

Stock Code: 4402



FUTA
Material
Technology

福大材料科技股份有限公司

FU TA MATERIAL TECHNOLOGY CO., LTD.

**2024 First Extraordinary
Shareholders' Meeting
Meeting Handbook**

February 29, 2024

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Meeting Procedures

- I. Meeting Called to Order
- II. Chairman's Remarks
- III. Reports on Company Affairs
- IV. Matters for Discussion and
Election
- V. Extraordinary Motions
- VI. Adjournment

Fu Ta Material Technology Co., Ltd.

Agenda for the 2024 First Extraordinary Shareholders' Meeting

Convening method: Physical Shareholders' Meeting

Meeting time: 9:30 am on Thursday, February 29, 2024

Meeting venue: No. 280, Ziqiang Rd., Wuqi Dist., Taichung City (Conference Room of Taichung Harbor Related Industrial Park Service Center)

A. Reports on Company Affairs

(I) Report on the status of private placement.

B. Matters for Discussion and Election

(I) Ratification of the evaluation opinions on the necessity and rationality of the private placement issued by the securities underwriter in regards to the Company's private placement of securities in 2023.

(II) General re-elections of the Company's directors (including independent directors).

(III) Release the prohibition on directors from participation in competitive business.

C. Extraordinary Motions

D. Adjournment

A. Reports on Company Affairs

Proposal 1

Proposal: Report on the status of private placement.

Explanation:

- I. The Company has passed the resolution to conduct a private placement of ordinary shares, with a limit of no more than 45,000 thousand shares, in the 2023 General Shareholders' Meeting. The Company has privately issued 22,000 thousand ordinary shares on February 2, 2024.
- II. Please refer to Attachment 1 for the handling of private placement of securities.

B. Matters for Discussion and Election

Proposal 1

Proposed by the Board

Proposal: Please discuss the ratification of the evaluation opinions on the necessity and rationality of the private placement issued by the securities underwriter in regards to the Company's private placement of securities in 2023.

Explanation: In order to comply with relevant laws and regulations, the Extraordinary Shareholders' Meeting is proposed to ratify the evaluation opinions on the necessity and rationality of the private placement issued by the securities underwriter in regards to the Company's private placement of securities in 2023, a resolution that was passed by the Company's 2023 General Shareholders' Meeting. Please refer to Attachment 2.

Resolution:

Proposal 2

Proposed by the Board

Proposal: General re-election of the Company's directors (including independent directors).

Explanation:

1. The current term of directors (including independent directors) will end on August 22, 2024. However, in accordance with the Company's actual needs and operational planning, a full general re-election is planned in advance at this Extraordinary Shareholders' Meeting.
2. According to the Company's Articles of Incorporation, nine directors (including three independent directors) will be elected for a three-year term, starting from February 29, 2024 to February 28, 2027.
3. The list of candidates for directors (including independent directors) has been approved by the Board of Directors through a resolution made in a Board meeting on February 2, 2024. Refer to the table below for details.

Director candidates:		
Name	Education/experience	No. of shares held
Zhao Tian International Investment Co., Ltd. Institutional shareholder representative: Cheng Tang	Department of Business Administration, Cheng Shiu University President, Judo Group	
Zhao Tian International Investment Co., Ltd. Institutional shareholder representative: Su-Hsing Lin	Department of Public Finance, Feng Chia University Senior Finance VP, Judo Group	
Hsuan Feng International Investment Co. Ltd. Institutional shareholder representative: Yusheng Han	MFA, Graduate Institute of Cultural & Creative Design, Tungfang Design University Director, Oriental Culture and Creative Co., Ltd.	
Hsuan Feng International Investment Co. Ltd. Institutional shareholder representative: You-Lun Shih	Bachelor in Business Administration, National Central University Vice President, Yongshunxing Construction Materials Co., Ltd.	
Hui Tian Xia Investment Corp. Institutional shareholder representative: Rong-Hua Tang	Lide Senior Commercial and Industrial Vocational High School Chairman, Xiangtian Construction Co., Ltd.	
Hui Tian Xia Investment Corp. Institutional shareholder representative: Chi-feng Tseng	PhD from Department of Finance, National Sun Yat-sen University Adjunct Lecturer, National Sun Yat-sen University	

Candidates for Independent Director:		
Name	Education/experience	No. of shares held
Yaowen Lin	Executive Master of Public Policy Program, College of Social Science, Sun Yat-sen University; Researcher in Public Policy Management, Harvard Kennedy School, Harvard University Chairman, New Culture Foundation	
Meng-Shiou Lee	MA. in Accounting, National Chengchi University Director, First Elite CPAs & Co.	
Jia-Wei Chen	Department of Law, National Cheng Kung University Attorney-at-Law, Chi Sheng Law Firm	

Election results:

Proposal: Discussion of the proposal to release the prohibition on directors from participation in competitive business.

Explanation:

1. Paragraph 1 of Article 209 of the Company Act stipulates that "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
2. It is proposed for the Shareholders' Meeting to approve the lifting of the non-competition restrictions on newly elected directors and their representatives to concurrently hold positions in other companies in the same industry.
3. The director candidates' concurrent roles in other entities are as follows:

Title	Name	Concurrent roles
Director	Zhao Tian International Investment Co., Ltd. Institutional shareholder representative: Cheng Tang	President, Judo Group
Director	Zhao Tian International Investment Co., Ltd. Institutional shareholder representative: Su-Hsing Lin	Senior Finance VP, Judo Group
Director	Hsuan Feng International Investment Co. Ltd. Institutional shareholder representative: Yusheng Han	Director, Oriental Culture and Creative Co., Ltd.
Director	Hsuan Feng International Investment Co. Ltd. Institutional shareholder representative: You-Lun Shih	Vice President, Yongshunxing Construction Materials Co., Ltd.
Director	Hui Tian Xia Investment Corp. Institutional shareholder representative: Rong-Hua Tang	Chairman, Xiangtian Construction Co., Ltd.
Director	Hui Tian Xia Investment Corp. Institutional shareholder representative: Chi-feng Tseng	Adjunct Lecturer, National Sun Yat-sen University
Independent Director	Yaowen Lin	Chairman, New Culture Foundation Independent Director of Taiwan Automotive and Electrical Symbiosis Co., Ltd.
Independent Director	Meng-Shiou Lee	Director, First Elite CPAs & Co. Chongyue Dentsu Co., Ltd. Independent Director Meqima International Co., Ltd. Independent Director
Independent Director	Jia-Wei Chen	Attorney-at-Law, Chi Sheng Law Firm

