

Notice of 2025 Annual Shareholders' Meeting of Taiwan Wax Company Ltd.

I. The 2025 Annual General Meeting of Shareholders is scheduled to be held at 9:00 a.m., June 3, 2025 (Tuesday), at No. 68, Zhongzheng Road, Fule Village, Minxiong Township, Chiayi County (Minxiong Industrial Zone Service Center). Shareholder check-in will commence at 8:30 a.m. at the same venue as the meeting. Meeting Agenda:

- (I) Matters to be reported:
 1. 2024 Business Report.
 2. Audit Committee's Review Report.
 3. Report on the Execution of the Buyback of the Company's Shares.
 4. 2024 employee remuneration and directors remuneration distribution plan.
 5. Report on the actual issuance of private placement of securities resolved by the 2024 general shareholders' meeting.
- (II) Ratification Items:
 1. 1. The 2024 Business Report and Financial Statements.
 2. The profit distribution plan for the fiscal year 2024.
- (III) Discussion Items:
 1. Revision of the company's articles of incorporation.
 2. The Company's intention to issue securities through private placement.
 3. Disposal of the Company's real estate.
- (IV) Election item: 16th term of Board of Directors
- (V) Other motion: Proposal to lift the non-competition restrictions for newly elected directors.
- (VI) Extempore Motion.

II. The main content of this shareholders' meeting, including that required to be listed under Article 172 of the Company Act, is specified in the meeting notice. For further details, please visit the MOPS (website: <https://mops.twse.com.tw>).

III. Description of the Company's intention to issue securities through private placement, please refer to the attachment.

IV. Nine directors (including three independent directors) will be elected at this shareholders' meeting. The election will be conducted under the candidate nomination system. The list of nominated candidates for directors is as follows: Director Chia-Yu Lin, Chia-An Lin, and representatives of Yuan Jin Co.: Po-Yao Tseng, Yang-Zheng Lu, Sen-Xiang Chiu, and Wan-Chuan Liao, independent director. Zhao-Wei Pan, Yu-Fan Ku, Yi-Chiao Yang. For information regarding the candidates' education and experience, investors may visit the MOPS (website: <https://mops.twse.com.tw>).

V. The discussion regarding the release of non-competition restrictions for directors is proposed in accordance with Article 209 of the Company Act. The Company hereby proposes to the Shareholders' Meeting to approve the removal of the non-competition ban for the newly elected directors and their representatives (please refer to the Shareholders' Meeting Handbook for details).

VI. According to Article 165 of the Company Act, the transfer registration of shares shall be suspended from April 5, 2025 to June 3, 2025.

VII. In addition to the announcement, this letter is sent for your attention, along with one copy each of the attendance card and proxy form for the Shareholders' Meeting. We kindly request your presence at the meeting. If the shareholder attends in person, please complete **the third copy of the attendance card, affix the company seal or signature**, and bring it to the venue for registration on the day of the meeting. There is no need to return it by mail. If the shareholder appoints a proxy to attend, please complete **the sixth copy of the proxy form, affix the company seal or signature**, and deliver it to the Company's stock transfer agent, Concord Securities Co., Ltd., Stock Transfer Department, no later than five days prior to the meeting. The stock transfer agent will then prepare

the attendance card and send it to the proxy for collection, which will serve as proof of attendance at the shareholders' meeting.

VIII. If any shareholder requests a proxy form, the Company will compile and disclose a summary of the solicitation information on the Securities and Futures Institute website by May 2, 2025. Investors can visit the SFI website at <https://free.sfi.org.tw> and use the "Proxy Form Inquiry System" to enter the relevant search criteria.

IX. Shareholders may exercise their voting rights electronically at this shareholders' meeting, with the voting period from May 3, 2025, to May 31, 2025. Please log in to the "Shareholder Services" section of the Taiwan Depository & Clearing Corporation website and follow the instructions to cast your vote. [Website: <https://stockservices.tdcc.com.tw>].

X. The proxy verification institution for this shareholders' meeting is the Stock Transfer Department of Concord Securities Co., Ltd.

Sincerely,
The Board of Directors
Taiwan Wax Company Ltd.

