

Taiwan Wax Company Ltd - Notice to regular meeting of shareholders 2024

- I. The company has scheduled to convene its regular meeting of shareholders 2024 at The Conference Room of the Minxiong Industrial Zone Service Center (No. 68, Zhongzheng Road, Fule Village, Minxiong Township, Chiayi County) (The shareholders meeting admission time will start at 08:30 a.m. at the meeting venue) at 9 a.m., June 18, 2024 (Tuesday). The following is a summary of the meeting agenda: (I.) Report Items : 1. 2023 Business Report. 2. Audit Committee's Review Report. 3. Report on Execution of Buyback of the Company's Shares. 4 Amendments of Guideline for "Procedural Rules of the Meeting of the Board of Directors". 5. Report on the Distribution of Compensation to Employees and Directors in 2023. (II) Ratification Items: 1. 2023 Business Report and Financial Statements. 2. Proposal for 2023 Earnings Distribution. (III) Matters for discussion: 1. Proposal for Private Placement of Securities by the Company. (IV) Questions and Motions. (V)Adjournment
- II. When items specified in Article 172 of the Company Act contain in the main content of this general meeting of shareholders, apart from listing them in the notice to meeting, please visit the Market Observation Post System (<http://mops.twse.com.tw>) and select "e-Book/Annual Report & Meeting of Shareholders (with DR info)/Meeting Proposal References" for details.
- III. Explanation of the company's handling of private placement securities:
 - I.In order to supplement the working capital and improve the financial structure, the Company intends to conduct a private placement for cash capital increase by issuing common shares in accordance with Article 43-6 of the Securities and Exchange Act and the Directions for Public Companies Conducting Private Placements of Securities. The number of issued shares is limited to 20,000,000, and the par value of each share is NT\$10. It is proposed to authorize the Board of Directors to conduct the private placement in two tranches within one year after approval of the shareholders' meeting. The main content is as follows:
 - (I).The basis and reasonableness of price setting:
 - 1.For listed companies, the reference price of a private placement of securities is set by the higher of the following two calculations in accordance with the "Directions for Public Companies Conducting Private Placements of Securities":
 - (1)The simple arithmetic mean of the closing price of the common shares for either the one, three or five business days prior to the price determination date, after adjustment for any distribution of stock dividends, cash

dividends or capital reduction.

(2) The simple arithmetic average of the closing price of the common shares for the thirty business days prior to the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

2. The conditions for private placements of securities have been established in order to gain the acceptance of places due to the Securities and Exchange Act's three-year transfer restriction on private placements of securities and strict requirements for the qualifications of places. Therefore, it is resolved that the price for issuing common shares shall not be lower than 80% of the reference price. There has been no significant damage to shareholders' equity, and the price setting should be reasonable.

3. Impact of private placement on shareholders' equity

(1) If the price of the common shares for private placement, which is set using the aforementioned pricing method, is lower than the par value due to the impact of the transaction price in the centralized market in the future, the Company will make up for the resulting increase in accumulated losses through capital reduction, earnings, and capital surplus or adopt other legal means to gradually offset or deal with the increased losses, according to the Company's operations and market conditions. If the private placement price per share set using the aforementioned pricing method is lower than the par value, the Company will still consider this private placement capital increase plan to be reasonable in the hope that the smooth introduction of insiders, related parties, or specific persons meeting the requirements specified in Article 43-6 of the Securities and Exchange Act and the Financial Supervisory Commission (FSC)'s Order (2002) Tai-Cai-Zheng-Yi-Zi No. 0910003455 dated June 13, 2002 and the completion of the private placement will bring the Company direct or indirect resources so that the Company can obtain new profit opportunities and achieve sustainable operations, thereby ensuring the rights and interests of all shareholders. Therefore, the setting of the private Placement price is in line with the provisions of "Directions for Public Companies Conducting Private Placements of Securities" and is reasonable as it should not cause a significant adverse impact on shareholders' equity.

(2) The Board of Directors is authorized to determine the actual price determination date and the actual private placement price which shall

not be less than the percentage resolved by the shareholders' meeting in consultation with specific persons and according to market conditions.

(II).Method of selecting specific persons

1. The placees of this private placement of common shares are limited to the specific persons specified in Article 43-6 of the Securities and Exchange Act and the FSC's Order (2002) Tai-Cai-Zheng-Yi-Zi No. 0910003455 dated June 13, 2002. In response to market competition and the Company's long-term operational plan, it is planned that insiders, related parties, or the aforementioned specific persons will be the placees of this private placement. The Company will supplement the working capital and repay bank loans by introducing privately placed funds, achieving sustainable operations. There are provisions specifying that private placement securities shall not be freely transferred within three years. This can ensure long-term cooperation between the Company and the placees and should bring significant benefits to management right stability and future operations for the Company. It can also maintain the confidence of the management, employees, and business partners in the face of operational improvements.

