

SUN YAD CONSTRUCTION CO., LTD.

2025 Annual General Meeting

Meeting Handbook

Form of Shareholders' Meeting: Physical

1:00 pm, May 22, 2025 (Thursday)

**Location: 4F, No. 250, Sec. 2, Yong Hua Rd., Anping
Dist., Tainan City
(The Company's conference hall)**

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Agenda of 2025 Annual General Meeting of SUN YAD CONSTRUCTION CO., LTD.

Time: 1:00 pm, May 22, 2025 (Thursday)

Location: 4F, No. 250, Sec. 2, Yong Hua Rd., Anping Dist., Tainan City
(The Company's conference hall)

- I. Call the meeting to order
- II. Chairman's opening remarks
- III. Report items
 - (I) The Company's 2024 business report and financial report.
 - (II) Audit Committee's audit report on the Company's 2024 financial statements.
 - (III) Report on offering and issuance of convertible corporate bonds.
- IV. Ratifications
 - (I) Ratification of the 2024 business report and financial statements.
 - (II) Ratification of the proposal to make up for 2024 losses.
- V. Discussion Topics
 - (I) Amendment to the Articles of Incorporation.
 - (II) Proposal to conduct hold private placement of common stock.
 - (III) Amendment to the Procedures for Endorsements and Guarantees.
- VI. Extraordinary Motions
- VII. End of meeting

III. Report items

Proposal (I): The Company's 2024 business report.

Explanation: For the business report, please refer to Pages 12~13 of the Handbook.

Proposal (II): Audit Committee's audit report on the Company's 2024 financial statements.

Explanation: The Audit Committee's report is stated as following:

SUN YAD CONSTRUCTION CO., LTD. Audit Committee's Review Report

The Company's Board of Directors has prepared the 2024 business report, parent company-only financial statements, consolidated financial statements, and earnings distribution plan. The parent-only financial statements and consolidated financial statements have been audited by CPAs Vincent Hsu and David Chen of KPMG Taiwan and the audit report thereon has been issued, together with the 2024 business report, loss off-setting proposal and other final accounts. We had been audited by this had been audited by this audit committee and we consider no inconsistence exists. Therefore, a report is submitted for review in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To:

2025 Annual meeting of shareholders of SUN YAD CONSTRUCTION CO., LTD.

Convener of Audit Committee: Hu Li-Yuan



March 12, 2025

Proposal (III): Report on offering and issuance of convertible corporate bonds..

Description:

Issuance of corporate bonds

Type of corporate bond	Domestic 4th secured convertible corporate bonds (SUN YAD 4)	6th series domestic secured convertible corporate bonds (Sun Yad 6)
Date of approval by the competent authority	FSC's letter under Jin-Guan-Zheng-Fa-Zi No. 1090378375 dated January 15, 2021	FSC's letter under Jin-Guan-Zheng-Fa-Zi No. 11303625201 dated December 03, 2024
Date of issuance (offering)	January 29, 2021	December 27, 2024
Total Amount	NT\$400 million	NT\$400 million
Interest rate	Annual coupon rate 0%	Annual coupon rate 0%
Period	5-year maturity date: January 29, 2026	3-year maturity date: December 27, 2027
Repayment Method	Unless the bond holder exercises the put option and redeems the bond earlier, the repayment shall be made in cash in full at the carrying amount of the bond upon maturity.	Unless the bond holder exercises the put option and redeems the bond earlier, the repayment shall be made in cash in full at the carrying amount of the bond upon maturity.
Purpose and implementation of raised funds Status	To increase the working capital and repay bank loans	Raise working capital
Outstanding principal	NT\$134,000 thousand	NT\$400,000 thousand
Number of ordinary shares already converted so far	Already converted 17,806,527 common shares as of March 31, 2025.	0 share

IV. Ratifications:

Proposal (I): Ratification of 2024 business report and financial statements.
(Proposed by the Board of Directors)

Description: 1. The board has prepared the 2024 business report, parent company-only financial statements and consolidated financial statements. The parent-only financial statements and consolidated financial statements have been audited by CPAs Vincent Hsu and David Chen of KPMG Taiwan and the audit report thereon has been issued. The documents and the business report have been submitted to the audit committee for review, which has issued an audit report.

2. Please refer to Pages 12~13 and 14~28 of the Handbook for the 2023 Business Report, Independent Auditor's Report, and financial statements.

3. Presented for ratification.

Resolution:

Proposal (II): Ratification of 2024 Loss Off-setting Proposal.

(Proposed by the Board of Directors)

Description:

1. The Company's 2024 loss-offsetting proposal has been reviewed and passed by the Audit Committee on March 12, 2025, and is to be submitted to the board for approval.
2. The earnings distribution plan is prepared accordingly. Please refer to the attached table.
3. Presented for ratification.

Resolution:

“Table”


SUN YAD CONSTRUCTION CO., LTD.
Loss Offsetting Table

2024

Unit: NT\$

Beginning accumulated losses to be made

up

Less: Changes in ownership interests in
subsidiaries

Less: Other comprehensive income for the
year -- Actuarial gains or losses

Less: Net loss after tax for the year

Ending accumulated losses to be made up

Chairman:
Chang Yu-Ming



General Manager:
Chang Yu-Ming



Accounting Manager:
Kuo Yu-Cheng



V. Discussion topics:

Proposal (I): Amendments to the “Articles of Incorporation”

(Proposed by the Board of Directors)

Description: 1: The Articles of Incorporation are amended in order to meet the Company's future development needs and pursuant to Paragraph 6, Article 14, of the Securities and Exchange Act (pay raise or allocation of bonus for entry-level employees using a certain percent of annual profits as described in the Articles of Incorporation).

2. Comparison Table of Amendments to the “Articles of Incorporation”
(Please refer to page 29-33 of this Handbook).

Resolution:

Summary (II): Proposal to conduct private placement of common stock.

(Proposed by the Board of Directors)

Description: 1. In order to raise working capital to improve the Company's competitive advantages and operational efficiency, it is proposed to conduct a cash capital increase by private placement of new shares in accordance with Article 43-6 of the Securities and Exchange Act and the Directions for Public Companies Conducting Private Placements of Securities. It is estimated that the private placement will not exceed 50,000,000 shares, with a par value of NT\$10 per share. Depending on the condition of the capital market, it is proposed to have the shareholders' meeting authorize the board to conduct the private placement in three installments within one year after the date of shareholders' meeting resolution.

2. In accordance with Article 43-6 of the Securities and Exchange Act, the matters that should be explained for private placement are as follows:

(1) Basis and rationality of price set:

The reference price of the common shares issued in this cash capital increase of the private placement is determined by the higher of: the average price on the pricing day, minus the ex-rights and dividends of the bonus shares, and adding back the ex-rights price from the capital reduction; or the simple arithmetic average of the closing prices of the common shares for the thirty business days before the pricing day, minus the ex-rights and dividends of the bonus shares, and adding back the ex-rights price from capital reduction. (2) Private placement pricing percentage: The price per share of the private placement shall not be lower than 80% of the reference price. (3) The actual pricing date and the issue price of the private placement, within the range of not less than the percentage resolved by the shareholders' meeting, is authorized to be determined by the Board, depending on the negotiations with specific parties in the future. (4) The issuance conditions of private placement securities are determined because the Securities and Exchange Act imposes a three-year transfer restriction on private placement securities and also strictly regulates the qualifications of the issuers. The private placement price was determined in compliance with the relevant regulations of the competent authority and after taking into account factors such as the Company's operating performance, the most recent net worth and the recent stock price. The manner in which it was determined should be reasonable. (5) Based on the aforementioned pricing principles, if the price in the centralized trading market does not exceed the par value or is close to the par value, and the actual issuance price in the future is lower than the par value, this is determined in accordance with the current relevant laws and regulations and the pricing method should be reasonable. If case of such event, the impact on shareholders equity will be the accumulated losses resulting from the difference between the actual private placement price and the par value. If the accumulated

losses of the company increase and affect shareholders equity, it will be resolved by reducing capital to make up for the losses or by using future operating income to make up for the losses through surplus or capital reserves, depending on the future company operations and market conditions.

3. Selection of specific persons:

(1) The recipients of the private placement of common shares shall be limited to the specific persons who meet the requirements of Article 43-6 of the Securities and Exchange Act and the (91) Tai-Cai-Zheng-Yi-Zi Order No. 0910003455 issued by the Financial Supervisory Commission on June 13, 2002.

(2) If the subscriber is an insider or a related party, the list of candidates is as follows:

A. List of prospective subscribers and their relationship with the Company:

Name of subscriber	Relationship with the Company
Chang Yu-Ming	Chairman of the Company
Zhong Qing Technology Co., Ltd.	The chairman and the Company's chairman are the same person.
VOYAGE INVESTMENT LIMITED	The chairman and the Company's chairman are the same person.
He Rui Investment Ltd.	The chairman and the Company's chairman are the same person.
Metropolitan International Development Co., Ltd.	The chairman and the Company's director are the same person.
U-BEST Innovative Technology Co., Ltd.	The chairman and the Company's chairman are the same person.
MYSON CENTURY, INC.	The chairman and the Company's chairman are the same person.

FEEI CHERNG ENTERPRISE CO., LTD.	The chairman and the Company's chairman are the same person.
HSIN-LI CHEMICAL INDUSTRIAL CORP.	The chairman and the Company's chairman are the same person.

B. If the subscriber is a legal person, the following shall be disclosed:

a. Singular Technology Company Ltd.

major shareholders	Shareholding	Relationship with the Company
Chang Yue-Hua		Second-degree relative to the Company's chairman
Chang Hui-Feng		Spouse of the Company's Chairman
Chang Yu-Ming		Chairman of the Company
Bai-Hong Chang		First-degree relative to the Company's chairman
Ren-Wei Chang		First-degree relative to the Company's chairman
Metropolitan International Development Co., Ltd.		The chairman and the Company's director are the same person.

b. VOYAGE INVESTMENT LIMITED

major shareholders	Shareholding	Relationship with the Company
Chang Hui-Feng		Spouse of the Company's Chairman
Yu-Chen Chang		None
Hsiu-Chiung Lai		None
Yu-Cheng Chang		None
Chang Chao Su-Chu		First-degree relative to the

		Company's chairman
Chang Yue-Hua		Second-degree relative to the Company's chairman
Bai-Hong Chang		First-degree relative to the Company's chairman
Ren-Wei Chang		First-degree relative to the Company's chairman
Chang Yu-Ming		Chairman of the Company

c. He Rui Investment Ltd.

major shareholders	Shareholding	Relationship with the Company
Chang Yu-Ming		Chairman of the Company
Chang Hui-Feng		Spouse of the Company's Chairman
Bai-Hong Chang		First-degree relative to the Company's chairman
Ren-Wei Chang		First-degree relative to the Company's chairman

d. Metropolitan International Development Co., Ltd.

major shareholders	Shareholding	Relationship with the Company
Chang Yu-Ming		Chairman of the Company
Zhong Qing Technology Co., Ltd.		The chairman and the Company's chairman are the same person.
VOYAGE INVESTMENT LIMITED		The chairman and the Company's chairman are the same person.

e. U-BEST Innovative Technology Co., Ltd.

major shareholders	Shareholding	Relationship with the Company
	g	

SUN YAD CONSTRUCTION CO., LTD.		The Company
Chun-Jung Tseng		None
HSIN-LI CHEMICAL INDUSTRIAL CORP.		The chairman and the Company's chairman are the same person.
Che-Wei Chen		None
Su-Ling Chen		None
BOROMI OPTRONICS CORP.		Other related party of the Company
Cheng-Chuan Lin		None
Citibank Custodian Berkeley Capital SBL/PB investment account		None
Wen-Kuang Chen		None
Ren-Jie Chu		None

f. MYSON CENTURY, INC.

major shareholders	Shareholding	Relationship with the Company
SUN YAD CONSTRUCTION CO., LTD.		The Company
HSIN-LI CHEMICAL INDUSTRIAL CORP.		The chairman and the Company's chairman are the same person.
VOYAGE INVESTMENT LIMITED		The chairman and the representative of the Company's chairman are the same person.
He Rui Investment Ltd.		The chairman and the Company's chairman are the same person.
Chuan-Kung Sung		None
Li Tung-Hung		Representative of director of the Company
Wen-Chu Tsai		None

Zhong Qing Technology Co., Ltd.		The chairman and the Company's chairman are the same person.
Metropolitan International Development Co., Ltd.		The chairman and the Company's director are the same person.

g. FEEI CHERNG ENTERPRISE CO., LTD.

major shareholders	Shareholding	Relationship with the Company
Chang Yu-Ming		Chairman of the Company
U-BEST Innovative Technology Co., Ltd.		The chairman and the Company's chairman are the same person.
SUN YAD CONSTRUCTION CO., LTD.		The Company
Chi-Fu Investment Co., Ltd.		None
Hong-Fu Investment Co., Ltd.		None
Metropolitan International Development Co., Ltd.		Other related party of the Company
Chang Hui-Feng		Spouse of the Company's Chairman
Chi-Ming Yang		None
Shun-Cheng Wu		None
The Capital Group in custody of investment accounts of The Capital Group Hong Kong		None

h. HSINLI CHEMICAL INDUSTRIAL CORP.

major shareholders	Shareholding	Relationship with the Company
U-BEST Innovative Technology Co., Ltd.		The chairman and the Company's chairman are the same person.
FEEI CHERNG ENTERPRISE CO., LTD.		The chairman and the Company's chairman are the same person.

Shangyu Construction Co., Ltd.		The chairman and the Company's director are the same person.
Zhong Qing Technology Co., Ltd.		The chairman and the Company's chairman are the same person.
BOROMI OPTRONICS CORP.		Other related party of the Company
VOYAGE INVESTMENT LIMITED		The chairman and the Company's chairman are the same person.
Che-Wei Chen		None
Chun-Wei Lu		None
Chia-Jung Lin		None
Mei Kuo		None

(3) Method and purpose of selecting subscribers: The chairman is authorized to prioritize consideration to applicants who can directly or indirectly contribute to the future operations of the company and to select them from among specific persons who meet the requirements of the competent authority. In addition, considering that insiders or related persons are specific persons, they already have a certain degree of understanding of the company's operations. If they can participate in the private placement, they should be able to provide the funds needed for the company's operations in the short term and strengthen the company's operating conditions and competitiveness.

