



# 三集雅社

股票代號 2937

# 三集雅社

Stock Ticker 2937

Method of meeting | Physical Shareholders' Meeting  
Time | 9:00 a.m., Thursday, June 19, 2025  
Location | The Company's meeting room, 7F., No. 263,  
Zhongzheng 1st Rd., Lingya Dist., Kaohsiung City  
GSeven website | <https://www.gseven.com.tw>  
MOPS | <http://mops.twse.com.tw>

# 2025 Meeting Handbook

# Contents

<b>Agenda for the 2025 Annual Shareholders' Meeting.....</b>	<b>1</b>
--	----------

<b>2025 Annual Shareholders' Meeting Agenda .....</b>	<b>2</b>
---	----------

I. Reporting Matters .....	3
II. Ratification Matters .....	4
III. Discussion Matters .....	5
IV. Election Matters .....	6
V. Other Proposals.....	7
VI. Extraordinary Motions .....	7

## Attachment

I. 2024 Business Report.....	8
II. Audit Committee's Review Report.....	11
III. Comparison Table of Amendments to the Rules of Procedure for Board of Directors Meetings .....	12
IV. Audit Report and Financial Statements of 2024.....	14
V. Earnings Distribution Table for 2024 .....	34
VI. Comparison table of the amended articles of the Articles of Incorporation (the 17th amendment) .....	35
VII. Comparison Table of Amended Articles in the Procedures for Acquisition or Disposal of Assets .....	36
VIII. Comparison Table of Amended Articles for the Regulations Governing Directors' Remuneration.....	73
IX. Director Candidate List .....	74
X. Proposed List of Directors and Their Representatives for Lifting of Non-competition Restrictions.....	75

## Appendix

I. Articles of Incorporation .....	76
II. Rules of Procedure for Shareholders' Meetings .....	84
III. Director Election Procedures .....	93
IV. Procedures for Acquisition or Disposal of Assets.....	96
V. Regulations Governing Directors' Remuneration.....	113
VI. Directors' Shareholding Status.....	115

# **GSeven Co., Ltd.**

## **Agenda for the 2025 Annual Shareholders' Meeting**

- I. Report on Attendance
- II. Call to Order
- III. Meeting Chairman's Remarks
- IV. Reporting Matters
- V. Ratification Matters
- VI. Discussion Matters
- VII. Election Matters
- VIII. Other Proposals
- IX. Extraordinary Motions
- X. Adjournment

# **GSeven Co., Ltd.**

## **2025 Annual Shareholders' Meeting Agenda**

Time: 9:00 a.m., Thursday, June 19, 2025

Location: The Company's meeting room, 7F., No. 263, Zhongzheng 1st Rd., Lingya Dist., Kaohsiung City

Method of Meeting: Physical Shareholders' Meeting

**I. Meeting Chairman's Remarks**

**II. Reporting Matters**

- (I) 2024 Business Report.
- (II) 2024 Audit Committee's Review Report
- (III) Report on the Distribution of 2024 Employee and Director Remuneration.
- (IV) Report on the Distribution of 2024 Cash Dividends from Earnings.
- (V) Report on the Amendment to the "Rules of Procedure for Board of Directors Meetings."

**III. Ratification Matters**

- (I) Ratification of 2024 Financial Statements.
- (II) Ratification of the 2024 Earnings Distribution Proposal.

**IV. Discussion Matters**

- (I) Amendment to the "Articles of Incorporation."
- (II) Amendment to the "Procedures for Acquisition or Disposal of Assets."
- (III) Amendment to the "Regulations Governing Directors' Remuneration."
- (IV) Proposal for Capital Increase by Retained Earnings and Issuance of New Shares.

**V. Election Matters**

Election of the 12th Term of Directors.

**VI. Other Proposals**

Exemption of the 12th Term Directors and Their Representatives from Non-Competition Restrictions.

**VII. Extraordinary Motions**

**VIII. Adjournment**

## I. Reporting Matters

### Proposal 1

Subject: 2024 Business Report, please review.

Description: The 2024 Business Report, please refer to Attachment I on pages 11–13 of this handbook.

### Proposal 2

Subject: The Audit Committee's Review Report for 2024, please review.

Description: For the Audit Committee's Review Report, please refer to Attachment II on page 14 of this handbook.

### Proposal 3

Subject: Report on the Distribution of Employee and Director remuneration for 2024, please review.

Description:

1. Conducted in accordance with Article 235-1 of the Company Act.
2. The Company's profit for 2024 is NT\$205,262,722, which was approved by the Board of Directors on March 11, 2025. In accordance with Article 25 of the Articles of Incorporation, the distribution of employees' remuneration and directors' remuneration is as follows:
  - (1) Employees' remuneration is appropriated at approximately 7.27%, amounting to NT\$14,931,140, with no difference from the estimated amount for the year 2024.
  - (2) Directors' remuneration is appropriated at approximately 1.41%, amounting to NT\$2,885,954, with no difference from the estimated amount for the year 2024.
3. This case is reported to the Annual Shareholders' Meeting according to law, and the Chairman is authorized to handle all relevant matters regarding the distribution.

### Proposal 4

Subject: Report on the cash dividend distribution from the 2024 earnings. Please acknowledge.

Description:

1. In accordance with Article 24 of the Company's Articles of Incorporation, the distribution of profits as cash dividends is authorized to be resolved by the Board of Directors and reported to the shareholders' meeting.
2. The Board of Directors of the Company resolved on March 11, 2025, to distribute cash dividends of NT\$2 per share, totaling NT\$79,167,228. The Chairman was authorized to set April 25, 2025, as the ex-dividend date and May 20, 2025, as the payment date, and to handle other related matters.

Proposal 5

Subject: Report on the amendments to the “Rules of Procedure for Board of Directors Meetings” for your examination.

Description: To comply with current legal regulations, the Company has amended the “Rules of Procedure for Board of Directors Meetings.” Please refer to Attachment III on page 15 of this meeting handbook for the comparison table of the amended articles.

## II. Ratification Matters

Proposal 1 (Proposed by the Board of Directors)

Subject: To approve the financial statements for 2024.

Description:

1. The Company’s 2024 financial statements have been audited by PwC Taiwan CPA Liao, A-Shen and CPA Wang, Chun-Kai, who have issued an unqualified audit report.
2. The Company’s 2024 Business Report, CPA Audit Report and Financial Statements, as well as the Earnings Distribution Proposal, have been reviewed by the Audit Committee and approved by the 11th Board of Directors at its 17th meeting. Please refer to Attachment I on pages 11–13 and Attachment IV on pages 17-37 of this handbook.  
Please ratify.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Subject: To approve the earnings distribution for 2024.

Description:

1. The Company’s net profit after tax for 2024 was NT\$152,984,782, along with other comprehensive income adjustments of NT\$3,251,722 for the same year. After setting aside 10% as a legal reserve amounting to NT\$15,623,650 and adding the beginning unappropriated earnings of NT\$256,703,806, the total distributable earnings amount to NT\$397,316,660.
2. The Company’s 2024 Earnings Distribution Table has been approved by the Board of Directors and reviewed by the Audit Committee. Please refer to Attachment V on page 38 of this meeting handbook.
3. Please ratify.

Resolution:

### III. Discussion Matters

Proposal 1 (Proposed by the Board of Directors)

Subject: Amendment to the “Articles of Incorporation,” proposed for discussion.

Description:

1. To comply with legal requirements, the Company proposes to amend its Articles of Incorporation. The comparison table of the amended articles is available on page 39 of this meeting handbook as Attachment VI. This motion is hereby proposed for discussion.
2. Proposed for discussion.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Subject: Amendment to the “Procedures for Acquisition or Disposal of Assets,” proposed for discussion.

Description:

1. To comply with current legal regulations and the Company’s corporate governance needs, the Company proposes to amend its “Procedures for Acquisition or Disposal of Assets.” The comparison table of the amended articles is available on pages 40-79 of this meeting handbook as Attachment VII.
2. Proposed for discussion.

Resolution:

Proposal 3 (Proposed by the Board of Directors)

Subject: Amendment to the “Regulations Governing Directors’ Remuneration,” proposed for discussion.

Description:

1. In order to meet the needs of the Company’s operations, it is proposed to amend the Company’s “Regulations Governing the Remuneration of Directors.” The comparison table of the amended and the original articles is attached as Attachment VIII on page 80 of this Handbook.
2. Proposed for discussion.

Resolution:

Proposal 4 (Proposed by the Board of Directors)

Subject: Discussion on a proposal to issue new shares through capitalization of retained earnings.

Description:

1. To support future business development, the Company proposes to appropriate NT\$39,583,614 from distributable earnings as stock dividends to shareholders by issuing 3,958,361 new shares. Based on the shareholders’ register as of the record date, 100 shares will be distributed for every 1,000 shares held.
2. Fractional shares of less than one share may be pooled together by shareholders

from five days before the book closure date until one day before the book closure date. After pooling, any remaining fractional shares will be paid in cash based on par value, calculated to the nearest dollar (amounts less than one dollar will be disregarded). The Chairman is authorized to find specific persons to subscribe to these shares at par value.

3. For this stock dividend distribution, if subsequent changes in the Company's capital affect the number of outstanding shares, thereby causing a change in the stock dividend ratio that requires adjustment, the annual shareholders' meeting is requested to authorize the Board of Directors to handle all such matters at its full discretion.
4. The new shares issued will carry the same rights and obligations as the existing common shares.
5. After approval by the annual shareholders' meeting, the shareholders' meeting is requested to authorize the Board of Directors to determine the ex-dividend date, the capital increase record date, and other related matters.
6. For the above capital increase matters, if changes are required due to practical needs or regulatory review by the competent authority, the shareholders' meeting is requested to authorize the Board of Directors to handle such matters.
7. Proposed for discussion.

Resolution:

#### **IV. Election Matters**

(Proposed by the Board of Directors)

Subject: Election of the 12th Term Directors.

Description:

1. The tenure of the Company's 11th term directors will expire on June 14, 2025. In accordance with Article 14 of the "Articles of Incorporation," seven directors (including three independent directors) shall be elected. All directors shall be elected through the candidate nomination system from the list of candidates by the shareholders' meeting.
2. According to Article 195 of the Company Act, if directors are not elected in time upon expiration of their terms, the incumbent directors shall continue to perform their duties until the new directors take office. The Company plans to hold an election for seven directors (including three independent directors) at the annual shareholders' meeting. The incumbent directors will be discharged on the date of re-election, and the newly elected directors will take office immediately after the shareholders' meeting concludes. Their term of office will be three years, from June 19, 2025, to June 18, 2028.
3. The list of director candidates and their educational and professional backgrounds have been reviewed and approved by the 18th meeting of the Company's 11th Board of Directors. Please refer to Attachment 9 on page 82 of this meeting handbook.

Election Results:



## **V. Other Proposals**

(Proposed by the Board of Directors)

Subject: Lifting the non-competition restrictions for the 12th term directors and their representatives.

Description:

1. According to Article 209 of the Company Act, directors who engage in business activities within the scope of the Company's business for themselves or on behalf of others shall explain the essential contents of such activities to the shareholders' meeting and obtain its approval.
2. To facilitate the utilization of expertise and relevant experience of the Company's 12th Board of Directors (including institutional directors and their appointed representatives), in accordance with Article 209 of the Company Act and provided that it does not harm the interests of the Company, it is proposed to the annual shareholders' meeting to remove the non-competition restrictions on the Company's 12th Directors (including Independent Directors) and their natural person representatives exercising director duties, when they serve in other businesses related to the business scope listed in the Company's "Articles of Incorporation."
3. Please refer to Attachment X on page 84 of this meeting handbook for details of the directors' (including independent directors) and their representatives' concurrent positions. The non-competition restrictions will be lifted for those elected after the annual shareholders' meeting.
4. Proposed for discussion.

Resolution:

## **VI. Extraordinary Motions**

### **Adjournment**

## GSeven Co., Ltd.

### 2024 Business Report

Looking back at 2024, under the dedicated efforts of the Company's management team and all employees who faced challenges with determination, the Company's main distribution channels, including department store counters, e-commerce channels, and retail stores, all achieved significant growth in performance.

The Company's consolidated revenue for 2024 was NT\$4,642,604 thousand, an increase of NT\$578,907 thousand compared to the consolidated revenue of NT\$4,063,697 thousand for the previous year. Net profit after tax was NT\$152,983 thousand, an increase of NT\$44,611 thousand compared to the net profit after tax of NT\$108,372 thousand for the previous year. The basic earnings per share after tax was NT\$3.86, an increase of NT\$1.05 compared to the basic earnings per share after tax of NT\$2.81 from the previous year. The Company's 2024 consolidated operation results are reported below:

◎ Business plan implementation results:

Unit: NT\$1,000/Basic earnings per share: NT\$

Items	2024	2023	Amount of increase/decrease	Percentage of increase/decrease
Consolidated revenue	4,642,604	4,063,697	578,907	14.25%
Consolidated gross profit	1,073,277	987,716	85,561	8.66%
Net income before tax	192,115	142,845	49,270	34.49%
Net income after tax	152,983	108,372	44,611	41.16%
Basic earnings per share (NT\$)	3.86	2.81	1.05	37.37%

◎ Analysis of financial income, expenditure and profitability:

Items		2024	2023
Financial Structure	Debt to Asset Ratio (%)	69.77	69.78
	Long-term Capital to Property, Plant and Equipment Ratio (%)	163.19	180.49
Debt Servicing Capability	Current Ratio (%)	112.84	113.93
	Quick Ratio (%)	61.28	66.26
Profitability	Return on Assets (%)	4.95	3.82
	Return on Equity (%)	15.47	12.17
	Net Profit Margin (%)	3.30	2.67

One. Operational Strategy of the Parent Company’s “Department Store Shopping Centers” and “Self-operated Stores”

As of the end of 2024, the department store shopping business locations ranked first in market share among all department store shopping channels in Taiwan. Through the long-established reputation and customer trust of the three parties, the Company continues to expand its business locations to extend the overall service network. In the future, complex shopping centers will become the mainstream of department stores in Taiwan. The Company will also focus on expanding large stores with complex shopping centers as the main target.

Two. Business and Air Conditioning Engineering Operation Strategy

I. Establishment of Commercial Engineering Department

The Company is determined to become a pioneer of nationwide commercial engineering, with main strategies as follows:

1. Expand Cybertech’s self-operated flagship stores in metropolitan areas of the six special municipalities;
2. Support with telemarketing customer service center to provide continuous care and timely promotional offers to store owners;
3. Backend units strive for price advantages from original manufacturers for commercial engineering to attract store purchases;
4. Continue to recruit additional commercial engineering sales colleagues to increase business volume.

As of the end of 2024, the Company has successfully established six commercial engineering stores in Taoyuan, Hsinchu, Taichung, Changhua, Tainan, and Kaohsiung, becoming a strong backbone for diversifying business sources.

II. Establishment of Installation Department

In the past, the Company outsourced all home appliance installation fees to third parties. Since 2022, through its subsidiary, Jisheng Co., Ltd., the Company established the Kaohsiung Zhongzheng Installation Department, building air conditioning/TV/audio installation teams to provide installation services for Kaohsiung consumers. This reduces dependence on external air conditioning and TV installation vendors, lowers installation costs, allows for self-managed installation quality, and greatly prevents uncontrollable customer complaints such as poor installer attitude, and installation time delays. As of the end of 2024, eight installation service departments have been established in Taipei, Taoyuan, Hsinchu, Taichung, Changhua, Chiayi, Tainan, and Kaohsiung, providing consumers with high-quality and reliable installation services.

### III. E-commerce Operation Strategy

The business is primarily divided into two entities: “GSeven” and “GShare” implementing multiple organizational reforms and marketing strategies as follows:

1. Sales staff also serve as project managers, with performance evaluation based on team achievements, continuously developing more diverse and abundant products to increase sales capability and competitiveness.
2. Monthly establishment of dedicated online procurement channels for specific PSI products;
3. Expansion of product lines, integration of platform resources, and extension of online livestreaming;
4. GSeven has begun to reach group buying channels and is deepening its presence;
5. In addition to existing channel brands, actively expanding different attribute channel brands to meet the market demands of various e-commerce platforms.

Chairman: Lu, Chien-san

Managers: Hsieh, Shu-min

Accounting Officer: Ho, Cheng-feng

**GSeven Co., Ltd.**

**Audit Committee's Review Report**

The Board of Directors has submitted the Company's 2024 Business Report, Financial Statements (including Parent Company Only and Consolidated Financial Statements), and Earnings Distribution Proposal. The Financial Statements (including Parent Company Only and Consolidated Financial Statements) have been audited by PwC Taiwan, with CPAs Liao A-Shen and Wang Chun-Kai issuing an unqualified audit report.

The aforementioned Business Report, Financial Statements, and Earnings Distribution Proposal have been examined by the Audit Committee and found to be accurate. This report is hereby submitted in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your review and approval.