Important information

- I. If you, the shareholder, plan to attend in person:
Please affix your seal or signature on the attendance card on the right, and complete the registration on the day of the meeting. There is no need to return it.
- II. If you, the shareholder, plan to attend by proxy:
Please complete the proxy form on the reverse side and deliver it to the Company's stock agent at least five days before the meeting, so that an attendance sign-in card can be prepared and sent to your designated proxy.
- III. No souvenir will be distributed at this general shareholders' meeting.

Proposal of capital increase in cash by private placement of common shares. The Company proposes to conduct the private placement accordingly, with details provided as follows.

- I. In order to enhance operational capital and improve its financial structure, as well as addressing the capital needs for the Company's long-term development and the introduction of strategic partners, the Company intends to conduct a private placement of common shares in accordance with Article 43-6 of the Securities and Exchange Act and the Regulations Governing Private Placements of Securities by Public Companies. The issuance amount will be limited to no more than 20,000,000 shares, with a par value of NT\$10 per share. The Company proposes to authorize the Board of Directors to handle the private placement within one year from the Shareholders' Meeting approval date, in one or two tranches, depending on the actual fundraising situation.**
- II. Matters to be disclosed in accordance with Article 43-6 of the Securities and Exchange Act are as follows:**
 - (I) The basis and reasonableness of setting the price of private placement of common shares:**
 1. The reference price of each private placement of common shares is based on the higher of the two standards shown below
 - (1) Taking the simple arithmetic average of the closing prices of the common shares over one, three, or five business days prior to the pricing date, while excluding the impact of stock dividends, rights issues, and distributions, and adding back the price per share after capital reduction adjustments.
 - (2) Taking the simple arithmetic average of the closing prices of the common shares over 30 business days prior to the pricing date, excluding the impact of stock dividends, rights issues, and distributions, and adding back the price per share after capital reduction adjustments.
 2. The issuance price of the private placement of common shares shall not be lower than 80% of the reference price in setting the price of the private placement.
 3. The actual pricing date and actual private placement price are proposed to be determined by the Board of Directors authorized by the shareholders' meeting within the range of no less than the percentage resolved by the shareholders' meeting, subject to the situation of specific persons and market conditions.
 4. The reasonableness of the pricing: The actual issue price of the private placement of common shares is determined in accordance with current laws and regulations, as well as the Company's current status, future prospects, and recent stock price; therefore, the pricing should be reasonable.
 5. Impact of private placement on shareholders' equity:
 - (1) If the private placement is fully issued with 20,000,000 common shares, the capital increase after the private placement of common shares will account for 17.61% of the capital after the private placement. However, due to the three-year lock-up period for the securities and the requirement that the use of the funds raised in this private placement must demonstrate clear benefits before the Company can apply to the competent authority for a public offering, there will be no significant adverse impact on shareholders' interests.
 - (2) Considering the impact of market fluctuations, if the private placement of common shares, based on the aforementioned pricing method, results in a price below the par value of the stock and causes the company to incur accumulated losses, future actions will be taken in response to the Company's operations and market conditions. These actions may include capital reduction or the use of retained earnings or capital reserves to offset the losses.
 - (II) Method of selection for specific persons:**
 1. The targets for this private placement of common shares are specific individuals that meet the requirements set forth in Article 43-6 of the Securities and Exchange Act and the Ministry of Finance, Securities and Futures Bureau, Tai Cai Zheng (I) No. 0910003455 issued on June 13, 2002.
 2. The private placement is intended to introduce strategic investors in full.

Through the private placement plan, strategic investors can be introduced to help the Company in expanding its market and managing experience and deployment, which in turn helps the Company to secure its growth. Therefore, the strategic investors introduced will give priority to strengthening the competitive advantage or creating shareholders' equity.

(2) **Necessity:**

In order to create sources of profit and strengthen its competitive edge, the Company intends to seek strategic investors. By leveraging its experience, technology, expertise, and distribution channels, the Company aims to enhance its operational structure, improve profitability, and increase shareholder value. Therefore, the selected subscribers will be strategic investors who can contribute to the Company's future business development. However, no specific subscribers have been identified at this stage.

(3) **Expected benefits:**

Through the private placement plan, the Company intends to introduce strategic investors who can assist in securing lower-cost and long-term stable funding. This is expected to support the Company's business expansion, strengthen its competitiveness, enhance profitability, and ultimately increase shareholder value.