4. Necessary reasons for private placement:

(1) Reasons for not adopting a public offering: Considering the timeliness, feasibility and issuance costs of raising capital, as well as that private placement securities are subject to the regulation that they cannot be freely transferred within three years, private placement is conducted rather than public

offering in order to ensure a long-term equity relationship between the Company and the subscribers.

(2) Amount of private placement: The maximum amount of common stock issued for private placement is 50,000 shares, which shall be processed in three installments within one year from the date of resolution of the general meeting of shareholders.

(3) The expected number of private placements, the use of capital raised by each private placement, and the expected benefits of each private placement:

Number of expected procedures	Projected number of shares to be raised by private placement	Purpose of funds from private placement	Estimated benefits
1st time	20,000 thousand shares	Raise working capital for projects	Strengthen the Company's competitiveness and enhance operational efficiency
2nd	15,000 thousand shares		
3rd	15,000 thousand shares		
With respect to the estimated number of shares in the first, second and third private placements mentioned above, all or part of the previously unissued shares and/or the subsequently estimated number of shares to be issued may be issued together when each is actually carried out, but the total number of shares to be issued shall not exceed 50,000 thousand shares.			

5. Rights and obligations of the common shares of the private placement:

Same as those of the Company's issued common shares; however,

according to Article 43-8 of the Securities and Exchange Act, the shares of private placement shall be restricted and not transferred within three years from the delivery date. Three years after the date of delivery of the shares by private placement, the Company may apply for public offering and listing will be filed in accordance with relevant laws and regulations.

6. The pricing percentage, actual price of issue, number of shares, issue criteria, plan matters, amount to be raised, expected progress, expected benefits and other outstanding matters related to the issue plan are to be proposed at the annual general meeting for shareholders for approval, which authorizes the board to adjust, determine and carry out the private placement plan depending on the market condition. For any changes to be made subject to the regulations of the competent authority or in consideration of the operations or the impact of the market environment, the board is also authorized to handle the matter with full discretion.
7. For this private placement of common shares, it is proposed to request the shareholders' meeting to authorize the chairman or his designated person to sign and discuss all contracts and documents related to the private placement on behalf of the Company and handle all matters related to the private placement plan for the Company.
8. Independent directors with opposing or reserved opinions: None.

Resolution:

Summary (III): Amendment to the Procedures for Endorsements and Guarantees.

(Proposed by the Board of Directors)

Description:

1. Revised to meet the Company's future development needs.
2. Comparison Table of Amendments to the "Procedures for Endorsements and Guarantees" (Please refer to page40 of this Handbook).

Resolution:

VI. Extraordinary motions

VII. End of Meeting

一、 Business Report of the Previous Year (2024)

The Company's 2024 net operating revenue was NT\$218,755 thousand, decreasing by 21.89% from NT\$280,059 thousand in 2023. The operating loss was NT\$127,240 thousand, decreasing by NT\$52,008 thousand, i.e. 69.13%, from the operating loss of NT\$75,232 thousand in 2023. The non-operating expenditure was NT\$86,246 thousand, increasing by NT\$18,474 thousand, i.e. 27.26%, from the non-operating expenditure of NT\$67,772 thousand in 2023. Therefore, the overall net loss before tax was NT\$213,486 thousand in 2024, increasing by NT\$70,482 thousand, i.e. 49.29%, from the net loss before tax NT\$143,004 thousand in 2023. The current self-assessed income tax expenses are NT\$904 thousand. The net loss after tax was NT\$214,390 thousand in 2024, increasing by NT\$69,639 thousand, i.e. 48.11%, from the net loss after tax NT\$144,751 thousand in 2023. The decrease was mainly attributable to the decrease in sales, which resulted in a decrease in profits due to the decrease in the number of housing units built and delivered by the Company in 2024.

二、 Business plan for this year (2025)

The 2025 business plan is as follows:

In 2024, the government's new youth family-planning policy encouraged domestic real estate transaction volumes to increase and prices to soar rapidly. Later, in order to prevent the real estate market from getting out of control, the central bank introduced a series of strict housing market policies in the second half of the year, resulting in sluggish real estate transaction volumes in all counties and cities and downward price consolidation. It is expected that this wave of falling prices and volumes will continue until 2025, or even later. It is expected that in 2025, Tainan's real estate, although supported by the effect of the Southern Taiwan Science Park, will not be able to withstand the government's efforts in curbing speculation, and the market remains in a wait-and-see situation. Only a few specific regions or high-quality construction companies can maintain certain sales performance. Our adherence to high-quality construction projects, coupled with a prudent housing price strategy, may help us grow against the trend in 2025.

(I) Active promotion of the sale of remaining households in the completed projects

Completed projects	Total number of households	Number of sold households	Number of remaining households	Remark
The King's Castle	88	88	0	
Tiffany	82	79	3	
Yun Qian	8	1	7	
Mayfair	73	68	5	
The King's Landscapes	71	17	54	

(II) Construction projects for pre-sale:

The land on the north side to Jiufenzi Avenue, Guo-An Section, Annan District is planned for two 35-story residential commercial mixed-use skyscrapers, and the construction permit was granted in 2021. The project has also commenced the pre-sale, with the sales rate already reaching 94% by end of 2024. The construction work commenced in Q1 of 2022. Currently, the construction is about to enter into the stage of erection of structural steelwork.

(III) Construction projects under planning:

The land on the south side to Jiufenzi Avenue, Guoan Section, Annan District is planned for three 36-storey super elevation complex buildings, and the project is still under planning. We have received the building permit in Q1 of 2023, and expected to start the construction in 2025. To summarize the Company's major projects, we believe that the domestic real estate market will remain uncertain in 2024 under the impact of various factors, and will probably show a "high price but low volume" pattern. The Company focuses on the household types catering to various groups. It is expected that the Company's operating revenue in 2024 will primarily come from the sale of The King's Landscapes finished households. As the project is intended for luxury households, its customer base targets at high-asset customers. If the sales are successful, there should be a significant increase in revenue for the current year. Meanwhile, subject to the fund status, the Company will purchase land successively for construction of various household types,

hoping to derive more operating revenue and profit for the Company.

Chairman: Chang Yu-Ming



General Manager: Chang Yu-Ming



Accounting Manager: Kuo Yu-Cheng



External Auditor's Report

To the Board of Directors of SUN YAD CONSTRUCTION CO., LTD.:

Audit Opinions

We have completed our audit on the Balance Sheet of SUN YAD CONSTRUCTION CO., LTD. on December 31, 2024 and 2023, and Statement of Comprehensive Income, Statement of Changes in Equity, Cash Flow Statement, and Notes to the Parent Company Only Financial Statements (including a summary of significant accounting policies) for January 1~December 31, 2024 and 2023.

In our opinion, said parent company only financial statements in all major respects are in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, based on our audit results and the other external auditors' report (please refer to the Other Matters section). They are sufficient to adequately express the consolidated financial status of the SUN YAD CONSTRUCTION CO., LTD. as of December 31, 2024 and 2023 and its financial performance and cash flow from January 1 through December 31, 2024 and 2023.

Basis for Opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of the report. We are independent of SUN YAD CONSTRUCTION CO., LTD. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters refer to the most important matters for the audit of 2024 consolidated financial statements of the SUN YAD Group based on our professional judgment. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We judge that the following key audit matters should be communicated in the audit report:

I. Recognition of revenue - real estate sale

For the accounting policy on the recognition of revenue, please refer to Note IV(XIII) Recognition of Revenue in the parent company only financial statements. For the details on the recognition of revenue, please refer to Note VI(XX) Revenue from contracts with customers in the parent company only financial statements.

Explanation of Key Audit Matters:

The revenue from the sale of real estate of SUN YAD CONSTRUCTION CO., LTD. was the main source of the operating revenue and recognized at the time of registration of the transfer of real estate title and physical settlement. The management might fail to recognize early, or defer the recognition of, the revenue, in order to attain the performance. Such transactions might not satisfy the revenue recognition principles, possibly resulting in a significant risk of over misrepresentation. Therefore, the recognition of revenue is identified as one of the important evaluation indicators in our audit on SUN YAD CONSTRUCTION CO., LTD.'s parent company only financial statements.

Audit procedures:

Our primary audit procedures for said key audit matters consist of verification of the control mechanism for the operating procedure of collecting and recognizing revenue from sales under the internal control system of SUN YAD CONSTRUCTION CO., LTD.. We conduct the random check on the house and land sales contracts, payment details, bank transaction records, real estate ownership transfer documents, and settlement list. We conduct the random check on each installment payment for house/land to analyze the integrity of bank's collections and unearned receipts out for the house/land payment accounting procedure. We select the transactions before and after the balance sheet date at random to check the related transaction documents and evaluate whether the revenue is recognized in a timely manner.

II. Inventory valuation

For the accounting policy on inventory valuation, please refer to Note IV(VII) Inventory in the parent company only financial statements. For the uncertainty in accounting estimates and hypotheses about net realizable value of inventory valuation, please refer to Note V in the consolidated financial statements. For the explanation of the net realizable value of inventory valuation, please refer to Note VI(VI) Inventory in the parent company only financial statements.

Explanation of Key Audit Matters:

SUN YAD CONSTRUCTION CO., LTD.'s inventory is measured at the lower of cost and net realizable value. As the real estate industry requires a high cash inflow with the long collection period, the industry is likely to be affected significantly by politics, economy and real estate tax systems and, therefore, there might be the risk that the inventory cost would be higher than the net realizable value. Therefore, the inventory valuation is identified as one of the important evaluation indicators in our audit on SUN YAD CONSTRUCTION CO., LTD.'s parent company only financial statements.

Audit procedures:

Our primary audit procedures for said key audit matters consist of access to the quotation about the real estate nearby according to the latest Actual Price Registration of Real Estate released by the Ministry of the Interior, and we evaluate the reasonableness of allowance for inventory valuation and obsolescence losses in the building industry and also evaluate whether the inventory valuation is executed in accordance with the Company's existing accounting policy, by translating the average selling price into the net realizable value of inventory. Also, we evaluate whether the Company's disclosure of the information about loss allowance for inventory is adequate.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, the management is responsible for assessing the ability of SUN YAD CONSTRUCTION CO., LTD. to continue operations, disclosing related matters, as well as continuing operations with the basis of accounting, unless the management either intends to liquidate SUN YAD CONSTRUCTION CO., LTD. or to cease operations, or has no feasible alternative but to do so.

Those charged with governance (including Audit Committee) are responsible for overseeing the financial reporting process of SUN YAD CONSTRUCTION CO., LTD..

External Auditors' Responsibilities for the Audit on Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement in the parent company only financial statements when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the parent company only financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of SUN YAD CONSTRUCTION CO., LTD.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of SUN YAD CONSTRUCTION CO., LTD. to continue as a going concern, based on the audit evidence obtained. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause SUN YAD CONSTRUCTION CO., LTD. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and contents of the parent company only financial statements, including the related notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of investees under equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion on the SUN YAD CONSTRUCTION CO., LTD..

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence under the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and to communicate with them all relationships and other matters that may reasonably be considered affecting our independence, and where applicable, other matters (including related safeguards).

From the matters communicated with the governance unit, we have determined key audit matters of 2024 parent company only financial statements of SUN YAD CONSTRUCTION CO., LTD.. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Taiwan

許振隆



External auditor:

高金玉倫



Approval reference
of securities
competent authority:
March 12, 2025

Jin-Guan-Zhen-6-Zi No. 0960069825
Jin-Guan-Zheng-Shen-Zi No.
1130332775

SUN YAD CONSTRUCTION CO., LTD.

Balance Sheet

December 31, 2024 and 2023

Unit: NT\$ Thousand

Assets	2024.12.31				2023.12.31				Liabilities and equity	2024.12.31				2023.12.31			
	Amount	%	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%	Amount	%
Current assets:																	
1100 Cash and cash equivalents (Note VI(I))	\$ 388,268	5	228,578	3	2100 Short-term loan (Notes VI(XI) and VIII)					\$ 3,117,592	39	2,818,042	39				
1110 Financial assets at fair value through profit or loss - non-current (Notes VI(II) and (XIV))	121	-	-	-	2110 Short-term bills and notes payable (Notes VI(XII) and VIII)					249,716	3	-	-				
1136 Financial assets measured at amortized cost - current (Note VI(IV))	1,000	-	200,000	3	2130 Contract liabilities - current (Notes (XX) and IX)					752,780	9	618,700	8				
1210 Other receivables-related party (Note VI(V) and VII)	261	-	19,416	-	2150 Notes payable					84	-	-	-				
1220 Income tax assets for the current period	818	-	616	-	2170 Accounts payable					97,593	1	365,075	5				
130X Inventory (Note VI(VI), VII and VIII)	5,976,045	74	5,626,751	77	2180 Other payables - related party (Note VII)					-	-	191,555	3				
1410 Prepayments (Note VII)	292,884	4	234,732	3	2200 Other payables (Note VII)					51,904	1	25,336	-				
1470 Other current assets	201,024	2	127,000	2	2280 Lease liabilities - current (Note VI(XIII))					5,863	-	3,311	-				
1476 Other financial assets - current (Note VIII)	126,422	2	205,515	3	2321 Corporate bonds payable due within one year or one business cycle (Notes VI(XIV) and VIII)					131,773	2	349,092	5				
Total current assets	6,986,843	87	6,642,608	91	2399 Other current liabilities (Note VII)					3,965	-	8,535	-				
Non-current assets:																	
1510 Financial assets at fair value through profit or loss - non-current (Note VI(II) and (XIV))	3,732	-	-	-	2530 Non-current liabilities:					4,411,270	55	4,379,646	60				
1521 Financial assets at fair value through other comprehensive income - non-current (Note VI(III))	10,500	-	-	-	2580 Corporate bonds payable (Note VI(XIV) and VIII)					372,778	5	-	-				
1550 Investment under equity method (Note VI(VII))	901,743	11	632,225	9	2580 Lease liabilities - non-current (Note VI(XIII))					5,156	-	5,957	-				
1600 Property, plant and equipment (Note VI(VIII) and VII)	2,040	-	2,946	-	2645 Deposits received					220	-	220	-				
1755 Right-of-use assets (Notes VI(IX) and VII)	10,557	-	8,815	-	Total non-current liabilities					378,154	5	6,177	-				
1780 Intangible assets (Note VI(X))	283	-	564	-	Total liabilities					4,789,424	60	4,385,823	60				
1840 Deferred income tax assets (Note VI(XVI))	197	-	197	-	Equity (Notes VI(III), (VII), (XIV), (XVI), (XVII) and (XVIII))												
1920 Refundable deposits	961	-	1,249	-	3100 Capital stock					3,010,160	37	2,804,169	38				
1980 Other financial assets - non-current (Note VIII)	163,000	2	-	-	3200 Capital surplus					649,691	8	288,659	4				
1990 Other non-current assets	119	-	-	-	3350 Accumulated deficit					(322,437)	(4)	(107,759)	(1)				
Total non-current assets	1,093,132	13	645,996	9	3400 Other equity					(151)	-	15	-				
Total assets	\$ 8,079,975	100	7,288,604	100	3500 Treasury stock					(46,712)	(1)	(82,303)	(1)				
					Total equity					3,290,551	40	2,902,781	40				
					Total liabilities and equity					\$ 8,079,975	100	7,288,604	100				

(Please refer the Notes to Parent Company Only Financial Statements.)

