



**Articles of Incorporation**  
**OF**  
**JARLLYTEC CO., LTD.**

**Section I – General Provisions**

**Article 1** The Company shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 兆利科技工業股份有限公司 in the Chinese language, and JARLLYTEC CO., LTD. in the English language.

**Article 2** The scope of business of the Company shall be as follows:

- a) CA02030 Screw, Nut and Rivet Manufacturing
- b) CA02040 Metal Spring Manufacturing-
- c) CA02990 Other Fabricated Metal Products Manufacturing
- d) CA05010 Powder Metallurgy
- e) CB01081 Guns , Ammunition Major Component Parts Manufacturing
- f) CB01990 Other Machinery Manufacturing
- g) CC01020 Electric Wires & Cables Manufacturing
- h) CC01040 Lighting Equipment Manufacturing
- i) CC01060 Wired Communication Equipment and Apparatus Manufacturing
- j) CC01080 Electronic Parts and Components Manufacturing
- k) CC01110 Computers and Computing Peripheral Equipment Manufacturing
- l) CD01030 Motor Vehicles and Parts Manufacturing
- m) CD01050 Bicycles and Parts Manufacturing
- n) CP01010 Hand Tools Manufacturing
- o) CQ01010 Die Manufacturing
- p) F119010 Wholesale of Electronic Materials
- q) F219010 Retail Sale of Electronic Materials
- r) F401010 International Trade

- s) F401091 Export and Import of Guns, Ammunition and Knives
- t) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval

**Article 3** If the Company is a limited liability shareholder of other Company, the total amount of its investment shall not be subject to the restriction of not more than 40% of the paid-in share capital as provided in Article 13 of the Company Law.

**Article 4** The Company shall have its head quarter in New Taipei City, Taiwan, Republic of China, and shall be free, upon approval of Board of Directors, to set up branch offices at various locations within and without the territory of the Republic of China.

**Article 5** Public announcements of the Company shall be made in accordance with the provisions of Article 28 of the Company Law of Republic of China.

## **Section II – Capital Stock**

**Article 6** The total capital stock of the Company shall be in the amount of 1,200,000,000 New Taiwan Dollars, divided into 120,000,000 shares, at ten New Taiwan Dollars each, authorized Board of Directors deems it necessary to carry out any or all of its activities and may be paid-up in installments. (Which retains employee stock vouchers to subscribe for shares of 5 million shares)

When the Company buys back its shares, issues share subscription warrant and restricted stock awards, reserves the share subscription rights for employees when issues new shares in accordance with the laws, the employees who are entitled to receive the aforementioned stock or rights may include the employees of parents or subsidiaries of the Company meeting certain specific requirements.

**Article 7** The Company's shares are collectively signed or stamped by director representing the Company, in accordance with provisions of the Law, the Company may issue shares without printing share certificate(s) but should register at Centralized Securities Depository Enterprises institutions.

**Article 8** Registration for transfer of shares shall be suspended sixty days immediately before the date of regular meeting of shareholders, and thirty days immediately before the date of extraordinary general meeting, or within five days before the day on which

dividend, bonus, or any other benefit is scheduled to be paid by the Company.

**Article 8-1** All stock transaction conducted by shareholders of the Company shall follow the “Guidelines for Stock Operations for Public Companies” unless specified otherwise by law and securities regulation.

### **Section III – Shareholders’ Meetings**

**Article 9** Shareholders’ meetings of the Company are of two types, namely regular meetings and special meetings. Regular meetings shall be convened at least once per year, and by the Board of Directors, within six months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant law, rules and regulations of the Republic of China. The shareholders’ meeting shall be convened by the Board of Directors and presided over by the Chairman of the Board of Directors, in his absence, either he may appoint one of the Directors, or if none, Directors may recommend one to preside.

**Article 9-1** After the resolution of the Board of Directors, the Company’s shareholders’ meeting can be held at a hybrid shareholders meeting (to be distributed on-site at the meeting and shared on the virtual meeting platform), virtual-only shareholders meeting or other methods specified by the central competent authority. The conditions, operating procedures and other matters to be complied with by the Company shall be handled in accordance with the regulations of the securities competent authority.