To:

GSeven Co., Ltd., 2025 Annual Shareholders' Meeting

Convenor of Audit Committee:

Chao Chang-Ju

Date: March 11, 2025

## GSeven Co., Ltd.

### Comparison Table of Amendments to the Rules of Procedure for Board of Directors Meetings

November 5, 2024

Revised articles	Current articles	Note
<p>Article 10 (Paragraphs 1 and 2 omitted.) The meeting chairman shall call the meeting to order at the appointed meeting time when a majority of directors are in attendance. If half of all directors are not in attendance at the appointed meeting time, the meeting chairman may announce a postponement of the meeting <u>on the same day</u>, with a maximum of two postponements. If the quorum is still not met after two postponements, the meeting chairman shall reconvene the meeting following the procedures prescribed in Article 3, Paragraph 2.</p> <p>The term “all directors” as used in the preceding paragraph and in Article 15, Paragraph 2, Subparagraph 2 shall be calculated based on the number of directors actually in office.</p>	<p>Article 10 (Paragraphs 1 and 2 omitted.) The meeting chairman shall call the meeting to order at the appointed meeting time when a majority of directors are in attendance. If a majority of all directors are not in attendance at the appointed meeting time, <u>the meeting chairman may announce a postponement of the meeting, with a maximum of two postponements and total delay not exceeding one hour.</u> If the quorum is still not met after two postponements, the meeting chairman shall reconvene the meeting following the procedures prescribed in Article 3, Paragraph 2.</p> <p>The term “all directors” as used in the preceding paragraph and in Article 15, Paragraph 2, Subparagraph 2 shall be calculated based on the number of directors actually in office.</p>	<p>To prevent disputes arising from undetermined extension of board meetings, it is hereby expressly stipulated that when there is an insufficient number of attendees, the meeting chairman may announce a postponement of the meeting limited to the same day.</p>
<p>Article 11 The Company’s Board of Directors shall proceed according to the agenda scheduled in the meeting notice. However, the agenda may be changed with the approval of a majority of directors present at the meeting. Prior to the conclusion of the meeting, the meeting chairman may not announce adjournment without the consent of a majority of the directors present at the scheduled agenda items and extraordinary motions. If, during the meeting, the number of</p>	<p>Article 11 The Company’s Board of Directors shall proceed according to the agenda scheduled in the meeting notice. However, the agenda may be changed with the approval of a majority of directors present at the meeting. Prior to the conclusion of the meeting, the meeting chairman may not announce adjournment without the consent of a majority of the directors present at the scheduled agenda items and extraordinary motions. If, during the meeting, the number of</p>	<p>I. Paragraphs 1 to 3 remain unchanged.</p> <p>II. In accordance with the amendment to the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies,” if the chairman is unable to continue presiding over the meeting for any reason, or if he announces an adjournment of the meeting without</p>

Revised articles	Current articles	Note
<p>directors present becomes fewer than half of the total directors, upon motion by any director present, the meeting chairman shall announce a suspension of the meeting, and Article 10, Paragraph 3 shall apply mutatis mutandis.</p> <p><u>During a board meeting, if the chairperson is unable to chair the meeting for any reason or announces adjournment without following Paragraph 2, the selection of a proxy shall apply mutatis mutandis to Article 9, Paragraph 3.</u></p>	<p>directors present becomes fewer than half of the total directors, upon motion by any director present, the meeting chairman shall announce a suspension of the meeting, and Article 10, Paragraph 3 shall apply mutatis mutandis.</p>	<p>following proper procedures, Paragraph 4 is added to avoid affecting the operation of the Board of Directors. This paragraph specifies that the appointment of a proxy shall comply with Paragraph 3, Article 9, whereby the chairman shall appoint one director to act as a proxy. If the chairman does not appoint a proxy, the directors shall elect one from among themselves to serve as the proxy.</p>
<p>Article 19</p> <p>These Rules were established on June 28, 2013. The first amendment was made on June 26, 2015. The second amendment was made on November 11, 2016. The third amendment was made on May 6, 2019. The fourth amendment was made on March 2, 2020. The fifth amendment was made on November 7, 2022. <u>The sixth amendment was made on November 5, 2024.</u></p>	<p>Article 19</p> <p>These Rules were established on June 28, 2013. The first amendment was made on June 26, 2015. The second amendment was made on November 11, 2016. The third amendment was made on May 6, 2019. The fourth amendment was made on March 2, 2020. The fifth amendment was made on November 7, 2022.</p>	<p>Date of amendment is added.</p>

## **Audit Report and Financial Statements of 2024**

### **Independent Auditors' Report**

(2025) Cai-Shen-Bao-Zi No. 24003706

To GSeven Co., Ltd.:

#### **Auditors' opinions**

GSeven Co., Ltd. and Subsidiaries (hereinafter referred to as "GSeven Group") – The consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and notes to the consolidated financial statements (including a summary of significant accounting policies) for the years ended December 31, 2024 and 2023, have been audited by the undersigned accountants.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of GSeven Group as of December 31, 2024 and 2023, as well as its consolidated financial performance and consolidated cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, International Accounting Standards (IAS), Interpretations, and Interpretation Bulletins endorsed and issued into effect by the Financial Supervisory Commission.

#### **Basis of the audit opinion**

We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and the ROC GAAP. Our responsibility under these standards is further explained in the section of Auditor's Responsibilities for the Audit of the Consolidated Financial Statements. We are independent of the Group in accordance with the Code of Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that sufficient and appropriate audit evidence has been obtained in order to serve as the basis for presenting the audit opinion.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group in 2024. These matters were addressed in our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these matters.



Key audit matters of the Group's 2024 consolidated financial statements are as follows:

### **Correctness of the recognition of the bonus to suppliers**

#### Description of matters

The Group recognizes the supplier bonus in accordance with the purchase and purchase contract and other documents, as a deduction in cost. Due to the significant amount of vendor incentives, the numerous vendors involved, and the varying calculation conditions for these incentives, I have identified the accuracy of vendor incentive recognition as one of the key audit matters for this year.

#### Audit procedures for the response

The main countermeasures for the above key audit matters by the accountant are as follows:

1. Review the contracts with major suppliers and interview the procurement officer to understand the agreements and management mechanisms for the related supplier incentives.
2. Understanding, assessing, and testing the implementation of internal control procedures, along with the analysis and comparison of changes in the amount of rewards for suppliers over the two years.
3. For this year's vendor incentives and period-end receivable incentive items, I selected and examined supporting documents including relevant contracts and performed subsequent collection testing to verify the accuracy of recorded incentives and period-end receivable amounts.

### **Inventory evaluation**

#### Description of matters

Regarding the accounting policies for inventory valuation, please refer to Note 4, (11) of the consolidated financial statements. For accounting estimates and assumptions of uncertainty related to inventory valuation, please refer to Note 5 of the consolidated financial statements. For an explanation of inventory accounting items, please refer to Note 6, (6) of the consolidated financial statements.

The Group's inventories mainly comprise of images, home appliances, and audio products. Due to the rapid change of technology and fierce market competition, inventory may be subject to devaluation or obsolescence. For inventory valuation, the item-by-item comparison method is used, with recognition at the lower of cost or net realizable value. For inventories exceeding specific aging periods and those individually identified as obsolete, the net realizable value is calculated based on historical experience in handling obsolete inventory. The estimation of inventory net realizable value involves subjective judgment, resulting in a high degree of estimation uncertainty. Therefore, we listed the inventory evaluation as one of the key audit matters for the year.

### Audit procedures for the response

The main countermeasures for the above key audit matters by the accountant are as follows:

1. Review the inventory aging report to analyze the reasonableness of the changes in the inventory age in each period.
2. Test the accuracy of the inventory aging report and assess the reasonableness of the inventory obsolescence loss recognized.
3. The market price of the net realizable value is based on its consistency with the policy and the selling price, and the inventory is verified to be reasonably evaluated at the lower of cost or net realizable value.
4. Assess the reasonableness of the management's individual identification of obsolete or damaged inventory items and provide supporting documents.

### **Other matters in the individual financial statements – individual financial statements**

We have audited the individual financial statements of GSeven, which comprise the parent company and subsidiaries, for the years ended December 31, 2024 and 2023, and for which we have issued an unqualified opinion.

### **Responsibilities of the management and the governing body for the consolidated financial statements**

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 the IFRS, IAS, Interpretations, and Interpretation Bulletins endorsed and issued into effect by the Financial Supervisory Commission. Management is also responsible for maintaining necessary internal controls relevant to the preparation of the consolidated financial statements to ensure they are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is also responsible for assessing GSeven Group's ability to continue as a going concern, disclosing relevant matters, and using the going concern basis of accounting unless management either intends to liquidate GSeven Group or to cease operations, or has no realistic alternative but to do so.

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

### **Responsibilities of CPAs to audit the consolidated financial statements**

The purpose of our audit of the consolidated financial statements is to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with the auditing standards of the Republic of China will always detect a material misstatement when it exists in the consolidated financial statements. The deceptive presentation may arise from fraud or error. If the individual amount or the total amount in the deceptive presentation can reasonably be expected to affect the economic decision made by the user of the consolidated financial statements, the deceptive presentation is considered material.

When we audit the financial statements in accordance with the auditing standards of the Republic of China, we exercise professional judgment and professional skepticism. We also perform the following tasks:

1. Identifying and assessing the risks of material misstatement in the consolidated financial statements, whether due to fraud or error; designing and implementing appropriate responses to those assessed risks; and obtaining sufficient and appropriate audit evidence to provide a basis for our audit opinion. The risk of material misstatement arising from fraud is higher than that arising from error because it may involve collusion, forgery, intentional omissions, misstatement, or the override of internal control.
2. The Company shall 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 Group's internal controls.
3. Assess the appropriateness of the accounting policies adopted by the management, and the reasonableness of the accounting estimates and related disclosures.
4. Based on the audit evidence obtained, we conclude on the appropriateness of 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 GSeven Group's ability to continue as a going concern. If we believe that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained as of the date of the audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Assess the overall presentation, structure and content of the consolidated financial statements (including the disclosures), and determine 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 the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the consolidated financial statements, as well as for forming an audit opinion on those financial statements.

The matters communicated between us and the governing body include the planned scope and time of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence in accordance with the Code of Professional Ethics for Certified Public Accountants of the Republic of China, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the Group in 2024 and which are therefore the key audit matters. We describe these matters in our auditor's 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.

PwC Taiwan

Liao, A-Shen

CPA

Wang, Chun-Kai

Approval reference number of the Financial Supervisory  
Commission, former Executive Yuan: Jin-Guan-Zheng-  
Shen-Zi No. 1010015969

Approval reference number of the Financial Supervisory  
Commission:  
Jin-Guan-Zheng-Shen-Zi No. 1110349013

March 11, 2025

GSeven Co., Ltd. and Subsidiaries  
Consolidated balance Sheets  
December 31, 2024 and 2023

Unit: NT\$ Thousand

Assets		Notes	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 314,384	9	\$ 248,867	8
1110	Current financial assets at fair value through profit or loss	6(2)	3,202	-	-	-
1136	Current financial assets at amortized cost	6(3) and 8	16,344	-	10,853	-
1150	Notes receivable, net	6(4)	5,448	-	256	-
1170	Accounts receivable, net	6(4)	791,119	23	915,301	29
1200	Other receivables	6(5)	295,827	9	245,045	8
130X	Inventory	6(6)	1,106,809	33	971,648	31
1410	Prepayments	6(7)	52,226	2	37,820	1
1479	Other current assets, others		41,236	1	12,323	1
11XX	Total current assets		2,626,595	77	2,442,113	78
Non-current assets						
1600	Property, plant and equipment	6(8) and 8	655,891	19	554,362	18
1755	Right-of-use assets	6(9)	26,880	1	35,196	1
1760	Investment property, net	6(10) and 8	52,026	2	62,260	2
1780	Intangible assets	6(11)	15,077	-	17,711	-
1840	Deferred tax assets	6(26)	20,551	1	19,364	1
1915	Prepayments for business facilities		133	-	-	-
1920	Guarantee deposits paid		878	-	866	-
1990	Other non-current assets, others		-	-	12,227	-
15XX	Total non-current assets		771,436	23	701,986	22
1XXX	Total assets		\$ 3,398,031	100	\$ 3,144,099	100

(continued)

GSeven Co., Ltd. and Subsidiaries  
Consolidated balance Sheets  
December 31, 2024 and 2023

Unit: NT\$ Thousand

Liabilities and equity			December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Liabilities						
Current liabilities						
2100	Short-term borrowings	6(12)	\$ 535,000	16	\$ 588,000	19
2130	Current contract liabilities	6(19)	991,964	29	829,754	26
2150	Notes payable		10,072	-	5,335	-
2170	Accounts payable		563,091	17	534,995	17
2200	Other payables	6(13)				
		.	172,002	5	142,365	5
2230	Current tax liabilities		25,852	1	13,102	1
2280	Current lease liabilities	6(9)	8,090	-	8,699	-
2310	Advance receipts		17,413	1	11,896	-
2399	Other current liabilities, others		4,184	-	9,378	-
21XX	Total current liabilities		2,327,668	69	2,143,524	68
Non-current liabilities						
2570	Deferred tax liabilities	6(26)	8	-	-	-
2580	Non-current lease liabilities	6(9)	19,411	1	26,999	1
2610	Long-term notes and accounts payable		13,650	-	6,602	-
2640	Net defined benefit liabilities, non-current	6				
		(15)	6,973	-	14,290	1
2645	Guarantee deposits received		3,072	-	2,503	-
25XX	Total non-current liabilities		43,114	1	50,394	2
2XXX	Total liabilities		2,370,782	70	2,193,918	70
Equity						
Equity attributable to owners of parent						
	Share capital	6(16)				
3110	Ordinary share		395,836	12	395,836	13
	Capital surplus	6(17)				
3200	Capital surplus		136,138	4	136,138	4
	Retained earnings	6(18)				
3310	Legal reserve		82,335	2	71,480	2
3350	Unappropriated retained earnings		412,940	12	346,727	11
31XX	Total equity attributable to owners of parent		1,027,249	30	950,181	30
3XXX	Total equity		1,027,249	30	950,181	30
	Major contingent liabilities and unrecognized contractual commitments	9.				
	Significant events after reporting period	11.				
3X2X	Total liabilities and equity		\$ 3,398,031	100	\$ 3,144,099	100

The accompanying notes are an integral part of these consolidated financial statements.

Chairman: Lu, Chien-san

Manager: Hsieh, Shu-min

Accounting Officer: Ho, Cheng-feng

GSeven Co., Ltd. and Subsidiaries  
Consolidated statements of comprehensive income  
January 1 to December 31, 2024 and 2023

Unit: NT\$ Thousand  
(except that earnings per share is in NT\$)

Items	Notes	2024		2023	
		Amount	%	Amount	%
4000 Operating revenue	6(19)	\$ 4,642,604	100	\$ 4,063,697	100
5000 Operating costs	6(6)(24)				
	(25)	( 3,569,327)	( 77)	( 3,075,981)	( 76)
5900 Gross profit from operations		<u>1,073,277</u>	<u>23</u>	<u>987,716</u>	<u>24</u>
Operating expenses	6(24)				
	(25)				
6100 Selling expenses		( 668,382)	( 14)	( 657,197)	( 16)
6200 Administrative expense		( 207,974)	( 5)	( 188,347)	( 5)
6450 Expected credit loss	12(2)	( 434)	-	( 1,690)	-
6000 Total operating expenses		( 876,790)	( 19)	( 847,234)	( 21)
6900 Net operating income		<u>196,487</u>	<u>4</u>	<u>140,482</u>	<u>3</u>
Non-operating income and expenses					
7100 Interest income	6(20)	1,221	-	1,407	-
7010 Other income	6(21)	6,510	-	10,581	-
7020 Other gains and losses	6(22)	( 883)	-	( 804)	-
7050 Financial costs	6(23)	( 11,220)	-	( 8,821)	-
7000 Total non-operating income and expenses		( 4,372)	-	2,363	-
7900 Profit before tax		<u>192,115</u>	<u>4</u>	<u>142,845</u>	<u>3</u>
7950 Tax expense	6(26)	( 39,132)	( 1)	( 34,473)	( 1)
8200 Profit for the period		<u>\$ 152,983</u>	<u>3</u>	<u>\$ 108,372</u>	<u>2</u>
8311 Gains on remeasurements of defined benefit plans	6 (15)	\$ 4,065	-	\$ 179	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	( 813)	-	-	-
8300 Total other comprehensive income		<u>\$ 3,252</u>	<u>-</u>	<u>\$ 179</u>	<u>-</u>
8500 Total comprehensive income for the period		<u>\$ 156,235</u>	<u>3</u>	<u>\$ 108,551</u>	<u>2</u>
Profit attributed to:					
8610 owners of parent company		<u>\$ 152,983</u>	<u>3</u>	<u>\$ 108,372</u>	<u>2</u>
Comprehensive income attributable to:					
8710 owners of parent company		<u>\$ 156,235</u>	<u>3</u>	<u>\$ 108,551</u>	<u>2</u>
Earnings per share	6(27)				
9750 Basic		<u>\$ 3.86</u>		<u>\$ 2.81</u>	
9850 Diluted		<u>\$ 3.82</u>		<u>\$ 2.55</u>	

The accompanying notes are an integral part of these consolidated financial statements.

Chairman: Lu, Chien-san

Manager: Hsieh, Shu-min

Accounting Officer: Ho, Cheng-feng

GSeven Co., Ltd. and Subsidiaries  
Consolidated statements of changes in equity  
January 1 to December 31, 2024 and 2023

Unit: NT\$ Thousand

		Equity attributable to owners of parent									
		Retained earnings									
Notes	Ordinary share	Capital surplus	Legal reserve	Unappropriated retained earnings	Total						
<u>2023</u>											
	\$	376,375	\$	95,268	\$	57,391	\$	301,194	\$	830,228	
		-		-		-		108,372		108,372	
		-		-		-		179		179	
		-		-		-		108,551		108,551	
Appropriation and distribution of 2022 earnings:											
		-		-		14,089	(	14,089	)	-	
	6(18)	-		-		-	(	48,929	)	(	48,929
	6(16)(17)	19,461		40,870		-		-		60,331	
	\$	395,836	\$	136,138	\$	71,480	\$	346,727	\$	950,181	
<u>2024</u>											
	\$	395,836	\$	136,138	\$	71,480	\$	346,727	\$	950,181	
		-		-		-		152,983		152,983	
		-		-		-		3,252		3,252	
		-		-		-		156,235		156,235	
Appropriation and distribution of 2023 earnings:											
		-		-		10,855	(	10,855	)	-	
	6(18)	-		-		-	(	79,167	)	(	79,167
	\$	395,836	\$	136,138	\$	82,335	\$	412,940	\$	1,027,249	

The accompanying notes are an integral part of these consolidated financial statements.