Resolution:

- C. Extraordinary Motions
- D. Adjournment

Attachment 1

Report on the Private Placement of Securities

Item	First meeting in 2023 Date of issuance: February 2, 2024				
Type of private placement	Ordinary shares				
Date of resolution from Shareholders' Meeting and Number of Shares	Date of resolution from Shareholders' Meeting: June 21, 2023 Authorized number of shares: Private issuance of ordinary shares is limited to no more than 45,000 thousand shares, and 22,000 thousand shares were issued this time.				
Basis and rationality of price setting	<p>(1) Taking December 26, 2023 as the pricing baseline date, the simple arithmetic average of the closing prices of ordinary shares on the previous business day, the previous three business days and the previous five business days, deducting the free allotment, ex-rights and dividends, and adding back one of ex-right share prices after the capital reduction, which were NT\$10.65, NT\$11.53 and NT\$11.83, respectively, NT\$11.83 was chosen as the baseline price.</p> <p>(2) In addition, after taking the simple arithmetic average of the closing prices of ordinary shares in the thirty business days before the pricing baseline date (i.e., November 14 to December 25, 2023) and deducting ex-rights from stock grants and dividends and adding back the ex-rights after capital reduction, the share price achieved was NT\$11.16.</p> <p>(3) The share price based on the higher of the two aforementioned benchmark prices is used as the reference price. Therefore, the closing price of ordinary shares of NT\$11.83 on the five business days before the pricing baseline date, was chosen as the reference price for this private placement.</p>				
Method for choosing the specific persons:	The transaction targets of private placement of securities are limited to the specific persons as specified by Article 43-6 of the Securities and Exchange Act and relevant directive letters including Letter No. 1120383220 issued by the Securities and Futures Bureau, FSC dated September 12, 2023 and Letter No. 1010055995 dated January 8, 2013 which concerns the amendment for the "Directions for Public Companies Conducting Private Placements of Securities".				
Reasons for the necessity for conducting the private placement	To replenish working capital and improve the Company's financial structure.				
Date in which the price of the shares or subscription has been paid up in full	December 27, 2023.				
Placee information	Private placement targets	Qualifications and criteria	Number of shares subscribed	Relationship with the Company	Participation in the Company's operations
	Zhao Tian International Investment Co., Ltd.	Complies with the matters listed in Clause 2, Paragraph 1 of Article 43-6 of the Securities and Exchange Act	16,900,000 shares	N/A	A candidate for directorship in the name of legal representative at the 2024 First Extraordinary Shareholders' Meeting
	Hsuan Feng International Investment Co. Ltd.	Complies with the matters listed in Clause 2, Paragraph 1 of Article 43-6 of the Securities and Exchange Act	5,100,000 shares	N/A	A candidate for directorship in the name of legal representative at the 2024 First Extraordinary Shareholders' Meeting
Actual subscription (or conversion) price	NT\$10 per share				

Item	First meeting in 2023 Date of issuance: February 2, 2024
Difference between actual subscription (or conversion) price and reference price	The actual private placement price is 84.5% of the reference price of NT\$11.83. (Not less than 80% of the reference price)
Effect of private placement on shareholders' equity	Improving market competitiveness and strengthening the overall financial structure, thereby having positive and substantial benefits to the shareholders' equity.
Allocations of private equity funds and progress in plan executions	The total amount of this private placement is NT\$220,000 thousand, which will be used to replenish working capital and improve the Company's financial structure. As of Q4 2023: Not yet spent.
The manifestation of benefits from private placement	Replenish working capital and improve the Company's financial structure.

Attachment 2

Fu Ta Material Technology Co., Ltd. Issuance of ordinary shares for cash capital increase in 2023 Evaluation opinions on necessity and reasonableness

I. Foreword

Fu Ta Material Technology Co., Ltd. (hereinafter referred to as "the Company" or "Fu Ta Material Technology") aims to replenish working capital and improve the Company's financial structure to meet the capital needs of long-term development. In addition, by taking the timeliness and convenience of fundraising as well as the regulations on restricted share transfers into consideration, it planned to execute private placement of cash capital increase and issuance of ordinary shares in 2023 (hereinafter referred to as the "this private placement") in accordance with the provisions of Article 43-6 of the Securities and Exchange Act. This private placement has been separately approved by the resolutions of the Board meeting on May 11, 2023 and the Annual Shareholders' Meeting on June 21, 2023. The amount of this private placement is capped at no more than 45,000 thousand shares and will be processed within one year from the date of the resolution of the Annual Shareholders' Meeting. The selection method of the places to be approached is to be the specific persons in compliance with Article 43-6 of the Securities and Exchange Act and the Financial Supervisory Commission (hereinafter referred to as the "FSC") Directive Letter No. 1120383220 on September 12, 2023. In addition, the issuance price, actual issuance quantity, issuance conditions, planned projects, amount of fund to be raised, scheduled progress, expected benefits, expected number of private placements and other matters not specified in regards to this private placement are proposed to the Shareholders' Meeting to authorize the Board of Directors to make necessary adjustments, to formulate, and to execute in line with market conditions.