(III) No specific person has been appointed yet. The selection method and purpose for identifying specific persons will prioritize those who have a certain level of understanding of the Company's operations and are expected to contribute directly or indirectly to its future business development. The final candidates will be chosen from among the categories of specific persons permitted under the relevant regulations of the competent authority. Matters relating to the identification and selection of specific persons are proposed to be fully delegated to the Board of Directors upon approval by the shareholders' meeting.

III. Reasons for the necessity of conducting a private placement:

1. **Reasons for not using public offering**

The primary consideration for adopting a private placement of new shares is to raise funds based on the Company's current operational status and its acceptability within the capital market. This approach aims to ensure the timeliness and feasibility of fundraising, enabling the Company to obtain long-term funding in the shortest possible time. Additionally, transfer restrictions help stabilize corporate control and support the Company's business expansion. Therefore, the Company intends to conduct a capital increase through a private placement.

2. **Limit of private placement**

A private placement of common shares will be conducted within a limit of no more than 20,000,000 shares, with a par value of NT\$10 per share. This proposal seeks to authorize the Board of Directors to determine the number of times the transaction will be conducted, either once or twice, within one year from the date of the general shareholders' meeting resolution, in accordance with Article 43-6 of the Securities and Exchange Act, depending on market conditions and the Company's actual needs.

3. **The use of the funds raised by each private placement and the expected benefits to be achieved**

This private placement proposal seeks to authorize the Board of Directors to conduct one or two issuances within one year from the date of the shareholders' meeting resolution. The funds raised in each issuance will be used to strengthen operating capital and repay bank loans. The expected benefits from each issuance include improving the financial structure, reducing debt repayment pressure, maintaining financial flexibility, and strengthening the Company's competitiveness, all of which will have a positive impact on shareholders' equity.

IV. If the introduction of strategic investors may result in changes in management, the Company has requested the underwriter to provide an opinion on the reasonableness and necessity of the private placement of securities. Please refer to Exhibit 6, page 44.

V. The rights and obligations of the private placement of common shares are the same as those of the common shares issued by the Company. However, in accordance with Article 43-8 of the Securities and Exchange Act, the private placement of common shares cannot be freely transferred within three years after they are delivered, except under specific circumstances that comply with the laws and regulations. After three years from the date

of delivery of the private placement of common shares, the Board of Directors is authorized to apply for a public offering and listing on the Taipei Exchange in accordance with relevant laws and regulations, as circumstances allow.

- VI. The main contents of the private placement plan, except for the percentage of private placement pricing, include, but are not limited to, the issuance conditions, project items, capital utilization progress, expected possible benefits, and other matters not yet fully addressed, which will be finalized based on the resolution of the shareholders' meeting and the approval of the competent authority. If there is any change in the law or regulation, if the competent authority approves the amendment, or if there is any change in the objective factors that need to be amended, the Board of Directors is authorized to handle such matters at the shareholders' meeting.
- VII. To facilitate the private placement of common shares, it is proposed that the shareholders' meeting authorize the chairman of the Board or a designated representative to sign and negotiate contracts and documents related to this private placement of common shares, and to handle matters related to this private placement of common shares after the approval of this proposal.
- VIII. For the description of the private placement, please visit the private placement section of the MOPS (website: <https://mops.twse.com.tw>), or the Company's website (URL: <http://www.wax.com.tw/>)

Taiwan Wax Company Ltd.

**Private Placement Necessity and Reasonableness
Assessment Report by Securities Underwriter**

Engaged Party: Taiwan Wax Company Ltd.

Recipient of the Opinion: Taiwan Wax Company Ltd.

Designated Purpose of the Opinion:

For use by Taiwan Wax Company Ltd. only

**Use of Proceeds from the 2025 Private Placement of
Securities**

**Report Type: Underwriter's Opinion on the Necessity and
Reasonableness of the Private Placement**

Evaluating Institution: Taichung Bank Securities Co., Ltd.