Chairman: Lu, Chien-san

Manager: Hsieh, Shu-min

Accounting Officer: Ho, Cheng-feng



GSeven Co., Ltd. and Subsidiaries  
Consolidated statements of cash flows  
January 1 to December 31, 2024 and 2023

Unit: NT\$ Thousand

	Notes	2024	2023
<u>Cash flows from operating activities</u>			
Profit before tax		\$ 192,115	\$ 142,845
Adjustments			
Adjustments to reconcile profit (loss)			
Net loss on financial assets or liabilities at fair value through profit or loss	6(2)(22)	111	-
Expected credit loss (gain)	12(2)	434	1,690
Depreciation expense	6(8)(9)(10)		
	(22)(24)	27,581	22,654
Amortization expense	6(11)(24)	3,264	3,092
Losses on disposals of property, plant and equipment	6(22)	57	17
Interest income	6(20)	( 1,221 )	( 1,407 )
Interest expense	6(23)	11,220	8,821
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss	(	3,313 )	-
Notes receivable	(	5,192 )	211
Accounts receivable		124,241	( 208,620 )
Other receivables	(	51,275 )	( 36,694 )
Inventory	(	135,161 )	( 52,502 )
Prepayments	(	14,406 )	35,139
Other current assets, others	(	28,913 )	13,249
Changes in operating liabilities			
Current contract liabilities		162,210	109,757
Notes payable		4,737	3,052
Accounts payable		28,096	51,495
Other payables		29,637	3,320
Advance receipts		5,517	( 1,801 )
Other current liabilities, others	(	5,194 )	( 7,483 )
Long-term notes and accounts payable		7,048	6,602
Net defined benefit liabilities, non-current	(	3,252 )	( 67 )
Cash inflows generated from operations		348,341	93,370
Interest received		1,221	1,407
Interest paid	(	11,220 )	( 7,113 )
Income tax paid	(	28,374 )	( 49,958 )
Net cash flows from operating activities		309,968	37,706
<u>Cash flows from investing activities</u>			
Increase in current financial assets at amortized cost	(	5,491 )	4,393
Increase in non-current financial assets at amortized cost		-	100,501
Acquisition of property, plant and equipment	6(8)	( 99,572 )	( 216,037 )
Proceeds from disposal of property, plant and equipment	6(8)	1,738	8,020
Acquisition of intangible assets	6(11)	( 630 )	( 1,839 )
Increase in prepayments for business facilities	(	133 )	-
Increase in guarantee deposits paid	(	12 )	( 321 )
Increase in other non-current assets, others		-	( 12,227 )
Net cash flows used in investing activities	(	104,100 )	( 117,510 )
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings	6(29)	3,500,000	2,985,000
Decrease in short-term borrowings	6(29)	( 3,553,000 )	( 2,807,000 )
Repayment of bonds	6(29)	-	( 157,600 )
Increase in guarantee deposits received	6(29)	569	750
Payments of lease liabilities	6(29)	( 8,753 )	( 8,360 )
Cash dividends paid	6(18)	( 79,167 )	( 48,929 )
Net cash flows used in financing activities	(	140,351 )	( 36,139 )
Net increase (decrease) in cash and cash equivalents		65,517	( 115,943 )
Cash and cash equivalents at beginning of period		248,867	364,810
Cash and cash equivalents at end of period		\$ 314,384	\$ 248,867

The accompanying notes are an integral part of these consolidated financial statements.

Chairman: Lu, Chien-san

Manager: Hsieh, Shu-min

Accounting Officer: Ho, Cheng-feng

## Independent Auditors' Report

(2025) Cai-Shen-Bao-Zi No. 24003631

To GSeven Co., Ltd.:

### **Auditors' opinions**

GSeven Co., Ltd.'s individual balance sheets as of December 31, 2024 and 2023, and the individual statements of comprehensive income, individual statements of changes in equity, individual statements of cash flows, and notes to the individual financial statements (including a summary of significant accounting policies) for the years from January 1 to December 31, 2024 and 2023, have been audited by our firm of certified public accountants.

In our opinion, the aforementioned individual financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and fairly present the individual financial position of GSeven Co., Ltd. as of December 31, 2024 and 2023, as well as its individual financial performance and individual cash flows for the periods from January 1 to December 31, 2024 and 2023.

### **Basis of the audit opinion**

We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and the ROC GAAP. Our responsibility under these standards is further explained in the section of "Auditor's Responsibilities for the Audit of the Individual Financial Statements. We are independent of the Company in accordance with the Code of Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that sufficient and appropriate audit evidence has been obtained in order to serve as the basis for presenting the audit opinion.

### **Key audit matters**

Key audit matters refer to those matters that, in our professional judgment, were of most significance in our audit of the individual financial statements of GSeven Co., Ltd. for the year 2024. These matters were addressed in our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these matters.

Key audit matters of the 2024 individual financial statements of GSeven Co., Ltd. are as follows:

## **Correctness of the recognition of the bonus to suppliers**

### Description of matters

GSeven Co., Ltd. recognizes supplier incentives based on incentive terms in purchase contracts and other documents, which are recorded as a reduction of cost. Due to the significant amount of vendor incentives, the numerous vendors involved, and the varying calculation conditions for these incentives, I have identified the accuracy of vendor incentive recognition as one of the key audit matters for this year.

### Audit procedures for the response

The main countermeasures for the above key audit matters by the accountant are as follows:

1. Review the contracts with major suppliers and interview the procurement officer to understand the agreements and management mechanisms for the related supplier incentives.
2. Understanding, assessment and testing of the implementation of internal control procedures, and analysis and comparison of changes in the amount of rewards for suppliers in the two years.
3. For this year's vendor incentives and period-end receivable incentive items, I selected and examined supporting documents including relevant contracts and performed subsequent collection testing to verify the accuracy of recorded incentives and period-end receivable amounts.

## **Inventory evaluation**

### Description of matters

Regarding the accounting policies for inventory valuation, please refer to Note 4, (10) of the consolidated financial statements. For accounting estimates and assumptions of uncertainty related to inventory valuation, please refer to Note 5 of the individual financial statements. For an explanation of inventory accounting items, please refer to Note 6, (6) of the consolidated financial statements.

GSeven Co., Ltd.'s inventories mainly comprise of images, home appliances, and audio products. Due to the rapid change of technology and fierce market competition, inventory may be subject to devaluation or obsolescence. For inventory valuation, the item-by-item comparison method is used, with recognition at the lower of cost or net realizable value. For inventories exceeding specific aging periods and those individually identified as obsolete, the net realizable value is calculated based on historical experience in handling obsolete inventory. The estimation of inventory net realizable value involves subjective judgment, resulting in a high degree of estimation uncertainty. Therefore, we listed the inventory evaluation as one of the key audit matters for the year.

### Audit procedures for the response

The main countermeasures for the above key audit matters by the accountant are as follows:

1. Review the inventory aging report to analyze the reasonableness of the changes in the inventory age in each period.
2. Test the accuracy of the inventory aging report and assess the reasonableness of the inventory obsolescence loss recognized.
3. The market price of the net realizable value is based on its consistency with the policy and the selling price, and the inventory is verified to be reasonably evaluated at the lower of cost or net realizable value.
4. Assess the reasonableness of the management's individual identification of obsolete or damaged inventory items and provide supporting documents.

### **Responsibilities of the management and the governing body for the individual financial statements**

Management's responsibility is to prepare individual financial statements that fairly present in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain necessary internal controls relevant to the preparation of individual financial statements to ensure that the individual financial statements are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, management is also responsible for assessing GSeven Co., Ltd.'s ability to continue as a going concern, disclosing relevant matters, and using the going concern basis of accounting unless management either intends to liquidate GSeven Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the financial reporting process of GSeven Co., Ltd.

### **Responsibilities of the CPAs to audit the individual financial statements**

The purpose of our audit of the individual financial statements is to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with the auditing standards of the Republic of China will always detect a material misstatement when it exists in the individual financial statements. The deceptive presentation may arise from fraud or error. If the individual amount or the total amount in the deceptive presentation can reasonably be expected to affect the economic decision made by the user of the individual financial statements, the deceptive presentation is considered material.

When we audit the financial statements in accordance with the auditing standards of the Republic of China, we exercise professional judgment and professional skepticism. We also perform the following tasks:

1. Identifying and assessing the risks of material misstatement in the individual financial statements, whether due to fraud or error; designing and implementing appropriate responses to those assessed risks; and obtaining sufficient and appropriate audit evidence to provide a basis for our audit opinion. The risk of material misstatement arising from fraud is higher than that arising from error because it may involve collusion, forgery, intentional omissions, misstatement, or the override of internal control.
2. The Company shall 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 Company's internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, and the reasonableness of the accounting estimates and related disclosures.
4. Based on the audit evidence obtained, we conclude on the appropriateness of 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 GSeven's ability to continue as a going concern. If we believe that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained as of the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Assess the overall presentation, structure, and content of the individual financial statements (including the disclosures) and determine whether the individual 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 the entities within the Company in order to express an opinion on the individual financial statements. We are responsible for the direction, supervision and performance of the audit of the individual financial statements, and we are responsible for forming an audit opinion on the individual financial statements.

The matters communicated between us and the governing body include the planned scope and time of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence in accordance with the Code of Professional Ethics for Certified Public Accountants of the Republic of China, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual financial statements of the Company in 2024 and therefore are the key audit matters. We describe these matters in our auditor's 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.

PwC Taiwan

Liao, A-Shen

CPA

Wang, Chun-Kai

Approval reference number of the Financial Supervisory  
Commission, former Executive Yuan: Jin-Guan-Zheng-  
Shen-Zi No. 1010015969

Approval reference number of the Financial Supervisory  
Commission:

Jin-Guan-Zheng-Shen-Zi No. 1110349013

March 11, 2025

GSeven Co., Ltd.  
Parent company only balance sheets  
December 31, 2024 and 2023

Unit: NT\$ Thousand

Capitalization of assets		Notes	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 259,288	7	\$ 200,307	6
1110	Current financial assets at fair value	6(2)				
	through profit or loss		3,202	-	-	-
1136	Current financial assets at amortized cost	6(3) and 8	10,800	-	5,309	-
1150	Notes receivable, net	6(4)	4,954	-	-	-
1170	Accounts receivable, net	6(4) and 7(2)	747,889	21	882,861	27
1200	Other receivables	6(5)	292,701	8	241,922	8
1210	Other receivables due from related parties	7(2)	269,444	7	166,814	5
130X	Inventory	5 and 6(6)	1,037,869	29	894,732	27
1410	Prepayments		23,447	1	18,016	1
1479	Other current assets, others		40,287	1	12,307	-
11XX	Total current assets		2,689,881	74	2,422,268	74
Non-current assets						
1550	Investments accounted for using equity	6(7)				
	method		290,629	8	282,310	9
1600	Property, plant and equipment	6(8) and 8	403,698	11	296,801	9
1755	Right-of-use assets	6(9)	22,302	1	28,770	1
1760	Investment property, net	6(10) and 8	192,444	5	204,970	6
1780	Intangible assets	6(11)	15,077	-	17,711	-
1840	Deferred tax assets	6(26)	19,206	1	18,349	1
1915	Prepayments for business facilities		133	-	-	-
1920	Guarantee deposits paid		688	-	664	-
1990	Other non-current assets, others		-	-	12,227	-
15XX	Total non-current assets		944,177	26	861,802	26
1XXX	Total assets		\$ 3,634,058	100	\$ 3,284,070	100

(continued)

GSeven Co., Ltd.  
Parent company only balance sheets  
December 31, 2024 and 2023

Unit: NT\$ Thousand

Liabilities and equity			December 31, 2024		December 31, 2023	
			Notes	Amount	%	Amount
Liabilities						
Current liabilities						
2100	Short-term borrowings	6(12)	\$ 210,000	6	\$ 322,000	10
2130	Current contract liabilities	6(19) and 7(2)	1,561,305	43	1,243,424	38
2150	Notes payable		9,500	-	4,025	-
2170	Accounts payable		554,990	15	527,714	16
2180	Accounts payable to related parties	7(2)	1,187	-	1,764	-
2200	Other payables	6(13) and 7(2)	156,243	5	128,596	4
2220	Other payables to related parties	7(2)	41,798	1	33,439	1
2230	Current tax liabilities		22,524	1	11,686	1
2280	Current lease liabilities	6(9)	6,363	-	6,864	-
2399	Other current liabilities, others		3,851	-	9,176	-
21XX	Total current liabilities		2,567,761	71	2,288,688	70
Non-current liabilities						
2570	Deferred tax liabilities	6(26)	8	-	-	-
2580	Non-current lease liabilities	6(9)	16,496	1	22,356	1
2610	Long-term notes and accounts payable		13,650	-	6,602	-
2640	Net defined benefit liabilities, non-current	6 (15)	6,973	-	14,290	-
2645	Guarantee deposits received		1,921	-	1,953	-
25XX	Total non-current liabilities		39,048	1	45,201	1
2XXX	Total liabilities		2,606,809	72	2,333,889	71
Equity						
Share capital						
3110	Ordinary share	6(16)	395,836	11	395,836	12
Capital surplus						
3200	Capital surplus	6(17)	136,138	4	136,138	4
Retained earnings						
3310	Legal reserve	6(18)	82,335	2	71,480	2
3350	Unappropriated retained earnings		412,940	11	346,727	11
3XXX	Total equity		1,027,249	28	950,181	29
Major contingent liabilities and unrecognized contractual commitments						
Significant events after reporting period						
3X2X	Total liabilities and equity		\$ 3,634,058	100	\$ 3,284,070	100

The accompanying notes are an integral part of these parent company only financial statements.

Chairman: Lu, Chien-san

Manager: Hsieh, Shu-min

Accounting Officer: Ho, Cheng-feng



GSeven Co., Ltd.  
Parent company only statements of comprehensive income  
January 1 to December 31, 2024 and 2023

Unit: NT\$ Thousand  
(except that earnings per share is in NT\$)

Items	Notes	2024		2023	
		Amount	%	Amount	%
4000 Operating revenue	6(19) and 7(2)	\$ 4,477,822	100	\$ 3,928,657	100
5000 Operating costs	6(6)(24)				
	(25) and 7(2)	( 3,488,963)	( 78)	( 3,015,600)	( 77)
5900 Gross profit from operations		<u>988,859</u>	<u>22</u>	<u>913,057</u>	<u>23</u>
Operating expenses	6(24)				
	(25) and 7(2)				
6100 Selling expenses		( 630,954)	( 14)	( 621,878)	( 16)
6200 Administrative expense		( 188,104)	( 4)	( 168,888)	( 4)
6450 Impairment loss determined in accordance with IFRS 9	12(2)	( 467)	-	( 1,663)	-
6000 Total operating expenses		( 819,525)	( 18)	( 792,429)	( 20)
6900 Net operating income		<u>169,334</u>	<u>4</u>	<u>120,628</u>	<u>3</u>
Non-operating income and expenses					
7100 Interest income	6(20) and 7(2)	2,615	-	2,489	-
7010 Other income	6(21) and 7(2)	7,358	-	11,313	-
7020 Other gains and losses	6(2)(22)	( 3,175)	-	( 1,946)	-
7050 Financial costs	6(23)	( 8,476)	-	( 6,642)	-
7070 Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	6(7)	<u>19,788</u>	<u>-</u>	<u>12,889</u>	<u>1</u>
7000 Total non-operating income and expenses		<u>18,110</u>	<u>-</u>	<u>18,103</u>	<u>1</u>
7900 Profit before tax		<u>187,444</u>	<u>4</u>	<u>138,731</u>	<u>4</u>
7950 Tax expense	6(26)	( 34,461)	( 1)	( 30,359)	( 1)
8200 Profit for the period		<u>\$ 152,983</u>	<u>3</u>	<u>\$ 108,372</u>	<u>3</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Gains on remeasurements of defined benefit plans	6 (15)	\$ 4,065	-	\$ 179	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	( 813)	-	-	-
8300 Total other comprehensive income		<u>\$ 3,252</u>	<u>-</u>	<u>\$ 179</u>	<u>-</u>
8500 Total comprehensive income for the period		<u>\$ 156,235</u>	<u>3</u>	<u>\$ 108,551</u>	<u>3</u>
Earnings per share	6(27)				
9750 Basic		<u>\$ 3.86</u>		<u>\$ 2.81</u>	
9850 Diluted		<u>\$ 3.82</u>		<u>\$ 2.55</u>	

The accompanying notes are an integral part of these parent company only financial statements.

Chairman: Lu, Chien-san

Manager: Hsieh, Shu-min

Accounting Officer: Ho, Cheng-feng

GSeven Co., Ltd.  
Parent company only statements of changes in equity  
January 1 to December 31, 2024 and 2023

Unit: NT\$ Thousand

				Retained earnings		
	Notes	Ordinary share	Capital surplus	Legal reserve	Unappropriated retained earnings	Total
<u>2023</u>						
Balance at January 1, 2023		\$ 376,375	\$ 95,268	\$ 57,391	\$ 301,194	\$ 830,228
Profit		-	-	-	108,372	108,372
Other comprehensive income		-	-	-	179	179
Total comprehensive income		-	-	-	108,551	108,551
Appropriation and distribution of 2022 earnings:						
Legal reserve		-	-	14,089	( 14,089 )	-
Cash dividend	6(18)	-	-	-	( 48,929 )	( 48,929 )
Conversion of convertible bonds	6(16)(17)	19,461	40,870	-	-	60,331
Balance at December 31, 2023		\$ 395,836	\$ 136,138	\$ 71,480	\$ 346,727	\$ 950,181
<u>2024</u>						
Balance at January 1, 2024		\$ 395,836	\$ 136,138	\$ 71,480	\$ 346,727	\$ 950,181
Profit		-	-	-	152,983	152,983
Other comprehensive income		-	-	-	3,252	3,252
Total comprehensive income		-	-	-	156,235	156,235
Appropriation and distribution of 2023 earnings:						
Legal reserve		-	-	10,855	( 10,855 )	-
Cash dividend	6(18)	-	-	-	( 79,167 )	( 79,167 )
Balance at December 31, 2024		\$ 395,836	\$ 136,138	\$ 82,335	\$ 412,940	\$ 1,027,249

The accompanying notes are an integral part of these parent company only financial statements.