Considering that the upper limit of shares obtained by the places participating in this private placement will reach 49.45% of the Company's paid-in share capital after the private placement capital increase, it is not ruled out that they will obtain director seats of the Company in the future. Thus, there may be a risk of major changes in management rights. Therefore, in accordance with the relevant regulations of "Directions for Public Companies Conducting Private Placements of Securities", the Company has appointed this underwriter to issue an evaluation opinion on the necessity and reasonableness of the Company's handling of this private placement. The underwriter's evaluation opinion is hereby summarized as follows:

II. Underwriters' evaluation opinions

(I) Compliance assessment

After reviewing the Company's 2022 consolidated financial report that has been verified and approved by CPAs, the Company's after-tax net loss amounts to NT\$7,968 thousand, and the amount of losses to be made up in the ending balance is NT\$228,533 thousand. Therefore, the Company's handling of this private equity is not subject to restrictions stipulated in Article 3 of "Directions for Public Companies Conducting Private Placements of Securities". In addition, after reviewing the resolutions passed by the Company's Board of Directors meeting on May 11, 2023, and the Annual Shareholders' Meeting on June 21, 2023, and the proposed Board of Directors meeting to be held on December 26, 2023 to discuss the contents of the private placement,

the places for this private placement is limited to specific persons who comply with Article 43-6 of the "Securities and Exchange Act" and the FSC Directive Letter No. 1120383220 dated September 12, 2023. This is in compliance with the regulation from the "Directions for Public Companies Conducting Private Placements of Securities".

(II) Current status of Fu Ta Material Technology

The Company was established on April 3, 1970, and its stock was listed on the TPEx on July 23, 1997. It mainly supplies and produces fabrics of various materials. Its product lines cover a wide range of nylon fabrics, polyester fabrics, and home furnishing fabrics. The Solar Energy BU was established in 2017, which is mainly engaged in the construction, development and trading of solar power stations. The Company's product revenue ratio in 2022 included: grey fabric 86.40%, electricity sales 4.82%, and others 8.78%.

Since 2013 (financial statements prepared using IFRS), the Company's business scale has not reached economies of scale and has continued to decline, resulting in negative gross profits. Except for 2016 and 2019, which showed after-tax net profits due to the disposal of non-operating revenue from real estate, the remaining years all showed net loss after tax. Although the Company fully re-elected directors at the Annual Shareholders' Meeting in August 2021, due to the impact of the COVID-19, its operating conditions have not improved and continued to show losses. In addition, in response to the rapid shrinkage of business and the huge gap between order volume and equipment availability, the Company announced on May 11, 2023 that its major subsidiary Fu Tai Textile Co., Ltd. planned to suspend production operations.

Going forward, the Company will look for OEMs and trading companies to collaborate in expanding the export market. It will also seek for strategic partners that can help the Company to strengthen and expand other product lines. It will continue to transform and seek new developments to increase product diversity and customer structure in order to enhance its competitiveness and profitability as well as enhance the interests of its shareholders.

(III) Evaluation on the necessity and reasonableness of this private placement

1. Evaluation of necessity and reasons for not adopting public offering

The Company mainly supplies and produces fabrics of various materials. However, its business scale has not reached economies of scale since 2013. Taking into account factors such as the slow growth of its existing product application market and instability in number of orders, risk uncertainties continue to exist in its operations; Thus, in view of the Company's ongoing operational adjustments and business expansion needs, it is important to have sufficient working capital in place. If funds cannot be obtained successfully, the relevant operating plans cannot be proficiently executed.

The Company's consolidated debt ratio as of September 30, 2023 was only 11.85% (no bank borrowings on its accounts), mainly because the Company was rated TCRI 9 by the Taiwan Economic Journal (TEJ), which is a high risk level for financial institutions, and it is difficult to obtain bank borrowings and favorable borrowing conditions. So, it is advisable for the Company to use direct financing to inject funds to increase the flexibility in its capital utilizations, which will have positive benefits for the Company's future

operations and profits.

In addition, as the future operating prospects of the Company are still unclear, if the capital increase is handled through public offering, it may not be easy to obtain favorable issuance conditions and the required amount of funds as scheduled, and there is uncertainty about the Company's ability to complete fundraising as scheduled. If the capital increase is handled through private placement, in addition to timeliness of the fundraising, investors are also restricted from free transfer within three years, which can ensure a long-term collaborative relationship between the Company and specific persons, which will contribute to the Company's future operational growth and other factors. Therefore, in order to effectively achieve the fundraising plan and successfully obtain funds, and at the same time, taking into account the capital market and the timeliness, convenience, and issuance costs of fundraising, it is necessary for the Company to use private placement to increase cash capital.

2. Evaluation of reasonableness

The underwriter will evaluate the reasonableness of the Company's handling of this private placement in the following three aspects:

(1) The reasonableness of private placement issuance procedures

After reviewing the Company's resolutions passed by the Board of Directors meeting on May 11, 2023, and the General Shareholders' Meeting on June 21, 2023, and the proposed Board meeting to be convened on December 26, 2023 to discuss the private placement, the content of the discussion, pricing method, the selection method of the specific person for private placement, etc., are in compliance with the provisions of the Securities and Exchange Act and other relevant laws and regulations, and no major abnormalities are found.

(2) The reasonableness of handling the type of private placement

The type of securities the Company executed for this private placement involved ordinary shares, which is a type of securities commonly issued in the market and is highly accepted by investors. Therefore, the type of securities proposed for this private placement should be reasonable.

(3) Reasonableness of the expected benefits from private placement

The Company is rated TCRI 9 by the Taiwan Economic Journal (TEJ), which presents a high risk level for banks. It is difficult to obtain bank loan funds and favorable loan conditions. Therefore, the Company plans to handle this private equity to replenish working capital and improve its financial structure in order to support the Company's long-term development capital needs. The funds raised are expected to meet the needs of the Company's future business growth, strengthen its financial structure and expand its market share. This will promote the stable growth of the Company's operations and present positive benefits for its shareholders' equity. Its expected benefits are reasonable.