Manager: Chang Yu-Ming

Chairman: Chang Yu-Ming

Accounting Manager: Kuo Yu-Cheng


SUN YAD CONSTRUCTION CO., LTD.
Statement of Comprehensive Income
January 1~December 31, 2024 and 2023

Unit: NT\$ Thousand

	2024		2023	
	Amount	%	Amount	%
4000 Operating revenue, net (Note (XX) and VII)	\$ 218,755	100	280,059	100
5000 Operating cost (Notes VI(VI) and VII)	119,889	55	250,960	90
5900 Gross profit	<u>98,866</u>	<u>45</u>	<u>29,099</u>	<u>10</u>
6100 Operating expenses: (Notes (VIII), (IX), (X), (XIII), (XV), (XVIII), (XXI), VII and XII)				
6100 Selling expenses	103,892	47	35,563	13
6200 Management expenses	<u>122,214</u>	<u>56</u>	<u>68,768</u>	<u>24</u>
6200 Total operating expenses	<u>226,106</u>	<u>103</u>	<u>104,331</u>	<u>37</u>
6900 Operating loss, net	<u>(127,240)</u>	<u>(58)</u>	<u>(75,232)</u>	<u>(27)</u>
Non-operating revenue and expenditure: (Notes VI(II), (VII), (XIII), (XIV), (XX), and VII)				
7100 Interest revenue	3,288	1	3,888	1
7020 Other gains and losses	27,774	12	1,847	1
7050 Financial cost	(86,096)	(39)	(76,492)	(27)
7375 Share of profit or loss of subsidiaries recognized under equity method	<u>(31,212)</u>	<u>(14)</u>	<u>2,985</u>	<u>1</u>
7375	<u>(86,246)</u>	<u>(40)</u>	<u>(67,772)</u>	<u>(24)</u>
7900 Net loss before tax	<u>(213,486)</u>	<u>(98)</u>	<u>(143,004)</u>	<u>(51)</u>
7950 Less: Income tax expenses (gains) (Note VI(XVI))	<u>904</u>	<u>-</u>	<u>1,747</u>	<u>1</u>
8200 Net loss for the current period	<u>(214,390)</u>	<u>(98)</u>	<u>(144,751)</u>	<u>(52)</u>
Other comprehensive income:				
8310 Items not reclassified into income (Note VI(XVI) and (XVII))				
8331 Remeasurement of defined benefit plans of subsidiaries	(20)	-	54	-
8331 Unrealized valuation gains or loss on subsidiaries' investment in equity instrument at fair				
8336 value through other comprehensive income	(170)	-	1,279	-
8349 Less: Income tax related to items that are not reclassified	<u>(4)</u>	<u>-</u>	<u>11</u>	<u>-</u>
8349	<u>(186)</u>	<u>-</u>	<u>1,322</u>	<u>-</u>
8360 Items that may be subsequently reclassified into income (Note VI(XVI) and (XVII))				
8381 Share of other comprehensive income of subsidiaries under equity method-Exchange	4	-	-	-
8381 differences on translation of foreign financial statements	-	-	-	-
8399 Less: Income tax related to items that might be reclassified	4	-	-	-
8399	<u>(182)</u>	<u>-</u>	<u>1,322</u>	<u>-</u>
Other comprehensive income for the current period				
8500 Total comprehensive income	<u>\$ (214,572)</u>	<u>(98)</u>	<u>(143,429)</u>	<u>(52)</u>
Earnings (losses) per share (Note VI(XIX)) (Unit: NTD)				
9750 Basic loss per share	<u>\$ (0.79)</u>		<u>(0.68)</u>	


SUN YAD CONSTRUCTION CO., LTD.
Statement of Changes in Equity
January 1~December 31, 2024 and 2023

Unit: NT\$ Thousand

								Other equity items			
	Common stock	Capital surplus	Legal reserve	Retained earnings			Exchange differences on translation of foreign financial statements	Unrealized valuation gain (loss) from financial assets at fair value through other comprehensive income	Total	Treasury stock	Total equity
				Special reserve	Undistributed earnings (accumulated deficit)	Total					
Balance on January 1, 2023	\$ 2,190,421	321,536	-	4,832	121,606	126,438	(182)	2,211	2,029	(61,756)	2,578,668
Net loss for the current period	-	-	-	-	(144,751)	(144,751)	-	-	-	-	(144,751)
Other comprehensive income for the current period	-	-	-	-	43	43	-	1,279	1,279	-	1,322
Total comprehensive income	-	-	-	-	(144,708)	(144,708)	-	1,279	1,279	-	(143,429)
Earning appropriation and distribution:											
Legal reserve appropriation	-	-	12,161	-	(12,161)	-	-	-	-	-	-
Special reserve appropriation	-	-	-	21,117	(21,117)	-	-	-	-	-	-
Cash dividends of common shares	-	-	-	-	(87,617)	(87,617)	-	-	-	-	(87,617)
Cash dividends distributed from the capital surplus	-	(65,712)	-	-	-	-	-	-	-	-	(65,712)
Cash capital increase	600,000	-	-	-	-	-	-	-	-	-	600,000
Convertible corporate bonds	13,748	2,208	-	-	-	-	-	-	-	-	15,956
The stocks of the parent company purchased by a subsidiary shall be identified as treasury stocks.	-	-	-	-	-	-	-	-	-	(20,547)	(20,547)
Distribute dividends to subsidiaries and adjust the capital surplus	-	2,623	-	-	-	-	-	-	-	-	2,623
Changes in the ownership and equity of the subsidiary	-	16,119	-	-	(5,165)	(5,165)	-	-	-	-	10,954
Share-based payment transactions	-	2,205	-	-	-	-	-	-	-	-	2,205
Subsidiaries' disposal of investment in equity instrument at fair value through other comprehensive income	-	-	-	-	3,293	3,293	-	(3,293)	(3,293)	-	-
Exercise of disgorgement	-	9,680	-	-	-	-	-	-	-	-	9,680
Balance on December 31, 2023	2,804,169	288,659	12,161	25,949	(145,869)	(107,759)	(182)	197	15	(82,303)	2,902,781
Net loss for the current period	-	-	-	-	(214,390)	(214,390)	-	-	-	-	(214,390)
Other comprehensive income for the current period	-	-	-	-	(16)	(16)	4	(170)	(166)	-	(182)
Total comprehensive income	-	-	-	-	(214,406)	(214,406)	4	(170)	(166)	-	(214,572)
Issuance of convertible corporate bonds - conversion right	-	35,252	-	-	-	-	-	-	-	-	35,252
Convertible corporate bonds	161,381	47,775	-	-	-	-	-	-	-	-	209,156
The stocks of the parent company disposed of by a subsidiary shall be identified as treasury stocks.	-	12,282	-	-	-	-	-	-	-	35,591	47,873
Changes in the ownership and equity of the subsidiary	-	257,824	-	-	(272)	(272)	-	-	-	-	257,552
Exercise of employee stock options	44,610	7,138	-	-	-	-	-	-	-	-	51,748
Share-based payment transactions	-	761	-	-	-	-	-	-	-	-	761
Balance on December 31, 2024	\$ 3,010,160	649,691	12,161	25,949	(360,547)	(322,437)	(178)	27	(151)	(46,712)	3,290,551

(Please refer the Notes to Parent Company Only Financial Statements.)

Chairman: Chang Yu-Ming 

Manager: Chang Yu-Ming 

Accounting Manager: Kuo Yu-Cheng 

SUN YAD CONSTRUCTION CO., LTD.

Cash Flow Statement

January 1~December 31, 2024 and 2023

Unit: NT\$ Thousand

	2024	2023
Cash flow from operating activities:		
Net loss before tax for the period	\$ (213,486)	(143,004)
Adjustment:		
Adjustments to reconcile profit (loss)		
Depreciation expenses	6,489	3,199
Amortization expenses	281	365
Net gain on financial assets and liabilities at fair value through profit or loss	(7,352)	(1,513)
Interest expenses	86,096	76,492
Interest revenue	(3,288)	(3,888)
Share-based payment transactions	761	2,205
Share of profit or loss of subsidiaries recognized under equity method	31,212	(2,985)
Proceeds from disposal of property, plant and equipment	(4)	(155)
Unrealized foreign currency exchange gains (losses)	(1)	4
Adjustments to reconcile profit (loss)	114,194	73,724
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Decrease (increase) in other receivables - related party	9,135	(1,098)
Increase in inventories	(337,986)	(515,032)
Increase in prepayments	(58,152)	(19,334)
Increase in other current assets	(74,024)	(28,725)
Increase in other non-current assets	(119)	-
Total net changes in assets related to operating activities	(461,146)	(564,189)
Net changes in liabilities related to operating activities:		
Increase in contract liabilities	134,080	59,070
Increase of notes payable	84	-
Increase (decrease) in accounts payable	(267,482)	53,306
Increase (decrease) in accounts payable - related party	(191,555)	65,206
Increase (decrease) in other payables	25,525	(46,806)
Decrease in other current liabilities	(4,570)	(8,585)
Total net changes in liabilities related to operating activities	(303,918)	122,191
Total net changes in assets and liabilities related to operating activities	(765,064)	(441,998)
Total adjustments	(650,870)	(368,274)
Cash outflow from operation	(864,356)	(511,278)
Interest collected	3,308	3,950
Dividends collected	4,513	-
Interest paid	(92,812)	(78,166)
Income tax paid	(1,106)	(2,003)
Net cash outflow from operating activities	(950,453)	(587,497)
Cash flow from investing activities:		
Proceeds from disposal of financial assets at fair value through profit or loss	7,010	-
Decrease (increase) of financial assets at amortized cost	199,000	(200,000)
Acquisition of financial assets at fair value through other comprehensive income	(10,500)	-
Acquisition of investment under equity method	-	(102,720)
Acquisition of property, plant and equipment	(94)	(742)
Proceeds from disposal of property, plant and equipment	7	164
Decrease in refundable deposits	288	4,997
Decrease in other receivables - related party	10,000	40,000
Acquisition of intangible assets	-	(95)
Decrease (increase) in other financial assets-current	79,093	(205,515)
Decrease (increase) in other financial assets-current	(163,000)	193,181
Net cash inflow (outflow) from investing activities	121,804	(270,730)
Cash flow from financing activities:		
Increase in short-term loans	380,050	1,101,250
Decrease in short-term loans	(80,500)	(669,485)
Increase in short-term bills and notes payable	249,716	-
Issuance of convertible corporate bonds	404,307	-
Repayment of corporate bonds	(11,500)	-
Increase in deposits received	-	220
Repayment of principal for lease	(5,483)	(2,007)
Distribution of cash dividends	-	(153,329)
Cash capital increase	-	600,000
Exercise of employee stock options	51,748	-
Exercise of disgorgement	-	9,680
Net cash inflow from financing activities	988,338	886,329
Effect of changes in foreign exchange rate to cash and cash equivalents	1	(4)
Net increase in cash and cash equivalents in the current period	159,690	28,098
Balance of cash and cash equivalents, beginning	228,578	200,480
Balance of cash and cash equivalents, ending	\$ 388,268	228,578

(Please refer the Notes to Parent Company Only Financial Statements.)

Chairman: Chang Yu-Ming



Manager: Chang Yu-Ming



Accounting Manager: Kuo Yu-C



External Auditor's Report

To the Board of Directors of SUN YAD CONSTRUCTION CO., LTD.:

Audit Opinions

We have completed our review on the Consolidated Balance Sheet of SUN YAD CONSTRUCTION CO., LTD. and its subsidiaries (hereinafter referred to as "SUN YAD Group") on December 31, 2024 and 2023, and Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) for January 1~December 31, 2024 and 2023.

In our opinion, said consolidated financial statements in all major respects are in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), IFRIC Interpretation, or SIC Interpretation endorsed by the Financial Supervisory Commission. They are sufficient to adequately express the consolidated financial status of the SUN YAD Group as of December 31, 2024 and 2023 and its consolidated financial performance and consolidated cash flow from January 1 through December 31, 2024 and 2023.

Basis for Opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of the report. We are independent of SUN YAD Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters refer to the most important matters for the audit of 2024 consolidated financial statements of the SUN YAD Group based on our professional judgment. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We judge that the following key audit matters should be communicated in the audit report:

I. Recognition of revenue - real estate sale

For the accounting policy about recognition of revenue, please refer to Notes IV(XV) Recognition of Revenue in the consolidated financial statements. For the details about the recognition of revenue, please refer to Note VI(XXVII) Revenue from contracts with customers in the consolidated financial statements.