Chairman: Lu, Chien-san

Manager: Hsieh, Shu-min

Accounting Officer: Ho, Cheng-feng

GSeven Co., Ltd.  
**Parent company only statements of cash flows**  
January 1 to December 31, 2024 and 2023

Unit: NT\$ Thousand

	Notes	2024	2023
<b>Cash flows from operating activities</b>			
Profit before tax		\$ 187,444	\$ 138,731
Adjustments			
Adjustments to reconcile profit (loss)			
Net loss on financial assets or liabilities at fair value through profit or loss	6(2)(22)	111	-
Expected credit loss	12(2)	467	1,663
Depreciation expense	6(8)(9)(10)		
	(22)(24)	22,657	18,391
Amortization expense	6(11)(24)	3,264	3,092
Loss on disposal of property, plant and equipment	6(22)	57	17
Interest income	6(20)	( 2,615 )	( 2,489 )
Interest expense	6(23)	8,476	6,642
Share of profit of subsidiaries, associates and joint ventures under equity method	6(7)	( 19,788 )	( 12,889 )
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss	(	3,313 )	-
Notes receivable	(	4,954 )	346
Accounts receivable		134,998	( 203,228 )
Other receivables	(	51,272 )	( 36,949 )
Other receivables due from related parties	(	10,630 )	( 4,608 )
Inventory	(	143,137 )	( 43,670 )
Prepayments	(	5,431 )	36,716
Other current assets, others	(	27,980 )	7,973
Changes in operating liabilities			
Current contract liabilities		317,881	134,011
Notes payable		5,475	3,054
Accounts payable		27,276	51,218
Accounts payable to related parties	(	577 )	( 739 )
Other payables		27,647	6,023
Other payables to related parties		8,359	( 29,477 )
Other current liabilities, others	(	5,325 )	( 6,912 )
Net defined benefit liabilities, non-current	(	3,252 )	( 67 )
Long-term notes and accounts payable		7,048	6,602
Cash inflow generated from operations		472,886	73,451
Interest received		2,615	2,489
Dividends received	6(7)	11,469	12,888
Interest paid	(	8,476 )	( 4,934 )
Income tax paid	(	25,285 )	( 44,206 )
Net cash flows from operating activities		453,209	39,688
<b>Cash flows from investing activities</b>			
Increase (decrease) in current financial assets at amortized cost	(	5,491 )	4,588
Decrease in non-current financial assets at amortized cost		-	100,501
Increase (decrease) in other receivables due from related parties	(	92,000 )	40,000
Acquisition of property, plant and equipment	6(8)	( 99,572 )	( 156,367 )
Proceeds from disposal of property, plant and equipment	6(8)	1,738	8,020
Acquisition of investment property	6(10)	-	( 5,504 )
Acquisition of intangible assets	(	630 )	( 1,839 )
Increase in prepayments for business facilities	(	133 )	-
Increase in refundable deposits	(	24 )	( 348 )
Other non-current assets, other increase		-	( 12,227 )
Net cash flows used in investing activities	(	196,112 )	( 23,176 )
<b>Cash flows from financing activities</b>			
Increase in short-term borrowings	6(29)	2,780,000	2,240,000
Decrease in short-term borrowings	6(29)	( 2,892,000 )	( 2,178,000 )
Increase in guarantee deposits received	6(29)	32	250
Payment of lease liabilities	6(29)	( 6,917 )	( 6,620 )
Repayment of bonds	6(29)	-	( 157,600 )
Cash dividends paid	6(18)	( 79,167 )	( 48,929 )
Net cash flows used in financing activities	(	198,116 )	( 150,899 )
Net increase (decrease) in cash and cash equivalents		58,981	( 134,387 )
Cash and cash equivalents at beginning of period		200,307	334,694
Cash and cash equivalents at end of period		\$ 259,288	\$ 200,307

The accompanying notes are an integral part of these parent company only financial statements.

Chairman: Lu, Chien-san

Manager: Hsieh, Shu-min

Accounting Officer: Ho, Cheng-feng

**GSeven Co., Ltd.****Earnings Distribution Table for 2024**

Unit: NT\$

Beginning unappropriated retained earnings	256,703,806
Add: Net income after tax for the current year	152,984,782
Add: Remeasurement of defined benefit plans (after tax)	3,251,722
Less: Appropriation of 10% legal reserve	(15,623,650)
Earnings available for distribution	397,316,660
Distribution items:	
Less: Stock dividends – NT\$1.0	(39,583,614)
Less: Cash dividends – NT\$2.0	(79,167,228)
Ending unappropriated retained earnings	278,565,818
Note:	

Chairman: Lu, Chien-san

Manager: Hsieh, Shu-min

Accounting Officer: Ho, Cheng-feng

## GSeven Co., Ltd.

### Comparison table of the amended articles of the Articles of Incorporation (the 17th amendment)

June 19, 2025

Revised articles	Current articles	Note
<p>Article 25</p> <p><u>If the Company has profits for the year, no less than 5% shall be allocated as employee remuneration, and no less than 30% of such remuneration shall be distributed to entry-level employees.</u> If there are profits for the year, no more than 1.5% shall be allocated as remuneration for directors. However, if the Company has accumulated losses, such losses shall be offset <u>first</u>.</p> <p>(The following is omitted)</p>	<p>Article 25</p> <p><u>The Company shall distribute the employee remuneration at no less than 5% of the current year's profits and director remuneration at no more than</u> 1.5% of the current year's profits. However, the Company <u>shall</u> make up for any cumulative losses if any.</p> <p>(The following is omitted)</p>	<p>The amendments were made in response to the amendment to Article 14 of the Securities and Exchange Act.</p>
<p>Article 31</p> <p>The Articles of Incorporation were established on October 22, 1994. The first amendment was made on April 7, 1999. The second amendment was made on June 20, 2002. The third amendment was made on June 15, 2006. The fourth amendment was made on October 13, 2006. The fifth amendment was made on June 16, 2007. The sixth amendment was made on June 18, 2008. The seventh amendment was made on September 22, 2009. The eighth amendment was made on September 16, 2010. The ninth amendment was made on June 8, 2011. The tenth amendment was made on July 7, 2011. The eleventh amendment was made on June 30, 2014. The twelfth amendment was made on August 24, 2015. The thirteenth amendment was made on June 20, 2016. The fourteenth amendment was made on June 19, 2019. The fifteenth amendment was made on June 16, 2023. The sixteenth amendment was made on June 18, 2024. <u>The seventeenth amendment was made on June 19, 2025.</u></p>	<p>Article 31</p> <p>The Articles of Incorporation were established on October 22, 1994. The first amendment was made on April 7, 1999. The second amendment was made on June 20, 2002. The third amendment was made on June 15, 2006. The fourth amendment was made on October 13, 2006. The fifth amendment was made on June 16, 2007. The sixth amendment was made on June 18, 2008. The seventh amendment was made on September 22, 2009. The eighth amendment was made on September 16, 2010. The ninth amendment was made on June 8, 2011. The tenth amendment was made on July 7, 2011. The eleventh amendment was made on June 30, 2014. The twelfth amendment was made on August 24, 2015. The thirteenth amendment was made on June 20, 2016. The fourteenth amendment was made on June 19, 2019. The fifteenth amendment was made on June 16, 2023. The sixteenth amendment was made on June 18, 2024.</p>	<p>Date of amendment is added.</p>

## GSeven Co., Ltd.

## Comparison Table of Amended Articles in the Procedures for Acquisition or Disposal of Assets

June 19, 2025

Articles after amendments	Article before amendments	Description of amendments
<u>Article 5: Investment Limits for Non-Business Use Real Estate and Securities</u> <u>The total amount of non-business use real estate and right-of-use assets acquired by the Company shall not exceed 20% of its net worth, and the total amount of securities acquired by each entity shall not exceed 20% of its net worth. The amount of individual securities acquired by each entity shall not exceed 10% of its net worth.</u>		The operational content is amended in accordance with the audit requirements of the Taipei Exchange.
<u>Article 6:</u> The appraisal reports or opinions issued by CPAs, attorneys, or securities underwriters obtained by the Company shall meet the requirement that the professional appraiser and its appraisal personnel, CPAs, attorneys, or securities underwriters shall not be related parties to the transaction counterparties. The following shall be complied with: (The following is omitted)	<u>Article 5:</u> The Company <del>and its subsidiaries</del> shall ensure that the appraisal reports or opinions obtained from CPAs, attorneys, or securities underwriters are provided by professional appraisers and their appraisal personnel, CPAs, attorneys, or securities underwriters who are not related parties to the transaction counterparties. The following shall be complied with: (The following is omitted) <u>Chapter 2: Procedures</u> <u>Section 1: Establishment of Procedures</u> <u>Article 6:</u> <del>The Company and its subsidiaries shall establish these Procedures in accordance with the provisions of these Regulations. The Procedures shall be approved by the Board of Directors, submitted to each member of the Audit Committee, and reported to the shareholders' meeting for approval. The same procedure shall apply to any amendments. If there are directors expressing objections with records or written statements, the Company shall submit information regarding the directors' objections to each member of the Audit Committee.</del> <del>Where the Company has appointed Independent Directors in accordance with the law, and the Procedures are submitted for discussion by the Board of Directors</del>	Article number changed Content amended and deleted

Articles after amendments	Article before amendments	Description of amendments
	<p><del>pursuant to the preceding paragraph, the Board shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</del></p> <p><del>Where the Company has established an Audit Committee in accordance with the law, the adoption or amendment of the Procedures shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution.</del></p> <p><del>Any of the foregoing items that have not been approved with the consent of one half or more of all members of the Audit Committee may be undertaken upon the approval of two thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.</del></p> <p><del>The term "all members of the Audit Committee" as used in Paragraph 3 and the term "all directors" as used in the preceding paragraph shall be calculated based on the actual number of persons currently holding those positions.</del></p>	
<p>Article 7:  <u>Procedures for acquisition or disposal of real estate and its right-of-use assets or other fixed assets.</u>  <u>I. Evaluation and Operating Procedures</u>  <u>The Company shall handle the acquisition or disposal of real property, right-of-use assets, or other fixed assets in accordance with the real property, plant and equipment cycle and investment cycle procedures of the Company's internal control system.</u>  <u>II. Decision-Making Procedures for</u>  <u>Transaction Terms and Authorization Limits</u>  <u>(I) For the acquisition or disposal of real property, reference shall be made to the publicly announced value, assessed value, actual transaction prices of neighboring real properties, etc., to determine the transaction terms and price. An assessment report shall be prepared</u></p>	<p>Article 7:  <del>The Company shall establish these Procedures specifying the following matters, and shall proceed in accordance with the established procedures:</del>  <del>I.—Scope of assets.</del>  <del>II.—Appraisal procedures: shall include the pricing method and reference basis.</del>  <del>III.—Operating procedures: shall include authorized amounts, hierarchy levels, execution units, and transaction process.</del>  <del>IV.—Public announcement and reporting procedures.</del>  <del>V.—The total amount of real estate and its right-of-use assets not for business use and securities acquired by the Company and its subsidiaries, and the limit on individual securities.</del>  <del>VI.—Control procedures for the acquisition or disposal of assets by subsidiaries.</del>  <del>VII.—Penalties for personnel who violate</del></p>	<p>Article number changed  Content amended and deleted</p>

Articles after amendments	Article before amendments	Description of amendments
<p><u>and submitted to the Chairman. For amounts not exceeding NT\$50 million, approval from the Chairman shall be obtained and subsequently reported at the next Board meeting; for amounts exceeding NT\$30 million, prior approval must be obtained from the Board of Directors.</u></p> <p>(II) For the acquisition or disposal of right-of-use assets or other fixed assets, one of the following methods shall be adopted: price inquiry, price comparison, price negotiation, or bidding. For transactions amounting to NT\$5 million (inclusive) or less, authorization shall be in accordance with the Company's approval authority. For transactions exceeding NT\$5 million, approval from the chairman of the board is required, and such transactions shall be reported to the nearest Board meeting afterwards for record.</p> <p>(III) When the acquisition or disposal of assets by the Company requires approval from the Board of Directors pursuant to the Procedures or other legal requirements, if any director expresses an objection that is recorded in the minutes or a written statement, the Company shall submit the director's objection to each member of the Audit Committee.</p> <p><u>Additionally, if the Company</u> has appointed Independent Directors, when the acquisition or disposal of asset transactions are submitted to the Board of Directors for discussion, the opinions of each Independent Director shall be fully considered, and <u>their consent or objection</u>, along with the reasons thereof, <u>shall be recorded in the meeting minutes.</u></p>	<p><del>these Regulations or these Procedures. VIII. Other important matters: In addition to complying with the preceding provisions, the Company and its subsidiaries shall establish these Procedures for related party transactions, engaging in derivatives transactions, and conducting mergers, demergers, acquisitions, or transfers of shares in accordance with Sections 3 to 5 of this Chapter. Companies and their subsidiaries that do not intend to engage in derivative transactions may be exempted from establishing procedures for handling derivative transactions after obtaining approval from the Board of Directors. If they subsequently wish to engage in derivative transactions, they should still follow the provisions of the preceding Article and the preceding paragraph. The Company shall supervise its subsidiaries to establish and implement these Procedures in accordance with these Regulations.</del></p> <p><u>Article 8:</u></p> <p>When the acquisition or disposal of assets by the Company <del>and its subsidiaries</del> requires approval from the Board of Directors pursuant to the Procedures or other legal requirements, if any director expresses an objection that is recorded in the minutes or in a written statement, the Company shall submit the director's objection to each member of the Audit Committee.</p> <p>For companies that have established independent directors <del>in accordance with this Act</del>, when submitting acquisition or disposal of asset transactions to the Board of Directors for discussion as specified in the <del>preceding</del> paragraph, the opinions of each independent director shall be fully considered. <u>If any independent director expresses objection or reservation, it shall be recorded in the Board meeting minutes.</u> <del>For companies that have established an Audit Committee in accordance with this Act, material asset or derivatives</del></p>	



Articles after amendments	Article before amendments	Description of amendments
<p><u>III. Implementation Unit</u>  <u>When the Company acquires or disposes of real property and right-of-use assets or other fixed assets, the user department shall be responsible for implementation after approval according to the approval authority mentioned in the preceding paragraph.</u></p> <p><u>IV. Real Property or Other Fixed Assets Appraisal Report</u></p> <p>When the Company acquires or disposes of real property, right-of-use assets, or other fixed assets – except for transactions with government agencies, self-built construction, commissioned construction on leased land, or the acquisition or disposal of equipment or right-of-use assets for operating purposes – if the transaction amount reaches 20% of the Company’s paid-in capital or NT\$300 million or more, a professional appraisal report <u>(the required content of which shall comply with relevant regulations)</u> shall be obtained prior to the date of occurrence, and the following provisions shall be complied with:</p> <p><u>(I)</u> When a limited price, specific price, or special price is used as a reference for the transaction price due to special circumstances, the transaction shall be submitted to the Board of Directors for approval in advance. <u>The same procedure shall apply to any future changes in the transaction terms.</u></p> <p><u>(II)</u> For transactions with an amount exceeding NT\$1 billion, appraisals shall be obtained from at least two professional appraisers.</p> <p><u>(III)</u> When the appraisal results from professional appraisers encounter any of the following circumstances, unless all the appraisal results for</p>	<p><del>transactions shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for resolution, with Article 6, Paragraphs 4 and 5 applying mutatis mutandis.</del></p> <p><del>Section 2: Acquisition or Disposal of Assets</del></p> <p><u>Article 9:</u>  When the Company and <del>its subsidiaries</del> acquire or dispose of real property, equipment, or right-of-use assets thereof, unless transacting with <del>domestic</del> government agencies, engaging in construction on self-owned land, engaging in construction on leased land, or acquiring or disposing of equipment or right-of-use assets thereof for business use, transactions reaching 20% of the Company’s paid-in capital or NT\$300 million or more shall obtain an appraisal report issued by a professional appraiser prior to the date of occurrence and shall comply with the following provisions:</p> <p><u>I.</u> When a limited price, specified price, or special price is used as a reference for the transaction price due to special circumstances, the transaction shall be submitted to the Board of Directors for approval in advance; the same procedure <u>shall apply to any subsequent changes to the terms and conditions of the transaction.</u></p> <p><u>II.</u> For transactions with an amount exceeding NT\$1 billion, appraisals shall be obtained from at least two professional appraisers.</p> <p><u>III.</u> When the appraisal results from professional appraisers have any of the following circumstances, unless all the appraisal results for asset acquisition are</p>	

Articles after amendments	Article before amendments	Description of amendments
<p>asset acquisition are higher than the transaction amount, or all the appraisal results for asset disposal are lower than the transaction amount, a CPA shall be engaged to provide a specific opinion on the reason for the difference and the appropriateness of the transaction price:</p> <p><u>1.</u> The difference between the appraisal result and the transaction amount reaches 20% or more of the transaction amount.</p> <p><u>2.</u> The difference between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p><u>(IV)</u> The date of the report issued by the professional appraiser and the date of establishment of the contract shall not exceed three months. However, if the same published current value is applicable and does not exceed six months, an opinion may be issued by the original professional appraiser.</p> <p><u>(V)</u> If the Company acquires or disposes of assets through court auction procedures, it may substitute the certification documents issued by the court for the appraisal report or CPA opinion.</p>	<p>higher than the transaction amount, or all the appraisal results for asset disposal are lower than the transaction amount, a CPA shall be engaged to provide a specific opinion on the reason for the difference and the appropriateness of the transaction price:</p> <p><u>(I)</u> The difference between the appraisal result and the transaction amount reaches 20% or more of the transaction amount.</p> <p><u>(II)</u> The difference between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p><u>IV.</u> The date of the report issued by the professional appraiser and the date of establishment of the contract shall not exceed three months. However, if the same published current value is applicable and does not exceed six months, an opinion may be issued by the original professional appraiser.</p> <p><u>Article 12:</u>  <del>The calculation of the transaction amount for the preceding three articles shall be performed in accordance with Article 31, Paragraph 2, and “within one year” refers to the one year preceding the date of occurrence of the current transaction, calculated retrospectively. Portions for which an appraisal report issued by a professional appraiser or CPA opinion has been obtained in accordance with these Procedures need not be counted again.</del></p> <p><u>Article 13:</u>  If the Company <del>and its subsidiaries</del> acquires or disposes of assets through court auction procedures, it may substitute the certification documents issued by the court for the appraisal report or CPA opinion.</p>	
<p><u>Article 8: Procedures for the Acquisition or Disposal of Securities Investments</u></p> <p><u>I. Evaluation and Operating Procedures</u></p> <p><u>The purchase and sale of securities by the</u></p>	<p><u>Article 10:</u></p>	<p>Article number changed. Content amended and</p>

