

Cathay Consolidated, Inc.
2024 Annual Shareholders' Meeting
Minutes (Translation)

Time : 10:00 AM on May 23 (Thursday), 2024

Place : NO.15, Gongyuan 2nd Rd., Wuchieh Township, Yi-Lan County 268, Taiwan
(R.O.C.) (Shangrila Boutique Hotel)

Total outstanding shares : 71,344,847 shares

Total shares represented by shareholders present in person or by proxy : 43,341,558 shares

Percentage of shares held by shareholders present in person or by proxy : 60.74%

Directors present : George T.S. Liu, Syu Guang-Huei, Joanna Hsiao, Shih Sin-Chuan, Pan Sian, Celia Syu

Chairman : George T.S. Liu, Chairman of the Board of Directors

Recorder : Vincent H.Lee

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

I 、Chairman's Address

II 、Report Items(omitted)

- 1 、To report the business of 2023 (see Attachment I)
- 2 、Audit Committee's review report (see Attachment II)
- 3 、To report 2023 employees' profit sharing bonus and directors' compensation (see Attachment III)
- 4 、To report 2023 earnings distribution

Description: Cathay's Articles of Incorporation authorize the Board of Directors to approve cash dividends. The amounts and payment dates of 2023 cash dividends are demonstrated in the table below:

Approval Date (month/day/year)	Payment Date (month/day/year)	Cash Dividends Per Share(NT\$)	Total Amount (NT\$)
02/22/2024	04/18/2024	5.0	356,724,232

- 5 、To report the issuance of the first domestic Secured Convertible bond (CB)

Description: The Company issued the first domestic Secured Convertible bond (CB) on June 2, 2022, with an issuance amount of NT\$200 million. As of March 31, 2024, the bondholders convert total 1,665 bonds were converted 2,429,150 shares.

Cathay Consolidated, Inc.
2024 Annual Shareholders' Meeting
Minutes (Translation)

IV 、Proposed Resolutions

- 1 、To accept 2023 Business Report and Financial Statements (Proposed by the Board of Directors)

Description:

- (1) Cathay's 2023 Financial Statements has been audited by Ernst & Young CPA firm with unqualified opinion.
- (2) 2023 Business Report and Financial Statements are attached hereto as Annexes I and IV.
- (3) Cathay's 2023 Financial Statements has been audited by Ernst & Young CPA firm with unqualified opinion.

Voting Results:

Shares represented at the time of voting: 43,341,558

Voting Results*	% of the total represented share present
Approval votes: 41,944,899 (Include electronic voting 41,444,899)	96.77%
Disapproval votes: 73,511 (Include electronic voting 73,511)	0.16%
Invalid votes: 0 (Include electronic voting 0)	0.00%
Abstention votes/No votes: 1,323,148 (Include electronic voting 377,148)	3.05%

*: including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

- 2 、The Company's 2023 annual dividend distribution, submitted for discussion.
(Proposed by the Board of Directors)

Description:

- (1) The net income after tax of the Company in 2023 is NT\$529,788,957 the distributable surplus is NT\$676,742,850.
- (2) We propose cash dividend is NT\$356,724,232, stock dividend is NT\$71,344,850, per share of NT\$6. The Company's profit distribution table. Please refer to Annex V for the Company's disposition of net

Cathay Consolidated, Inc.
2024 Annual Shareholders' Meeting
Minutes (Translation)

income.

- (3) The above-mentioned dividends shall be calculated up to NT\$1 according to the distribution ratio, rounded up below NT\$1, and the total amount of payments less than NT\$1 distributed shall be included in the company's other income.
- (4) If there are subsequent changes in the company's share capital that affect the number of outstanding shares, resulting in a change in the shareholder's dividend rate that needs to be revised, authorize chairman of the board of directors to handle it in accordance with the company law or other relevant laws and regulations.

Voting Results:

Shares represented at the time of voting: 43,341,558

Voting Results*	% of the total represented share present
Approval votes: 41,945,918 (Include electronic voting 41,445,918)	96.77%
Disapproval votes: 73,512 (Include electronic voting 73,512)	0.16%
Invalid votes: 0 (Include electronic voting 0)	0.00%
Abstention votes/No votes: 1,322,128 (Include electronic voting 376,128)	3.05%

*: including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

V 、 Items to Discuss:

1. Surplus transfer to capital increase and issue new stock. (Proposed by the Board of Directors)

- (1) In order to enrich its working capital, the company plans to allocate stock dividends of NT\$71,344,850 to shareholders from the distributable earnings in 2023, and issue 7,134,485 new shares, with a par value of NT\$10 per share to increase capital , According to the shareholding ratio of shareholders, 100 shares will be allotted for every 1,000 shares, and the fractional shares that are less than one share will be converted into cash (calculated up to NT\$ 1), and the chairman will be authorized to contact a specific to subscribe at par value.

Cathay Consolidated, Inc.
2024 Annual Shareholders' Meeting
Minutes (Translation)

- (2) After this case is approved by the regular meeting of shareholders and submitted to the competent authority for approval, the board of directors will be authorized to set a new base date for the issuance of new shares, a distribution date and other related matters. The rights and obligations of the new shares issued this time are the same as those of the originally issued ordinary shares.
- (3) If there are subsequent changes in the company's share capital that affect the number of outstanding shares, resulting in a change in the shareholder's dividend rate that needs to be revised, authorize chairman of the board of directors to handle it in accordance with the company law or other relevant laws and regulations.