2.Tentative list of placees

Potential placee	Selection method and purpose	Relationship with the Company
Yililong Investment Co., Ltd.	Supplementing working capital and repaying bank loans to achieve sustainable operations	Director
Je-Yin Lin	Supplementing working capital and repaying bank loans to achieve sustainable operations	Juristic person representative of the President
Zi-Jun Lin	Supplementing working capital and repaying bank loans to achieve sustainable operations	Juristic person representative of a director/First-degree relative of the juristic person representative of the President
Yuan Jin Co., Ltd.	Supplementing working capital and repaying bank loans to achieve sustainable operations	Director
Wen-Zhe Lin	Supplementing working capital and repaying bank loans to achieve sustainable operations	Juristic person representative of the Vice President
Jiu-Jeng Lee	Supplementing working capital and repaying bank loans to achieve sustainable operations	Juristic person representative of a director

Potential placee	Selection method and purpose	Relationship with the Company
Sen-Xiang Chiu	Supplementing working capital and repaying bank loans to achieve sustainable operations	Juristic person representative of a director
Yang-Zheng Lu	Supplementing working capital and repaying bank loans to achieve sustainable operations	Juristic person representative of a director
Shangpin Investment Co., Ltd.	Supplementing working capital and repaying bank loans to achieve sustainable operations	The responsible person of the company is the spouse of the juristic person representative of the President
Lian Quan Investment Enterprise Co.	Supplementing working capital and repaying bank loans to achieve sustainable operations	The responsible person of the company is a second-degree relative of the juristic person representative of the President
Tsao-Jung Huang	Supplementing working capital and repaying bank loans to achieve sustainable operations	None
Ling-Ju Huang	Supplementing working capital and repaying bank loans to achieve sustainable operations	None
Zong-Yuan Huang	Supplementing working capital and repaying bank loans to achieve sustainable operations	None

3.If the placee is a juristic person, the following disclosures shall be made:

Juristic person placee	Names of the top ten shareholders and their shareholding ratios	Relationship with the Company
Yililong Investment Co., Ltd.	Yi Lien's shareholding: 15%	None
Yililong Investment Co., Ltd.	Chiu-Hsiang Lin's shareholding: 15%	Second-degree relative of the juristic person representative of the President
Yililong Investment Co., Ltd.	Chia-An Lin's shareholding: 35%	First-degree relative of the juristic person representative of the President
Yililong Investment Co., Ltd.	Zi-Jun Lin's shareholding: 35%	Juristic person representative of a director/First-degree relative of the juristic person representative of the President
Yuan Jin Co., Ltd.	Je-Yin Lin's shareholding: 46.118%	Juristic person representative of the President
Yuan Jin Co., Ltd.	Chung-Yang Yang's shareholding: 15.373%	None

Yuan Jin Co., Ltd.	Tsai-Sheng Yang's shareholding: 15.373%	None
Yuan Jin Co., Ltd.	Chao-Tsai Lu's shareholding: 8.455%	None
Yuan Jin Co., Ltd.	Hsin-Ching Hsu's shareholding: 7.762%	None
Yuan Jin Co., Ltd.	Zi-Jun Lin's shareholding: 6.918%	Juristic person representative of a director/First-degree relative of the juristic person representative of the President
Yuan Jin Co., Ltd.	Hsin-Yu Tsai's shareholding: 0.001%	None
Shangpin Investment Co., Ltd.	Je-Yin Lin's shareholding: 78.798%	Juristic person representative of the President
Shangpin Investment Co., Ltd.	Chia-Yu Lin's shareholding: 17.668%	First-degree relative of the juristic person representative of the President
Shangpin Investment Co., Ltd.	Yen-Yen Wu's shareholding: 3.534%	Spouse of the juristic person representative of the President
Lian Quan Investment Enterprise Co.	Chiu-Hsiang Lin's shareholding: 32%	Second-degree relative of the juristic person representative of the President
Lian Quan Investment Enterprise Co.	Je-Yin Lin's shareholding: 16%	Juristic person representative of the President
Lian Quan Investment Enterprise Co.	Mu-Lien Lin's shareholding: 20%	First-degree relative of the juristic person representative of the President
Lian Quan Investment Enterprise Co.	Che-Hsu Lin's shareholding: 16%	Second-degree relative of the juristic person representative of the President
Lian Quan Investment Enterprise Co.	Yu-Chin Lin's shareholding: 16%	Second-degree relative of the juristic person representative of the President

(III). Reasons for conducting the private placement

1. Reasons not to conduct a public offering:

Considering the current operating conditions and the capital market's acceptance, the Company intends to raise funds through private placement in order to control the timeliness and feasibility of raising funds so that long-term funds can be obtained in the shortest period of time, and the restriction on transfers will help stabilize the management right over the Company, facilitating the Company's business expansion.

