai,Wen-Chun	Graduated from Department of Accounting of Hsing Wu University	<ul style="list-style-type: none"> <li>• Auditor of Motech Industries Inc.</li> <li>• Director of Mildef Crete Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• Auditor of Motech Industries Inc.</li> <li>• Director of Mildef Crete Inc.</li> </ul>		15,139	
Director	Lin Jun-Ying Lin,Chin-Ying	<ul style="list-style-type: none"> <li>• Graduated from the Department of Mass Communication, China Institute of Technology</li> <li>• Master's Degree, Johnson &amp; Wales University</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing Manager of NANKANG RUBBER TIRE CORP., LTD.</li> <li>• Director of Mildef Crete Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• General Manager of NANKANG RUBBER TIRE CORP., LTD.</li> <li>• Director of Mildef Crete Inc.</li> </ul>	NANKANG RUBBER TIRE CORP., LTD.	2,150,829	

Title category	Name (Chinese/English)	Education background	Experience	Present post	Name of government or juridical person represented	Number of shares held	Reasons for nomination (for independent directors serving three terms or more)
Independent director	Wang Jun-Ming Wang, Chun-Ming	Graduated from the Department of Management Sciences, Tamkang University	<ul style="list-style-type: none"> <li>• Customs Officer, Taipei Customs, Customs Administration, Ministry of Finance</li> <li>• Financial Manager of Dayou Enterprises Ltd.</li> <li>• Chairman of Precision Manufacturing Inc.</li> </ul>	Independent Director of Mildef Crete Inc.		-	He has professional experience in accounting, auditing and taxation, and can provide important advice for the operation and management of the Company. Although he has been re-elected as an independent director of the Company for three consecutive terms, the Company still needs his professional expertise. Hence, he can still give full play to his expertise and provide supervision and professional advice to the Board of Directors in addition to exercising his duties as an independent director. Therefore, it is proposed to nominate him as an independent director of the Company in this election.
Independent director	Yang Mei-Hsueh Yang, Mei-Hsueh	EMBA Master's Degree, National Chengchi University	<ul style="list-style-type: none"> <li>• Partner, KPMG Taiwan</li> <li>• Senior Manager, KPMG Taiwan</li> <li>• Consultant, KPMG Taiwan</li> <li>• Aragon Trust Company, Managing Director</li> </ul>	Independent Director of Mildef Crete Inc.		-	
Independent director	Huang Wei-Nan HUANG, Wei-Nan	EMBA Master's Degree, National Taiwan Normal University	<ul style="list-style-type: none"> <li>• Director of Aojian Foundation (Cayman Islands)</li> <li>• Chief Financial Officer of King Rex Hi Media Co., Ltd.</li> <li>• Director of Finance and Accounting Department (Spokesperson), Macnica Galaxy Inc.</li> <li>• Manager, Finance and Accounting Department, Wang Film Productions Co. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>		773	

Independent director	Liao Tsung-Hsien Liaw, Tsung-Hsien	EMBA Master's Degree, National Taiwan University of Science and Technology	<ul style="list-style-type: none"> <li>• Sales Director, Electronics Components Business Department, Aurora Corporation</li> <li>• Chairman and President, Sharp Electronics Corporation</li> <li>• Independent Director, SolidWizard Technology Co., Ltd.</li> <li>• General Manager of Mitsutech International Corporation</li> </ul>	<ul style="list-style-type: none"> <li>• General Manager of Mitsutech International Corporation</li> </ul>		-	
----------------------	---------------------------------------	--	---	--	--	---	--

The qualifications of the nominees of the above directors (including independent directors) were adopted by the resolution of the 19th meeting of the 14th term of the Board of Directors made on March 11, 2026.

## Chapter 10. 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 refers 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-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.

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 204 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. 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 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. The distribution of earnings may be made in the form of stock dividends or cash dividends. In determining the distribution ratio, the following factors shall be taken into consideration:

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 Act. 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.  
Revision XXVI was made on June 11, 2025.

Mildef Crete Inc.  
Chairman: Shen Yi-Tong

## **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.

The company shall, thirty days before the meeting of the ordinary shareholders' meeting or fifteen days before the meeting of the extraordinary shareholders' meeting, prepare an electronic file of the meeting notice of the shareholders' meeting, the paper of the power of attorney, the causes and explanatory materials of various proposals such as recognition, discussion, election or removal of directors, etc., and transmit it 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 of 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.

The first one shall prevail for a shareholder who issues a power of attorney and is limited to one person shall deliver it to the company five days before the shareholders' meeting in case of repetition of the power of attorney. However, this restriction shall not apply if the entrustment revokes.

After the power of attorney is delivered to the company, it shall give written notice to the company of revocation of the proxy two days before the shareholders' meeting if a shareholder wishes to attend the shareholders' meeting in person; The voting rights of the proxy present shall prevail In case of cancellation within the time limit.

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 set up a signature book for the shareholders attending to sign in, or the shareholders attending shall hand in a signature card to sign in on behalf of them.

The company shall deliver the meeting handbook, annual report, attendance card, statement slip, voting votes, and other meeting materials to the shareholders attending the shareholders' meeting; It shall attach an election ticket if there is an election of directors.

When the government or legal person is a shareholder, it shall not limit to one the number of representatives attending the shareholders' meeting. When a legal person is entrusted to attend the shareholders' meeting, it may only appoint one representative to attend.

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.
  - (V) 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-visual materials referred to in the preceding paragraph shall keep for at least one year. However, if a shareholder brings an action under Article 189 of the Company Act, it shall keep until the end 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.

Before the end of the current meeting, the chairman may resubmit the false resolution to the shareholders' meeting for voting under Article 174 of the Company Act if the number of shares represented by the shareholders present reaches more than half of the total issued shares.

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.

They shall deem not to speak if the shareholders present only put forward a statement but did not speak. The content of the speech shall prevail if the content of the speech is inconsistent with the record of the speech note.

Without the consent of the chairman, each shareholder of the same proposal shall not speak more than twice, each time not more than five minutes. However, the chairman may stop him from speaking if a shareholder's speech violates the provisions or exceeds the scope of the topic.

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

The chairman may reply in person or designate relevant personnel after the shareholders' present speak.

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. However, this restriction shall not apply to the expression of intention before the declaration is revoked.

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.

The voting of a proposal shall approve by a majority of the voting rights of the shareholders present unless otherwise provided in the Company Act and the articles of association. 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. When there is a revision or replacement to the same motion, the chairman shall determine the order of voting with the original motion. If any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

The supervisors and vote counters for the voting of proposals shall designate by the chairman, but the supervisors shall be shareholders.

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 electoral votes for the election matters referred to in the preceding paragraph shall seal and sign by the scrutineer and kept properly for at least one year. However, if a

shareholder brings an action under Article 189 of the Company Act, it shall keep until the end 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. It shall keep permanently during the existence 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 electoral votes for the election matters referred to in the preceding paragraph shall seal and sign by the scrutineer and kept properly for at least one year.

However, if a shareholder brings an action under Article 189 of the Company Act, it shall keep until the end 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.

Appendix IV.

**Mildef Crete Inc.**  
**Shareholding of directors**

- I. As of April 12, 2026, 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	Representative of Nankang Rubber Tire: 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	Xiao-Long Feng	65,132 shares
Independent director	Yong-Cheng Chun	
Independent director	Yang Mei-Hsueh	

Note 1: Date of suspension of transfer: April 12 to June 10, 2026.

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