Voting Results:

Shares represented at the time of voting: 43,341,558

Voting Results*	% of the total represented share present
Approval votes: 41,936,849 (Include electronic voting 41,436,849)	96.75%
Disapproval votes: 84,082 (Include electronic voting 84,082)	0.19%
Invalid votes: 0 (Include electronic voting 0)	0.00%
Abstention votes/No votes: 1,320,627 (Include electronic voting 374,627)	3.04%

*: including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

VI 、 Items to Elect:

- 1 、 Invite the board of directors to review the candidacy of independent director.
(Proposed by the Board of Directors)

Description:

- (1) The original independent director, Mr. Chen Xianzhi, resigned on October 15, 2023. According to the provisions of Article 14-2, Paragraph 6 of the Securities and Exchange Law, a by-election should be held at the latest shareholders' meeting.
- (2) The term of the new independent director will start from May 23, 2024 to

Cathay General Insurance Co., Ltd.
2024 Annual Shareholders' Meeting
Minutes (Translation)

July 6, 2025.

- (3) The list of independent director candidates proposed this time has been reviewed and approved by the company's board of directors on February 22, 2024. The relevant information is hereby stated as follows:

Independent Director	邵于玲 Yu-Lin, Jackie, Shao	1. Professor of Department of Recreation and Sport Management, University of Taipei 2. Ph.D. in Sports Management, The Ohio State University, U.S.A. 3. Bachelor of Department of Business Administration, National Cheng Kung	4. B.S. degree of National Chung Hsing University 5. Manager of Hua Nan Commercial Bank
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Election results:

	Name	Number of Votes	Elected or not
Independent Director	邵于玲 Yu-Lin, Jackie, Shao	41,101,652 (Include electronic voting 40,601,652)	Elected

Other Items

- 1、Removal non-compete cases for some directors and their representatives, submit for discussion. (Proposed by the Board of Directors)

Description:

- (1) According to Article 209 of the Company Act, "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) The directors of the company may invest in or operate other companies with the same or similar business scope as the company's business, and the directors are competing for the same business. Without prejudice to the interests of the company, according to the provisions of Article 209 of the Company Act, a petition shall be filed.
- (3) The shareholders' meeting agreed to removal the non-compete restriction on some new directors. Please refer to Annex VI.

Voting Results:

Shares represented at the time of voting: 43,341,558

Voting Results*		% of the total represented share present
Approval votes:	41,843,668	96.54%

Cathay Consolidated, Inc.
2024 Annual Shareholders' Meeting
Minutes (Translation)

(Include electronic voting 41,843,668)	
Disapproval votes: 118,158 (Include electronic voting 118,158)	0.27%
Invalid votes: 0 (Include electronic voting 0)	0.00%
Abstention votes/No votes: 1,379,732 (Include electronic voting 433,732)	3.18%

*: including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

VII 、 Motion :

Summary of Shareholder account number 8170's speech:

1. How about the schedule of the new factory expansion?

Chairman's reply:

The structural part of the new factory expansion has been completed and should be completed in June.

The Chief Financial Officer add:

The chairman mentioned that the structural part of the new factory expansion has been completed and is in trial operation. It refers to the part of the second phase expansion of No. 3 Dexing 1st Road for the use of the finished component factory. Currently, after applying for the factory registration certificate and obtaining the factory registration certificate, It's officially in operation.

Another item is the third laminating machine purchased by the functional fabric factory. The main parts of the machine have been assembled. David standard engineers will be stationed at the end of May to conduct circuit testing. It is expected to take two weeks. We hope to The basic parts of electronic assembly and operation will be completed around mid-June, and then the test run will be carried out.

2. How about the operating outlook for the second half of 2024 and 2025?

The Chief Financial Officer reply:

In the medical sector, the company's main product is medical beds. However, the US auxiliary budget has been uncertain, and hospitals are unwilling to determine the number of beds, the required quantity has slowed down the progress of medical bed.

Because the FED has not relaxed its interest rate cut policy, it means that the

Cathay Consolidated, Inc.
2024 Annual Shareholders' Meeting
Minutes (Translation)

willingness to consume in the United States is low. Therefore, the brands in the outdoor sector are better this year. Some customers who are worse will take rush orders and only order when there is demand in the market. This is the same as before. The pattern of taking six-month orders is different, so the pressure on outdoor sales this year is not small, and the results of urgent orders may be worse than last year.

Because this year's aircraft have been rushed to be delivered, the amount of aerospace life-saving cloth is more than expected, and the delivery speed is faster than before. I think we will face a different field.

The military industry has two orders, one is to sell functional fabrics and the other is to sell semi-finished products. This year, the orders for functional fabrics have gradually been converted into semi-finished products, and as originally agreed, they are being shipped one after another. The bidding for the second half of the year has been partially released. , the status of this year's military industry orders will be clearer.

In the second half of the year, we have been working hard on the HHB and BEN parts mentioned earlier. In fact, it is relatively clear at the moment, probably 3 or 4 new products, and some parts of the progress are being checked by customers. I think we are in a hurry, but we will not be too aggressive. We have been paying close attention to it, and all members of our team are closely preparing.

Generally speaking, the company's operating outlook in 2024 should be similar to that in 2023. As for 2025, the visibility is really low, so I can't make further comments on the situation in 2025 now.

3. Is there any new schedule on the military industry bidding project?

Chairman's reply:

The company's current bids for military industry customers are still ongoing, and it is also paying attention to the demand for equipment from the Taiwan Police Department. Basically, customers are very optimistic about the prospects of these bulletproof vests.

Furthermore, the customer originally purchased functional fabrics from the company. After a period of cooperation, he hoped to make semi-finished products from Cathay before shipping. The shipping time will be adjusted, but Cathay can be vertically integrated. And these are Cathay happy to see the successes.

VIII 、 Meeting Adjourned : 10:32 AM on May 23, 2024

Cathay Consolidated, Inc.
2024 Annual Shareholders' Meeting
Minutes (Translation)



George T.S. Liu
Chairman of the Board of Directors



Vincent H.Lee
Recorder