

# CHENG FWA INDUSTRIAL CO., LTD.

## Article of Incorporation

### Chapter 1 General Provisions

#### Article 1

The company is organized in accordance with the provisions of the Company Act and is named CHENG FWA INDUSTRIAL CO., LTD..

#### Article 2

The business conducted by this company is as follows:

1. CA02010 Manufacture of Metal Structure and Architectural Components
2. CA02030 Screw, Nut and Rivet Manufacturing
3. CA02040 Spring Manufacturing
4. CA02060 Metal Containers Manufacturing
5. CA02090 Metal Wire Products Manufacturing
6. CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified
7. CA03010 Heat Treatment
8. CA04010 Surface Treatments
9. CB01010 Mechanical Equipment Manufacturing
10. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
11. CC01070 Telecommunication Equipment and Apparatus Manufacturing
12. CC01080 Electronics Components Manufacturing
13. CC01110 Computer and Peripheral Equipment Manufacturing
14. CC01120 Data Storage Media Manufacturing and Duplicating
15. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
16. CD01030 Motor Vehicles and Parts Manufacturing
17. CD01040 Motorcycles and Parts Manufacturing
18. CR01010 Gas Apparatus and Parts Manufacturing
19. CQ01010 Mold and Die Manufacturing
20. CZ99990 Manufacture of Other Industrial Products Not Elsewhere Classified
21. F401010 International Trade
22. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
23. C805030 Plastic Daily Necessities Manufacturing
24. C805050 Industrial Plastic Products Manufacturing
25. CF01011 Medical Devices Manufacturing
26. CH01010 Sporting Goods Manufacturing
27. CH01040 Toys Manufacturing
28. F206030 Retail Sale of Molds
29. F108031 Wholesale of Medical Devices

### 30. F208031 Retail Sale of Medical Apparatus

#### **Article 2-1**

This company, based on business needs, may provide external guarantees for its business.

#### **Article 2-2**

The total amount of this company's reinvestment may exceed forty percent of the actual received capital of the company.

#### **Article 3**

This company sets up its head office in New Taipei City and may set up branches in domestic and foreign areas as needed upon resolution by the board of directors.

#### **Article 4**

The method of announcement by this company is in accordance with the Company Law and the regulations of the competent authority.

### **Chapter 2 Shares**

#### **Article 5**

The total capital of this company is set at sixteen billion New Taiwan dollars, divided into 160 million common shares, with each share valued at ten New Taiwan dollars. The board of directors is authorized to issue shares in installments as needed. Of these, 16 million shares are reserved for employee stock ownership.

#### **Article 6**

The shares issued by this company can be exempted from physical share printing, but should be registered with the centralized securities depository.

#### **Article 7**

All matters relating to the company's stock affairs are handled in accordance with the "Guidelines for Handling Stock Affairs of Publicly Offered Stock Companies" issued by the competent authority, except as otherwise provided by laws, regulations, and securities rules.

#### **Article 8**

(Deleted)

#### **Article 9**

(Deleted)

## **Article 10**

(Deleted)

## **Article 11**

Share transfers will be suspended within sixty days before the annual shareholders' meeting, thirty days before an extraordinary meeting, or five days before the base date of the company's decision to distribute dividends, bonuses or other benefits.

## **Chapter 3 Shareholder Meetings**

### **Article 12**

This company holds an annual shareholders' meeting once within six months after the end of each fiscal year as convened by the board of directors. An extraordinary shareholders' meeting may be convened if necessary. The notice for the regular meeting should be given thirty days in advance, and the extraordinary meeting should be given fifteen days in advance.

### **Article 13**

The chairman of the shareholders' meeting of this company is the chairman of the board. In the event of the chairman's absence, one of the directors will be appointed by the chairman. If not specified, a representative will be mutually selected from the directors.

### **Article 14**

Each shareholder of this company has one vote for each share held, but this does not apply to shares with voting rights restricted or those without voting rights as listed in Article 179, paragraph 2 of the Company Act.