3. Evaluation of the selection and purpose of places, necessity, and expected benefit:

(1) Method and purpose of selecting places

After reviewing the Company's information for its proposed Board of Directors meeting to be convened on December 26, 2023, the Company's placees for this private placement will comply with Article 43-6 of the "Securities and Exchange Act" and regulations for selecting specific persons stipulated by Directive Letter No. 1120383220 dated September 12, 2023 from the Financial Supervisory Commission. The purpose of selection is to select a specific person who has considerable knowledge of the Company's operations and can directly or indirectly benefit the Company's future operations. Therefore, the method and purpose of selecting placees are appropriate.

(2) Necessity and expected benefits

The Company's placees for this private equity are specific persons who have considerable knowledge of the Company's operations and can directly or indirectly benefit the Company's future operations. This is mainly due to the fact that the risk of uncertainties continue to exist in the Company's current operations, and in consideration of sustainable business operation and development, the above-mentioned specific persons will be introduced to help the Company improve its operating performance and shareholders' equity. Therefore, the selection of placees is necessary and the benefits are reasonable.

4. The impact on the Company's business, finance and shareholders' equity after sustaining major changes in management rights

After reviewing the Company's Annual Report and the information disclosed by the Market Observation Post System (MOPS), the changes in Company's Board of Directors did not reach more than one-third in the year before the Company's Board meeting resolved to handle this private placement on May 11, 2023. However, considering that upper cap of shares obtained by the placees in this private placement will reach 49.45% of the Company's paid-in capital after the private placement capital increase, there may be a risk of major changes in management rights if the placees do not rule out the possibility of obtaining directorship in the Company in the future. Therefore, the impact on the Company's business, financing, and shareholders' equity after experiencing a major change in the Company's operating rights is explained as follows:

(1) Impact on the Company's business

The Company's plan for placees in handling this private equity is to select specific persons who have considerable knowledge of the Company's operations and who can directly or indirectly benefit the Company's future operations. Therefore, after the introduction of the above-mentioned specific persons in this private placement; although there is a risk of major changes in the management rights, the placees will be able to enhance the Company's operating performance and the interests of the Company's shareholders. Thus, the handling of this private placement should have a positive impact on the Company's business.

(2) Impact on the Company's financing and shareholders' equity

The total number of shares the Company intends to issue in this private placement is capped at no

more than 45,000 thousand shares, and the private placement price is no less than 80% of the reference price. The private placement price is reasonable and has limited impact on shareholders' equity. However, with the injection of private equity funds, the Company can actively improve its overall operating performance and enhance its competitiveness and profitability through achieving a stable financial structure. This is beneficial to the Company's sustainable operations. Therefore, handling this private equity should positively contribute to the Company's financing and shareholders' equity.

To sum up, the Company intends to raise funds through this private placement to replenish working capital and improve the Company's financial structure. This is mainly because the funds are needed for strengthening the financial structure and expanding its market share, which are aligned with the Company's long-term development. After considering the Company's current operating conditions and the feasibility of raising funds as scheduled, as well as the fact that private equity investors are prohibited from share transfers at will within three years, which will ensure a long-term cooperative relationship between the Company and specific persons, as well as factors including that the private placement will contribute to the Company's future operational growth, it has been determined that the Company's plan to handle this cash capital increase and issue ordinary shares through private equity is indeed necessary and reasonable. In addition, the underwriter has reviewed the Company's resolutions passed by the Board of Directors in a meeting convened on May 11, 2023, and the General Shareholders' Meeting on June 21, 2023, and the proposed Board of Directors meeting to be convened on December 26, 2023 to discuss the private placement. The issuance of this private placement and procedures do not contain violations of regulations or unreasonable matters. And after comprehensive consideration of various factors including any major changes in the expected benefits of this private placement, the selection and management rights of the placees, and the impact on the Company's business, financing, and shareholders' equity, etc., it has been determined that is necessary and reasonable for the Company to handle this private placement.

III. Other Statement

- (I) The content of this opinion letter is only used as a reference basis for Fu Ta Material Technology for convening a Board meeting on December 26, 2023 to discuss the handling of this private equity, and should not be used for other purposes.
- (II) The content of this opinion letter is an evaluation based on the resolutions passed by the Board meeting convened on May 11, 2023, the General Shareholders' Meeting on June 21, 2023, and the proposed Board of Directors meeting on December 26, 2023 to discuss the private placement, as well as CPA audited or reviewed financial statements and the public information of the Company on the MOPS as well as other relevant data. This opinion letter hereby declares that it does not bear any legal responsibility for any impact from changes in the content of this opinion letter due to changes in the Company's private placement plan or other circumstances in the future.
- (III) This underwriter hereby declares that it is not a related party of Fu Ta Material Technology Co., Ltd. or its placees.

評估人：富邦綜合證券股份有限公司



代表人：董事長 程明乾



中華民國一十二年十二月十八日

Appendix 1

Fu Ta Material Technology Co., Ltd. Articles of Incorporation

Chapter I. General Provisions

Article 1: The Company is organized and named Fu Ta Material Technology Co., Ltd. in accordance with the provisions of the Company Act.