Articles after amendments	Article before amendments	Description of amendments
<p><u>Company shall be conducted in accordance with the investment cycle procedures of the Company's internal control system.</u></p> <p><u>II. Decision-Making Procedures for Transaction Terms and Authorization Limits</u></p> <p><u>(I) When the Company acquires or disposes of securities, it shall, prior to the date of occurrence, obtain the latest financial statements of the target company audited or reviewed by a CPA, or other relevant information as a reference for evaluating the transaction price. Furthermore, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall engage a CPA to provide an opinion regarding the reasonableness of the transaction price prior to the date of occurrence. However, this restriction shall not apply to securities with active market quotations or where otherwise specified by the Financial Supervisory Commission.</u></p> <p><u>(II) For securities investments in centralized securities exchanges or broker-dealer marketplaces, the Finance Department shall make decisions based on market conditions. The approval for individual investment targets shall follow the Company's authorization limits. The total investment amount shall not exceed 20% of the Company's paid-in capital and shall be processed according to the Company's authorization limits.</u></p> <p><u>(III) For investments in stocks not traded on centralized securities exchanges or broker-dealer marketplaces, the total investment amount for a single investment target shall not exceed 20% of the Company's net worth, and all such investments must be approved by the Board of Directors before execution.</u></p> <p><u>(IV) For investments in bond-type funds,</u></p>	<p>When the Company and <u>its subsidiaries</u> acquire or dispose of securities, they shall obtain the most recent financial statements of the target company, audited or reviewed by a CPA, prior to the date of occurrence as a reference for evaluating the transaction price. Furthermore, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall engage a CPA to express an opinion on the reasonableness of the transaction price prior to the date of occurrence. <del>If the CPA needs to use an expert report, the CPA shall comply with the provisions of Statement of Auditing Standards No. 20, issued by the Accounting Research and Development Foundation.</del> However, this restriction shall not apply to securities with active market quotations or where otherwise specified by the Financial Supervisory Commission.</p>	<p>deleted</p>

Articles after amendments	Article before amendments	Description of amendments
<p><u>commercial paper, bonds, and other monetary market instruments that generate fixed interest income, the maximum investment limit for a single aggregate amount is 20% of net worth. Investment amounts of NT\$30 million or less may be executed according to the Company's approval authority; amounts exceeding NT\$30 million require prior approval from the Chairman before execution.</u></p> <p><u>(V) Investments in other securities not specified in paragraphs (2) to (4) above shall be determined by the Finance Department based on market trend analysis. The maximum investment limit shall not exceed NT\$30 million and shall be handled according to the Company's approval authority.</u></p> <p><u>(VI) When the acquisition or disposal of assets by the Company requires approval from the Board of Directors pursuant to the Procedures or other legal requirements, if any director expresses an objection that is recorded in the minutes or in a written statement, the Company shall submit the director's objection to each member of the Audit Committee. Additionally, if the Company has appointed Independent Directors, when the acquisition or disposal of asset transactions are submitted to the Board of Directors for discussion, the opinions of each Independent Director shall be fully considered, and their consent or objection and the reasons thereof shall be recorded in the meeting minutes.</u></p> <p><u>III. Implementation Unit</u></p> <p><u>When acquiring or disposing of securities investments, the Company shall execute through the Finance Department after obtaining approval according to the aforementioned approval authority.</u></p>		
<p><u>Article 9: Transactions with related parties</u></p> <p><u>(I) Basis for Evaluation and Identification:</u></p>	<p><del>Section 3:</del> Transactions with related parties</p> <p><u>Article 14:</u></p>	<p>Article number changed</p>

Articles after amendments	Article before amendments	Description of amendments
<p>When the Company acquires or disposes of assets with related parties, in addition to following the relevant resolution procedures and evaluating the reasonableness of transaction terms as stipulated in <u>Articles 7, 8, and this Article</u>, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA opinion in accordance with <u>Articles 7, 8, and this Article</u>.</p> <p>The calculation of the transaction amount referred to in the preceding paragraph shall be conducted in accordance with <u>Article 14, Paragraph 1, Subparagraph 8</u>.</p> <p>The identification of related parties shall consider not only their legal form but also their substantive relationship.</p> <p><u>(II) Resolution Procedures:</u></p> <p>For the acquisition or disposal of real estate or right-of-use assets from related parties, or the acquisition or disposal of assets other than real estate or right-of-use assets from related parties with a transaction amount reaching 20% of the Company's paid-in capital, 10% of total assets, or NT\$300 million or more – except for the trading of government bonds, bonds under repurchase and resale agreements, and the subscription or redemption of money market funds issued by domestic securities investment trust enterprises – the <u>executing unit</u> shall submit the following information to the Board of Directors for approval and to the Audit Committee for recognition before signing the transaction contract and making payment:</p> <ol style="list-style-type: none"> <li><u>1.</u> The purpose, necessity, and expected benefits of the acquisition or disposal of assets.</li> <li><u>2.</u> The reason for selecting a related party as the transaction counterparty.</li> <li><u>3.</u> With respect to the acquisition of real</li> </ol>	<p>When the Company <del>and its subsidiaries</del> acquire or dispose of assets with related parties, <u>in addition to</u> complying with the relevant resolution procedures and assessing the reasonableness of transaction terms as stipulated in the <u>preceding section</u> and <u>this section</u>, if the transaction amount reaches 10% or more of the Company's total assets, the Company shall also obtain an appraisal report issued by a professional appraiser or a CPA opinion in accordance with the provisions of the <u>preceding section</u>.</p> <p>The calculation of the transaction amount referred to in the preceding paragraph shall be conducted in accordance with <u>Article 12</u>.</p> <p>When determining if a transaction counterparty is a related party, in addition to considering its legal form, the substantive relationship should also be taken into account.</p> <p><u>Article 15:</u></p> <p>For the Company <del>and its subsidiaries</del> to acquire or dispose of real property or right-of-use assets from related parties, or to acquire or dispose of assets other than real property or right-of-use assets from related parties where the transaction amount reaches 20% of the Company's paid-in capital, 10% of total assets, or NT\$300 million or more – except for trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by <del>domestic</del> securities investment trust enterprises – the following information must be submitted to the Board of Directors for approval and acknowledged by the Audit Committee before signing transaction contracts and making payments:</p> <ol style="list-style-type: none"> <li><u>I.</u> The purpose, necessity, and expected benefits of the acquisition or disposal of assets.</li> <li><u>II.</u> The reason for selecting a related party as the transaction counterparty.</li> <li><u>III.</u> When acquiring real property or right-</li> </ol>	<p>Content amended and deleted</p>

Articles after amendments	Article before amendments	Description of amendments
<p>estate or right-of-use assets from a related party, relevant information regarding the reasonableness of the proposed transaction terms in accordance with paragraphs 3 and 4 of this Article.</p> <p><u>4.</u> The original date and price of acquisition by the related party, the transaction counterparty, and the relationship between the transaction counterparty and the Company and the related party.</p> <p><u>5.</u> Cash flow forecast for each month of the following year from the planned contract month, and assessment of the transaction's necessity and the reasonableness of fund utilization.</p> <p><u>6.</u> Appraisal reports issued by professional appraisers or CPA opinions obtained in accordance with the preceding provision.</p> <p><u>7.</u> Restrictive covenants and other important terms of this transaction. The calculation of the transaction amount specified in the preceding paragraph shall be conducted in accordance with <u>Article 14, Paragraph 1, Subparagraph 8.</u> The term "within one year" refers to the one-year period preceding the date of occurrence of the current transaction, retroactively calculated from that date. Items already submitted to and approved by the <u>shareholders' meeting</u>, the Board of Directors, and acknowledged by the Audit Committee in accordance with these Procedures need not be counted toward the transaction amount.</p> <p>Any transactions of equipment or right-of-use assets for business use, or right-of-use assets of real property between the Company and its parent company <u>or</u> subsidiaries may be authorized by the chairman within certain limits and subsequently submitted to the most recent board meeting for ratification.</p>	<p>of-use assets from related parties, the relevant information shall be evaluate the reasonableness of the proposed transaction terms in accordance with <u>Articles 16 and 17.</u></p> <p><u>IV.</u> The original date and price of acquisition by the related party, the transaction counterparty, and the relationship between the transaction counterparty and the Company and the related party.</p> <p><u>V.</u> Cash flow forecast for each month of the following year from the planned contract month, and assessment of the transaction's necessity and the reasonableness of fund utilization.</p> <p><u>VI.</u> Appraisal reports issued by professional appraisers or CPA opinions obtained in accordance with the preceding provision.</p> <p><u>VII.</u> Restrictive covenants and other important terms of this transaction. The calculation of the transaction amount specified in the preceding paragraph shall be conducted in accordance with <u>Article 31, Paragraph 2.</u> The term "within one year" refers to the one-year period preceding the date of occurrence of the current transaction, retroactively calculated from that date. Items already submitted to and approved by the Board of Directors, and acknowledged by the Audit Committee in accordance with these Procedures need not be counted toward the transaction amount.</p> <p>For <u>transactions</u> between the Company <u>and</u> its subsidiaries listed below, the Board of Directors may authorize the Chairman to make decisions within a certain limit in advance in accordance with Article 7, Paragraph 1, Subparagraph 3, and subsequently report to the nearest Board meeting for ratification:</p> <p><u>I.</u> Acquisition or disposal of equipment or right-of-use assets for business use.</p> <p><u>II.</u> Acquisition or disposal of right-of-use assets of real estate for business use.</p>	



Articles after amendments	Article before amendments	Description of amendments
<p><u>If the Company has</u> established independent directors, the opinions of each independent director shall be fully considered when matters are submitted to the Board of Directors for discussion pursuant to the <u>preceding paragraph</u>. If an independent director objects or expresses reservations, such objections or reservations shall be recorded in the minutes of the board meeting.</p> <p><u>(III) Assessment of the reasonableness of transaction costs:</u></p> <p>1. When the Company acquires real property or right-of-use assets from a related party, it shall evaluate the reasonableness of the transaction costs by the following methods <u>and engage a CPA to review and express a specific opinion.</u></p> <p><u>(1)</u> Based on the transaction price paid to the related party plus necessary interest on funds and costs to be borne by the buyer under law. The necessary interest cost on funds shall be calculated based on the weighted average interest rate of the borrowings in the year the Company purchases the assets, provided that the maximum shall not exceed the non-financial industry's highest lending rate announced by the Ministry of Finance.</p> <p><u>(2)</u> Where a related party has previously created a mortgage on the property as security for a loan from a financial institution, the total loan value appraised by the financial institution for that property shall be considered,</p>	<p>For companies that have appointed independent directors <u>in accordance with this Act</u>, the opinions of each independent director shall be fully considered when reporting to the Board of Directors for discussion pursuant to <u>Paragraph 1</u>. If an independent director objects or expresses reservations, such objections or reservations shall be recorded in the Board meeting minutes.</p> <p><del>For companies that have established an Audit Committee in accordance with this Act, matters requiring ratification by the Audit Committee pursuant to Paragraph 1 shall first be approved by more than half of all Audit Committee members, and then submitted to the Board of Directors for resolution. The provisions of Article 6, Paragraphs 4 and 5 shall apply mutatis mutandis.</del></p> <p><u>Article 16:</u></p> <p>When acquiring real estate or right-of-use assets from related parties, the Company <del>and its subsidiaries</del> shall evaluate the reasonableness of transaction costs using the following method:</p> <p><u>I.</u> The transaction price with the related party plus necessary interest on funding and costs that the buyer shall bear by law. The necessary interest cost on funds shall be calculated based on the weighted average interest rate of the borrowings in the year the Company purchases the assets, provided that the maximum shall not exceed the highest lending rate announced by the Ministry of Finance for the non-financial industry.</p> <p><u>II.</u> If the related party has previously created a mortgage on the property with a financial institution, the financial institution's total lending appraisal value for the property shall apply. However, the financial institution's actual accumulated lending value for</p>	

Articles after amendments	Article before amendments	Description of amendments
<p>provided that the actual cumulative amount loaned by the financial institution is 70% or more of the financial institution's appraised loan value of the property and the loan period is one year or more. However, this shall not apply where the financial institution and one of the trading parties are related parties.</p> <p>Where land and buildings of the same target are purchased together, the transaction costs for the land and buildings may be separately appraised using any of the methods listed in subparagraphs <u>(1) and (2)</u> above.</p> <p>When the Company acquires real property or right-of-use assets from a related party, the cost of the real property or right-of-use assets shall be evaluated in accordance with the <u>preceding subparagraphs (1) and (2)</u>, and the Company shall also engage a CPA to review the transaction and express a specific opinion.</p> <p><u>2.</u> Where the Company acquires real property or right-of-use assets from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with <u>Paragraph 2</u> of this Article and the <u>preceding subparagraph</u> shall not apply:</p> <p><u>(1)</u> The related party acquired the real property or right-of-use assets through inheritance or gift.</p> <p><u>(2)</u> The time of the related party's contract to acquire the real property or right-of-use assets is more than five years prior to the date of the contract for the current transaction.</p> <p><u>(3)</u> The real property is acquired through signing a joint construction contract with the related party, or through engaging the related party to build real property, either on the Company's own land or on rented land.</p> <p><u>(4)</u> The real property right-of-use</p>	<p>the property must reach at least 70% of the total lending appraisal value and the lending period must exceed one year. However, this shall not apply where the financial institution and one of the trading parties are related parties.</p> <p>When purchasing <del>or leasing</del> both land and buildings of the same target property, the transaction costs for the land and buildings may be evaluated separately using any of the methods listed in the <u>preceding paragraph</u>.</p> <p>When the Company <del>and its subsidiaries</del> acquire real estate or <u>right-of-use assets from related parties</u>, they shall evaluate the costs of the real estate or right-of-use assets in accordance with the <u>preceding two paragraphs</u>, and shall engage a CPA to review and express a specific opinion.</p> <p>When the Company <del>and its subsidiaries</del> acquire real property or right-of-use assets from related parties, if any of the following circumstances exists, the acquisition shall be conducted in accordance with the <u>preceding article</u> and the <u>preceding three paragraphs</u> shall not apply:</p> <p><u>I.</u> The related party acquired the real property or right-of-use assets through inheritance or gift.</p> <p><u>II.</u> More than five years have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets to the signing date of this transaction.</p> <p><u>III.</u> The real property is acquired by signing a joint construction contract with the related party or by engaging the related party to build real property, either on the Company's own land or on rented land.</p> <p><u>IV.</u> The Company acquires right-of-use</p>	



Articles after amendments	Article before amendments	Description of amendments
<p>assets for business use are acquired by the Company and its subsidiaries.</p> <p><u>(4) Actions to be taken when the computed transaction cost is lower than the transaction price:</u> In accordance with the <u>preceding paragraph</u>, if the transaction costs assessed are lower than the transaction price, <u>except</u> in the following circumstances, where objective evidence can be provided and specific reasonable opinions from professional real estate appraisers and CPAs can be obtained, <u>the provisions of Paragraph 5 shall apply:</u></p> <p><u>1.</u> Where the related party acquired undeveloped land or leased land for development, evidence may be submitted to prove compliance with one of the following conditions:</p> <p><u>(1)</u> The undeveloped land is appraised in accordance with the methods prescribed in the preceding paragraph, and the buildings are appraised based on the related party's construction cost plus reasonable construction profit, and the total exceeds the actual transaction price. The term "reasonable construction profit" shall be calculated based on the lower of the average gross profit margin of the related party's construction department for the last three years or the most recent construction industry gross profit margin announced by the Ministry of Finance.</p> <p><u>(2)</u> Completed transactions by unrelated parties within the preceding year involving other floors of the same property or properties in the neighboring area with similar space, where the transaction conditions are deemed equivalent after reasonable adjustments for differences in floor or location in accordance with</p>	<p>assets of real property for business use between the Company and its subsidiaries.</p> <p><u>Article 17:</u></p> <p>When the appraisal results of the Company <del>and its subsidiaries</del> are both lower than the transaction price pursuant to paragraphs 1 and 2 of the preceding article, the matter shall be handled in accordance with <u>Article 18</u>. <del>However</del>, this restriction <del>shall not apply</del> where the following circumstances exist and objective evidence has been submitted <del>and</del> specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA:</p> <p><u>I.</u> Where the related party acquired undeveloped land or leased land for development, it may prove that one of the following conditions has been met:</p> <p><u>(I)</u> According to the previously established methods for evaluating land, buildings shall be assessed based on related parties' construction costs plus reasonable construction profits. If the total of these amounts exceeds the actual transaction price. The term "reasonable construction profit" shall be calculated based on the lower of the average gross profit margin of the related party's construction department for the last three years or the most recent construction industry gross profit margin announced by the Ministry of Finance.</p> <p><u>(II)</u> Other transactions involving the same target property on different floors or in nearby areas within the past year between unrelated parties, where the area is similar and the transaction terms are equivalent after a reasonable evaluation of floor or location price differences according to real estate purchase or lease</p>	