Explanation of Key Audit Matters:

The revenue from sale of real estate of SUN YAD Group was recognized at the time of registration of the transfer of real estate title and physical settlement. Management might fail to recognize revenue early or defer the recognition of revenue in order to attain a better performance. Such transactions might not satisfy the revenue recognition principles, possibly resulting in significant risk over misrepresentation. Therefore, the recognition of revenue is identified as one of the important evaluation indicators in our audit on SUN YAD Group's consolidated financial statements.

Audit procedures:

Our primary audit procedures for said key audit matters consist of verification of the control mechanism for the operating procedure of collecting and recognizing revenue from sales under the company's internal control system. We conduct the random check on the house and land sales contracts, payment details, bank transaction records, real estate ownership transfer documents, and settlement list. We conduct the random check on each installment payment for house/land to analyze the integrity of bank's collections and unearned receipts out for the house/land payment accounting procedure. We select the transactions before and after the balance sheet date at random to check the related transaction documents and evaluate whether the revenue is recognized in a timely manner.

II. Inventory valuation

For the accounting policy on inventory valuation, please refer to Note IV(VIII) Inventory in the consolidated financial statements. For the uncertainty in accounting estimates and hypotheses about net realizable value of inventory valuation, please refer to Note V in the consolidated financial statements. For the explanation of the net realizable value of inventory valuation, please refer to Note VI(VII) Inventory in the consolidated financial statements.

Explanation of Key Audit Matters:

Inventories of SUN YAD Group are measured at the lower of cost or net realizable value. Building industry: As the real estate industry requires a high cash inflow with the long collection period, the industry is likely to be affected significantly by politics, economy and real estate tax systems and, therefore, there might be the risk that the inventory cost would be higher than the net realizable value. Manufacturing industry: If the product is obsolete or no longer meets the market demand, and the sales of related products may fluctuate drastically, the inventory will be sluggish and the inventory cost may be higher than the net realizable value. Therefore, the inventory valuation is identified as one of the important evaluation indicators in our audit on SUN YAD Group's consolidated financial statements.

Audit procedures:

Our main audit procedures for the above key audit matters include: Construction industry: Our primary audit procedures for said key audit matters consist of access to the quotation about the real estate nearby according to the latest Actual Price Registration of Real Estate released by the Ministry of the Interior, and we evaluate the reasonableness of allowance for inventory valuation and obsolescence losses in the building industry and also evaluate whether the inventory valuation is executed in accordance with the Company's existing accounting policy, by translating the average selling price into the net realizable value of inventory, or the real estate appraisal value is obtained appraiser or current transaction price. Manufacturing industry: understand the valuation policy of inventory obsolescence adopted by the management, and compare the actual status of past obsolete and slow-moving inventories to assess the accuracy of past management's estimates; obtain inventory ageing reports, and test the correctness of the inventory ageing calculations by applying a sample to the inventory transaction documents. According to the percentage of allowance for slowdown, recalculation is made for the allowance for obsolete and slow-moving inventories; and evaluates whether the disclosure of allowance for obsolete and slow-moving inventories is appropriate.

III. Business combination - acquisition of a business

Regarding the business combination - acquisition of a business for the accounting policy, please refer to Note IV(XXI) business combination (including the acquisition of a business) of the consolidated financial statements; for relevant disclosure, please refer to Note VI(VIII) of the consolidated financial statements.

Explanation of Key Audit Matters:

The management of SUN YAD Group commissioned an external independent evaluation expert to issue a purchase price allocation report, and according to the evaluation results of the report, the fair value of identifiable intangible assets and goodwill or bargain purchase gain were recognized and adjusted. Since the allocation of the acquisition price involves assumptions of accounting estimates, including evaluation models, key parameter settings, future cash flows, and the use of discount rates, the assessment consideration for the price allocation report of a business acquisition is when we implement one of the important assessment matters in the audit of the consolidated financial statements of the Group.

Audit procedures:

Our main audit procedures for the above key audit matters include assessing the suitability, objectivity, and professional qualifications of the external independent evaluation experts commissioned by the management.

Through interviews with the management to understand the operations overview after including the business item, and by comparing the external market information with the internal hypothetical information, to confirm that there are no matters that affect its objectivity or limit its scope of work. Entrust the evaluation experts of the firm to implement relevant procedures to evaluate whether the main assumptions and evaluation methods used in the price allocation report issued by the external independent evaluation expert are reasonable.

Other Matters

SUN YAD CONSTRUCTION CO., LTD. has prepared the parent company only financial statements 2024 and 2023. Meanwhile, we hereby issued an unqualified audit opinion in the report for future reference.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and with International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), IFRIC Interpretation, or SIC Interpretation endorsed and promulgated in effect by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the ability of SUN YAD Group to continue operations, disclosing related matters, as well as continuing operations with the basis of accounting, unless the management either intends to liquidate SUN YAD Group or to cease operations, or has no feasible alternative but to do so.

Those charged with governance (including Audit Committee) are responsible for overseeing the financial reporting process of SUN YAD Group.

External Auditors' Responsibilities for the Audit on Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement in the consolidated financial statements when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of SUN YAD Group.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of SUN YAD Group to continue as a going concern, based on the audit evidence obtained. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause SUN YAD Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and contents of the consolidated financial statements, including the related notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion on the Group.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence under the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and to communicate with them all relationships and other matters that may reasonably be considered affecting our independence, and where applicable, other matters (including related safeguards).

From the matters communicated with the governance unit, we have determined key audit matters of 2024 consolidated financial statements of SUN YAD Group. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Taiwan

External auditor:

Approval reference of securities competent authority:	Jin-Guan-Zhen-6-Zi No. 0960069825 Jin-Guan-Zheng-Shen-Zi No. 1130332775
March 12, 2025	

SUN YAD CONSTRUCTION CO., LTD. and Its' Subsidiaries
Consolidated Balance Sheet
December 31, 2024 and 2023

Unit: NT\$ Thousand

	2024.12.31				2023.12.31				2024.12.31				2023.12.31				
	Assets		Amount		%		Amount		%		Liabilities and equity		Amount		%		
Current assets:																	
1100	Cash and cash equivalents (Note VI(I))		\$ 1,631,952	9	689,023	6	2100	Short-term loan (Notes VI(XV) and VIII)		\$ 5,554,426	32	3,684,276	30				
1110	Financial assets at fair value through profit or loss - non-current (Notes VI(II) and (XX))		134,161	1	206,282	2	2110	Short-term bills and notes payable (Notes VI(XVI) and VIII)		399,440	3	155,822	1				
1136	Financial assets measured at amortized cost - current (Note VI(IV))		289,623	2	514,913	4	2120	Financial liabilities at fair value through profit or loss - non-current (Note VI(II) and (XX))		-	-	2,400	-				
1150	Notes receivable, net (Note VI(V) and (XXVII))		24,426	-	38,513	-	2130	Contract liabilities - current (Note VI(XXVII) and IX)		1,189,912	7	860,597	7				
1170	Accounts receivable, net (Note VI(V), (XXVII) and VII)		205,876	1	100,227	1	2150	Notes payable		28,380	-	215	-				
1200	Other receivables (Note VI(VI) and VII)		9,629	-	27,008	-	2170	Accounts payable		429,491	3	683,513	5				
1220	Income tax assets for the current period		3,050	-	2,415	-	2200	Other payables (Note VII)		209,353	1	97,535	1				
130X	Inventory (Note VI(VII), VIII and IX)		10,301,383	60	7,671,487	61	2230	Income tax liabilities for the current period		51,711	-	4,109	-				
1410	Prepayments (Note VII)		414,236	3	425,746	3	2250	Provision - current (Note VI(XIX))		5,000	-	-	-				
1470	Other current assets		247,648	1	153,727	1	2280	Lease liabilities - current (Note VI(XVIII))		20,593	-	4,724	-				
1476	Other financial assets - current (Note VIII)		206,461	1	274,952	2	2321	Corporate bonds payable due within one year or one business cycle (Notes VI(XX) and VIII)		131,773	1	1,042,899	8				
Total current assets				13,468,445	78	10,104,293	80	2322	Long-term loan due within one year or one business cycle (Note VI(XVII) and VIII)		66,936	-	41,557	-			
Non-current assets:																	
1510	Financial assets at fair value through profit or loss - non-current (Note VI(II) and VIII)		393,741	2	363,325	3	2399	Other current liabilities		20,362	-	14,950	-				
1521	Financial assets at fair value through other comprehensive income - non-current (Note VI(III))		77,964	-	6,926	-	Total current liabilities				8,107,377	47	6,592,597	52			
1535	Financial assets measured at amortized cost - non-current (Note VI(IV) and VIII)		152,653	1	-	-	Non-current liabilities:										
1600	Property, plant and equipment (Note VI(XVIII), (XI), VII, VIII and IX)		2,069,075	12	1,555,527	13	2530	Corporate bonds payable (Notes VI(XX) and VIII)		748,534	5	-	-				
1755	Right-of-use assets (Note VI(VIII) and (XII))		116,926	1	12,632	-	2540	Long-term loan (Notes VI(XVII) and VIII)		74,854	-	112,524	1				
1760	Investment property (Notes VI(XIII), (XXI) and VIII)		419,750	3	432,305	3	2572	Deferred income tax liabilities (Note VI(VIII) and (XXIII))		66,768	-	66,186	1				
1780	Intangible assets (Note VI(VIII) and (XIV))		278,638	2	75,175	1	2580	Lease liabilities - non-current (Note VI(XVIII))		108,811	1	8,485	-				
1840	Deferred income tax assets (Note VI(VIII) and (XXIII))		27,607	-	12,024	-	2645	Deposits received		5,771	-	4,314	-				
1920	Refundable deposits (Note VII)		18,501	-	14,155	-	Total non-current liabilities				1,004,738	6	191,509	2			
1980	Other financial assets - non-current (Note VIII)		163,000	1	-	-	Total liabilities				9,112,115	53	6,784,106	54			
1990	Other non-current assets (Note VI(XXII))		14,770	-	1,003	-	3100	Capital stock		3,010,160	17	2,804,169	23				
Total non-current assets				3,732,625	22	2,473,072	20	3200	Capital surplus		649,691	4	288,659	2			
Total assets																	
			\$ 17,201,070	100	12,577,365	100	3350	Accumulated deficit		(322,437)	(2)	(107,759)	(1)				
							3400	Other equity		(151)	-	15	-				
							3500	Treasury stock		(46,712)	-	(82,303)	(1)				
							Total equity attributed to owners of the parent (Note VI(III), (IX), (X), (XX), (XXIII), and (XXIV)):				3,290,551	19	2,902,781	23			
							36XX	Non-controlling equity (Notes VI(IX) and (X))		4,798,404	28	2,890,478	23				
							Total equity				8,088,955	47	5,793,259	46			
							Total liabilities and equity				\$ 17,201,070	100	12,577,365	100			

Chairman: Chang Yu-Ming 

(See accompanying notes to consolidated financial statements)
Manager: Chang Yu-Ming

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Accounting Manager: Kuo Yu-Cheng 

SUN YAD CONSTRUCTION CO., LTD. and Its' Subsidiaries
Consolidated Statement of Comprehensive Income
January 1~December 31, 2024 and 2023

Unit: NT\$ Thousand

		2024	2023		
		Amount	%	Amount	%
4000	Operating revenue, net (Notes VI(X), (XXVII), and VII)	\$ 1,491,234	100	845,937	100
5000	Operating cost (Note VI(VII), (XI), (XII), (XIII), (XIV), (XXII), (XXV), VII, XII)	1,010,282	68	700,117	83
5900	Gross profit	480,952	32	145,820	17
6100	Operating expenses: (Note VI(V), (XI), (XII), (XIII), (XIV), (XVIII), (XXI), (XXII), (XXV), VII and XII)				
6100	Selling expenses	234,910	16	60,731	7
6200	Management expenses	327,452	22	244,854	29
6300	R&D expenses	21,025	1	19,392	2
6450	Gain on reversal of expected credit impairment	(580)	-	-	-
6900	Operating loss, net	582,807	39	324,977	38
	Non-operating revenue and expenditure: (Note VI(II), (VIII), (XVIII), (XX), (XXI) and (XXIX), VII, and IX)	(101,855)	(7)	(179,157)	(21)
7100	Interest revenue	20,069	1	8,640	1
7190	Other revenue	12,975	1	23,683	3
7020	Other gains and losses	106,803	7	113,577	13
7050	Financial cost	(124,981)	(8)	(111,278)	(13)
7900	Net loss before tax	14,866	1	34,622	4
7950	Less: Income tax expenses (Note VI(XXIII))	(86,989)	(6)	(144,535)	(17)
8200	Net loss for the current period	54,974	4	4,344	1
8300	Other comprehensive income:	(141,963)	(10)	(148,879)	(18)
8310	Items not reclassified into income (Note VI(XXIII) and (XXIV))				
8311	Remeasurement of defined benefit plan	(1,836)	-	375	-
8316	Unrealized valuation gains or loss on investment in equity instrument at fair value through other comprehensive income	(122)	-	2,048	-
8349	Less: Income tax related to items that are not reclassified	(367)	-	75	-
		(1,591)	-	2,348	-
8360	Items that may be subsequently reclassified into income (Note VI(XXIII) and (XXIV))				
8361	Exchange differences on translation of foreign financial statements	7	-	-	-
8367	Unrealized valuation gains or loss on investment in debt instrument at fair value through other comprehensive income	(286)	-	-	-
8399	Less: Income tax related to items that might be reclassified	(57)	-	-	-
		(222)	-	-	-
		(1,813)	-	2,348	-
8500	Other comprehensive income (net after tax)				
	Total comprehensive income	\$ (143,776)	(10)	(146,531)	(18)
	Net income (loss) of the period attributed to:				
8610	Owners of the parent	\$ (214,390)	(14)	(144,751)	(17)
8620	Non-controlling equity	72,427	4	(4,128)	(1)
		\$ (141,963)	(10)	(148,879)	(18)
	The total comprehensive income shall be vested in:				
8710	Owners of the parent	\$ (214,572)	(14)	(143,429)	(17)
8720	Non-controlling equity	70,796	4	(3,102)	(1)
		\$ (143,776)	(10)	(146,531)	(18)
	Earnings (losses) per share (Note VI(XXVI) (Unit: NT\$)				
9750	Basic loss per share	\$ (0.79)		(0.68)	