April 21, 2025

Taiwan Wax Company Ltd. (hereinafter referred to as “Taiwan Wax” or “the Company”) plans to conduct a private placement of common shares in 2025 (hereinafter referred to as “this Private Placement”) in accordance with Article 43-6 of the Securities and Exchange Act and the Regulations Governing the Offering and Issuance of Securities by Public Companies. This Private Placement is intended to strengthen the Company’s working capital, improve its financial structure, meet funding needs for long-term development, attract strategic partners, and take advantage of the timing and convenience of capital raising. The Company convened board meetings on March 14 and April 21, 2025, to discuss matters related to this Private Placement. According to the resolutions passed at those meetings, the total number of shares to be privately placed shall not exceed 20,000 thousand shares, representing approximately 17.61% of the Company’s total share capital after the placement. This Private Placement is subject to approval by the shareholders’ meeting. Upon approval, the Board of Directors will be authorized to carry out the placement in one or two tranches within one year from the date of the shareholders’ resolution.

According to the 2024 financial statements audited and certified by the CPAs of the Company, the net profit after tax was NT\$82,715 thousand and there was no accumulated loss. After reviewing the proposal of the Board of Directors on April 21, 2025, the Company’s private placement of securities was fully subscribed by strategic investors, so it has complied with the provisions of Article 3 of the “Directions for Public Companies Conducting Private Placements of Securities”:

“A public company with a net profit and no accumulated deficit for the most recent fiscal year shall use the public offering method to issue securities, except in any of the following circumstances in which a private placement may be conducted:

- (I) The company is a public company formed by one single government or juristic-person shareholder.
- (II) The capital raised through private placement is to be used entirely in the introduction of a strategic investor(s).
- (III) The company is a TWSE listed, TPEx listed, or emerging-stock company to which a circumstance is likely to occur under Article 7 or 8 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, where for justifiable reason the company, in urgent need of capital, is unable to achieve the reasonable improvement of the situation necessary for a public offering to be conducted, and has been granted approval by the Taiwan Stock Exchange Corporation (“TWSE”) or Taipei Exchange (“TPEx”). Nevertheless, in no event may a place under the private placement be an insider or related party of the company.”

The Company has resolved that the subscribers for this private placement of securities shall be specific persons selected in accordance with Article 43-6 of the Securities and Exchange Act and the provisions of Tai Cai Zheng (1) No. 0910003455, issued by the Financial Supervisory Commission on June 13, 2002. In accordance with the Directions for Public Companies Conducting Private Placements of Securities, if there has been a significant change in management control within one year prior to the board resolution approving the private placement of securities, or if the introduction of strategic investors through the private placement is expected to result in a significant change in management control, the company shall engage a securities underwriter to issue an evaluation opinion on the necessity and reasonableness of the private placement. Based on the assessment, the Company’s current paid-in capital is 93,559.3 thousand shares. The maximum number of common shares to be issued through this private placement is 20,000 thousand shares, which, if fully issued, is expected to account for 17.61% of the total share capital after the

placement. However, as the Company's entire Board of Directors is scheduled for re-election on June 3, 2025, due to the expiration of their terms, resulting in a change of one-third of the board members, there is a possibility of future changes in management control. Therefore, the Company has engaged this securities underwriter to issue an evaluation opinion on the necessity and reasonableness of the private placement.

The contents of this opinion are intended solely as a reference for the Company's resolution on April 21, 2025, to proceed with this private placement of securities, and shall not be used for any other purpose. This opinion is based on the proposals submitted to the board of directors of the Company on March 14 and April 21, 2025, as well as the financial information provided by the Company. This opinion will not be updated to reflect any future changes that may result from modifications to the private placement plan or any other circumstances, nor shall the underwriter bear any legal responsibility arising therefrom. This statement is hereby made.

I. Corporate profile

Formed on August 13, 1987, Taiwan Wax was listed for trading on the Taipei Exchange on May 14, 2004, and became the only manufacturer of refined paraffin wax in Taiwan. The Company was engaged in the development and manufacturing of specialized chemicals such as refined paraffin wax. The rise of the red supply chain in China and the fierce market competition have compelled the Company to diversify its business in response to long-term operating losses. In 2019, the Company expanded into the solar energy and fresh aquaculture-related businesses. As of March 31, 2025, the paid-in capital was NT\$935,593 thousand. The condensed financial information of the Company for the three years before the private placement is as follows:

