

Mildef Crete Inc. 2025 General Shareholders' Meeting Minute

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

Location: 7F, No. 250, Sec. 3, Beishen Rd., Shenkeng District, New Taipei City (Education and Training Center of the Company)

Number of shares present: The total number of shares held by shareholders and proxies is 36,682,938 shares, representing 62.50% of the total 58,685,547 shares of the Company issued.

Attending directors: Chairman SHEN, I-TUNG, Director TSAI, WEN-CHUN, Independent Director WANG, CHUN-MING (Convenor of Audit Committee), and Independent Director FENG, HSIAO-LUNG. The attendance of 4 directors has exceeded half of the 7 Directors.

Non-voting participants: Accountant KAO, CHING-WEN, KPMG Taiwan

Chairperson: Chairman Mr. SHEN, I-TUNG

Recorded by: CHEN, YI-LING

Declaration of meeting: (The total number of attending shares has reached a quorum, and the chairman declared the meeting call to order in accordance with the law)

Chairperson's Remarks: Omitted

I. Reporting matters:

Proposal I 2024 Business Report (Please refer to the Attachments)

Proposal II The Audit Committee's Review Report on the 2024 Financial Statements (Please refer to the Attachments)

Proposal III 2024 Employees' and Directors' Remuneration Proposal

Proposal IV Report on Amendments to the Operating Procedures and Code of Conduct for Integrity Management. (Please refer to the Attachments)

II. Recognition matters

Proposal I (proposed by the Board of Directors)

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

Description:

I. The balance sheet, comprehensive income statement, statement of changes in equity, and cash flow statement of 2024 have been audited by Kao Ching-Wen and Tang Ci-Jie of KPMG.

II. 2024 Business Report. (Please refer to the Attachments)

III. 2024 Business Report and Financial Statements. (Please refer to the Attachments)

Resolution: The voting results of this motion is as follows

Number of voting rights of shareholders present during voting: 36,682,938

Voting results		Percentage of voting rights
Approved votes	33,984,188 (including 1,638,597 e-votes)	92.64%
Number of votes against	4,659 (including 4,659 e-votes)	0.01%
Invalid votes	0	0.00%
Number of abstentions and non-voting	2,694,091 (including 2,638,091 e-votes)	7.34%

Reached the number of approval votes stated in the laws and regulations; hence, the case is approved as written.

Proposal II (proposed by the Board of Directors)

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

Description:

- I. 2024 Distribution of Earnings. (Please refer to the Attachments)
- II. Proposed cash dividends to shareholders of NT\$6 per share, totaling NT\$352,113,282, shall be rounded off to the nearest New Taiwan Dollar according to the stock amount, with the decimal places removed; and the total rounded off are accounted as other income in the Company's financial statements. Upon the resolution of the Shareholders' Meeting, the Chairman is authorized to set the record date, the 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: The voting results of this motion is as follows

Number of voting rights of shareholders present during voting: 36,682,938

Voting results		Percentage of voting rights
Approved votes	33,997,946 (including 1,652,455 e-votes)	92.68%
Number of votes against	7,811 (including 7,811 e-votes)	0.02%
Invalid votes	0	0.00%
Number of abstentions and non-voting	2,677,181 (including 2,621,081 e-votes)	7.29%

Reached the number of approval votes stated in the laws and regulations; hence, the case is approved as written.

III. Discussion items

Proposal I (proposed by the Board of Directors)

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

Description: Proposed to amend some provisions of the Articles of Association in accordance with relevant laws and regulations.

(Please refer to the Attachments)

Resolution: The voting results of this motion is as follows

Number of voting rights of shareholders present during voting: 36,682,938

Voting results		Percentage of voting rights
Approved votes	34,003,220 (including 1,657,729 e-votes)	92.69%
Number of votes against	4,909 (including 4,909 e-votes)	0.01%

Invalid votes	0	0.00%
Number of abstentions and non-voting	2,674,809 (including 2,618,709 e-votes)	7.29%

Reached the number of approval votes stated in the laws and regulations; hence, the case is approved as written.

IV. Election items

Proposal I (proposed by the Board of Directors)

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

Description:

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

Election Results: List of Elected Directors are as follows

Title	Name	Number of Votes
Independent director	Yang Mei-Hsueh	33,881,112 votes

V. Extempore Motions:

Summary of Shareholders Statements (Meeting Proceedings)

Shareholder Account Number 84305:

1. Recently, there have been two transactions involving the equity of MilDef Group AB. We would like to understand the background of this investment and the plans for its future.

Chairman's Explanation and Response:

MilDef Group AB has been a long-term business partner for over 30 years. It was listed on the Nasdaq Stockholm in June 2021, following the release of shares sold to company executives and external underwriters prior to the listing. Due to its favorable price-to-earnings ratio in the market, the company has gradually disposed of a portion of its shares to realize profits, with all details disclosed in accordance with legal regulations. MilDef Group AB will remain a business partner, and while its shares will not be fully divested, the shareholding proportion will be adjusted.

The Company's status regarding talent cultivation, retention, and recruitment.

2. Chairman's Explanation and Response:

Talent development - The Company has established and strengthened its educational training programs. All department heads and employees are required to complete a designated number of training hours annually. In addition, senior executives are encouraged to pursue EMBA courses to deepen their understanding not only of their specific areas of responsibility but also of finance and marketing.

Talent retention – The Company's bylaws explicitly specify the allocation ratio for employee compensation, which includes a fixed year-end bonus based on salary and annual salary adjustments.

Recruitment – The Company has continuously invested in new products and projects and has steadily expanded by adding new departments and employees. Our Company, in these three aspects, can be said to meet the industry standards.

Shareholder Account Number 79934:

1. We would like to understand the current development, business status, and order situation of military-grade drone computer products.

Chairman's Explanation and Response:

The Company designs controllers for unmanned aerial vehicles, not the computers. The product is currently still under development, with no orders at this time. Sales are expected to begin next year.

2. What is the revenue share of the Systems and Channels Business Department for this year?

Chairman's Explanation and Response:

As of May 2025, the ratio is approximately 50:50. The Company publishes its monthly revenue reports, detailing the individual revenues of the two business units. Future related information can be found in the monthly revenue announcements on MOPS.

3. European countries are significantly increasing their defense budgets. RODA, a company with a long history of collaboration, has been acquired by MilDef Group AB. We would like to understand the benefits and impacts of this acquisition on MilDef Crete.

Chairman's Explanation and Response:

The two companies have recently merged. Whether the combined value of 1 + 1 exceeds 2 remains to be seen; however, it will certainly be no less than 2.

The Company sells rugged computers not only to government and defense units but also to industries such as mining that require durable computing solutions. Therefore, viewing revenue solely from a military perspective is not entirely accurate.

4. Mildef Crete has established an office in Australia. Could you provide an update on the current business progress?

Chairman's Explanation and Response:

The Company's wholly-owned Australian subsidiary began generating profits in 2024. Based on the company's historical experience, especially within the Systems Department, long-term cultivation is essential. Once net profits begin, future growth is expected to follow shortly.

5. What are the differences between the products of MilDef Group AB and those of Mildef Crete?

Chairman's Explanation and Response:

MilDef Group AB has operated a production line for over a decade, primarily manufacturing fixed cabinets. Although the Company's products are of a completely different type, they are complementary and can work well together.

VI. Meeting Adjourned: 09:50 a.m.

(Note: The minutes of this shareholders' meeting provide only a summary of the spoken content; the actual statements are based on the official on-site audio and video recordings.)

Chairperson: SHEN, I-TUNG

Recorded by: CHEN, YI-LING