(See accompanying notes to consolidated financial statements)

Chairman: Chang Yu-Ming



Manager: Chang Yu-Ming



Accounting Ma
Yu-Cheng



Kuo

SUN YAD CONSTRUCTION CO., LTD. and Its' Subsidiaries

Consolidated Statement of Changes in Equity

January 1~December 31, 2024 and 2023

Unit: NT\$ Thousand

	Equity attributed to owners of the parent											Total equity attributed to owners of the parent	Non-controlling equity	Total equity			
	Common stock capital	Capital surplus	Legal reserve	Special reserve	Retained earnings		Undistributed earnings (accumulated deficit)	Total	Exchange differences on translation of foreign financial statements	(182)	2,211	Total	Treasury stock				
					121,606	126,438	(144,751)	(144,751)									
Balance on January 1, 2023	\$ 2,190,421	321,536	-	4,832			(144,751)	(144,751)				2,029	(61,756)	2,578,668	2,743,376	5,322,044	
Net loss for the current period	-	-	-	-			(144,751)	(144,751)						(144,751)	(4,128)	(148,879)	
Other comprehensive income for the current period	-	-	-	-			43	43	-		1,279	1,279	-	1,322	1,026	2,348	
Total comprehensive income	-	-	-	-			(144,708)	(144,708)	-		1,279	1,279	-	(143,429)	(3,102)	(146,531)	
Earning appropriation and distribution:																	
Legal reserve appropriation	-	-	12,161	-			(12,161)	-	-		-	-	-	-	-	-	
Special reserve appropriation	-	-	-	21,117			(21,117)	-	-		-	-	-	-	-	-	
Cash dividends of common shares	-	-	-	-			(87,617)	(87,617)	-		-	-	-	(87,617)	-	(87,617)	
Cash dividends distributed from the capital surplus	-	(65,712)	-	-			-	-	-		-	-	-	(65,712)	-	(65,712)	
Cash capital increase	600,000	-	-	-			-	-	-		-	-	-	600,000	-	600,000	
Convertible corporate bonds	13,748	2,208	-	-			-	-	-		-	-	-	15,956	-	15,956	
Subsidiaries' conversion of convertible corporate bonds	-	-	-	-			-	-	-		-	-	-	-	14,308	14,308	
The stocks of the parent company purchased by a subsidiary shall be identified as treasury stocks.	-	-	-	-			-	-	-		-	-	(20,547)	(20,547)	(102,513)	(123,060)	
Distribute dividends to subsidiaries and adjust the capital surplus	-	2,623	-	-			-	-	-		-	-	-	2,623	-	2,623	
Changes in the ownership and equity of the subsidiary	-	16,119	-	-			(5,165)	(5,165)	-		-	-	-	10,954	(15,298)	(4,344)	
Subsidiaries' disposal of investment in equity instrument at fair value through other comprehensive income	-	-	-	-			3,293	3,293	-		(3,293)	(3,293)	-	-	-	-	
Share-based payment transactions	-	2,205	-	-			-	-	-		-	-	-	2,205	1,651	3,856	
Exercise of employee stock options	-	-	-	-			-	-	-		-	-	-	-	10,549	10,549	
Decrease/increase in non-controlling equity	-	-	-	-			-	-	-		-	-	-	-	241,507	241,507	
Exercise of disgorgement	-	9,680	-	-			-	-	-		-	-	-	9,680	-	9,680	
Balance on December 31, 2023	2,804,169	288,659	12,161	25,949	(145,869)	(107,759)	(182)	197	15	(82,303)	2,902,781	2,890,478	5,793,259				
Income (loss)	-	-	-	-			(214,390)	(214,390)	-		-	-	-	(214,390)	72,427	(141,963)	
Other comprehensive income for the current period	-	-	-	-			(16)	(16)	4		(170)	(166)	-	(182)	(1,631)	(1,813)	
Total comprehensive income	-	-	-	-			(214,406)	(214,406)	4		(170)	(166)	-	(214,572)	70,796	(143,776)	
Issuance of convertible corporate bonds - conversion right	-	35,252	-	-			-	-	-		-	-	-	35,252	-	35,252	
Convertible corporate bonds	161,381	47,775	-	-			-	-	-		-	-	-	209,156	-	209,156	
Subsidiaries' conversion of convertible corporate bonds	-	-	-	-			-	-	-		-	-	-	-	790,372	790,372	
Disposal of shares of parent company by subsidiary and treated as treasury stock	-	12,282	-	-			-	-	-		-	-	-	35,591	47,873	226,136	274,009
Subsidiaries' allocation of cash dividends to non-controlling interest	-	-	-	-			-	-	-		-	-	-	-	(99,368)	(99,368)	
Changes in the ownership and equity of the subsidiary	-	257,824	-	-			(272)	(272)	-		-	-	-	257,552	41,114	298,666	
Share-based payment transactions	-	761	-	-			-	-	-		-	-	-	761	392	1,153	
Exercise of employee stock options	44,610	7,138	-	-			-	-	-		-	-	-	51,748	-	51,748	
Decrease/increase in non-controlling equity	-	-	-	-			-	-	-		-	-	-	-	878,484	878,484	
Balance on December 31, 2024	\$ 3,010,160	649,691	12,161	25,949	(360,547)	(322,437)	(178)	27	(151)	(46,712)	3,290,551	4,798,404	8,088,955				

Chairman: Chang Yu-Ming



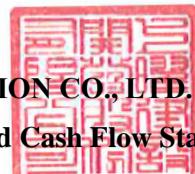
(See accompanying notes to consolidated financial statements)
Manager: Chang Yu-Ming



Accounting Manager: Kuo Yu-Chen



SUN YAD CONSTRUCTION CO., LTD. and Its' Subsidiaries



Consolidated Cash Flow Statement

January 1~December 31, 2024 and 2023

Unit: NT\$ Thousand

	2024	2023
Cash flow from operating activities:		
Net loss before tax for the period	\$ (86,989)	(144,535)
Adjustment:		
Adjustments to reconcile profit (loss)		
Depreciation expenses	68,203	54,015
Amortization expenses	7,908	2,969
Gain on reversal of expected credit impairment	(580)	-
Net gain on financial assets and liabilities at fair value through profit or loss	(56,743)	(85,230)
Interest expenses	124,981	111,278
Interest revenue	(20,069)	(8,640)
Dividend revenue	(12,975)	(23,683)
Lease improvement losses	-	271
Loss (gain) on disposal and retirement of property, plant and equipment	16	(13,299)
Impairment loss	3,691	2,846
Unrealized gains on foreign currency exchange	(7,388)	(396)
Share-based payment transactions	1,153	3,856
Gain recognized in bargain purchase transaction	(1,761)	-
Adjustments to reconcile profit (loss)	106,436	43,987
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Decrease in contract assets	-	30,383
Decrease in notes payable	14,648	29,143
Decrease in accounts receivable	56,507	10,557
Decrease (increase) in other receivables	26,481	(18,228)
Increase in inventories	(2,357,312)	(709,839)
Decrease (increase) in prepayments	12,349	(156,899)
Increase in other current assets	(86,938)	(34,207)
Decrease (increase) of other non-current assets	(3,411)	13,538
Total net changes in assets related to operating activities	(2,337,676)	(835,552)
Net changes in liabilities related to operating activities:		
Increase in contract liabilities	296,997	161,452
Decrease in notes payable	(72,094)	(94)
Increase (decrease) in accounts payable	(324,850)	138,450
Increase (decrease) in other payables	62,929	(59,869)
Increase in provisions - current	5,000	-
Increase (decrease) in other current liabilities	3,874	(8,033)
Decrease in net defined benefit liabilities	-	(2,980)
Total net changes in liabilities related to operating activities	(28,144)	228,926
Total net changes in assets and liabilities related to operating activities	(2,365,820)	(606,626)
Total adjustments	(2,259,384)	(562,639)
Cash outflow from operation	(2,346,373)	(707,174)
Interest collected	18,460	8,631
Dividends collected	12,975	23,683
Interest paid	(133,212)	(105,428)
Income tax paid	(8,566)	(6,402)
Net cash outflow from operating activities	(2,456,716)	(786,690)
Cash flow from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(60,720)	(20,734)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	33,497
Decrease (increase) of financial assets at amortized cost	119,671	(501,186)
Acquisition of financial assets at fair value through profit or loss	(198,724)	(97,821)
Proceeds from disposal of financial assets at fair value through profit or loss	301,432	237,795
Acquisition of subsidiaries (less acquired cash)	(537,012)	-
Acquisition of property, plant and equipment	(42,934)	(60,182)
Proceeds from disposal of property, plant and equipment	1,672	71,602
Decrease (increase) in refundable deposits	(1,434)	4,585
Acquisition of intangible assets	(16,774)	(379)
Acquisition of investment property	(216)	(69,463)
Decrease in other financial assets - current	98,150	233,874
Decrease (increase) in other financial assets-current	(163,000)	194,932
Net cash (outflow) inflow from investing activities	(499,889)	26,520
Cash flow from financing activities:		
Increase in short-term loans	3,014,036	2,528,620
Decrease in short-term loans	(1,312,524)	(2,441,648)
Increase in short-term bills and notes payable	1,091,671	614,648
Decrease in short-term bills and notes payable	(848,053)	(613,552)
Issuance of convertible corporate bonds	812,655	-
Repayment of corporate bonds	(13,200)	-
Proceeds from long-term loans	-	99,560
Repayment of long-term loans	(94,291)	(69,771)
Increase (decrease) in deposits received	1,227	(8,923)
Repayment of principal for lease	(12,375)	(4,371)
Cash capital increase	-	600,000
Exercise of employee stock options	51,748	-
Proceeds from disposal of treasury stock	274,009	-
Distribution of cash dividends	-	(150,706)
Exercise of disgorgement	-	9,680
Repurchase of treasury stock	-	(123,060)
Changes in non-controlling equity	933,799	245,637
Net cash inflow from financing activities	3,898,702	686,114
Effect of changes in foreign exchange rate to cash and cash equivalents	832	(69)
Net increase (decrease) in cash and cash equivalents for the current period	942,929	(74,125)
Balance of cash and cash equivalents, beginning	689,023	763,148
Balance of cash and cash equivalents, ending	\$ 1,631,952	689,023

(See accompanying notes to consolidated financial statements)

Chairman: Chang Yu-Ming



Manager: Chang Yu-Ming

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Accounting Manager: Kuo Yu-Cheng



SUN YAD CONSTRUCTION CO., LTD.

Comparison Table of Articles of Incorporation Before and After Amendment

Article	Amended provision	Existing provision	Description for the Amendment
Article 18	<p>The Company shall have <u>five</u> to <u>eleven</u> directors, who are elected from the candidate list using the candidate nomination approach during shareholders' meetings to serve a term of three years. The term of service may be renewed if they are re-elected in the next election. (The number of registered shares held by all directors shall be no less than a specific percentage of the total paid-in capital shares of the Company. The percentage shall be decided subject to the competent authority's requirements.)</p> <p>The directors referred to in the preceding paragraph shall include no less than 3 independent directors who shall be no less than one-fifth of the number of directors.</p> <p>Independent directors and non-independent directors shall be elected at the same time, but in separately calculated numbers.</p> <p>The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and appointment, exercise of duties, and other matters for compliance with respect to independent directors shall be prescribed in accordance with the Company Act and the regulations prescribed by the competent</p>	<p>The Company shall have <u>seven</u> to <u>nine</u> directors, who are elected from the candidate list using the candidate nomination approach during shareholders' meetings to serve a term of three years. The term of service may be renewed if they are re-elected in the next election. (The number of registered shares held by all directors shall be no less than a specific percentage of the total paid-in capital shares of the Company. The percentage shall be decided subject to the competent authority's requirements.)</p> <p>The directors referred to in the preceding paragraph shall include no less than 3 independent directors who shall be no less than one-fifth of the number of directors.</p> <p>Independent directors and non-independent directors shall be elected at the same time, but in separately calculated numbers.</p> <p>The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and appointment, exercise of duties, and other matters for compliance with respect to independent directors shall be prescribed in accordance with the Company Act and the regulations prescribed by the competent</p>	Revised to meet the Company's future development needs.

Article	Amended provision	Existing provision	Description for the Amendment
	<p>authority in charge of the security.</p> <p>The Company may maintain the liability insurance for the directors of the Board of Directors of each term, subject to their job duty.</p>	<p>authority in charge of the security.</p> <p>The Company may maintain the liability insurance for the directors of the Board of Directors of each term, subject to their job duty.</p>	
Article 25-3	<p>The remuneration <u>of</u> directors is authorized at board meetings based on their level of participation in and contribution to the Company's operation. The remuneration follows industry standards. Where the Company retains earnings, remuneration shall be allocated in accordance with Article 29 of the Articles of Incorporation separately.</p>	<p>The Company pays remuneration to directors for <u>performing their duties in operating the Company, whether the Company is operating at a profit or at a loss.</u> The board is authorized to determine the remuneration to directors based on their level of participation in and contribution to the Company's operation. The remuneration is on par with the standard among industry peers. Where the Company retains earnings, remuneration shall be allocated in accordance with Article 29 of the Articles of Incorporation separately.</p>	Revised in accordance with the Company's current status.