Consolidated
Balance Sheet
Based on IFRS

Unit: NT\$ thousands

Year	Items	2022	2023	2024
Current assets	1,883,129	2,793,569	795,314	
Property, plant and equipment	559,334	766,485	867,277	
Intangible assets	—	—	—	
Other assets	182,138	213,094	184,309	
Total assets	2,624,601	3,773,148	1,846,900	
Current liabilities	1,210,708	2,348,026	333,728	
Noncurrent liabilities	149,601	120,613	124,848	
Total liabilities	1,360,309	2,468,639	458,576	
Equity attributable to shareholders of the parent	1,264,292	1,304,509	1,388,324	
Capital Stock	935,593	935,593	935,593	
Capital surplus	165,098	165,098	165,098	
Retained earnings	168,885	207,187	289,902	
Others equity	11,496	13,411	14,511	
Treasury stock	(16,780)	(16,780)	(16,780)	
Non-controlling interest	—	—	—	
Total equity	1,264,292	1,304,509	1,388,324	

Reference: The Company's financial statements for year 2022 to 2024, which have been audited and signed off by the CPA.

Consolidated Statement of Comprehensive Income
Based on IFRS

Unit: NT\$ thousands

Year	Items	2022	2023	2024
Operating revenue		482,012	392,001	231,191
Gross profit		100,716	118,052	57,232
Operating Income (Loss)		(135,169)	48,777	(87,833)
Operating income and expenses		13,813	(10,317)	171,377
Net income (loss) before income tax		(121,356)	38,460	83,544
Net income attributable to shareholders of the parent (loss)		(123,635)	38,302	82,715
Earnings (loss) per share (NTD)		(1.34)	0.41	0.89

Reference: The Company's financial statements for year 2022 to 2024, which have been audited and signed off by the CPA.

II. Underwriter's evaluation opinion

The Board of Directors of Taiwan Wax held meetings on March 14, 2025, and April 21, 2025, to issue a private placement of common shares within the limit of 20,000 thousand shares. The funds raised will be used to enrich the working capital, improve the financial structure, respond to the needs of the Company's long-term development, and introduce strategic partners in order to strengthen the Company's competitiveness, reduce operating pressure, and improve shareholders' equity. According to the Board of Directors' proposals on March 14, 2025 and April 21, 2025, the private placement is limited to strategic investors, i.e. "individuals or corporate entities who, in order to increase the profits of the invested company, through their own experience, technology, knowledge, brands or channels, through vertical industrial integration, horizontal integration or joint research and development of products or markets, to help the invested company to improve technology, improve quality, reduce costs, improve efficiency, and expand the market, and so on." As of April 21, 2025, the Company has no strategic investors.

The evaluation and explanation by this securities underwriter regarding the necessity and reasonableness of the Company's current private placement of securities are as follows:

(I) Evaluation of law compliance

1. Determination of the private placement price

According to Article 4, Paragraph 1, Item 1 of the "Directions for Public Companies Conducting Private Placements of Securities", "if the company is listed, over-the-counter, or on the emerging stock market, and the price of the private placement of common shares is less than 80% of the reference price, or if the price of preferred shares, convertible bonds, warrants attached to preferred shares, warrants attached to corporate bonds, or employee stock options is less than 80% of the theoretical price, the company shall include in the meeting notice the basis and reasonableness of the pricing, as provided by an independent expert, for shareholders' reference to determine whether they agree with the proposed terms." In addition, Article 4, Paragraph 1, Item 2 stipulates that "If the places are insiders or related parties of the company, ... The price of the private placement of common shares shall not be less than 80% of the reference price..."

Based on the proposals submitted to the Board of Directors on March 14 and April 21, 2025, the pricing basis for the issuance of common shares in this private placement is determined by taking the simple arithmetic average of the closing prices of the common shares over one, three, or five business days prior to the pricing date, excluding the impact of stock dividends, rights issues, and distributions, and adding back the price per share after capital reduction adjustments. And the simple arithmetic average of the closing prices of the common shares over 30 business days prior to the pricing date, excluding the impact of stock dividends, rights issues, and distributions, and adding back the price per share after capital reduction adjustments. The higher of the two is the reference price, and it is set at no less than 80% of the reference price. Therefore, it is not necessary to consult an independent expert for an opinion on the basis and reasonableness of the pricing. The actual pricing date and the private placement price are proposed to the shareholders' meeting for authorization of the Board of Directors to determine within the range of no less than the resolution of the shareholders' meeting. These details have been included in the Board of Directors' proposal; therefore, it is

considered to be in compliance with the law.