**Article 10** The Company shall be convened a regular meeting by controlling shareholder, may propose to the company a proposal for discussion at a regular shareholders’ meeting, provided only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. All related operations are in accordance with the Company Law and related regulations.

**Article 11** If a shareholder is unable to attend a meeting, he/she/it may appoint a proxy to attend a shareholders’ meeting on his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy, in accordance with the Company Law and provision of government authorities in charge issued “Regulations Governing the Use of Proxies for Attendance at Shareholder

Meetings of Public Companies”.

- Article 12** Each share of the stock shall be entitled to one vote, except the Company has the occurrence of non-voting shares under Article 179 of the Company Act.
- Article 13** Unless otherwise stipulated by the relevant laws, rules and regulations, the resolutions of the shareholders’ meetings shall be attended by shareholders in person of more than one half of the total issued and outstanding capital stock of the Company, with the consent of more than one half of the attended shareholders.
- Article 14** When the shareholders of the Company are only on legal person shareholder, the terms of reference of the shareholders’ meeting of the Company shall be exercised by the Board of Directors and shall not apply to the provisions of the relevant shareholder’s meeting of this Articles of Incorporation.

#### **Section IV – Directors & Audit Committee**

- Article 15** The Company shall have seven to nine directors, shall be elected by adopting candidates’ nomination system, shareholders shall be selected from the list of candidates for directors. The nomination of directors and related announcement shall comply with the relevant regulations of the Company Law and the Securities and Exchange Law, for a term of three years and eligible for re-election. The total proportion of all its directors shall be in accordance with the relevant provisions promulgated by the government authorities in charge.
- After the election, the Company shall purchase the liability insurance for the directors. The cumulative voting method shall be used for election of the directors of the Company. Each share will have voting rights in number equal to the directors to be elected and may be cast for a single candidate or split among multiple candidates.
- Article 15-1** The number of independent directors in the Company shall not be less than three and shall be elected by adopting candidates’ nomination system. The independent directors and non-independent directors shall be elected together, but in separately calculated numbers. The professional qualifications, shareholding, part-time restrictions, nomination and election methods and other matters to be followed of the independent director shall be handled in accordance with the relevant provisions of the securities authorities.

- Article 15-2** The Company establishes an Audit Committee and may establish the kinds of other functional committees.  
The Audit Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise.
- Article 16** The directors shall constitute the Board of Directors and shall elect one Chairman of the Board from among themselves by a majority at a meeting attended by at least two-thirds of the directors, and also elect a vice chairman of the board in the same manner. The chairman shall externally represent the Company, to carry out all matters of the Company in accordance with the resolutions, the articles of incorporation, the shareholder's meeting and the resolutions of the board of directors.
- Article 16-1** The convening of the board of directors of the Company shall inform the directors seven days in advance with specified reason. But in case of an emergency, may be convened at any time. The convening of the Board of Directors of the Company may be made in writing, by e-mail (E-mail) or by fax.
- Article 17** In case the chairman of the board of directors is on leave or absent or cannot exercise his power and authority for any cause, a delegate shall be appointed in compliance with Article 208 of the Company Act. In case the directors cannot attend board meetings, a delegate shall be appointed in compliance with Article 205 of the Company Act.
- Article 18** The Audit Committee shall be responsible for performing the Supervisors' duties as stipulated in the Company Act, Securities and Exchange Act and other relevant laws and regulations as well as complying with applicable laws, regulations and rules and regulations of the Company.
- Article 19** Remuneration of directors of the Company shall be determined by the shareholders' meeting and may be paid at such level as generally adopted by the enterprises of the same industry, no matter whether the Company is in a loss or not.

## Section V – Managerial Officials

**Article 20** The Company have one general manager. Appointment, discharge and the remuneration of the managerial officials shall be in compliance with Article 29 of the Company Act.