Article 2: The Company engages in the following businesses:

- I. C301010 Spinning of Yarn.
- II. C302010 Weaving of Textiles.
- III. C305010 Printing, Dyeing, and Finishing.
- IV. C801990 Other Chemical Materials Manufacturing.
- V. C801120 Manufacture of Man-made Fibers.
- VI. C802990 Other Chemical Products Manufacturing.
- VII. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories.
- VIII. H701010 Housing and Building Development and Rental.
- IX. H703100 Real Estate Leasing.
- X. G801010 Warehousing.
- XI. CF01011 Medical Devices Manufacturing
- XII. F108301 Wholesale of Medical Devices
- XIII. F208031 Retail Sale of Medical Apparatus.
- XIV. F119010 Wholesale of Electronic Materials.
- XV. F219010 Retail Sale of Electronic Materials.
- XVI. IZ12010 Manpower Dispatched.
- XVII. F201010 Retail Sale of Agricultural Products.
- XVIII. F101100 Wholesale of Flowers.
- XIX. F201070 Retail sale of Flowers.
- XX. F106040 Wholesale of Plumbing Materials.
- XXI. F206040 Retail Sale of Plumbing Materials.
- XXII. F107050 Wholesale of Fertilizer.
- XXIII. F207050 Retail Sale of Fertilizer.
- XXIV. F112040 Wholesale of Petroleum Products.
- XXV. F114060 Wholesale of Ship and Component Parts.
- XXVI. F114070 Wholesale of Aircraft and Component Parts Thereof.
- XXVII. F212050 Retail Sale of Petroleum Products.
- XXVIII. F214070 Retail Sale of Aircraft and Component Parts Thereof.

- XXIX. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery.
- XXX. D101040 Non-Public Electric Power Generation.
- XXXI. D101060 self-usage power generation equipment utilizing renewable energy industry.
- XXXII. E601010 Electric Appliance Construction.
- XXXIII. E601020 Electric Appliance Installation.
- XXXIV. E603090 Lighting Equipments Construction.
- XXXV. EZ05010 Instrument and Meters Installation Engineering.
- XXXVI. IG03010 Energy Technical Services.
- XXXVII. CC01090 Manufacture of Batteries and Accumulators.
- XXXVIII. F213110 Retail Sale of Batteries.
- XXXIX. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

- Article 2-1: The Company's reinvestment amount may exceed 40% of the Company's paid-in capital. However, if the investment amount in a single company exceeds 50% of the paid-in capital, it must first obtain the approval of the Shareholders' Meeting.
- Article 3: The Company is headquartered in Taichung City, Taiwan, and may establish branches at home and abroad in accordance with the approval of the Board where necessary.

Chapter II. Shares

- Article 4: The Company's total capital is NT\$1,680,000,000 divided into 168,000,000 shares with a par value of NT\$10 per share. The Board of Directors is authorized to issue the unissued shares in installments.
- Article 5: The Company issues registered shares with each share certificate affixed with the signatures or seals of at least three directors subject to certification under law before offering. After the Company publicly issues shares, when issuing new shares, the total number of shares issued at the time shall be combined and printed, and the printing of shares may also be exempted.
- Article 6: The Company's share transfer affairs are handled in accordance with the Regulations Governing the Administration of Shares by Public Companies promulgated by the competent authority.

Chapter III. Shareholders' Meeting

- Article 7: There are two types of Shareholders' Meetings: annual general meetings and extraordinary meetings. General meetings are held once a year and are convened by the Board of Directors within six months of the end of the fiscal year. Extraordinary meetings are convened in accordance with the law when necessary.
- Article 8: Where a shareholder cannot attend the shareholders' meeting, the shareholder may appoint a proxy based on Article 177 of the Company Act and "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" established by the Financial Supervisory Commission.
- Article 9: The chairman of the Shareholders' Meeting shall be the Chairman of the Company. If the Chairman is

absent, the Chairman shall appoint one of the directors. When there's no appointed personnel from the Chairman, one should be appointed from among the directors.

Article 10: Each shareholder is entitled to one vote for each share of holdings except for the shares under restriction or as specified in Article 179 of the Company Act.

Article 11: Unless otherwise specified in the Company Act, for the resolution of Shareholders' Meeting, it shall be made by the attendance with shareholders who hold a majority of all issued and outstanding shares of the Company, and agreement of over a half of attending shareholders with voting rights.

Article 12: The resolutions of the Shareholders' Meeting should be recorded in minutes, which should be signed or sealed by the chairman. The minutes should be distributed to all shareholders within 20 days after the meeting. The minutes should record the summaries of the proceedings and their results. The minutes and an attendance book and the power of attorney for proxies shall be kept within the Company.

Chapter IV. Director

Article 13: The Company has seven to nine directors, all of whom shall be elected from a candidate nomination system and are elected by shareholders using a cumulative voting system from a list of candidates. The term of office is three years, and all directors are eligible for re-election. The number of independent directors among the above-mentioned number of directors shall be at least three, and shall not be less than one-third of all director seats. Matters such as the professional qualifications of independent directors, shareholding and restrictions on holding concurrent positions, determination of independence, nomination methods, and other matters to be followed shall be governed by the Securities and Exchange Act, Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and other regulations from the TWSE and TPEX. When the Company establishes an Audit Committee in accordance with the law, the Audit Committee shall be responsible for executing the supervisory powers stipulated in the Company Act, the Securities and Exchange Act, and other relevant laws. And from the date of establishment of the Audit Committee, the Company's regulations on supervisors will no longer be applicable.

Article 13-1 The majority of all directors of the Company are prohibited from having any of the following relationships:

I. Spouse.

II. Not a relative within the second degree of kinship.

Article 14: When the vacancy reaches one-third of the number of directors, or when all independent directors are dismissed, an extraordinary shareholders' meeting shall be convened within sixty days to elect a by-election, and his or her term shall be limited to the period to make up for the original term.

Article 15: When a director's term of office expires without a re-election taking place, his/her executive duties shall be extended until the re-elected director takes office.

Article 16: The Board of Directors are organized by the directors, and a Chairman should be elected among at least two thirds of all directors in attendance and gain more than half of attended directors' agreement. The Chairman executes all affairs of the Company in accordance with laws, the Articles of Incorporation,

resolutions of the Shareholders' Meeting and the Board of Directors.