Article	Amended provision	Existing provision	Description for the Amendment
Article 29-1	<p>If the Company is profitable in the fiscal year, 1% to 10% of the pre-tax profits shall be appropriated as remuneration for employees (<u>no less than 10% of the aforementioned amount is appropriated as remuneration for entry-level employees</u>), and no more than 5% of the pre-tax profits shall be appropriated as remuneration for directors. However, if the Company still has accumulated losses, an amount shall be reserved in advance to make up for the losses. The remuneration of employees may be paid in the form of stock or in cash. The recipients of the employee remuneration paid in the form of stock or in cash shall include the employees of parents or subsidiaries of the Company meeting certain specific requirements. The Board of Directors is authorized to determine the specific requirements.</p> <p>Said profit refers to the income before the pre-tax income less the remuneration to employees and directors for the current year.</p> <p>The Company may, by a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-third of the total number of directors, distribute the remuneration to employees and directors, and report the distribution to a shareholders' meeting.</p>	<p>Annual profits concluded by the Company, if any, shall be subject to employee remuneration of 1%~10%, and director remuneration of no more than 5%. However, profits must first be taken to offset against accumulated deficit, if any. The remuneration of employees may be paid in the form of stock or in cash. The recipients of the employee remuneration paid in the form of stock or in cash shall include the employees of parents or subsidiaries of the Company meeting certain specific requirements. The Board of Directors is authorized to determine the specific requirements.</p> <p>Said profit refers to the income before the pre-tax income less the remuneration to employees and directors for the current year.</p> <p>The Company may, by a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-third of the total number of directors, distribute the remuneration to employees and directors, and report the distribution to a shareholders' meeting.</p>	<p>Amended pursuant to Paragraph 6, Article 14 of the Securities and Exchange Act.</p>
Article 30	3.1 (semi-annual basis)	3.1 (semi-annual basis)	Revised to

Article	Amended provision	Existing provision	Description for the Amendment
3.1	<p>Distribution ratio of cash dividends and stock dividends: The Company distributes dividends to shareholders in the form of stock dividends and cash dividends. In consideration of a balanced and stable dividend policy, the Company allocates at least <u>10%</u> of the distributable earnings in each half-year as shareholder dividends. However, if the distributable earnings are less than 10% of the paid-in capital, the Board of Directors may resolve not to distribute the dividends. When distributing dividends to shareholders, they may be made in the form of stocks or cash, with cash dividends not less than 10% of the total dividends.</p>	<p>Distribution ratio of cash dividends and stock dividends: The Company's shareholder bonus is distributed in the form of stock dividends and cash dividends. In consideration of the balanced and stable dividend policy, the Company allocates <u>30%</u> of the distributable earnings as the shareholder bonus on a semi-annual basis, provided that where the distributable earnings are less than 10% of the paid-in capital, no bonus may be distributed per resolution of the Board of Directors. The shareholder bonus may be distributed in the form of stock or in cash, provided that the cash dividend shall be no less than 10% of the total dividends.</p>	<p>meet the Company's future development needs.</p>
Article 30 3.2	<p>3.2 (annual basis)</p> <p>The distribution ratio of cash dividends and stock dividends: The Company's shareholder dividend is distributed in two ways: stock dividends and cash dividends. The Company takes balanced and stable dividend policies into consideration. After the annual final accounts, at least 10% of the distributable earnings is appropriated as shareholder dividends. However, if the distributable earnings are less than <u>10%</u> of the paid-in capital, the distribution may not be conducted. When distributing shareholder dividends, they may be done in the form of stock or cash, and among</p>	<p>3.2 (annual basis)</p> <p>The distribution ratio of cash dividends and stock dividends: The Company's shareholder dividends are distributed in two ways: stock dividends and cash dividends. The Company takes balanced and stable dividend policies into account. After the annual final accounts, at least <u>30%</u> of the distributable earnings are appropriated as shareholder dividends. However, if the distributable earnings are less than 10% of the paid-in capital, the distribution may not be made. When distributing shareholder dividends, they may be made in the form of stock or cash, and among them, cash</p>	<p>Revised to meet the Company's future development needs.</p>

Article	Amended provision	Existing provision	Description for the Amendment
	<p>them, cash dividends shall not be less than 10% of the total dividends.</p> <p>Notwithstanding, the Board of Directors, after taking into consideration the Company's business and capital expenditure needs, may adjust the distribution ratio of cash and stock dividends, and distribute the same in the form of the issuance of new shares based on the allocation plan prepared by it and as resolved by a shareholders' meeting.</p>	<p>dividends shall not be less than 10% of the total dividends.</p> <p>Notwithstanding, the Board of Directors, after taking into consideration the Company's business and capital expenditure needs, may adjust the distribution ratio of cash and stock dividends, and distribute the same in the form of the issuance of new shares based on the allocation plan prepared by it and as resolved by a shareholders' meeting.</p>	
Article 33	<p>The Articles of Incorporation was established on November 28, 1979.</p> <p>Amended on January 7 and September 10, 1980; June 29, 1981; August 7, 1983</p> <p><u>May 27, 2022; May 22, 2025.</u></p>	<p>The Articles of Incorporation was established on November 28, 1979.</p> <p>Amended on January 7 and September 10, 1980; June 29, 1981; August 7, 1983</p> <p><u>May 27, 2022.</u></p>	Date of amendment is added.

SUN YAD CONSTRUCTION CO., LTD.

Comparison of Amendments to Procedures for Endorsements and Guarantees

Article	Amended provision	Existing provision	Description for the Amendment
Article 4	<p>The total amount of the Company's external endorsement/guarantees shall not exceed 200% of the current net worth. The total amount of the Company's endorsement and guarantees shall not exceed 100% of the Company's net worth at the time, <u>and no more than 30% of the Company's net worth if it is to a single overseas affiliated company.</u> The amount to companies with which the Company has a business relationship shall not exceed the amount of the total business transactions (refers to the higher amount of purchases or sales between the two parties) between the two parties in the most recent year.</p> <p><u>The total amount of external endorsements and guarantees provided by the Company and its subsidiaries as a whole shall not exceed 200% of the Company's current net worth. The ceiling amount of endorsement guarantees to a single company is 100% of the Company's net worth, and no more than 40% of the Company's net worth if it is to a single overseas affiliated company.</u></p> <p>In the event that the shares of the subsidiary have no par value or a par value other than NT\$10, the paid-in capital calculated in accordance with the provisions of the preceding paragraph 11 shall be based on the sum of the share capital plus paid-in capital. The net value calculated by foreign companies in accordance with the provisions of the Procedure refers to the equity attributable to the owners of the parent company in the balance sheet.</p>	<p>The total amount of the Company's external endorsement/guarantees shall not exceed 200% of the current net worth. The total amount of the Company's endorsement and guarantees shall not exceed 100% of the Company's net worth at the time. The amount to companies with which the Company has a business relationship shall not exceed the amount of the total business transactions (refers to the higher amount of purchases or sales between the two parties) between the two parties in the most recent year. The net worth is based on the financial statements that have been audited or reviewed by a CPA in the most recent period.</p> <p><u>If the amount of endorsements/guarantees shall include the total amount of endorsements/guarantees provided by the Company and the amount of endorsements/guarantees provided to a single enterprise, and the total amount of endorsements/guarantees provided by the Company and its subsidiaries as a whole. When the total amount of endorsements/guarantees provided by a publicly listed company and its subsidiaries exceeds 50% of the publicly listed company's net worth, an explanation of the necessity and reasonableness shall be given at the shareholders meeting.</u></p> <p>In the event that the shares of the subsidiary have no par value or a par value other than NT\$10, the paid-in capital calculated in accordance with the provisions of the preceding paragraph 11 shall be based on the sum of the share capital plus paid-in capital. The net value calculated by foreign companies in accordance with the provisions of the Procedure refers to the equity attributable to the owners of the parent company in the balance sheet.</p>	Revised to meet the Company's future development needs.

SUN YAD CONSTRUCTION CO., LTD.

Articles of Incorporation

Chapter 1 General Provisions

Article 1: The Company is organized in accordance with the Company Act, and named as SUN YAD CONSTRUCTION CO., LTD.. (formerly known as SUN YAD TECHNOLOGY CO., LTD.)

Article 2: The scope of the Company's business is as follows:

1. C805010 Manufacture of Plastic Sheets, Pipes and Tubes
2. F107200 Wholesale of Chemical Feedstock
3. CC01080 Electronics Components Manufacturing
4. F401010 International Trade
5. F218010 Retail Sale of Computer Software
6. F118010 Wholesale of Computer Software
7. I301010 Information Software Services
8. I401010 General Advertisement Service
9. F113050 Wholesale of Computers and Clerical Machinery Equipment
10. J901020 Regular Hotel
11. F501060 Restaurants
12. H701010 Housing and Building Development and Rental
13. H701050 Investment, Development and Construction in Public Construction
14. H701060 New Towns, New Community Development
15. H703090 Real Estate Business
16. H703100 Real Estate Leasing
17. F111090 Wholesale of Building Materials
18. C901020 Glass and Glass Products Manufacturing
19. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company's headquarters is located in Tainan City, Taiwan. The Company may set up branches or representative offices at home or abroad subject to resolutions by the Board of Directors, if necessary.

Article 4: The Company shall make announcements, if any, in the manner referred to in Article 28 of the Company Act and securities competent authority's regulations and laws.

Chapter 2 Shares

Article 5: The Company's total capital is NT\$5 billion, which is divided into 500 million shares with a par value of NT\$10 per share, and the Board of Directors is authorized to issue the shares in tranches. Among other things, from them, 30 million shares are retained for issuance of employee stock warrants.

Article 6: The share certificates of the Company shall be registered, and bear the signatures or seals of directors representing the Company and may only be issued subject to certification by the competent authority. The Company may consolidate the shares to convert them for large-denomination stocks per TDCC's request. (The Company may issue new shares exempted from the requirements on the printing of stock certificates pursuant to laws.)

Article 7: The Company's shareholders service may be performed in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.

Article 8: The Company's transfer of shares to its employees at the price lower than the average price of the shares bought back by it or issuance of employee stock warrants at the subscription price lower than the closing price of the Company's ordinary shares prevailing on the date of issuance, if any, shall be subject to approval by more than two-thirds of the shareholders present at a shareholders' meeting attended by the shareholders representing more than a majority of the total outstanding shares.

Article 9: Deleted

Article 10: The recipients of the shares retained for subscription by employees from the new shares issued by the Company pursuant to Article 267 of the Company Act and restricted share awards (RSAs) issued by the Company, if any, include the employees of parents or subsidiaries of the Company meeting certain specific requirements. The Board of Directors is authorized to determine the specific requirements.

Article 11: The transfer of shares shall be suspended 60 days before an annual general meeting, 30 days before a special shareholders' meeting, and at least five days before the Company decides to pay out dividends, bonuses, or other benefits.

Chapter 3 Shareholders' Meetings

Article 12: There are two types of shareholder meetings, annual general meetings and extraordinary general meetings. General meetings are held once a year and shall be held within six months after the end of each fiscal year. The board of directors shall notify all shareholders at least 30 days in advance when convening the meeting. Extraordinary general meetings, when necessary, are held with all shareholders notified at least 15 days in advance by the board of directors.

When the Company convenes a shareholders' meeting, shareholders are allowed to exercise their voting rights by way of electronic transmission alternatively. The relevant operations shall be governed by the competent authority's requirements.

Article 12-1: A shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority. Where the securities competent authority has defined the requirements to

be satisfied, operating procedure and other compliance matters for a shareholders' meeting held by means of visual communication network separately, the same shall apply.

Article 13: Any shareholder who is unable to attend a shareholders' meeting in person may appoint a proxy to attend the meeting to exercise voting rights on their behalf by personally presenting a power of attorney, executed or sealed by themselves, indicating the scope of power, in accordance with Article 177 of the Company Act and Article 25-1 of the Securities and Exchange Act.

Article 14: If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is absent, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to not make such a designation, the directors shall elect from among themselves one person to serve as the chairperson. If a shareholders' meeting is convened by a party with the power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually elect a chairperson from among themselves.

Article 15: Unless otherwise provided or restricted by laws, the Company's shareholders are entitled to one vote per share.

Article 16: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Articles of Incorporation or the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 17: Matters relating to the resolutions by a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. (The minutes shall record a summary of the essential points of the proceedings and the results of the meeting. The minutes, together with the present directors' attendance book and power of attorney for proxies, if any, shall be kept by the Company pursuant to laws.) The meeting minutes may be given to each shareholder in the form of a public announcement.

Chapter 4 Directors and Supervisors

Article 18: The Company shall have 7~9 directors on the Board. Their term of office is three years. The election of directors adopts the candidate nomination system. The shareholders' meeting shall elect such directors from the roster of candidates, and the directors shall be eligible for re-elections. (The number of registered shares held by all directors shall be no less than a specific percentage of the total paid-in capital shares of the Company. The percentage shall be decided subject to the competent authority's requirements.)

The directors referred to in the preceding paragraph shall include no less than 3 independent directors who shall be no less than one-fifth of the number of directors.

Independent directors and non-independent directors shall be elected at the same time, but in separately calculated numbers.

The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and appointment, exercise of duties, and other matters for compliance with respect to independent directors shall be prescribed in accordance with the Company Act and the regulations prescribed by the competent authority in charge of the security.

The Company may maintain the liability insurance for the directors of the Board of Directors of each term, subject to their job duty.

Article 18-1: When the Company may establish an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, the Audit Committee shall be responsible for performing the supervisors' duties as stipulated in the Companies Act, the Securities and Exchange Act, and other related laws and regulations.

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 convener, and at least one of whom shall have accounting or financial expertise.

The Company's Board of Directors may establish the Audit Committee and Remuneration Committee pursuant to laws. It may also establish any other functional committees, and the articles of association thereof shall be enacted by the Board of Directors separately.

The number of members, term of office, powers and rules of procedure for meetings of the Audit Committee shall follow the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.

Article 19: When the number of directors falls short by one-third of the total number of directors, the Board of Directors shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a by-election for directors. The term of newly elected directors shall continue for the original term of the directors replaced.

Article 20: In case no election of new directors is effected after the expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.