### **Article 15**

If a shareholder cannot attend the shareholders' meeting in person for any reason, they may fill out a power of attorney specifying the scope of authorization, sign or stamp it, and appoint a representative to attend the shareholders' meeting. When one person is concurrently commissioned by two or more shareholders, the voting rights of the representative shall not exceed three percent of the total voting rights of the issued shares. If exceeded, the exceeded voting rights are not counted. The method of attending the shareholders' meeting by proxy is in accordance with the rules for the use of power of attorney at shareholders' meetings issued by the competent authority.

### **Article 16**

Resolutions of the company's shareholders' meeting shall be attended by shareholders representing more than half of the total issued shares and agreed by more than half of the voting rights of the attending shareholders, unless otherwise stipulated in the Company Law.

### **Article 17**

The resolutions of the shareholders' meeting shall be recorded in the minutes, signed and sealed by the chairman, and distributed to each shareholder within twenty days after the meeting. The distribution of the minutes may be announced by companies that publicly issue shares. The minutes shall record the key points of the proceedings and their results. The minutes, the attendance book of the shareholders and the proxy forms shall be kept together in the company. The minutes shall be preserved permanently during the existence of the company. The attendance book and proxy forms of the shareholders should be kept for at least one year.

## **Chapter 4 Directors**

### **Article 18**

The company sets up 5-7 directors, all of whom are elected by the shareholders' meeting from capable individuals. The term is three years, and consecutive re-elections are allowed. The total number of named shares held by all directors is set according to the standards stipulated in the "Regulations on Shareholding Proportions and Verification Implementation of Directors and Supervisors of Public Companies". Independent directors should not be less than three and not less than one-fifth of the director seats. Directors (including independent directors) are elected by shareholders from a list of candidates. Independent directors and non-independent directors should be elected together and their winning quotas calculated separately. The company sets up an audit committee in accordance with the provisions of Article 14-4 of the Securities Exchange Act, composed entirely of independent directors.

### **Article 19**

When the director vacancy reaches one-third, the board of directors should convene a temporary shareholders' meeting to supplement the election within 60 days, and its term is limited to the original term.

### **Article 20**

When the director's term expires and the election is not timely, extend their duties until the newly elected directors take office.

### **Article 21**

The directors organize a board of directors, and with the attendance and consent of more than half of the directors, elect one chairman to handle all matters of the company in accordance with laws, regulations, resolutions of the shareholders' meeting, and resolutions of the board of directors.

### **Article 22**

The company's operating policy and other important matters shall be decided by the board of directors. Except for the first board of directors of each term convened in accordance with Article 203 of the Company Law, the rest are convened by the chairman and presided over by him. When the chairman is unable to perform his duties, he can be replaced by a director appointed by the

chairman. If not appointed, one person will be selected from among the directors.

### **Article 23**

Board meetings, unless otherwise stipulated in the Company Law, must be attended by more than half of the directors and agreed by more than half of the attending directors. When directors cannot attend due to reasons, they can issue a power of attorney, listing the scope of the convened matters, and entrust other directors to attend the board meeting on their behalf, but one person can only be entrusted by one person.

### **Article 24**

The company's board of directors should notify all directors at least seven days in advance before convening a meeting, which can be done via written notice, email, or fax. In case of an emergency, a meeting can be convened at any time. The board of directors may hold video conference meetings, and directors participating in the meeting via video are deemed to be personally present. The board's minutes should be recorded, signed, and stamped by the chair, and the minutes should be distributed to all directors within twenty days after the meeting. The minutes should summarize the proceedings and results of the meeting and should be preserved in the company along with the sign-in sheet for directors present and any proxies.

### **Article 25**

The members of the audit committee, the exercise of their powers, and other matters to be observed, should be handled according to relevant laws or company regulations, and their organizational rules will be separately set by the board of directors.

### **Article 26**

The remuneration of the company's directors is authorized by the board of directors based on the degree and value of the directors' participation in the company's operations and the usual level in the industry.