- Article 16-1 The remuneration of the Chairman and directors shall be determined by the Board of Directors in accordance with the degree of participation and contribution value in the Company's operation and in line with the usual level of industry practice.
- Article 16-2 The Company may purchase liability insurance for directors or members of the Audit Committee who are legally liable for compensation within the scope of their business execution during their term of office.
- Article 17: The Company's operating policies and other important matters are decided by the Board of Directors through resolution. Except for the first meeting of the Board of Directors, which shall be convened in accordance with the provisions of Article 203 of the Company Act, the remaining Board meetings shall be convened by the Chairman, who shall preside over such meetings. When the Chairman is absent or cannot exercise authority, the Chairman should assign a director to be deputed. Directors may elect one of them in case of no designation hereof.
- Article 18: Unless otherwise stipulated by law, a Board meeting must be attended by more than half of the directors and a resolution must be passed through approval of more than half of the directors present. If a director is unable to attend for any reason, Directors may issue a power of attorney when unable attend the Board meeting to delegate other director for acting on behalf of the Director to attend the meeting. Proxies may attend the Board meeting, but only one person must be deputed as proxy by one director.
- Article 19: The proceedings of the Board of Directors meeting shall be recorded in minutes, signed or sealed by the chairman, and distributed to all directors within twenty days after the meeting. The minutes shall record the summaries of the proceedings and their results. The minutes, along with the attendance book and the power of attorney for proxy attendance, shall be kept within the Company.

Chapter V. Managers and Employees

- Article 20: The Company has one President and several Vice Presidents, associate vice presidents, and managers whose appointment, dismissal and remuneration shall be processed in accordance with Article 29 of the Company Act. It is stipulated that the appointment and dismissal of personnel above the rank of a manager shall be first nominated by the President.
- Article 21: The Company may, upon resolution by the Board of Directors in accordance with Article 20 of the Articles of Incorporation, hire consultants or key personnel.
- Article 22: Other employees of the Company are appointed and dismissed by the President.

Chapter VI. Accounting

- Article 23: At the end of the Company's fiscal year, the Board of Directors shall prepare the following statements and submit them to the Audit Committee thirty days before the General Shareholders' Meeting for review. After verification, the statements shall be submitted to the Shareholders' Meeting for approval: I. Business Reports. II. Financial statements. III. Proposals for earning distribution or loss recovery.
- Article 24: If the Company has annual profits, 5% shall be allocated as employee remuneration. However, profits must first be taken to offset cumulative losses if any.

- Article 25: The Company's net income in a year, in addition to paying income tax in accordance with the law, should first make up for the losses of previous years, and then set aside 10% of the balance as a legal reserve. After setting aside the special reserve in accordance with the law, the Board of Directors shall prepare a distribution proposal for any remaining balance based on the following circumstances and submit it to the Shareholders' Meeting for resolution on distribution:
- (I) When the amount available for distribution reaches 30% or more of the paid-in capital, a cash dividend of at least 5% should be distributed.
 - (II) However, if one of the following circumstances occurs, it will be reserved and will not be distributed or the surplus will be transferred to capital increase to issue share dividends.
 - 1. When the liabilities-to-equity ratio is higher than 100%.
 - 2. There are major investment plans for the following year or the existing investment plan is still in progress.

Chapter VII. Appendices

- Article 26: The organizational regulations and enforcement rules of the Company shall be established separately by the Board of Directors.
- Article 27: Any matters that are not addressed in the Articles of Incorporation shall be governed by the Company Act and other relevant regulations.
- Article 28: These Articles of Incorporation were established on March 25, 1970. The first amendment was on June 19, 1971. The second amendment was on August 25, 1972. The third amendment was on March 21, 1973. The fourth amendment was on September 26, 1973. The fifth amendment was on September 1, 1974. The sixth amendment was on November 28, 1975. The seventh amendment was on August 7, 1982. The eighth amendment was on October 1, 1982. The ninth amendment was on December 21, 1982. The tenth amendment was on May 22, 1987. The eleventh amendment was on September 11, 1987. The twelfth amendment was on October 20, 1989. The thirteenth amendment was on May 17, 1990. The fourteenth amendment was on June 30, 1991. The fifteenth amendment was on May 20, 1995. The sixteenth revision was on March 28, 1997. The seventeenth revision was on September 25, 1997. The eighteenth revision was on May 29, 1999. The nineteenth revision was on June 3, 2000. The twentieth revision was on June 19, 2002. The twenty-first revision was on June 9, 2006. The twenty-second revision was on June 19, 2008. The twenty-third revision was on June 26, 2009. The twenty-fourth revision was made on June 5, 2012. The twenty-fifth revision was on December 27, 2013. The twenty-sixth revision was on August 10, 2015. The twenty-seventh revision was on June 22, 2016. The twenty-eighth revision was on June 22, 2017. The twenty-ninth revision was on June 27, 2018. The thirtieth revision was on August 23, 2021.

Fu Ta Material Technology Co., Ltd.

Chairman Teng-Hsiung Yang

Appendix 2

Fu Ta Material Technology Co., Ltd.

Rules of Procedure for Shareholders' Meetings

Article 1

To establish a strong governance system and sound supervisory capabilities for the Company's Shareholders' Meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

The Rules of Procedures for this Company's Shareholders' Meetings, shall be prepared and announced as provided in these Rules.

The announcement in the preceding paragraph shall be made on the information reporting website designated by the Financial Supervisory Commission.

Article 3

Unless otherwise provided by law or regulation, the Company's Shareholders' Meetings shall be convened by the Board of Directors.

Changes to the method for convening the shareholders' meeting of the Company shall require a resolution of the Board of Directors, and the change must be implemented before the meeting notices are sent.

The Company shall prepare electronic versions of the Shareholders' Meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the information reporting website designated by the Financial Supervisory Commission 30 days before the date of a General Shareholders' Meeting or before 15 days before the date of an Extraordinary Shareholders' Meeting.