Article 21: The Board of Directors shall consist of all directors. The Chairman shall be elected by a majority of the directors present at a Board meeting attended by at least two-third of all directors from among themselves. The Chairman shall execute the Company's business pursuant to laws, Articles of Incorporation, and resolution of the shareholders' meetings and Board of Directors meetings.

Article 22: The Company's business policy and other important matters shall be resolved by the Board of Directors. Except for the 1st meeting of the Board of Directors of each term, which shall be convened in accordance with Article 203 of the Company Act, the other meetings shall be convened and chaired by the Chairman of Board. When the Chairman is for any reason unable to exercise the powers of the chairperson, the Chairman shall designate one director to act on their behalf. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chairperson.

In calling a meeting of the Board of Directors, a notice shall be given to each director at least 7 days prior to the scheduled meeting date. In the case of emergency, however, the meeting may be convened at any time. The meeting notice may be given by correspondence or via fax or email.

Article 23: Unless otherwise provided by the Company Act, the resolutions by the Board of Directors shall be adopted by more than half of the directors present at a Board meeting attended by more than half of all directors. Any director who is unable to attend the meeting with causes may appoint another director to attend the meeting on their behalf by personally presenting a power of attorney indicating the scope of power. However, a director may accept the appointment to act as the proxy of one other director only.

Article 24: Resolutions adopted by a Board of Directors meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairperson of the meeting and distributed to each director of the Company within twenty days after the close of the meeting. The minutes shall record a summary of the essential points of the proceedings and the results of the meeting. The minutes, together with the present directors' attendance book and power of attorney for proxies, if any, shall be kept by the Company pursuant to laws.

Article 25: Deleted.

Article 25-1: The Board of Directors is authorized to decide the limit of investment made by the Company flexibly by taking into consideration the actual circumstances, irrelevant with the provision under the Company Act requiring that the total investment shall be no more than 40% of the Company's paid-in capital.

Article 25-2: The Company may make endorsements/guarantees for others, subject to approval per resolution by the Board of Directors.

Article 25-3: Compensation to the Company's directors/supervisors for performance of job duties must be paid, irrelevant of the profit or loss retained by the Company. The Board of Directors is authorized to determine the compensation to them subject to their engagement in and contribution to the Company's operations and based on the pay level adopted by peer companies. Where the Company retains earnings, remuneration shall be

allocated in accordance with Article 29 of the Articles of Incorporation separately.

Chapter 5 Managers & Employees

Article 26: The Company may appoint CEO, President, Vice President and several managerial officers, whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act. (per the resolution approved by a majority of the directors present at a meeting attended by a majority of the directors). The scope of the managers' authority to manage the Company's business and enter their signature for the Company's business shall be set forth by the Board of Directors separately.

Article 27: Deleted.

Article 28: Deleted.

Chapter 6 Final Accounting

Article 29: At the end of each fiscal year, the Company shall have the Board of Directors prepare the following documents, and submit them to the Audit Committee for audit within 30 days prior to an annual general meeting, then to the annual general meeting for ratification.

1. Business report 2. Financial statements 3. Proposal for the distribution of earnings and accumulated deficit compensation.

Article 29-1: Annual profits concluded by the Company, if any, shall be subject to employee remuneration of 1%~10%, and director remuneration of no more than 5%. However, profits must first be taken to offset against accumulated deficit, if any.

The remuneration of employees may be paid in the form of stock or in cash. The recipients of the employee remuneration paid in the form of stock or in cash shall include the employees of parents or subsidiaries of the Company meeting certain specific requirements. The Board of Directors is authorized to determine the specific requirements.

Said profit refers to the income before the pre-tax income less the remuneration to employees and directors for the current year.

The Company may, by a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-third of the total number of directors, distribute the remuneration to employees and directors, and report the distribution to a shareholders' meeting.

Article 30: The industry in which the Company is engaged is highly competitive. In consideration of the capital expenditure needs and robust financial planning, the following dividend policy is adopted in order to secure the Company's sustainability:

1.1 The Company may allocate earnings or compensate losses at the end of each half of the fiscal year.

Shall there be earnings at the end of each half of the fiscal year, it is

necessary to estimate and retain tax payable, cover any accumulated deficit pursuant to laws, estimate and retain the remuneration to employees, and set aside 10% thereof as the legal reserve, unless the legal reserve reaches the total paid-in capital of the Company. Meanwhile, the Company shall allocate or reverse special reserve pursuant to relevant laws or the competent authority's requirements. If there is a surplus, the balance and the accumulated undistributed surplus shall be allocated as shareholder bonus subject to the allocation plan proposed by the Board of Directors. Where the same shall be distributed in the form of issuance of new shares, such matter shall be first submitted to the Shareholders' Meeting for resolution before distribution. Where the same is distributed in cash, the distribution shall be subject to a special resolution made by the Board of Directors.

1.2 The earnings generated after the annual settlement shall be used to pay all the taxes and offset against the accumulated losses from the previous years pursuant to laws, and 10% shall be set aside as the legal reserve, unless the legal reserve reaches the paid-in capital of the Company. Certain amount may be retained from the surplus, after allocation or reversal of special reserve pursuant to Article 41 of the Securities and Exchange Act, plus the undistributed earnings at the beginning of the period, subject to the overview of business and balanced dividend policy. Then, the surplus, if any, plus the accumulated undistributed surplus in the previous years may be allocated based on the earnings allocation plan proposed by the Board of Directors, per the resolution made by a shareholders' meeting.

According to Article 240 and Article 241 of the Company Act, the Company authorizes the Board of Directors to distribute the dividends and bonuses, or legal reserve and capital surplus, to be allocated, in whole or in part, in cash after a resolution has been adopted by a majority votes at a meeting of the Board of Directors attended by two-third of the total number of directors, and report the distribution to the shareholders' meeting.

2. Conditions and timing for distribution of dividends:

In order to support the Company's long-term growth, the Company's dividend distribution policy aims to satisfy future business development. After taking into consideration the conditions, such as robust financial structure, maintenance of stable dividends, and protection of reasonable remuneration to shareholders comprehensively, the Board of Directors

prepares the earnings allocation plan in accordance with the Articles of Incorporation. When it adopts the issuance of new shares, the distribution shall be subject to approval of a shareholders' meeting and also the competent authority.

3.1 (semi-annual basis)

Distribution ratio of cash dividends and stock dividends: The Company's shareholder bonus is distributed in the form of stock dividends and cash dividends. In consideration of the balanced and stable dividend policy, the Company allocates 30% of the distributable earnings as the shareholder bonus on a semi-annual basis, provided that where the distributable earnings are less than 10% of the paid-in capital, no bonus may be distributed per resolution of the Board of Directors. The shareholder bonus may be distributed in the form of stock or in cash, provided that the cash dividend shall be no less than 10% of the total dividends.

3.2 (annual basis)

Distribution ratio of cash dividends and stock dividends: The Company's shareholder bonus is distributed in the form of stock dividends and cash dividends. In consideration of the balanced and stable dividend policy, the Company allocates 30% of the distributable earnings as the shareholder bonus at the end of each fiscal year, provided that where the distributable earnings are less than 10% of the paid-in capital, no bonus may be distributed per resolution of the Board of Directors. The shareholder bonus may be distributed in the form of stock or in cash, provided that the cash dividend shall be no less than 10% of the total dividends.

Notwithstanding, the Board of Directors, after taking into consideration the Company's business and capital expenditure needs, may adjust the distribution ratio of cash and stock dividends, and distribute the same in the form of the issuance of new shares based on the allocation plan prepared by it and as resolved by a shareholders' meeting.

Chapter 7 Supplementary Provisions

Article 31: The rules and regulations of the Company and the detailed procedures shall be established by the Board of Directors separately.

Article 32: Any matters not covered herein shall be governed in accordance with the Company Act and other laws and regulations.

Article 33: The Articles were established on November 28, 1979. Amended on January 7, 1980, September 10, 1980, June 29, 1981, August 7, 1983, June 5, 1984, April 5, 1987, April 13, 1988, December 6, 1989, January 8, 1990, June 30, 1990, November 30, 1990, May 15, 1991, March 15, 1992, April 18, 1993, May 29, 1994, June 11, 1995, May 25, 1997, May 17, 1998, June 12, 1999, May 10, 2000, June 23, 2001, June 15, 2002, June 14, 2003, June 18, 2005, June 24, 2006, June 17, 2008, June 17, 2010, June 10, 2011, April 18, 2012, January 3, 2013, May 7, 2013, June 20, 2014, June 23, 2015, June 22, 2016, June 20, 2017, June 26, 2018, June 24, 2019, June 30, 2020, and May 27, 2022.

SUN YAD CONSTRUCTION CO., LTD.

Chairman: Chang Yu-Ming

SUN YAD CONSTRUCTION CO., LTD.
Procedures for Endorsements and Guarantees

Article 1: Purpose

The Measures are specially formulated to manage the Company's compliance in relation to external endorsements and guarantees. Any outstanding issues not specified in these procedures are to be handled in accordance with the relevant financial laws and regulations.

Article 2: Scope of Application

The term “endorsement/guarantee” referred to in these Measures includes:

1. Financing endorsement and guarantee refers to the discounting of a bill of exchange, or endorsement or guarantee for the purpose of financing, and the issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the Company itself.
2. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters.
3. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.
4. Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with these measures.

Article 3: Party being endorsed/guaranteed

- (1) A company with which the Company has business dealings.
- (2) The Company directly or indirectly holds more than 50% of the voting shares of the other company.
- (3) The other company directly or indirectly holds more than 50% of the voting shares of the Company.
- (4) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Company. However, the restriction does not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.
- (5) Where all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages, such endorsements/guarantees may be made free of the restriction of the preceding two paragraphs.
- (6) The Company and the other party are mutually protected due to mutual endorsement between industry partners or joint construction builders or co-development based on the needs of the project.
- (7) Or industry peers providing among themselves joint security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer

Protection Act for each other.

Subsidiary and parent company referred to in (2), (3) and (4) are defined in accordance with provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

For financial reports prepared in accordance with the IFRS, the “net worth” referred to here is the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Capital contribution referred to in the preceding paragraph (5) shall mean capital contributed directly by the Company, or through a company in which the Company holds 100% of the voting shares.

Where a foreign company endorses or provides a guarantee for another party pursuant to Article 165-1 of the Company Act, the provisions of these procedures shall apply mutatis mutandis.

Article 4: Endorsement and guarantee ceilings

The total amount of the Company's external endorsement guarantees shall not exceed 200% of the current net worth. The total amount of the Company's endorsement and guarantees shall not exceed 100% of the Company's net worth at the time. The amount to companies with which the Company has a business relationship shall not exceed the amount of the total business transactions (refers to the higher amount of purchases or sales between the two parties) between the two parties in the most recent year. Net worth is based on the most recent year

The net value is based on the latest financial statements audited and attested or reviewed by the CPAs.

If the amount of endorsements/guarantees shall include the total amount of endorsements/guarantees provided by the Company and the amount of endorsements/guarantees provided to a single enterprise, and the total amount of endorsements/guarantees provided by the Company and its subsidiaries as a whole. When the total amount of endorsements/guarantees provided by a publicly listed company and its subsidiaries exceeds 50% of the publicly listed company's net worth, an explanation of the necessity and reasonableness shall be given at the shareholders meeting.

In the event that the shares of the subsidiary have no par value or a par value other than NT\$10, the paid-in capital calculated in accordance with the provisions of the preceding paragraph 11 shall be based on the sum of the share capital plus paid-in capital.

The net value calculated by foreign companies in accordance with the provisions of the Procedure refers to the equity attributable to the owners of the parent company in the balance sheet.

Article 15: Decision-making and delegation of authority

The Company approves the endorsements/guarantees only after they have been approved by the board's resolution. For the purpose of timeliness, the board authorizes the chairman to endorse/guarantee up to 100% of the net worth of the Company, which shall

then be reported to the next board meeting for ratification, and reported to the shareholder meeting for review.

Before making any endorsement/guarantee pursuant to paragraph (4), Article 3 of the Procedures, a subsidiary in which the Company holds, directly or indirectly, 90% or more of the voting shares shall submit the proposed endorsement/guarantee to the Company's board of directors for a resolution. However, the restriction does not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

If the Company already has independent directors in place, their opinions shall be fully taken into consideration when providing endorsements and guarantees to others. The independent directors' specific opinions of assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting.

Article 6: Procedures for making endorsements/guarantees

- (1) When an entity for which an endorsement/guarantee is made needs to use the amount of the endorsement/guarantee, it shall provide basic information and financial information, and fill in the application form and submit it to the Finance Department of the Company. The Finance Department shall make a detailed evaluation and conduct credit investigation. The evaluation items include the necessity and reasonableness, the endorsement and guarantee amount due to business transactions, whether the endorsement and guarantee amount is equivalent to the business transaction amount, the impact on the Company's operational risks, financial position and shareholders' equity, and whether collateral should be obtained and whether the value of the collateral should be evaluated.
- (2) The Company's Finance Department will compile the relevant information and evaluation results as mentioned in the preceding paragraph. If the accumulated balance of endorsements/guarantees is still less than 200% of the net worth for the current period, it will be processed after being submitted to the chairman for approval, and then reported to the next board meeting for ratification; if the accumulated balance of endorsements/guarantees is more than 200% of the net worth for the current period, it will be processed after being submitted to the board of directors for approval, and then processed according to the resolution of the board.
- (3) The endorsement and guarantee registration form prepared by the Finance Department shall record the following information: the object of the endorsement and guarantee, the amount, the date of approval by the Board of Directors or the date of execution by the president, the date of endorsement and guarantee, the matters to be carefully evaluated in accordance with the provisions of the regulations, the content and value of the collateral, and the conditions and date of the termination of the endorsement and the value of the collateral, and the conditions and date of the termination and guarantee liability.
- (4) When the entity for which an endorsement/guarantee is made makes a repayment, the repayment information shall be sent to the Company in order to relieve the Company's

guarantee liability, and it shall be recorded on the endorsement/guarantee registration form.

(5) The Finance Department shall regularly assess and recognize the contingent loss of the endorsement, properly disclose the endorsement information in the financial report, and provide the relevant information to the CPAs so that they can carry out the necessary audit procedures and issue a proper audit report.