## **Chapter 5 Managers and Staff**

### **Article 27**

The company shall appoint one general manager and several managers. Their appointment and dismissal shall be made with the consent of a majority of all directors in the board of directors, but the appointment and dismissal of managers should be nominated by the general manager first.

### **Article 28**

The company may hire consultants and other important personnel according to the resolution of the board of directors as specified in Article 23 of the Articles of Association.

## **Chapter 6: Financial Statement**

## **Article 29**

At the end of each fiscal year, the board of directors of the company should prepare the following documents and submit them to the audit committee for review at least 30 days before the annual general meeting:

1. Business report
2. Financial statements
3. Proposal for profit distribution or loss compensation.

## **Article 30**

If the Company generates profit in a given fiscal year (where "profit" refers to earnings before tax and before the deduction of employee and director compensation), 3% to 5% shall be allocated as employee compensation, and no more than 2% as director compensation. However, if the Company has accumulated losses, an amount shall first be retained to cover such losses.

Of the total amount allocated for employee compensation, not less than 20% shall be distributed to grassroots employees. Employee compensation may be distributed in the form of stock or cash, and the recipients may include employees of the Company who meet certain criteria, with the qualifications and distribution method authorized to be determined by the Board of Directors.

The above two items shall be resolved by the Board of Directors and reported to the Shareholders' Meeting.

## **Article 30-1**

If the company makes a profit in a fiscal year, after paying taxes and covering accumulated losses, 10% should be set aside as statutory profit reserve. However, if the statutory profit reserve already matches the paid-in capital of the company, this is not necessary. The remaining amount should be handled according to legal regulations, including the possibility of a special profit reserve. If there is still a surplus, along with accumulated undistributed profit, the board of directors should propose a profit distribution plan to be approved at the shareholder's meeting. The company's dividend policy is based on current and future development plans, investment environment, funding needs, domestic and international competition, and consideration of shareholder's interests. Dividends may be distributed in cash or stock, with the cash dividend ratio not lower than 50% of the total dividend amount.

## **Chapter 7 Supplementary Provisions**

### **Article 31**

The company's articles of incorporation and rules of procedure shall be determined by the board of directors.

## **Article 32**

Matters not covered in this charter shall be handled according to the Companies Act and other relevant laws.

## **Article 33**

The Article was established on June 12, 1972.

First amendment was made on December 1, 1974.

Second amendment was made on July 18, 1979.

Third amendment was made on April 10, 1980.

Fourth amendment was made on September 1, 1980.

Fifth amendment was made on May 16, 1983.

Sixth amendment was made on October 7, 1986.

Seventh amendment was made on May 25, 1987.

Eighth amendment was made on December 5, 1994.

Ninth amendment was made on July 23, 1997.

Tenth amendment was made on September 26, 1997.

Eleventh amendment was made on October 27, 1997.

Twelfth amendment was made on April 14, 1998.

Thirteenth amendment was made on September 30, 1998.

Fourteenth amendment was made on May 6, 1999.

Fifteenth amendment was made on June 9, 2000.

Sixteenth amendment was made on April 24, 2001.

Seventeenth amendment was made on June 28, 2002.

Eighteenth amendment was made on May 25, 2005.

Nineteenth amendment was made on June 15, 2007.

Twentieth amendment was made on June 13, 2008.

Twenty-first amendment was made on June 18, 2010.

Twenty-second amendment was made on June 19, 2012.

Twenty-third amendment was made on June 24, 2015.

Twenty-fourth amendment was made on June 29, 2016.

Twenty-fifth amendment was made on June 6, 2018.

Twenty-sixth amendment was made on September 5, 2018.

Twenty-seventh amendment was made on July 20, 2021.

Twenty-eighth amendment was made on June 10, 2022.

Twenty-nine amendment was made on June 20, 2025.

CHENG FWA INDUSTRIAL CO., LTD.

Chairman: CAI, ZONG-XUN