### **Section VI – Accounting**

**Article 21** After the close of each fiscal year, the Board of Directors shall prepare the following reports and forward the same to the Annual General Meeting of shareholders for acceptance in accordance with the legal procedures:

- (1) Business report
- (2) Financial statements
- (3) Proposal concerning appropriation of net profits or making up losses

**Article 22** If there is profit at the end of each fiscal year, a ratio of no less than 2% of profit of the current year distributable as employees' compensation (The allocated compensation for non-executive employees shall not be less than 20% of the total allocated employee compensation) and no higher than 2% as directors' compensation shall be appropriated. However, the Company's accumulated losses shall have been covered first.

The employees non-executive employees mentioned above are paid to the stock or cash, including the eligible employees.

**Article 22-1** If the Company had earnings at the end of the fiscal year, the Company shall first pay its tax, offset its losses in previous years and set aside a legal capital reserve at 10% of the earning left over, until the accumulated legal capital reserve has equaled the total capital of the Company. As the Company operation needs and provision of regulation shall set aside a special capital reserve, if there is surplus and unallocated surplus at the same period, it shall be allocated from 0% to 90% for shareholder dividends, by the board of directors to prepare a surplus distribution proposal submitted to the resolution of the shareholders' meeting.

When the Company sets aside special reserve according to the law, the insufficiency shall be allocated from the cumulative amount of net increase of investment properties at fair value in the preceding periods and the cumulative amount of net decrease in other equities in the preceding periods. If there remains any insufficiency, allocate it from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the

period.

According to Article 240, paragraphs 5 of Company Act, the distributable dividends and bonus in whole or in part or the legal reserve and capital reserved in whole or in part which are brought in Article 241, paragraphs 1 of Company Act may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The future dividend policy of the Company will be expanded with the Company's business development, taking into account the future capital expenditure budget and capital requirement of the Company, the interests of shareholders, balancing dividends and long-term financial planning of the Company, such as cash dividends or stock dividends, only the cash dividend issued each year shall not be less than 10% of the total dividend distributed in the current year.

**Article 23** In the event that the Company is proposing to issue employee stock vouchers at a price lower than the market price (net asset value of each share), the Company shall, in accordance with Article 56-1 and 76 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, through the resolution of the shareholders' meeting, could be issued.

**Article 24** If the Company intends to transfer the shares of the Company to the employees at an average price lower than the actual purchase price, the Company shall, after the resolution of the latest shareholders' meeting, start the transfer.

## **Section VII – Supplementary Provisions**

**Article 25** The Company deems it necessary or advisable to carry out any or all of its activities may provide endorsement and guarantee and act as a guarantor.

**Article 26** When the Company's stock is proposed to be withdraw from public offering, it should submit a resolution to the board of directors and does not change this provision during the period of emerging stock and over the counter.

**Article 27** The important internal organization rules, regulations of the Company and the detailed procedures and methods shall be determined by the board of directors.

- Article 28** In regard to all matters not provided for in these Articles of Incorporation, the Company Law and other relevant rules and regulations shall govern.
- Article 29** The Articles of Incorporation shall become effective upon the resolution of the shareholders' meeting
- Article 30** The Articles of Incorporation is concluded on June 25, 2004  
The 1st amendment on December 3, 2004  
The 2nd amendment on June 30, 2005  
The 3rd amendment on May 30, 2006  
The 4th amendment on June 30, 2006  
The 5th amendment on June 13, 2007  
The 6th amendment on June 19, 2008  
The 7th amendment on June 19, 2009  
The 8th amendment on June 18,2010  
The 9th amendment on June 6, 2012  
The 10th amendment on June 10,2013  
The 11th amendment on June 21,2016  
The 12th amendment on June 21,2018  
The 13th amendment on June 18,2019  
The 14th amendment on June 19,2020  
The 15th amendment on July 7,2021  
The 16th amendment on June 21,2022  
The 17th amendment on June 13,2023  
The 18th amendment on June 18,2024  
The 19th amendment on June 19, 2025.

Jarlllytec Company Limited  
Chairman of the board, Chang, Tai-Yuan