Articles after amendments	Article before amendments	Description of amendments
<p>standard real estate sales practices.</p> <p><u>(3) Where there are other non-related party leasing cases for other floors of the same targeted property within one year, and where the transaction terms are considered equivalent after reasonable floor price differences are estimated according to real estate leasing practices.</u></p> <p><u>2.</u> The Company provides evidence that the real estate purchased from a related party or the right-of-use assets acquired through leasing has transaction conditions comparable to other non-related party transaction cases in the neighboring area within one year and with similar area. The neighboring area transaction cases mentioned in the <u>preceding paragraph</u> shall, in principle, refer to those on the same or adjacent street block and within a radius of no more than 500 meters from the transaction target, or where the announced current value is similar. A similar area shall, in principle, refer to cases where the area of other non-related party transactions is not less than 50% of the area of the transaction target. Within one year means the one-year period calculated retroactively from the date of the occurrence of the acquisition of the real estate or its right-of-use assets.</p> <p><u>(V)</u> Where the Company acquires real estate or its right-of-use assets from a related party, if the transaction cost is lower than the transaction price as evaluated according to <u>paragraphs (3) and (4) of this Article</u>, the following actions shall be taken:</p> <p><u>1.</u> According to Article 41, Paragraph 1 of the <u>Securities and Exchange Act</u>, a special reserve shall be set aside from the difference between the transaction price and the appraised cost of real estate or right-of-use assets. This reserve may not be distributed or transferred to capital for issuance of new shares. If an</p>	<p>practices.</p> <p><u>II.</u> The Company <del>and its subsidiaries</del> may present evidence that the transaction terms for real estate purchased from related parties or right-of-use assets obtained through leases are equivalent to other transactions between non-related parties in nearby areas within the past year with similar areas. The neighboring area transaction cases mentioned in the <u>preceding item</u> shall, in principle, refer to those on the same or adjacent street block and within a radius of no more than 500 meters from the transaction target, or where the announced current value is similar. A similar area shall, in principle, refer to cases where the area of other non-related party transactions is not less than 50% of the area of the transaction target. Within one year means the one-year period calculated retroactively from the date of the occurrence of the acquisition of the real estate or its right-of-use assets.</p> <p><u>Article 18:</u> When the Company <del>and its subsidiaries</del> acquire real property or right-of-use assets from related parties, if the evaluation results according to the <u>preceding two articles</u> are both lower than the transaction price, the following matters shall be handled:</p> <p><u>I.</u> The difference between the transaction price of the real property <u>or right-of-use assets</u> and the evaluation cost shall be set aside as special reserve in accordance with Article 41, Paragraph 1 of <u>this Act</u>, and shall not be distributed or transferred to capital for issuing new shares. If an investor that evaluates its investment in the Company under the</p>	

Articles after amendments	Article before amendments	Description of amendments
<p>investor who accounts for its investment in the Company under the equity method is a public company, it shall also set aside a special reserve in proportion to its shareholding in accordance with Article 41, Paragraph 1 of the <u>Securities and Exchange Act</u>. <u>The special reserve set aside may only be used when the high-priced purchased or leased assets have recognized a valuation loss, been disposed of, the contract has been terminated, appropriate compensation has been made, the status has been restored, or there is other evidence confirming no unreasonableness, and after obtaining approval from the Financial Supervisory Commission.</u></p> <p>2. The Audit Committee shall handle matters in accordance with Article 218 of the Company Act.</p> <p>3. The handling of subparagraphs <u>1 and 2</u> shall be reported to the shareholders' meeting, and the detailed transaction information shall be disclosed in the annual report and prospectus.</p> <p><u>If</u> the Company sets aside a special reserve in accordance with the <u>aforementioned subparagraph 1</u>, it may only use such special reserve after the high-priced purchased assets have recognized a valuation loss, been disposed of, appropriate compensation has been made, the status has been restored, or there is other evidence confirming no unreasonableness, and after obtaining approval from the Financial Supervisory Commission. When the Company acquires real property or right-of-use assets from related parties, if there is other evidence indicating that the transaction is not in line with normal business practices, it</p>	<p>equity method is a public company, it shall also set aside a special reserve in proportion to its shareholding in accordance with Article 41, Paragraph 1 of <u>this Act</u>.</p> <p><del>II.</del> The Audit Committee shall perform duties pursuant to Article 218 of the Company Act. <del>For companies that have established an Audit Committee according to this Act, the first section of this paragraph shall apply mutatis mutandis to the independent director members of the Audit Committee.</del></p> <p><u>III.</u> The handling of the <u>preceding two paragraphs</u> shall be reported to the shareholders' meeting, and detailed information regarding the transaction shall be disclosed in the annual report and prospectus.</p> <p>When the Company <del>and its subsidiaries</del> have allocated a special reserve pursuant to the <u>preceding paragraph</u>, the special reserve may only be utilized after the high-priced acquired or <del>leased</del> assets have recognized value impairment losses, <del>been disposed of, had their lease terminated</del>, provided appropriate compensation, been restored to original condition, or when other evidence confirms that there is no unreasonableness, and with the approval of the Financial Supervisory Commission.</p> <p>When the Company <del>and its subsidiaries</del> acquire real property or right-of-use assets from related parties, if there is other evidence indicating that the transaction is inconsistent with business practices, it shall</p>	

Articles after amendments	Article before amendments	Description of amendments
shall also be handled in accordance with the provisions of <u>this Article</u> .	also be handled in accordance with the provisions of the <u>preceding two paragraphs</u> of this Article.	
<u>Article 10: Procedures for Acquisition or Disposal of Membership Certificates or Intangible Assets</u> <u>I. Evaluation and Operating Procedures</u> <u>The Company's acquisition or disposal of membership certificates or intangible assets shall be conducted in accordance with the real property, plant and equipment cycle procedures of the Company's internal control system.</u> <u>II. Decision-Making Procedures for Transaction Terms and Authorization Limits</u> <u>1. For the acquisition or disposal of membership certificates, fair market prices should be referenced to determine transaction conditions and prices. An analysis report shall be prepared and submitted to the Chairman. For amounts not exceeding NT\$3 million, the Chairman's approval is required, and the transaction shall be reported at the next Board meeting. For amounts exceeding NT\$3 million, approval from the Board of Directors must be obtained before proceeding with the transaction.</u> <u>2. The acquisition or disposal of intangible assets shall reference expert evaluation reports or fair market prices to determine transaction terms and pricing. An analysis report shall be prepared and submitted to the Chairman. For amounts below NT\$10 million, the Chairman's approval is required and the transaction shall be reported at the next Board meeting. For amounts exceeding NT\$10 million, approval from the Board of Directors must be obtained before proceeding.</u> <u>3. When the Company's acquisition or disposal of assets requires Board approval as stipulated in the handling procedures or other legal regulations, if any director expresses objection</u>	Article 11:	Article number changed Content amended and deleted

Articles after amendments	Article before amendments	Description of amendments
<p><u>with records or written statement, the Company shall submit the director's objection information to each member of the Audit Committee. Additionally, if the Company has appointed Independent Directors, when the acquisition or disposal of asset transactions are submitted to the Board of Directors for discussion, the opinions of each Independent Director shall be fully considered, and their consent or objection and the reasons thereof shall be recorded in the meeting minutes.</u></p> <p><u>III. Implementation Unit</u>  <u>When the Company acquires or disposes of membership certificates or intangible assets, after obtaining approval according to the authorization limits specified in the preceding paragraph, the responsible departments for execution shall be the user department and the Finance Department.</u></p> <p><u>IV. Expert Evaluation Reports for Membership Certificates or Intangible Assets</u></p> <p><u>1. For transactions involving membership certificates with an amount of NT\$3 million or more, the Company shall obtain an appraisal report from an expert.</u></p> <p><u>2. For transactions involving intangible assets with an amount of NT\$10 million or more, the Company shall obtain an appraisal report from an expert.</u></p> <p>3. When the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except for transactions with government agencies, the Company shall engage a CPA to render an opinion on the reasonableness of the transaction price prior to the date of occurrence.</p>	<p>When the Company <del>and its subsidiaries</del> acquire or dispose of intangible assets <del>or right-of-use assets</del> thereof or memberships and the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except for transactions with <del>domestic</del> government agencies, the Company shall engage a CPA to render an opinion on the reasonableness of the transaction price prior to the date of occurrence.</p>	
<p><u>Article 11: Procedures for Acquiring or Disposing of Claims of Financial Institutions</u>  <u>The Company, in principle, does not</u></p>		Article number changed Content amended and

Articles after amendments	Article before amendments	Description of amendments
<u>engage in transactions involving the acquisition or disposal of claims from financial institutions. If the Company intends to engage in such transactions in the future, it will submit the matter to the Board of Directors for approval before establishing evaluation and operating procedures.</u>		deleted
<p><u>Article 12: Procedures for Acquiring or Disposing of Derivatives</u></p> <p><u>I. Principles and Guidelines for Transactions</u></p> <p><u>(I) Types of Transactions</u></p> <p><u>1. The derivative financial instruments engaged by the Company refer to forward contracts, option contracts, futures contracts, leveraged margin contracts, swap contracts, combinations of these contracts, or structured products containing embedded derivatives, the values of which are derived from specific interest rates, financial instrument prices, exchange rates, indexes, or other variables. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, and long-term purchase/sales contracts.</u></p> <p><u>2. Matters relating to bond margin trading shall be handled in accordance with the relevant provisions of these Procedures. Transactions involving bonds with repurchase agreements may be exempt from the provisions of these Procedures.</u></p> <p><u>(II) Operating (Hedging) Strategy</u></p> <p><u>The Company’s transactions in derivative financial instruments shall be for hedging purposes. Products selected should primarily address risks arising from the Company’s business operations. The currencies held must correspond to the Company’s actual foreign currency needs for import and export transactions. The principle is to balance the Company’s overall</u></p>	<p><u>Section 4: Derivatives Trading</u></p> <p><u>Article 19:</u></p> <p><u>When the Company and its subsidiaries engage in derivatives trading, the following important risk management and audit matters shall be controlled and incorporated into the procedures:</u></p> <p><u>I. Trading Principles and Guidelines:</u></p> <p><u>Should include the types of derivative products that may be traded, operating or hedging strategies, division of responsibilities, performance evaluation guidelines, the total amount of derivative contracts that may be entered into, and the maximum loss limits for aggregate and individual contracts.</u></p> <p><u>II. Risk Management Measures.</u></p> <p><u>III. Internal Audit System.</u></p> <p><u>IV. Regular Evaluation Methods and Handling of Abnormal Situations.</u></p> <p><u>The Company and its subsidiaries shall adopt the following risk management measures when engaging in derivative product transactions:</u></p> <p><u>Article 20:</u></p> <p><u>The Company and its subsidiaries shall adopt the following risk management measures when engaging in derivative product transactions:</u></p> <p><u>I. The scope of risk management shall include credit, market price, liquidity, cash flow, operational and legal risk management.</u></p> <p><u>II. Personnel engaged in derivative transactions and those responsible for confirmation and settlement operations shall not concurrently perform both roles.</u></p> <p><u>III. Personnel responsible for risk measurement, supervision, and control shall be assigned to a department</u></p>	<p>Article number changed</p> <p>Content amended and deleted</p>

Articles after amendments	Article before amendments	Description of amendments
<p><u>internal positions (referring to foreign currency income and expenditures) to reduce the Company's overall foreign exchange risk and save costs on foreign exchange operations. Non-hedging transactions must undergo careful evaluation and may only be conducted after approval by the Board of Directors.</u></p> <p><u>(III) Division of Responsibilities</u></p> <p><u>1. Finance Department</u></p> <p><u>(1) Traders</u></p> <p><u>A. Responsible for formulating the strategy for the Company's financial product transactions.</u></p> <p><u>B. Traders shall calculate positions regularly every two weeks, collect market information, conduct trend analysis and risk assessment, and formulate operating strategies. These shall serve as the basis for conducting transactions after approval through the authorization hierarchy.</u></p> <p><u>C. Execute transactions according to authorized permissions and established strategies.</u></p> <p><u>D. When significant changes occur in financial markets or when traders determine that established strategies are no longer applicable, evaluation reports shall be submitted promptly to reassess and reformulate strategies, which shall serve as the basis for transactions after approval by the Chairman.</u></p> <p><u>(2) Accounting personnel</u></p> <p><u>A. Execute transaction confirmations.</u></p> <p><u>B. Review whether transactions are conducted in accordance with authorized permissions and established strategies.</u></p>	<p><del>different from that of the personnel mentioned in the preceding paragraph and shall report to the Board of Directors or to senior executives who do not have responsibilities for trading or position decisions.</del></p> <p><del>IV. Positions held in derivatives transactions shall be evaluated at least once per week. However, hedging transactions required for business needs shall be evaluated at least twice per month. The evaluation reports shall be submitted to senior executives authorized by the Board of Directors.</del></p> <p><del>V. Other Important Risk:</del></p> <p><del>Article 21:</del></p> <p><del>Management Measures</del></p> <p><del>When the Company engages in derivatives transactions, the Board of Directors shall supervise and manage in accordance with the following principles:</del></p> <p><del>I. Designated senior executives shall monitor and control the risks of derivatives transactions at all times.</del></p> <p><del>II. Regularly evaluate whether the performance of derivatives trading meets the established business strategies and whether the risks undertaken are within the Company's acceptable range.</del></p> <p><del>Senior executives authorized by the Board of Directors shall manage derivatives transactions in accordance with the following principles:</del></p> <p><del>I. Regularly evaluate whether the current risk management measures are appropriate and ensure compliance with these Procedures and the Company's established procedures for handling derivatives transactions.</del></p> <p><del>II. Monitor trading conditions and profit/loss. In the event of abnormal circumstances, necessary response measures shall be taken and reported immediately to the Board of Directors. If Independent Directors have been appointed, they shall attend the Board meeting and express their opinions.</del></p> <p><del>When the Company and its subsidiaries</del></p>	



Articles after amendments	Article before amendments	Description of amendments
<p><u>C. Conduct monthly valuations, with valuation reports submitted to the Chairman.</u></p> <p><u>D. Handle accounting procedures.</u></p> <p><u>E. File reports and make announcements in accordance with regulations set by the securities regulatory authority.</u></p> <p><u>(3) Settlement personnel: Execute settlement tasks.</u></p> <p><u>(4) Approval authority for derivative products</u></p> <p><u>A. Approval authority for hedging transactions</u>  <u>All hedging transactions of the Company must be approved by the Chairman prior to execution and reported at the next Board of Directors meeting.</u></p> <p><u>B. Non-hedging transactions must be submitted to the Board of Directors for prior approval before execution.</u></p> <p><u>C. For the acquisition or disposal of assets by the Company that requires Board approval according to the established procedures or other legal provisions, if any director expresses objections through records or written statements, the Company shall forward the director's objection information to each member of the Audit Committee. In addition, when submitting acquisition or disposal of asset transactions to the Board of Directors for discussion, the Company shall fully consider the opinions of each independent director, and record their consent or objection and the reasons thereof in the meeting minutes.</u></p>	<p><del>engage in derivatives trading and authorizes relevant personnel to handle such transactions in accordance with the procedures for derivatives trading, these transactions shall be reported to the nearest Board of Directors meeting afterward.</del></p> <p><u>Article 22:</u>  <del>The Company and its subsidiaries engaging in derivatives transactions shall establish a logbook to record in detail the types and amounts of derivatives transactions, the date of board approval, and the matters requiring careful evaluation under Article 20, Paragraph 4, the preceding Article, Paragraph 1, Subparagraph 2, and Paragraph 2, Subparagraph 1 for future reference.</del>  <del>The internal auditors of the Company and its subsidiaries shall periodically evaluate the appropriateness of the internal controls for derivatives transactions and conduct monthly audits to verify the trading department's compliance with the procedures for engaging in derivatives transactions. The auditors shall prepare audit reports and, if any material violations are discovered, notify each member of the Audit Committee in writing.</del>  <del>For companies that have established independent directors in accordance with this Act, when notifying each member of the Audit Committee of matters pursuant to the preceding paragraph, the Company shall also provide written notification to the independent directors.</del></p>	



Articles after amendments	Article before amendments	Description of amendments
<p><u>2. Audit Department</u>  <u>Responsible for understanding the adequacy of internal controls for derivative product transactions and auditing the compliance of the trading department with operating procedures, as well as analyzing transaction cycles, preparing audit reports, and reporting to independent directors and the Board of Directors when significant deficiencies occur</u></p> <p><u>3. Performance Evaluation</u>  <u>(1) Hedging Transactions</u>  <u>A. The performance evaluation is based on the difference between the exchange rate cost recorded in the Company's books and the profit or loss generated from derivative financial transactions.</u>  <u>B. To fully grasp and express the valuation risk of transactions, the Company adopts a monthly settlement method to evaluate profit and loss.</u>  <u>C. The Finance Department shall provide foreign exchange position valuation, foreign exchange market trends, and market analysis to the President as reference for management and instruction.</u>  <u>(2) Non-Hedging Transactions</u>  <u>Evaluation is based on actual gains and losses, and accounting personnel shall regularly prepare position reports for management's reference.</u></p> <p><u>4. Determination of Total Contract Amount and Maximum Loss Limits</u>  <u>(1) Total Contract Amount</u>  <u>A. Hedging Transaction Limit</u>  <u>The Finance Department shall manage the Company's overall position to avoid</u></p>		

Articles after amendments	Article before amendments	Description of amendments
<p><u>transaction risks. The upper limit for hedging transactions shall not exceed two-thirds of the net position calculated as the Company's monthly foreign currency assets (such as accounts receivable and bank deposits) minus liabilities at month-end.</u></p> <p><u>B. Non-hedging Trading Limit</u>  <u>Based on market change forecasts, the Finance Department may formulate strategies as needed, which may be implemented only after approval by the Board of Directors. The Company's total non-hedging transaction contracts shall be limited to NT\$5 million.</u></p> <p><u>(2) Loss Limit</u></p> <p><u>A. The maximum loss amount for all contracts shall not exceed ten percent of the total contract amount.</u></p> <p><u>B. The maximum loss amount for individual contracts shall not exceed ten percent of the transaction contract amount.</u></p> <p><u>C. In the event that losses exceed the loss limit, immediate response recommendations must be submitted to the Chairman for necessary measures.</u></p> <p><u>II. Risk Management Measures</u></p> <p><u>(I) Credit Risk Management:</u></p> <p><u>1. Given that the market is subject to various factors of change, which can easily create operational risks for derivative financial instruments, market risk management shall be conducted according to the following principles:</u></p> <p><u>2. Trading counterparties: Primarily well-known domestic and foreign financial institutions.</u></p> <p><u>3. Trading products: Limited to</u></p>		