Article 7: Safekeeping and use of company seals

The Company shall use the company chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements/guarantees. The chop shall be kept in the custody of a designated person approved by the board, and the same shall apply to any change thereof. When making endorsements/guarantees, the Company shall follow the Company's operating procedures to seal or issue bills. If the Company is making guarantees for a foreign company, the Company's letter of guarantee issued by the Company shall be signed by the authorized person of the Board of Directors.

A foreign company without a seal may be exempted from the requirements of this Article.

Article 8: Matters needing attention in making endorsements/guarantees:

- I. The Company's internal auditors shall audit the procedures of endorsements and guarantees and document the implementation at least on a quarterly basis. If material violations are found, they shall immediately notify each supervisor in writing.
- II. If the subject of the endorsement and guarantee does not meet the requirements of Article 3 of the procedures after the change of circumstances, or the amount of the endorsement and guarantee exceeds the limit set forth in Article 4 of the procedures due to a change in the basis for calculating the limit, the audit unit shall urge the Finance Department to completely eliminate the amount of the endorsement and guarantee made for the entity or the amount in excess of the limit when the contract expires or is set at a certain period of time, and send the improvement plan to each supervisor, and complete the improvement in accordance with the schedule.
- III. In the event that the entity for which the Company makes any endorsement/guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, relevant follow-up control measures shall be specified.
- IV. Where the Company needs to exceed the limits set out in the Measures but also meets the criteria in the Measures to satisfy its business needs, it shall obtain approval from the Board of Directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement/guarantee. It shall also amend the Measures accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the Company shall adopt a plan to cancel the amount in excess within a given time limit. If the Company has independent directors in place, independent directors' opinions shall be fully taken into consideration during

the board meeting mentioned in the preceding paragraph. The independent directors' specific opinions of assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting.

Article 9: Time limit and content of public announcement and declaration.

- I. The Company shall enter the previous month's balance of endorsements/guarantees and its subsidiaries into the MOPS by the 10th day of each month.
- II. When the Company's endorsements and guarantees meet one of the following criteria, it shall announce and file such event on the MOPS within two days from the date of occurrence:
 1. The balance of endorsements and guarantees by the Company and its subsidiaries reaches 50% or more of the Company's net worth stated in the latest financial statements.
 2. The balance of endorsements and guarantees from the Company and its subsidiaries to a single enterprise reaches 20% or more of the Company's net worth stated in its latest financial statements.
 3. The amount of endorsements and guarantees from the Company or its subsidiaries to a single enterprise reaches NT\$10 million or more, and the total of the endorsements and guarantees, long-term investments and the balance of loans reach 30% or more of the Company's net worth stated in the latest financial statements.
 4. The amount of newly added endorsements and guarantees from the Company and the subsidiaries reaches NT\$30 million or 5% or more of the Company's stated net worth.
- III. If the Company's subsidiaries are not domestically-listed companies and meet the criteria mentioned in subparagraph 4 of the preceding paragraph, the Company shall announce and report them on behalf of the subsidiaries.
- IV. The date of occurrence in this article refers to the earliest of the signing date, payment date, board of directors' resolution date or any other dates when the transaction counterparty and the amount can be verified with certainty.

Article 10: Procedures for controlling endorsements and guarantees by subsidiaries

- I. If the Company's subsidiaries intend to endorse and guarantee others, they shall also follow these procedures, but the net value shall be based on the net value of the subsidiaries.
- II. The subsidiary shall prepare a detailed statement of endorsements/guarantees for others before the 10th day (excluding) of each month, and submit it to the Company for review.
- III. The subsidiaries' internal auditors shall audit the procedures of endorsements and guarantees and document the implementation at least on a quarterly basis. If material violations are found, they shall immediately notify the Company's auditing unit in writing, and the auditing unit shall forward the documents to each supervisor.

IV. The Company's internal auditors should understand how subsidiaries conduct the procedures of endorsements and guarantees when they audit the subsidiaries in accordance with the annual audit plan. Any faults found by the audit shall have follow-up plans to monitor improvements, and follow-up reports shall be made to be submitted to the president.

Article 11: Penalties

If the Company's managers and personnel violate the procedures, penalties will be given in accordance with the severity of the violation based on the Company's personnel management policies and employee handbook.

Article 12: Implementation and revision

The procedures shall be passed by board resolution and sent to each supervisor before being reported at the shareholders meeting for approval. If there are directors who express dissent and there are records or written statements, the Company shall submit the dissenting opinions to each supervisor and report the opinions at the shareholders meeting for discussion, and likewise for the revision.

If the Company has independent directors in place, independent directors' opinions shall be fully taken into consideration when these procedures are proposed for discussion at board meetings. The independent directors' specific opinions of assent or dissent and the reasons for dissent shall be included in the minutes of the board meetings.

If the Company has appointed independent directors, it shall notify the independent directors in writing of the matters to be notified to each supervisor in accordance with paragraph 3 of Article 5 or paragraph 4 of Article 8; the improvement plans that shall be submitted to each supervisor shall also be submitted to the independent directors in accordance with Article 8 or 9.

If the Company has established an audit committee, the provisions of Article 8 and 10 and this article regarding supervisors shall apply to the audit committee.

SUN YAD CONSTRUCTION CO., LTD.
Rules of Procedures for Shareholders' Meetings

Article 1

To establish an excellent governance system for the Company's shareholders' meeting, improve the supervisory function, and strengthen the management function, these Rules are formulated in accordance with the provisions of Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Article 2

Unless otherwise stipulated by laws or regulations, the rules of procedure for the Company's shareholders' meeting shall be governed by these Rules.

Article 3

Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.

Thirty days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting notice, proxy forms, information on proposals for ratification, matters for discussion, election or dismissal of directors or supervisors, and other matters on the shareholders' meeting agenda and upload them to the Market Observation Post System (MOPS). Meanwhile, 21 days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplementary materials and upload them to the MOPS. Fifteen days before the Company convenes a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplementary materials and make them available for the shareholders to obtain and review at any time. The handbook shall also be displayed on the Company premises and at its professional shareholders service agency, and distributed at the venue of the shareholders' meeting.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and via the public announcement. With the consent of the addressee, the meeting notice may be given in an electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of the removal of the non-compete clause for the directors, capitalization of earnings, capitalization of legal reserve, dissolution, merger, or demerger of the Company, or any matter in each subparagraph under Article 185, paragraph 1 of the Company Act; Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations

Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out and the essential contents explained in the notice of the shareholders' meeting. None of the above matters may be raised by an Extraordinary Motion. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.

Where an election of all directors or supervisors and their inauguration date shall be stated in the notice of the shareholders' meeting, after the completion of the election in said meeting,

such inauguration date may not be altered by any Extraordinary Motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of the issued shares may submit to the Company a proposal for discussion at a general shareholders' meeting. The number of items so proposed is limited to one, and no proposal containing more than one item will be included in the meeting agenda. Any shareholder proposal not in alignment with any circumstance under any subparagraph of Paragraph 4 of Article 172-1 of the Company Act may be excluded from the meeting agenda by the Board of Directors. A shareholder may propose a recommendation to urge the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before an annual general meeting is held, the Company shall publicly announce its acceptance of shareholders' proposals in writing or by electronic means and the location and time period for their submission; the period for acceptance of shareholders' proposals may not be fewer than 10 days.

Each such proposal is limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting of shareholders and take part in the discussion of the proposal.

The Company shall inform, prior to preparing and delivering the shareholders' meeting notice, by a notice, the shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the Board of Directors at the shareholders' meeting to be convened.

Article 4

For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

Each shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. When a duplicate proxy form is served, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy form.

Once a proxy form is received by the Company, if a shareholder wishes to attend the shareholders' meeting in person or to exercise their voting rights in writing or by electronic means, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5: (Principles for the venue and time of a shareholders' meeting)

The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6: (Preparation of a sign-in book and other documents)

The Company shall specify in the meeting notice the time and place for the sign-in of the shareholders and other related matters.

The reporting time for the shareholders' meeting referred to in the preceding paragraph begin 30 minutes prior to the beginning of the meeting. There should be clear signs at the reporting place with adequate staff assigned to handle the process.

Shareholders or their proxies (hereinafter referred to as the "shareholders") shall attend the shareholders' meetings with their attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attendance presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with a sign-in book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, ballots shall also be furnished.

When the government or a juridical person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juridical person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

Article 7: (Chairperson of the shareholders' meeting and attendees in a non-voting capacity)

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or unable to exercise the powers as the chair for any reason, the Vice Chairman shall chair the meeting on his behalf. Where there is no such a position as Vice Chairman or the Vice Chairman is on leave or unable to exercise the powers as the chairperson for any reason, the Chairman shall appoint one of the managing directors to act as the chairperson. Where there is no such a position as managing director, the Chairman shall appoint one of the directors to act as the chairperson. Where the Chairman fails to make such a designation, the managing directors or directors shall select, from among themselves, one person to serve as the chairperson.

The role of chairperson position mentioned above shall be assumed by a managing director or director, who has been on the board for more than six months and possesses adequate understanding of the Company's financial and business performance. The same shall apply for a representative of an juridical person director to serve as the chairperson.

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman in person. The attendance shall be recorded in the meeting minutes.

Where a shareholders' meeting is convened by a party with the power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairperson from among themselves.

The Company may appoint its attorneys, CPAs, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8: (Evidence of the audio or video recordings of the shareholders' meeting)

The Company shall make an uninterrupted audio and video recording of the entire process of the shareholders' meeting from shareholders' sign-in, the proceedings of the meeting, as well as the process of voting and vote counting.

The audio and video recording in the preceding paragraph shall be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 9

Attendance at shareholders' meetings shall be counted based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chairperson shall call the meeting to order at the scheduled meeting time; however, the chairperson may have the meeting postponed if the attending shareholders do not represent more than half of the total shares issued. The meeting postponement is limited to 2 times for a total of less than 1 hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chairperson shall declare the meeting adjourned.

If there are not enough shareholders representing at least one third of issued shares attending the meeting after two postponements, tentative resolutions may be passed in accordance with Article 175, paragraph 1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of outstanding shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on the proposals on the agenda one by one. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution by the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene other than the Board of Directors.

The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including Extraordinary Motions), except by a resolution by the shareholders' meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders to continue the meeting.

The chairperson shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or Extraordinary Motions put forward by the shareholders; when the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11: (Speeches by shareholders)

Before speaking, an attending shareholder shall specify on a speaker's slip the subject of the speech, their shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the contents of the speech are not in alignment with the subject on the speaker's slip, the spoken contents shall prevail.

Except with the consent of the chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes; if the shareholder's speech violates the rules or exceeds the scope of the motion, the chairperson may have the shareholder stop the speech.

Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped.

When a juridical person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.

Article 12: (Counting of voting shares and a recusal policy)

Votes cast at shareholders' meetings shall be calculated based on numbers of shares.

With respect to resolutions by a shareholders' meeting, the number of shares held by a shareholder without voting rights shall not be calculated as part of the total number of outstanding shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item and may not exercise voting rights as a proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be counted toward the number of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a stock affairs agency approved by the competent securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of the issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the counting.

Article 13

Each shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2 of Article 179 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising their voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived their rights with respect to the Extraordinary Motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of Extraordinary Motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

In case a shareholder who has exercised their voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, they shall, two days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising their voting power, serve a separate declaration of intention to rescind their previous declaration of intention made in exercising the voting power under the preceding Paragraph Two. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail.

If the shareholder exercises their voting rights in writing or by electronic means and appoints a proxy with a proxy form to attend the shareholders' meeting, the voting right exercised by the attending proxy at the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote for each proposal, the chairperson or a person designated by the chairperson shall first announce the total number of voting rights represented by the attending shareholders, followed by a vote by the shareholders case by case. After the conclusion of the meeting, on the same day it is held, the results shall be entered on the MOPS.

When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.

Vote monitoring and vote counting personnel

shall be appointed by the chairperson, provided that all vote monitoring and vote counting personnel be shareholders of the Company.

Vote counting for proposals or elections at a shareholders' meeting shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting shall be announced on-site at the meeting and recorded.

Article 14: (Elections)

The election of directors or supervisors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors or supervisors and the number of votes each candidate received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15

Matters relating to the resolutions by a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

Said distribution may be announced through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and also disclose the number of votes received by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.

Article 16: (Public announcement)

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.

If any resolutions by the shareholders' meeting are material information as stipulated by laws and regulations or Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall upload the content to the MOPS prior to a deadline.

Article 17: (Maintenance of the order of the venue)

Staff handling administrative affairs of a shareholders' meeting shall wear an identification badge or an armband.

The chairperson may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification badge or an armband, reading "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairperson may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chairperson's correction, obstructing the proceedings and refusing to heed calls to stop, the chairperson may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18: (Recess and resumption of a shareholders' meeting)

When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including Extraordinary Motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19

These Rules and all amendments thereto shall be enforced upon approval by a shareholders' meeting.

Shareholding of Directors and Supervisors

Date of book closure: March 24, 2025

Job title	Name		Shares held
Chairman of Board	Jing Hong Ltd.		2,618,180
	Representative	Chang Yu-Ming	
Director	U-BEST Innovative Technology Co., Ltd.		19,983,058
	Representative	Tseng Peng-Kuang	
Director	Metropolitan International Development Co., Ltd.		169,257
	Representative	Li Tung-Hung	
Independent Director	Hu Li-Yuan		0
Independent Director	Chang Hsieh Chia-Chia		0
Independent Director	Yeh Feng-Hua		0
Independent Director	Huang Ling-Chen		0
Total number of shares held by all directors			22,770,495

Until the date of book closure, March 31, 2025, the Company's paid-in capital has amounted to NT\$3,670,890,190, and the total number of issued shares is 367,089,019 (including 0 treasury shares).

The number of shares to be held by the board of directors (excluding independent directors) pursuant to laws should be 12,000,000 shares.