2. Selection of Places

According to the Company's financial statements for fiscal year 2024, the after-tax net profit was NT\$82,715 thousand, and the undistributed earnings at year-end amounted to NT\$162,593 thousand, with no accumulated deficit. Therefore, pursuant to Article 3 of the "Directions for Public Companies Conducting Private Placements of Securities": "A public company with a net profit and no accumulated deficit for the most recent fiscal year shall use the public offering method to issue securities, except in any of the following circumstances in which a private placement may be conducted:

- (1) The company is a public company formed by one single government or juristic-person shareholder.
- (2) The capital raised through private placement is to be used entirely in the introduction of a strategic investor(s).
- (3) The company is a TWSE listed, TPEx listed, or emerging-stock company to which a circumstance is likely to occur under Article 7 or 8 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, where for justifiable reason the company, in urgent need of capital, is unable to achieve the reasonable improvement of the situation necessary for a public offering to be conducted, and has been granted approval by the Taiwan Stock Exchange Corporation ("TWSE") or Taipei Exchange ("TPEx"). Nevertheless, in no event may a place under the private placement be an insider or related party of the company."

After reviewing the proposal of the Company's Board of Directors on April 21, 2025, the Company's private placement is limited to strategic investors. Furthermore, pursuant to Article 4, Paragraph 1, Subparagraph 2 of the "Directions for Public Companies Conducting Private Placements of Securities," if the places are strategic investors, the method and purpose of selecting such places, the necessity of the private placement, and the expected benefits shall be thoroughly discussed at the board meeting and disclosed in the notice of the shareholders' meeting. After reviewing the Board of Directors' proposal on March 13, 2025, the relevant matters have been stated, and the reason for the shareholders' meeting to be held on June 3, 2025 should be in compliance with relevant laws and regulations.

3. Reasons for the necessity of conducting a private placement

According to the Company's board resolution dated April 21, 2025, the required disclosures have already been made.

- (1) Reasons for not adopting a public offering: Mainly in consideration of its current operating conditions and the level of acceptance in the capital market. To ensure the timeliness and feasibility of fundraising, and to secure long-term funding within the shortest possible timeframe, the private placement method was chosen. In addition, the transfer restrictions associated with private placements help maintain stability in the Company's management and ensure a close and long-term cooperative relationship with strategic investors. Therefore, the Company intends to conduct a private placement of new shares through a cash capital increase.
- (2) The private placement amount: Within 20,000 thousand shares

(3) **Number of expected procedures:** To be conducted in one or two tranches within one year.

(4) The funds raised through each tranche of the private placement, which may be conducted once or twice within a one-year period, with a maximum issuance amount of NT\$100,000 thousand per tranche, will be used to strengthen the Company's working capital and repay bank loans. The expected benefits of each tranche include improving the Company's financial structure, alleviating the pressure of principal and interest repayments, maintaining financial flexibility, and enhancing overall competitiveness. These outcomes are expected to have a positive impact on shareholders' equity.

(II) Current Status of Taiwan Wax

Taiwan Wax mainly engages in the development and manufacturing of various wax raw materials and finished products, as well as in the trading of solar photovoltaic equipment and fresh aquatic products. Due to the continuous increase in alternatives to candles, such as LED lights, global demand for wax products has remained sluggish, and supply has gradually decreased. In addition, the prices of raw materials have continued to rise as a result of geopolitical tensions from the Russia–Ukraine war and pandemic-related lockdowns. The supply side of the solar energy business has also been shrinking, leading to a significant decline in profitability. As a result, the Company has experienced losses and its operations have not shown significant performance. The Company's financial data for fiscal years 2022 to 2024 are as follows:

Unit: NT\$ thousands

Year \ Items	2022	2023	2024
Operating revenue	482,012	392,001	231,191
Gross profit	100,716	118,052	57,232
Operating Income (Loss)	(135,169)	48,777	(87,833)
Operating income and expenses	13,813	(10,317)	171,377
Net income (loss) before income tax	(121,356)	38,460	83,544
Net income attributable to shareholders of the parent (loss)	(123,635)	38,302	82,715
Earnings (loss) per share (NTD)	(1.34)	0.41	0.89

Reference: The Company's financial statements for year 2022 to 2024, which have been audited and signed off by the CPA.