Articles after amendments	Article before amendments	Description of amendments
<p><u>products offered by well-known domestic and foreign financial institutions.</u></p> <p><u>4. Transaction amount: The outstanding transaction amount with the same trading counterparty shall not exceed ten percent of the total authorized amount, except with the Chairman's approval.</u></p> <p><u>(II) Market risk management:</u>  <u>The Company shall primarily focus on bank-provided public foreign exchange trading markets and will not consider futures markets at this time.</u>  <u>The bank provides the open foreign exchange market, and the futures market is not considered for the time being.</u></p> <p><u>(III) Liquidity risk management:</u>  <u>To ensure market liquidity, financial products with higher liquidity (i.e. those that can be squared off in the market at any time) shall be prioritized. Financial institutions entrusted with transactions must have sufficient information and the ability to conduct transactions in any market at any time.</u></p> <p><u>(IV) Cash flow risk management</u>  <u>To ensure the stability of the Company's operating capital turnover, funds for derivative product transactions shall be limited to the Company's own funds, and the transaction amount should consider the funding requirements based on the cash receipt and payment forecast for the next three months.</u></p> <p><u>(V) Operational risk management</u>  <u>1. The Company shall strictly adhere to authorized limits and operational procedures, and incorporate these into internal auditing to avoid operational risks.</u>  <u>2. Personnel engaged in derivative transactions and those responsible for confirmation and settlement operations shall not concurrently perform both roles.</u></p>		

Articles after amendments	Article before amendments	Description of amendments
<p><u>3. Personnel responsible for risk measurement, supervision, and control shall be assigned to a department different from the personnel mentioned in the preceding paragraph, and shall report to the Board of Directors or to senior executives who do not have responsibilities for trading or position decisions.</u></p> <p><u>4. Positions held in derivatives transactions shall be evaluated at least once per week. However, hedging transactions required for business needs shall be evaluated at least twice per month. The evaluation reports shall be submitted to senior executives authorized by the Board of Directors.</u></p> <p><u>(VI) Commodity Risk Management</u>  <u>Internal trading personnel should possess complete and accurate professional knowledge of financial instruments, and require banks to fully disclose risks to avoid misuse of financial instrument risks.</u></p> <p><u>(VII) Legal Risk Management:</u>  <u>Documents signed with financial institutions should be reviewed by specialized personnel in foreign exchange and legal affairs or legal consultants before being officially signed, to avoid legal risks.</u></p> <p><u>III. Internal Audit System</u></p> <p><u>(I) Internal auditors should regularly understand the adequacy of internal controls for derivatives transactions, and monthly audit the trading department's compliance with the procedures for engaging in derivatives transactions and analyze the transaction cycle, preparing audit reports. If significant violations are discovered, written notification should be provided to the independent directors.</u></p> <p><u>(II) Internal auditors shall submit audit reports along with the annual internal audit inspection results to the</u></p>		

Articles after amendments	Article before amendments	Description of amendments
<p><u>Securities and Futures Commission before the end of February of the following year, and report the improvement status of abnormal items to the Financial Supervisory Commission for reference by the end of May of the following year at the latest.</u></p> <p><u>IV Regular Assessment Methods</u></p> <p><u>(I) The Board of Directors shall authorize senior management to regularly monitor and evaluate whether derivative product transactions are conducted in accordance with the Company's established transaction procedures, and whether the risks undertaken are within the permissible scope. When abnormalities occur in market value assessment reports (such as when positions exceed loss limits), they shall immediately report to the chairman of the board and adopt responsive measures.</u></p> <p><u>(II) Positions held in derivatives transactions shall be evaluated at least once per week. However, hedging transactions required for business needs shall be evaluated at least twice per month. The evaluation reports shall be submitted to senior executives authorized by the Board of Directors.</u></p> <p><u>V. Principles for the Board of Directors' Supervision and Management of Derivative Product Transactions.</u></p> <p><u>(I) The Board of Directors shall designate senior management personnel to constantly monitor and control the risks of derivative product transactions. The management principles are as follows:</u></p> <p><u>1. Regularly evaluate whether the current risk management measures are appropriate and whether they are conducted in accordance with the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" and the Company's established procedures.</u></p>		

Articles after amendments	Article before amendments	Description of amendments
<p><u>for derivative product transactions.</u></p> <p><u>2. Monitor trading conditions and profit/loss. In the event of abnormal circumstances, necessary response measures shall be taken and reported immediately to the Board of Directors. If the Company has appointed Independent Directors, they shall attend the Board meeting and express their opinions.</u></p> <p><u>(II) Regularly evaluate whether the performance of derivatives trading meets the established business strategies and whether the risks undertaken are within the Company's acceptable range.</u></p> <p><u>(III) When the Company engages in derivatives trading and authorizes relevant personnel to handle such transactions in accordance with the procedures for derivatives trading, these transactions shall be reported to the nearest Board of Directors meeting afterward.</u></p> <p><u>(IV) (4) When engaging in derivatives trading, the Company shall establish a reference book to record in detail the types and amounts of derivatives traded, the date of Board approval, and the matters that shall be carefully evaluated in accordance with subparagraph (2) of Paragraph 4 and subparagraphs (1) and (2) of Paragraph 5 of this Article.</u></p>		
<p><u>Article 13: Procedures</u> for Merger, Demerger, Acquisition, or Transfer of Shares</p> <p><u>I. Evaluation and Operating Procedures</u></p> <p>(I) When the Company conducts a merger, demerger, acquisition, or transfer of shares, <u>it is advisable to engage attorneys, CPAs, and underwriters to jointly develop a statutory timeline and form a special task force to execute the process according to legal procedures. The Company shall</u>, prior to convening a board meeting for resolution, engage CPAs, attorneys, or securities underwriters to provide opinions on</p>	<p><u>Section 5: The Company's</u> Merger, Demerger, Acquisition, and Transfer of Shares</p> <p><del>Article 23:</del></p> <p>When the Company <del>and its subsidiaries</del> conduct a merger, demerger, acquisition, or transfer of shares, prior to convening the Board of Directors meeting for a resolution, they shall engage CPAs, attorneys, or securities underwriters to provide opinions on the reasonableness of the share exchange ratio, acquisition price, or cash or other property to be distributed to shareholders, and submit these opinions to the Board of Directors for discussion and approval. However, the Company <del>and its subsidiaries</del></p>	<p>Article number changed Content amended and deleted</p>

Articles after amendments	Article before amendments	Description of amendments
<p>the reasonableness of the share exchange ratio, acquisition price, or cash or other property distributions to shareholders, which shall be submitted to the Board of Directors for discussion and approval. However, a company may waive the requirement to obtain the aforementioned expert's reasonableness opinion when merging with a subsidiary in which it directly or indirectly holds 100% of the issued shares or total capital, or when subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or total capital merge with one another.</p> <p>(II) The Company shall prepare a public document for shareholders before the shareholders' meeting, containing important terms of the merger, demerger, or acquisition and related matters, together with the expert opinion mentioned in <u>subparagraph (1) of Paragraph 1 of this Article</u> and the notice of the shareholders' meeting, to be delivered to shareholders as a reference for whether to approve the merger, demerger, or acquisition. However, companies are exempted from the requirement to convene a shareholders' meeting to resolve on merger, demerger, or acquisition matters if other legal provisions allow such exemption. Additionally, if any of the companies participating in a merger, demerger, or acquisition is unable to convene or pass resolutions at its shareholders' meeting due to insufficient attendance, voting rights, or other legal restrictions, or if the proposal is rejected by the shareholders' meeting, the participating companies shall immediately make a public announcement explaining the reason for such occurrences, subsequent handling procedures, and the expected date for reconvening the</p>	<p>may waive the requirement to obtain the aforementioned expert's reasonableness opinion when merging with a subsidiary in which it directly or indirectly holds 100% of the issued shares or total capital, or when subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or total capital merge with one another.</p> <p><u>Article 24:</u>  <del>The Company and its subsidiaries—participating in a</del> The merger, demerger, acquisition, or share transfer shall prepare a public document for shareholders prior to the shareholders' meeting, detailing the important terms of the merger, demerger, or acquisition and related matters. This document shall be delivered to shareholders together with the expert opinions mentioned in the <u>preceding paragraph</u> and the notice of the shareholders' meeting, to serve as reference for deciding whether to approve the merger, demerger, or acquisition. However, companies are exempted from the requirement to convene a shareholders' meeting to resolve on merger, demerger, or acquisition matters if other legal provisions allow such exemption. If any of the companies participating in a merger, demerger, or acquisition is unable to convene or pass resolutions at its shareholders' meeting due to insufficient attendance, voting rights, or other legal restrictions, or if the proposal is rejected by the shareholders' meeting, the participating companies shall immediately make a public announcement explaining the reason for such occurrences, subsequent handling procedures, and the expected date for reconvening the shareholders' meeting.</p>	

Articles after amendments	Article before amendments	Description of amendments
<p>shareholders' meeting.</p> <p><u>II. Other Matters Requiring Attention</u></p> <p>(I) Date of Board of Directors Meetings: Companies participating in a merger, demerger, or acquisition shall, unless otherwise provided by other laws or special factors have been reported to and approved by the <u>securities regulatory authority</u> in advance, convene their Board of Directors meetings and shareholders' meetings on the same day to resolve matters relating to the merger, demerger, or acquisition.</p> <p>Companies participating in a share transfer shall, unless otherwise provided by other laws or special factors have been reported to and approved by the securities regulatory authority in advance, convene their Board of Directors meetings on the same day.</p> <p><u>(II) Confidentiality Commitment Prior to Public Disclosure:</u></p> <p>All persons participating in or aware of the Company's merger, demerger, acquisition, or share transfer plan shall issue a written confidentiality commitment. Before information is made public, they shall not disclose the contents of the plan externally, nor shall they trade, either in their own name or on behalf of another person, in any stock or other equity securities of any companies related to the merger, demerger, acquisition, or share transfer case.</p> <p><u>(III) Principles for Determining and Changing the Share Exchange Ratio or Acquisition Price:</u></p> <p><u>Companies</u> participating in a merger, demerger, acquisition, or share transfer shall, <u>prior to their respective Board of Directors meetings, engage a CPA, attorney, or securities underwriter to provide an opinion on the reasonableness</u> of the share exchange ratio, acquisition price, or cash or other property <u>distributions to shareholders, and</u></p>	<p><u>Article 25:</u></p> <p>Companies participating in a merger, demerger, or acquisition shall, unless otherwise provided by other laws or special factors have been reported to and approved by the <u>Financial Supervisory Commission</u> in advance, convene their Board of Directors meetings and shareholders' meetings on the same day to resolve matters relating to the merger, demerger, or acquisition.</p> <p>Companies participating in a share transfer shall, unless otherwise provided by other laws or special factors have been reported to and approved by the Financial Supervisory Commission in advance, convene their Board of Directors meetings on the same day.</p> <p><u>Article 26:</u></p> <p>All persons participating in or aware of the Company's merger, demerger, acquisition, or share transfer plan shall issue a written confidentiality commitment. Before the information is made public, they shall not disclose the contents of the plan externally, nor shall they trade, either in their own name or on behalf of another person, in any stock or other equity securities of any companies related to the merger, demerger, acquisition, or share transfer case.</p> <p><u>Article 27:</u></p> <p>The exchange ratio or acquisition price <del>for the Company and its subsidiaries participating</del> in a merger, demerger, acquisition, or share transfer may not be arbitrarily changed <u>except under the following circumstances</u>, and <u>conditions</u> permitting such changes must be stipulated in the merger, demerger, acquisition, or share transfer contract.</p>	



Articles after amendments	Article before amendments	Description of amendments
<p><u>submit this to the shareholders' meeting. In principle</u>, the share exchange ratio or acquisition price shall not be arbitrarily changed; <u>however</u>, this restriction does not apply if <u>conditions</u> for change have been stipulated in the contract <u>and publicly disclosed</u>. The conditions under which the share exchange ratio or acquisition price may be changed are as follows:</p> <ol style="list-style-type: none"> <li>1. Conducting cash capital increases, issuing convertible corporate bonds, distributing stock dividends without compensation, issuing corporate bonds with warrants, preferred shares with warrants, stock warrants, and other equity securities.</li> <li>2. Actions affecting the Company's financial or business operations, such as disposal of major company assets.</li> <li>3. Major disasters, technological transformations, or other events affecting shareholders' equity or securities prices.</li> <li>4. Adjustments due to any company involved in the merger, demerger, acquisition, or transfer of shares legally repurchasing treasury shares.</li> <li>5. Changes in the number or identity of the entities participating in the merger, demerger, acquisition, or transfer of shares.</li> <li>6. Other conditions stipulated in the contract as alterable and publicly disclosed.</li> </ol> <p><u>(IV) Required Contract Contents:</u> The contract shall specify the rights and obligations of the companies involved in merger, division, acquisition or share transfer, and shall include the following items:</p> <ol style="list-style-type: none"> <li>1. The handling of breach of contract.</li> <li>2. The principles for handling equity-type securities previously</li> </ol>	<p><u>I.</u> Conducting cash capital increases, issuing convertible corporate bonds, distributing stock dividends without compensation, issuing corporate bonds with warrants, preferred shares with warrants, stock warrants, and other equity securities.</p> <p><u>II.</u> Actions affecting the Company's financial or business operations, such as disposal of major company assets.</p> <p><u>III.</u> Major disasters, technological transformations, or other events affecting shareholders' equity or securities prices.</p> <p><u>IV.</u> Adjustments due to any company involved in the merger, demerger, acquisition, or transfer of shares legally repurchasing treasury shares.</p> <p><u>V.</u> Changes in the number or identity of the entities participating in the merger, demerger, acquisition, or transfer of shares.</p> <p><u>VI.</u> Other conditions stipulated in the contract as alterable and publicly disclosed.</p> <p><u>Article 28:</u> <del>In the merger, division, acquisition, or share transfer involving the Company and its subsidiaries.</del> The contract shall specify the rights and obligations of the companies participating in the merger, division, acquisition, or share transfer, and shall include the following matters:</p> <ol style="list-style-type: none"> <li><u>I.</u> The handling of breach of contract.</li> <li><u>II.</u> The principles for handling equity-type securities previously issued by</li> </ol>	

Articles after amendments	Article before amendments	Description of amendments
<p>issued by companies that will be dissolved due to the merger or will be divided, or treasury shares that have been repurchased.</p> <p>3. The quantity of treasury shares that the participating companies may legally repurchase after the base date for calculating the share exchange ratio, and the principles for handling such shares.</p> <p>4. The handling method for changes in the number of participating entities or parties.</p> <p>5. The estimated implementation schedule and expected completion date.</p> <p>6. The scheduled date for convening shareholders' meetings and related procedures when the plan is not completed by the deadline as required by law.</p> <p><u>(V) Changes in the number of companies participating in the merger, division, acquisition, or share transfer:</u> After information is publicly disclosed, if any participating company in a merger, division, acquisition, or share transfer intends to engage in another merger, division, acquisition, or share transfer with other companies, all procedures or legal actions that have been completed in the original merger, division, acquisition, or share transfer case shall be performed again by all participating companies, except when the number of participating companies decreases and the shareholders' meeting has resolved and authorized the Board of Directors to change the scope of authority.</p> <p><u>(VI) Where a company participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with it and handle the matter in accordance with Paragraph 2, subparagraph (1) regarding the date of the Board of</u></p>	<p>companies that will be dissolved due to the merger or will be divided, or treasury shares that have been repurchased.</p> <p><u>III.</u> The quantity of treasury shares that the participating companies may legally repurchase after the base date for calculating the share exchange ratio, and the principles for handling such shares.</p> <p><u>IV.</u> The handling method for the changes in the number of participants or the number of participants.</p> <p><u>V.</u> Project implementation schedule and expected completion date</p> <p><u>VI.</u> If the project is overdue and unfinished, the Company shall convene a shareholders' meeting in accordance with the relevant procedures for the scheduled date of the meeting.</p> <p><del>Article 29:</del> After participating companies in a merger, division, acquisition, or share transfer have made a public announcement, if any of them intends to engage in another merger, division, acquisition, or share transfer with other companies, all procedures and legal actions completed in the original merger, division, acquisition, or share transfer must be conducted again by all participating companies, unless the number of participating companies decreases and the shareholders' meeting has resolved and authorized the Board of Directors to alter the limits of authority. In this case, the companies may be exempted from calling another shareholders' meeting to resolve the matter anew.</p> <p><del>Article 30:</del> If any company participating in a merger, division, acquisition, or share transfer is not publicly listed, the Company <del>and its subsidiaries</del> shall sign an agreement with it and handle the matter <u>in accordance with Article 25, Article 26, and the preceding article.</u></p>	

Articles after amendments	Article before amendments	Description of amendments
<p><u>Directors meeting, subparagraph (2) regarding prior confidentiality commitments, and subparagraph (5) regarding changes in the number of companies participating in the merger, demerger, acquisition, or transfer of shares.</u></p> <p>(VII) Companies listed on an exchange or having their shares traded on an OTC market that participate in a merger, demerger, acquisition, or transfer of shares shall prepare a complete written record of the following information and retain it for five years for reference:</p> <ol style="list-style-type: none"> <li>1. Basic personnel information: Including all persons who participated in the merger, demerger, acquisition, or transfer of shares plan or its implementation prior to public disclosure, their job titles, names, and ID card numbers (or passport numbers for foreigners).</li> <li>2. Important dates: Including the dates of signing letters of intent or memorandums, engaging financial or legal advisors, signing contracts, and Board of Directors meetings.</li> <li>3. Important documents and meeting minutes: Including merger, demerger, acquisition, or transfer of shares plans, letters of intent or memorandums, important contracts, and minutes of Board of Directors meetings.</li> </ol> <p>A listed company or a company whose shares are traded on a securities dealer's business premises that is involved in a merger, division, acquisition, or transfer of shares shall, within two days from the date of the Board of Directors' resolution, report the information in Items 1 and 2 of the preceding paragraph to the <u>securities regulatory authority</u> for reference through the internet information system in the prescribed format.</p>	<p>Companies listed on an exchange or having their shares traded on an OTC market that participate in a merger, demerger, acquisition, or transfer of shares shall prepare a complete written record of the following information and retain it for five years for reference:</p> <ol style="list-style-type: none"> <li>I. Basic personnel information: Including all persons who participated in the merger, demerger, acquisition, or transfer of shares plan or its implementation prior to public disclosure, their job titles, names, and ID card numbers (or passport numbers for foreigners).</li> <li>II. Important dates: Including the dates of signing letters of intent or memorandums, engaging financial or legal advisors, signing contracts, and Board of Directors meetings.</li> <li>III. Important documents and meeting minutes: Including merger, demerger, acquisition, or transfer of shares plans, letters of intent or memorandums, important contracts, and minutes of Board of Directors meetings.</li> </ol> <p>A listed company or a company whose shares are traded on a securities dealer's business premises that is involved in a merger, division, acquisition, or transfer of shares shall, within two days from the date of the Board of Directors' resolution, report the information in Items 1 and 2 of the preceding paragraph to the <u>Financial Supervisory Commission</u> for reference through the internet information system in the prescribed format.</p>	