The content of the Shareholders' Meeting agenda shall contain the following information as well as a table of contents and page numbers:

- I. Company name.
- II. Year and type of the Shareholders' Meeting.
- III. Method for convening the Shareholders' Meeting.
- IV. Date of Shareholders' Meeting.
- V. Venue of the Shareholders' Meeting:
 - (I) If the Company will convene a physical shareholder's meeting, it shall specify the location of the shareholder's meeting.
 - (II) If the Company will convene a physical shareholder's meeting with the assistance of video conferencing (hereinafter, "hybrid shareholders' meeting"), in addition to specifying the location where the physical shareholder's meeting will be convened, it shall specify the video conferencing platform that will be used for the video assisted part of the meeting.
 - (III) If the Company will not convene a physical shareholder's meeting, and will convene the meeting only

by video conferencing (hereinafter, "virtual-only shareholder's meeting"), it shall specify the video conferencing platform to be used by the Company.

- VI. The shareholding status of the directors and supervisors: The minimum numbers of shares required to be held by the entire bodies of directors and supervisors in accordance with Article 26 of the Securities and Exchange Act, and the numbers of shares held by the directors and supervisors individually and by the entire bodies thereof respectively as recorded in the shareholders' register as of the book closure date for that shareholders' meeting.
- VII. Meeting agenda.
- VIII. Content of any proposals to be put forward at the meeting and the persons putting them forward.
- IX. Rules of Procedure for Shareholders' Meetings, Articles of Incorporation, and other reference materials.

Article 4

Where voting powers at a shareholders' meeting are to be exercised in writing, a print version of the materials referred to in the preceding paragraph and a printed ballot shall also be sent to the shareholders. When the Company will convene a shareholders' meeting, it shall, 15 days before the scheduled date of the shareholders' meeting, prepare the shareholders' meeting agenda 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 Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:

- I. If the Company convenes a physical shareholder's meeting, it shall distribute them on-site at the shareholder's meeting.
- II. 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.
- III. If the Company convenes a virtual-only shareholder's meeting, it shall upload the electronic files to the video conferencing platform.

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 agenda handbook and the supplemental materials referred to in the preceding paragraph, and upload it to the information disclosure website specified by the FSC. However, in the case of a TWSE or TPEX listed company with 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 reasons for convening a Shareholders' Meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Matters pertaining to election or discharge of directors, independent directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185 hereof shall be

itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.

Where re-election of all directors and independent directors as well as their inauguration date is stated in the notice of the reasons for convening the Shareholders' Meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular Shareholders' Meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. Shareholders may submit proposals for urging the Company to promote public interests or fulfill its social responsibilities. The procedures shall be based on related regulations in Article 172-1 of the Company Act. Each shareholder may only submit one proposal. If a shareholder submits more than one proposal, the proposal shall not be included in the agenda.

Prior to the book closure date before a regular Shareholders' Meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the Shareholders' Meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a Shareholders' Meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the Shareholders' Meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 5

For each Shareholders' Meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders' meeting. Unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting virtually or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 6 (Principles for setting the venue and time of a Shareholders' Meeting)

The venue for a Shareholders' Meeting shall be the premises of this Company, or a place easily accessible to shareholders and suitable for a Shareholders' Meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders' meeting.

Article 7 (Preparation of documents such as the attendance book)

the Company shall specify in its Shareholders' Meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders' meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 7-1 (Convening virtual Shareholders' Meetings and particulars to be included in Shareholders' Meeting notice)

To convene a virtual shareholders' meeting, the Company shall include the follow particulars in the shareholders' meeting notice:

- I. How shareholders attend the virtual meeting and exercise their rights.
- II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:

- (I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
- (II) Shareholders not having registered to attend the affected shareholders' meeting by video conference shall not attend the postponed or resumed session.
- (III) In case of a shareholders' meeting with video conferencing, when the video conferencing cannot be continued, 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 minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the meeting by video conferencing shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the meeting by video conferencing shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.
- (IV) Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out.

III. To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.

Article 8 (The chair and non-voting participants of a Shareholders' Meeting)

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the board. When the Chairman of the board is on leave or for any reason unable to exercise the powers of the chairperson, the Vice Chairman shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the managing directors to act as chairperson, or, if there are no managing directors, one of the directors shall be appointed to act as chairperson. Where the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chairperson.

If the meeting is chaired by a managing director or director other than the Chairman, it shall be one who is familiar with the Corporation's business and financial status and that had been appointed more than six months prior. The same shall be true for a representative of a juristic person director that serves as chairperson.

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman of the Board in person, attended by a majority of directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a Shareholders' Meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a Shareholders' Meeting in a non-voting capacity.

Article 9 (Documentation of a Shareholders' Meeting by audio or video)

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted

audio and video recording of the registration procedure, the proceedings of the Shareholders' Meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Where a shareholders' meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in 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 party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders' meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 10

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 virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time, and announce related information including the number of shares without voting rights and the number of shares in attendance at the same time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 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 chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting 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 virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

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

Article 11

If a Shareholders' Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the Shareholders' Meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the Shareholders' Meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 12 (Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

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

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

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

When a juristic person shareholder appoints two or more representatives to attend a Shareholders' Meeting, only one of the representatives so appointed may speak on the same proposal.

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

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chairperson declaring the meeting open until the chairperson 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 so 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 at the virtual meeting platform.

Article 13 (Calculation of voting shares and recusal system)

Voting at a Shareholders' Meeting shall be calculated based the number of shares.

With respect to resolutions of Shareholders' Meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not

exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 14

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, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt 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 will 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 two days before the date of the Shareholders' Meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the Shareholders' Meeting in person or online, 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 before 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. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a Shareholders' Meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

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

monitoring personnel shall be shareholders of the Company.

Vote counting for Shareholders' Meeting proposals or elections 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.