In response to the challenges posed by the Russia-Ukraine war and pandemic-related lockdowns in recent years, which have compressed revenue and profit margins, the Company has made efforts to adjust its business model. It is actively seeking to diversify its sources of raw materials, reduce production costs, and enhance its research and development capabilities. In terms of the business plan, the Company will integrate production, marketing, human resources, and R&D to improve efficiency, reduce costs, and achieve sustainable operations, thereby making products competitive and ensuring stable profits through practical marketing. In terms of market development, the Company will enter the solar photovoltaic and fresh aquatic businesses and carry out diversified operations to increase corporate value and ensure the Company's long-term stable profitability.

(III) The evaluation of the necessity and reasonableness of the current private placement of securities by the Company

1. Evaluation of necessity

Due to the intense competition in the chemical industry, profitability has been challenging for Taiwan Wax. Additionally, the Russia–Ukraine war and pandemic-related lockdowns have caused an increase in raw material costs, restricting the Company's operational flexibility. If the Company were to apply for financing from financial institutions, the resulting interest expenses and repayment pressure would create a financial burden, which would be detrimental to the improvement of the Company's financial health. Therefore, raising funds through equity instruments is considered a more favorable option. If the Company were to proceed with a public offering to raise capital, given its current operational losses, it is unlikely to attract general investors, and there is uncertainty regarding the successful completion of the capital raising plan. Considering that the Company's business is still in a deficit and the operating conditions are not as good as expected, the Company needs to enhance the feasibility of its fundraising plan and implement a fast and simple private placement to raise capital. Therefore, the Company must issue new shares for cash to strategic partners through private placement.

In conclusion, the Company intends to raise capital by issuing common shares through private placement, which can effectively reduce the cost of capital and ensure the efficiency of capital raising. In addition, the Company's Board of Directors is authorized to increase the flexibility and mobility of capital raising based on the Company's actual operating needs, which is indeed necessary for the adoption of a private placement of common shares.

2. Evaluation of reasonableness

(1) The reasonableness of the procedures for issuing private placement

The Company's Board of Directors resolved to handle the private placement on March 14, 2025 and April 21, 2025, and passed the resolution. The Company intends to submit the resolution to the 2025 general shareholders' meeting for approval, and authorize the Board of Directors to handle the matter. In addition, pursuant to Paragraph 6, Article 43-6 of the Securities and Exchange Act, the Company's shareholders' meeting will list the relevant matters of the private placement of securities. After evaluating the content of the proposal, the pricing method, and the selection of the places, we find that the proposal remains in compliance with the Securities and Exchange Act, as well as related laws and regulations, and that the handling procedure is reasonable and legal.

(2) The reasonableness of the expected benefits from the private placement

After evaluating the matters related to the private placement of securities, the Board of Directors' proposal on March 14, 2025, and April 21, 2025, including the issuance conditions, use of capital, expected benefits, and so on, did not reveal any material abnormalities. The private placement of securities is primarily intended to enrich working capital and repay bank loans. The capital increase in cash through the private placement of securities can obtain stable long-term capital, which helps to improve the financial structure, strengthen the Company's competitiveness, and have a positive effect on

shareholders' equity. Compared to a public offering, the private placement of securities imposes a restriction on transferability for three years, which helps ensure a long-term partnership between the Company and its strategic partners. This arrangement is conducive to the Company's medium- to long-term operational growth, and the expected benefits are considered reasonable.

3. Selection and possibility evaluation of the places

(1) Selection method and purpose of the places

The Company's private placement of strategic investors can obtain long-term stable capital, and help the Company expand its business scope, management and financial resources for operations, or enhance the Company's competitive advantages. Therefore, the strategic investors will be prioritized to help the Company strengthen its competitive advantage or create shareholders' equity. However, the Company has not yet defined strategic investors.

(2) The feasibility and necessity of the places

In order to actively create sources of profit and competitive advantages, the Company plans to introduce strategic investors. The goal is to improve the Company's operational structure, enhance profitability, and increase shareholder equity through the investors' experience, technology, knowledge, or channels. Therefore, the selection of places will focus on strategic investors who can contribute to the Company's future business expansion, which is both feasible and necessary.