2. Private placement quota: Not exceeding 20,000,000 shares. The private placement will be conducted in two tranches within one year from the date of

resolution of the shareholders' meeting. The total amount of the private placement will be calculated based on the final private placement price and the actual total number of shares issued.

3. The estimated number of private placements of common shares, the use of the funds raised by each tranche of the private placement, and the estimated benefits for each tranche:

Estimated number of private placements	Estimated number of private placement shares	Use of funds	Expected benefits
First tranche	10,000,000 shares	Supplementing working capital and improving financial structure	The private placement funds will be used to supplement working capital and repay bank loans, which can reduce the pressure of repayment of principal and interest while maintaining financial flexibility.
Second tranche	10,000,000 shares	Supplementing working capital and improving financial structure	The private placement funds will be used to supplement working capital and repay bank loans, which can reduce the pressure of repayment of principal and interest while maintaining financial flexibility.

(IV). Significant changes in the management right within one year prior to the private placement resolved by the Board of Directors, or the private placement to bring in strategic investors that will result in significant changes in the management right: None.

(V). The transfer of the securities in the private placement resolved shall be subject to the restrictions set forth in Article 43-8 of the Securities and Exchange Act. It is proposed that after three years have elapsed since the delivery of the private placement securities, the shareholders' meeting, according to the current situation, authorize the Board of Directors to apply to the competent authority for an approval letter for supplemental public offering or report the supplemental public offering to the FSC.

- (VI). It is proposed that the shareholders' meeting authorize the Board of Directors to consider the current situation and make necessary changes to the final number of common shares issued through private placement, the content of the issuance in tranches, issuance conditions, plans, the progress of capital utilization, expected benefits, and other matters not yet addressed, excluding the pricing percentage for the private placement, in accordance with the laws and regulations of the competent authority and in response to the objective market environment, and to handle all issuance-related matters.
- (VII). It is proposed that the shareholders' meeting approve the private placement and authorize the President or the person designated thereby to sign all contracts or documents related to the private placement of securities and to handle all matters related to this private placement on behalf of the Company.
- IV. It is proposed according to Article 209 of the Company Act to request the shareholders' meeting to lift the director or representative's competition of the Company. Please refer to the agenda handbooks of the shareholders' meeting manual for the contents of director's competition against the Company.
- V. In accordance with Article 165 of the Company Act, the transfer and registration of shares will be suspended from April 20, 2024, until June 18, 2024.
- VI. In addition to the public announcement, a special letter is hereby delivered with a shareholder meeting attendance card and a power of attorney enclosed. Your attendance is greatly appreciated. If you attend the meeting in person, please fill in the third copy of the attendance card and affix your seal or signature. On the day of the meeting, please proceed directly to the venue for registration without sending it back. If you entrust a proxy to attend, please fill in the sixth copy of the power of attorney and affix your seal or signature. Please send it to the stock affairs section of Concord Securities, Co., Ltd. in five (5) days before the meeting. After the Stock affairs section fills out the attendance card, it will be sent to your proxy for receipt as proof of attendance.
- VII. For any shareholders who openly solicit Proxy Attendance Cards, the Company will consolidate the solicitors' information and disclose them on the Securities & Futures Institute website on May 17, 2024. For an investor to inquire, please enter the address: <http://free.sfi.org.tw>, "Proxy Form Acquisition Related Inquiry System", click "Enter the Information of Public Announcement for Proxy Forms here" and input the terms of inquiry.
- VIII. Shareholders can exercise their voting rights electronically for this shareholders' meeting. The exercise period is from May 18, 2024 to June 15, 2024. Please log in to the "Shareholder Stock vote Platform" of Taiwan Depository & Clearing Corporation to vote electronically. Please follow the relevant instructions for

voting. [Website: <https://www.stockvote.com.tw>].

- IX. The proxies shall be checked and verified by Agent for Stock Affairs Section of Concord Securities Co., Ltd.
- X. If the venue of the regular meeting of shareholders is changed due to COVID-19, the information will be posted on the Market Observation Post System as important news.