When the Company convenes a virtual shareholders' meeting, after the chairperson declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chairperson announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chairperson announces the voting session ends, and 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 online 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 online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they may 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 15 (Election of directors)

The election of directors and independent directors at a Shareholders' Meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 16

Matters relating to the resolutions of a Shareholders' Meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

the Company may distribute the meeting minutes of 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 chair'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 independent directors. The minutes shall be retained for the duration of the existence of the Company.

Where a virtual shareholders' meeting is convened, 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, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting

platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders' meeting online.

Article 17 (Public disclosure)

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 virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting 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 an information reporting website designated by the Financial Supervisory Commission within the prescribed time period.

Article 18 (Maintaining order at the meeting place)

Staff handling administrative affairs of the shareholders' meeting shall wear identification badges or arm-bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a Shareholders' Meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 19 (Disclosure of information at virtual meetings)

In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chairperson has announced the meeting adjourned.

Article 20 (Location of the chair and secretary of virtual-only Shareholders' Meeting)

When the Company convenes a virtual-only shareholders' meeting, both the chairperson and secretary shall be in the same location, and the chairperson shall declare the address of their location when the meeting is called to order.

Article 21 (Handling of disconnection)

In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication

technical issues.

In the event of a virtual shareholders' meeting, when declaring the meeting open, the chairperson shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chairperson has announced 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 participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

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

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of 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.

For dates or period set forth under the second half of Article 12, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and 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, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.

Article 22 (Handling of digital divide)

When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.

Article 23

These Rules shall take effect after having been submitted to and approved by a Shareholders' Meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendix 3

Fu Ta Material Technology Co., Ltd.

Regulations Governing the Election of Directors

- Article 1: Elections of directors and independent directors of the Company shall be conducted in accordance with these Procedures.
- Article 2: The Company's directors and independent directors are elected at the shareholders' meeting.
- Article 3: The Company's directors and independent directors are elected by registered cumulative voting.
- Article 4: Each share will have voting rights in number equal to the directors and independent directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 5: The number of directors and independent directors will be specified in the Articles of Incorporation, and those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When 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 6: During the preparation of ballots, the Company shall indicate the number of voting rights on each ballot in accordance with the respective shareholder attendance identification number.
- Article 7: Matters pertaining to the monitoring and counting of ballots shall be handled by ballot counters and a proctor as designated by the chairperson at the start of the election.
- Article 8: The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 9: The elector must fill in the name of the candidate in the selection column of the ballot, and may add the shareholder account number or ID number, and then put it into the ballot box. In the event that the candidate is a government agency or juristic person, voters shall fill in said government agency or juristic person's name in the "Candidate" column of the ballot, and may also fill in the name of said government agency or juristic person's representative.
- Article 10: Ballots are considered void in any of the following circumstances:
- (I) Ballot cast was not prepared by the Company using these Procedures.
 - (II) Blank ballot cast into the ballot box.
 - (III) The writing is unclear and indecipherable.
 - (IV) Name or account number provided on the ballot is inconsistent with those shown in the shareholders' roster.
 - (V) Other words or marks are entered in addition to filling in the name of the candidate and his or her shareholder ID or ID card number.
 - (VI) The candidate's name has been filled but no information such as shareholder ID or ID card number has been provided for identification.
 - (VII) Failure to fill in the form in the remarks column of the ballot as stipulated.

- Article 11: Separate ballot boxes for the votes of directors and independent directors should be set up. After voting respectively, the ballot boxes will be opened by the proctor.
- Article 12: The counting of votes will be monitored by the proctor, and the results will be immediately announced by the chairman on the spot.
- Article 13: The Board of Directors of the Company shall issue separate notifications to the persons elected as directors and independent directors.
- Article 14: The majority of all elected directors and independent directors of the Company are prohibited from having any of the following relationships:
- I. Spouse.
 - II. Not a relative within the second degree of kinship.
- Article 15: If an elected director or independent director of the Company does not comply with the provisions of Article 14 of these Regulations, the elected director or independent director shall be determined in accordance with the following provisions.
- I. If the directors do not comply with the regulations, of all non-compliant directors, those receiving the lower of ballots with voting rights will be rendered invalid.
 - II. If there is any non-compliance between independent directors, the preceding paragraph shall prevail.
 - III. If the independent directors and directors do not comply with the regulations, of all non-compliant independent directors, those receiving the lower of ballots with voting rights will be rendered invalid.
- Article 16: When a shareholder of the Company is elected as a director and an independent director at the same time, they should decide on their own to serve as either a director or an independent director. They are not allowed to concurrently serve as a director and independent director of the Company, and any vacancy will be filled by the next person with the most voting rights.
- Article 17: These Procedures, and any amendments hereto, shall be implemented after approval by a Shareholders' Meeting.

Appendix 4

Fu Ta Material Technology Co., Ltd.

Details of Shareholdings of Directors and Independent Directors

I. Details of shareholdings of directors and independent directors as of the share transfer suspension date at this Extraordinary Shareholders' Meeting

A total of six directors

Title	Name	No. of shares held
Chairman	Teng-Hsiung Yang	1,036,975
Director	Kuo-Hua Yang	1,074,083
Director	Ching-Chia Huang	1,518,000
Director	Kuo-Jui Chiang	200,000
Director	Fu Te Investment Co., Ltd. Representative: Wenwen You	439,799
Director	Yaw-Tone Trading Company Representative: Chiao-Ling Liu	788,222

Cumulative number of shares held by all directors 5,057,079 shares

A total of three independent directors

Title	Name	No. of shares held
Independent Director	Pi-Hua Chuang	0
Independent Director	Litze Lee	0
Independent Director	Lien-sheng Huang	0

Cumulative number of shares held by all independent directors 0 shares

The total number of shares issued and outstanding of the Company as of January 31, 2024 was 67,991,830 shares

II. Minimum number of shares that must be held by all directors according to Paragraph 2, Article 26 of the Securities and Exchange Act: 5,439,346 shares