4. The impact of the transfer of control on the Company's business, finances, and shareholder equity

The Company has currently issued capital of 93,559.3 thousand shares. This private placement of common stock will be limited to a maximum of 20,000 thousand shares. If fully issued, the increase in share capital from this private placement will represent 17.61% of the post-placement capital. However, on June 3, 2025, the Company will undergo a full re-election of its Board of Directors due to the expiration of their terms, resulting in a change of one-third of the board members. There is a possibility of future changes in control. According to relevant regulations, if the Company experiences changes in board seats or control, it will disclose such information in accordance with applicable laws to ensure the protection of shareholders' rights. The following is an explanation of the potential impact on the Company's business, finances, and shareholder equity if there is a significant change in control of Taiwan Wax in the future:

(1) Impact on the Company's business

Given the highly competitive business environment of the industry in which the Company operates, the Company will consider sustainable operations and future development when pursuing this private placement. The Company plans to explore the introduction of strategic investors who can contribute to its future operations. These investors will help the Company develop appropriate strategies and enhance overall competitiveness, with the aim of improving operational efficiency and profitability. This is expected to have a positive impact on the Company's business operations.

(2) Impact on the Company's finance

The Company's private placement of common shares will be used to enrich working capital and repay bank loans. In addition to helping the Company obtain long-term and stable capital, the private placement of funds can also reduce the repayment pressure to financial institutions and interest expenses each year, strengthen the financial structure and maintain financial flexibility, and enhance the Company's competitiveness. Therefore, the private placement of funds will have a positive effect on the Company's financial aspect.

(3) Impact on the Company's shareholder equity

In addition to the long-term stable capital, the private placement of common shares can also introduce strategic investors to increase the Company's profits and shareholders' equity. According to the pricing principles for this private placement of common stock, the issue price is set at no less than 80% of the reference price. Therefore, the pricing of this private placement complies with the regulations outlined in the "Directions for Public Companies Conducting Private Placements of Securities." Although there is a possibility of a significant change in control after the private placement, the restriction that the securities cannot be freely transferred within three years ensures a long-term cooperative relationship between the Company and its strategic partners. As a result, this private placement is not expected to have a significant adverse impact on the Company's shareholder equity.

In conclusion, with the long-term development and compliance with financing regulations taken into consideration, the private placement of common shares of Taiwan Wax may obtain long-term stable capital, which helps the Company expand its business scope and competitiveness, improve its operational efficiency and profitability, and has a positive effect on shareholders' equity. After considering the Company's profitability and the feasibility of raising capital through a public offering, the Company intends to issue securities by private placement, which is indeed necessary and reasonable.

Additionally, upon reviewing the board meeting materials prepared by the company, it is evident that the issuance process, the content of the proposal discussion, the basis for the private placement pricing, and the selection method of specific investors all comply with the Securities and Exchange Act and relevant regulations, with no significant irregularities identified.

Declaration of Independence

- I. The Company has been entrusted to provide an evaluation report on the necessity and reasonableness of the private placement of securities conducted by Taiwan Wax Company Ltd. in 2025. This evaluation report maintains a high level of objectivity and independence.**

- II. The Company hereby declares that it does not engage in any of the following activities in the execution of the above business:**
 - (I) Any party and its parent company, all subsidiaries of its parent company, and venture capital businesses managed by its subsidiaries, collectively holding more than 10% of the shares of the other party.**
 - (II) Any party and its subsidiaries appointing directors to the other party's board, exceeding half of the total number of the other party's board members.**
 - (III) The Chairperson or President of either party is the same person as the Chairperson or President of the other party, or is a spouse or a relative within the second degree of kinship of the other party.**
 - (IV) Any party whose total shareholding exceeds 20% is held by the same shareholder.**
 - (V) Any party whose directors or supervisors are more than half the same as those of the other party. The calculation method includes the spouses, children, and relatives within two degrees of kinship of such individuals.**
 - (VI) Either party and its related parties collectively hold 50% or more of the total issued shares of the other party.**
 - (VII) Both parties are required, in accordance with relevant laws and regulations, to file for merger approval or, after notification, have not been prohibited from merging by the Fair Trade Commission.**
 - (VIII) Where other laws or factual evidence indicate that either party directly or indirectly controls the personnel, financial, or business operations of the other party, thereby compromising its independence.**

III. In order to provide an evaluation of the necessity and reasonableness of the proposed private placement of securities, I hereby present my expert opinion, which has been prepared with impartiality and independence.

Declarant: Taichung Bank Securities Co., Ltd.

Representative: Yeh, Hsiu-Hui

April 21, 2025