Articles after amendments	Article before amendments	Description of amendments
<p>If any company participating in a merger, division, acquisition, or transfer of shares is not a listed company or a company whose shares are traded on a securities dealer's business premises, the listed company or the company whose shares are traded on a securities dealer's business premises shall sign an agreement with such company and handle the matter in accordance with the provisions of <u>Paragraph (7)</u>.</p>	<p>If any company participating in a merger, division, acquisition, or transfer of shares is not a listed company or a company whose shares are traded on a securities dealer's business premises, the listed company or the company whose shares are traded on a securities dealer's business premises shall sign an agreement with such company and handle the matter in accordance with the <u>previous two paragraphs</u>.</p>	
<p><u>Article 14: Information Disclosure Procedures</u></p> <p><u>I. Items and Standards Required for Public Announcement and Reporting</u></p> <p>(I) Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets from or to a related party, where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to the trading of government bonds, bonds under repurchase and resale agreements, <u>or</u> the subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p><u>(II)</u> Engage in mergers, splits, acquisitions, or share transfers.</p> <p><u>(III)</u> Incur losses from derivatives trading reaching the maximum loss limits set forth in the established procedures for either all contracts or individual contracts.</p> <p><u>(IV)</u> Acquire or dispose of equipment or right-of-use assets for business operations where the transaction counterparty is not a related party, and the <u>transaction amount meets</u> one of the following criteria:</p> <p><u>1.</u> For public companies with paid-in capital of less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p>	<p><del>Chapter 3: Information Disclosure</del> <del>Article 31:</del></p> <p><u>I.</u> When acquiring or disposing of real property or its right-of-use assets from or to a related party, or acquiring or disposing of assets other than real property or its right-of-use assets from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of total assets, or NT\$300 million or more. However, this restriction shall not apply to trading of <del>domestic</del> government bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p><u>II.</u> Engage in mergers, splits, acquisitions, or share transfers.</p> <p><u>III.</u> Incur losses from derivatives trading reaching the maximum loss limits set forth in the established procedures for either all contracts or individual contracts.</p> <p><u>IV.</u> Acquire or dispose of equipment or right-of-use assets for business operations where the transaction counterparty is not a related party, and the transaction amount meets one of the following criteria:</p> <p><u>(I)</u> For public companies with paid-in capital of less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p>	<p>Article number changed</p> <p>Content amended and deleted</p>

Articles after amendments	Article before amendments	Description of amendments
<p><u>2.</u> For public companies with paid-in capital of NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p><u>(V)</u> A public company engaged in the construction business that acquires or disposes of real estate or right-of-use assets for construction use, where the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.</p> <p><u>(VI)</u> Acquisition of real estate through self-construction on owned land, self-construction on leased land, joint construction with allocation of housing units, joint construction with allocation of ownership percentages, or joint construction with separate sales, where the Company's expected transaction investment amount reaches NT\$500 million or more.</p> <p><u>(VII)</u> For asset transactions, disposal of financial institution creditor's rights, or investments in China other than those referred to in the preceding six paragraphs, the transaction amount of which reaches 20% of the Company's paid-in capital or NT\$300 million or more. However, this restriction shall not apply to the following circumstances:</p> <p><u>1.</u> Trading of domestic government bonds or foreign government bonds with credit ratings not lower than the sovereign rating of Taiwan.</p> <p><u>2.</u> For professional investors, the securities trading conducted at securities exchanges or securities firms' business offices, or subscription of foreign government</p>	<p><u>(II)</u> For public companies with paid-in capital of NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p><u>V.</u> A public company engaged in the construction business that acquires or disposes of real estate or right-of-use assets for construction use, where the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more. <del>However, for companies with paid-in capital of NT\$10 billion or more, disposal of real estate from self-built completed construction projects where the trading counterparty is not a related party and the transaction amount reaches NT\$1 billion or more.</del></p> <p><u>VI.</u> Acquisition of real estate through construction on self-owned land, construction on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, where the trading counterparty is not a related party and the Company's expected investment in the transaction reaches NT\$500 million or more.</p> <p><u>VII.</u> For asset transactions, disposal of financial institution creditor's rights, or investments in China other than those referred to in the preceding six paragraphs, the transaction amount of which reaches 20% of the Company's paid-in capital or NT\$300 million or more. However, this restriction shall not apply to the following circumstances:</p> <p><u>(I)</u> Trading of domestic government bonds or foreign government bonds with credit ratings not lower than the sovereign rating of Taiwan.</p> <p><u>(II)</u> For professional investors, the securities trading conducted at securities exchanges or securities firms' business offices, or subscription of foreign government</p>	

Articles after amendments	Article before amendments	Description of amendments
<p>bonds in the primary market, or subscription or issuance of ordinary corporate bonds and general financial bonds not involving equity (excluding subordinated bonds), or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or resale of exchange traded notes, or securities acquired or disposed of by a securities firm for underwriting business needs, or when acting as the recommending securities firm for an emerging stock company, pursuant to the regulations of the Taipei Exchange.</p> <p><u>3.</u> Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p><u>(VIII) The calculation of the previous transaction amounts</u> referred to in the preceding paragraph shall be made in accordance with the following methods:</p> <p><u>1.</u> The amount of each transaction.</p> <p><u>2.</u> The cumulative amount of transactions of the same nature with the same counterparty within one year.</p> <p><u>3.</u> The cumulative amount of real estate or right-of-use assets acquired or disposed of (acquisition and disposal are accumulated separately) for the same development project within one year.</p> <p><u>4.</u> The cumulative amount of the same security acquired or disposed of (acquisition and disposal are accumulated separately) within one year.</p> <p>The one-year period mentioned in the preceding paragraph refers to the one year preceding the date of occurrence of the current transaction, and items that have</p>	<p>bonds in the primary market, or subscription or issuance of ordinary corporate bonds and general financial bonds not involving equity (excluding subordinated bonds), or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or resale of exchange traded notes, or securities acquired or disposed of by a securities firm for underwriting business needs, or when acting as the recommending securities firm for an emerging stock company, pursuant to the regulations of the Taipei Exchange.</p> <p><u>(III)</u> Trading of bonds under repurchase and <del>resale</del> agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p><u>The calculation of the previous transaction amount is</u> based on the following method:</p> <p><u>I.</u> The amount of each transaction.</p> <p><u>II.</u> The cumulative amount of transactions of the same nature with the same counterparty within one year.</p> <p><u>III.</u> The cumulative amount of real estate or right-of-use assets acquired or disposed of (acquisition and disposal are accumulated separately) for the same development project within one year.</p> <p><u>IV.</u> The cumulative amount of the same security acquired or disposed of (acquisition and disposal are accumulated separately) within one year.</p> <p>The one-year period mentioned in the preceding paragraph refers to the one year preceding the date of occurrence of the current transaction, and items that have</p>	



Articles after amendments	Article before amendments	Description of amendments
<p>already been publicly announced in accordance with regulations need not be counted again.</p> <p><u>II. Time Limit for Making Public Announcements and Filings</u></p> <p>When the Company acquires or disposes of assets that are subject to the public announcement items set forth in <u>Paragraph 1 of this Article, and the transaction amount reaches the threshold requiring public announcement and filing as stipulated in this Article</u>, the Company shall make the public announcement and filing within two days from the date of the occurrence of the event.</p> <p><u>III. Procedures for Public Announcement and Filing</u></p> <p><u>(I)</u> The Company shall make the public announcement and filing of relevant information on the website designated by the securities regulatory authority.</p> <p><u>(II)</u> The Company shall, by the 10th day of each month, input information regarding derivatives trading engaged in by the Company and its subsidiaries that are not domestic public companies up to the end of the previous month in the prescribed format into the information filing website designated by the <u>securities regulatory authority</u>.</p> <p><u>(III)</u> The Company shall, within two days of becoming aware, re-announce and report all items if there are errors or omissions in items that should be announced according to regulations and that require correction.</p> <p><u>(IV)</u> For assets acquired or disposed of by the Company, relevant contracts, meeting minutes, record books, appraisal reports, and opinions from CPAs, attorneys, or securities underwriters shall be kept at the Company for at least five years, unless otherwise stipulated by other laws.</p> <p><u>(V)</u> After the Company has announced and reported transactions in</p>	<p>already been publicly announced <del>in accordance with regulations</del> need not be counted again.</p> <p>The Company <del>and its subsidiaries</del> shall publicly announce and report the <del>following asset acquisitions or disposals on the website designated</del> by the <u>Financial Supervisory Commission</u> within two days from the date of occurrence according to the required format:</p> <p>The Company <del>and its subsidiaries</del> shall, before the 10th day of each month, enter information regarding the status of derivatives transactions engaged in up to the end of the preceding month by the Company and any of its subsidiaries that are not domestic companies, in the prescribed format into the information reporting website designated by the <u>Financial Supervisory Commission</u>.</p> <p>The Company <del>and its subsidiaries</del> shall, within two days of becoming aware, re-announce and report all items if there are errors or omissions in items that should be announced according to regulations and that require correction.</p> <p>For assets acquired or disposed of by the Company <del>and its subsidiaries</del>, relevant contracts, meeting minutes, record books, appraisal reports, and opinions from CPAs, attorneys, or securities underwriters shall be kept at the Company for at least five years, unless otherwise stipulated by other laws.</p> <p><del>Article 32:</del></p> <p>After the Company <del>and its subsidiaries</del> have announced and reported transactions</p>	

Articles after amendments	Article before amendments	Description of amendments
<p>accordance with <u>this</u> article, if any of the following circumstances occur, the Company shall announce and report the relevant information on the website designated by the <u>securities authority</u> within two days from the date of occurrence:</p> <ol style="list-style-type: none"> <li><u>1.</u> The original contracts or agreements related to the transaction have been changed, terminated, or dissolved.</li> <li><u>2.</u> The merger, spin-off, acquisition, or share transfer was not completed according to the scheduled date in the contract.</li> <li><u>3.</u> The original public announcement and filing content has been changed.</li> </ol>	<p>in accordance with the <u>last</u> article, if any of the following circumstances occur, the Company shall announce and report the relevant information on the website designated by the <u>Financial Supervisory Commission</u> within two days from the date of the occurrence:</p> <ol style="list-style-type: none"> <li><u>I.</u> The original contracts or agreements related to the transaction have been changed, terminated, or dissolved.</li> <li><u>II.</u> The merger, spin-off, acquisition, or share transfer was not completed according to the scheduled date in the contract.</li> <li><u>III.</u> The original public announcement and filing content has been changed.</li> </ol>	
	<p><del>Chapter 4: Supplementary Provisions</del>  <del>Article 33: State-owned enterprises acquiring or disposing of assets shall comply with the information disclosure requirements in the preceding chapter, but may be exempted from other provisions of these Procedures.</del></p>	<p>Article number changed  Content amended and deleted</p>
<p><u>Article 15: The Company's subsidiaries shall comply with the following regulations:</u></p> <ol style="list-style-type: none"> <li><u>I. Subsidiaries shall establish their own "Procedures for Acquisition or Disposal of Assets" in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," which shall be approved by the subsidiary's Board of Directors and then submitted to the subsidiary's shareholders' meeting. The same procedure applies when amendments are made.</u></li> <li><u>II. When subsidiaries acquire or dispose of assets, they shall comply with their "Procedures for Acquisition or Disposal of Assets."</u></li> <li><u>III. If a subsidiary that is not publicly listed acquires or disposes of assets reaching the announcement and reporting standards set forth in Article 30 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," the parent company shall</u></li> </ol>	<p><del>Article 34:</del></p> <p><u>When subsidiaries of the Company and subsidiaries of subsidiaries that are not domestic public companies acquire or dispose of assets under circumstances requiring public announcement and reporting as stipulated in the preceding chapter, the Company shall make such</u></p>	<p>Article number changed  Content amended and deleted</p>



Articles after amendments	Article before amendments	Description of amendments
<p><u>handle the announcement and reporting matters on behalf of the subsidiary.</u></p> <p><u>IV. Non-public subsidiaries of the Company shall apply the standards for public announcement and reporting as stipulated in Article 14.</u> The threshold of “20% of paid-in capital” or “10% of total assets” shall be determined based on the paid-in capital or total assets of the Company.</p>	<p><u>announcements and reports on their behalf.</u></p> <p><u>For subsidiaries applying the standards for public announcement and reporting as stipulated in Paragraph 1 of Article 31.</u></p> <p>The paid-in capital or total assets shall be determined based on the paid-in capital or total assets of the Company <del>and its subsidiaries.</del></p>	
<p>Article 16:</p> <p>In these Procedures, the calculation of “10% of total assets” is based on the total assets amount in the most recent individual financial reports prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>For companies with no-par-value shares or a par value other than NT\$10 per share, the transaction amount of “20% of paid-in capital” as specified in these Procedures shall be calculated as 10% of equity attributable to owners of the parent company.</p>	<p><del>Article 35:</del></p> <p>In these Procedures, the calculation of “10% of total assets” is based on the total assets amount in the most recent individual financial reports prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>For companies with no-par-value shares or shares with par value not denominated in NT\$10, the transaction amount provision regarding 20% of paid-in capital in these <u>Procedures</u> shall be calculated as 10% of equity attributable to the parent company owners; <del>the transaction amount provision regarding paid-in capital of NT\$10 billion in these Procedures shall be calculated as NT\$20 billion of equity attributable to the parent company owners.</del></p>	Article number changed Content amended and deleted
<p><u>Article 17: Penalties</u></p> <p><u>Personnel of the Company who violate these Procedures in handling the acquisition and disposal of assets shall be subject to penalties according to the internal management regulations of the Company, depending on the severity of the violation.</u></p>	Delete	Article number changed Content amended and deleted
<p><u>Article 18: Implementation and Amendment</u></p> <p><u>The Company’s “Procedures for Acquisition or Disposal of Assets” shall be approved by the Board of Directors, sent to each Audit Committee member and submitted to the shareholders’ meeting for approval. The same procedure shall apply to any amendments. If there are directors expressing objections with records or written statements, the Company shall submit information regarding the directors’ objections to each member of the Audit Committee. If the Company has independent directors, when the</u></p>	Delete	Article number changed Content amended and deleted

Articles after amendments	Article before amendments	Description of amendments
<p><u>“Procedures for Acquisition or Disposal of Assets” are submitted to the Board of Directors for discussion, the opinions of each independent director shall be fully considered. If an independent director objects or expresses reservations, this shall be recorded in the minutes of the Board of Directors meeting.</u></p> <p><u>Where the Company has established an Audit Committee in accordance with the law, the adoption or amendment of the “Procedures for Acquisition or Disposal of Assets” shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution.</u></p> <p><u>Any of the foregoing items that have not been approved with the consent of one-half or more of all members of the Audit Committee may be undertaken upon the approval of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.</u></p> <p><u>The term “all members of the Audit Committee” as used in Paragraph 3 and the term “all directors” as used in the preceding paragraph shall be calculated based on the actual number of persons currently holding those positions.</u></p>		
<p><b>Article 19:</b> Supplementary Provisions Any matters not stipulated in these Procedures shall be handled in accordance with relevant laws and regulations.</p>	<p><del><b>Article 36:</b></del> Supplementary Provisions Any matters not stipulated in these Procedures shall be handled in accordance with relevant laws and regulations.</p>	<p>Article number changed Content amended and deleted</p>

## GSeven Co., Ltd.

## Comparison Table of Amended Articles for the Regulations Governing Directors' Remuneration

June 19, 2025

Revised articles	Current articles	Description
<p>Subparagraph 2, Paragraph 3</p> <p>According to the resolution passed by the shareholders' meeting on the annual earnings distribution proposal, the maximum total remuneration and weighted distribution points are as follows:</p> <p>(I) Omitted</p> <p>(II) Non-independent directors shall be allocated points according to the following method, <u>and shall receive up to 40% of the maximum total remuneration in the above table based on the weighted results:</u></p> <ol style="list-style-type: none"> <li>1. Base points for non-independent directors is 1.</li> <li>2. One additional point for Board of Directors meeting attendance rate of 80% or above.</li> <li>3. One additional point for other significant contributions, subject to discussion and approval by the Board of Directors.</li> </ol> <p><u>Calculation method: The individual weight of non-independent directors multiplied by their term of service (calculated monthly) divided by the total weight of all non-independent directors participating in the distribution, then multiplied by 40% of the maximum remuneration amount in the above table as the distribution amount.</u></p> <p>(III) <u>For any non-independent director and their spouse who act as guarantors for Garso and Ji Sheng Bank credit facilities, such director shall be allocated 60% of the maximum remuneration amount in the above table. The calculation method is: The guarantor's total guaranteed amount for Garso and Ji Sheng at each month-end divided by the total guaranteed bank facility amount of all guarantors at each month-end, then multiplied by 60% of the maximum remuneration amount in the above table for distribution.</u></p>	<p>Subparagraph 2, Paragraph 3</p> <p>According to the resolution passed by the shareholders' meeting on the annual earnings distribution proposal, the maximum total remuneration and weighted distribution points are as follows:</p> <p>(I) Omitted</p> <p>(II) Non-independent directors are assigned weights according to the following methods, and distribution is <del>made</del> based on the weighted results:</p> <ol style="list-style-type: none"> <li>1. Base points for non-independent directors is 1.</li> <li><del>2. Acting as a joint guarantor due to the Company's financing needs adds a weight of 3.</del></li> <li>3. One additional point for Board of Directors meeting attendance rate of 80% or above.</li> <li>4. One additional point for other significant contributions, subject to discussion and approval by the Board of Directors.</li> </ol> <p>(III) <u>Calculation method: Individual weight of a non-independent director × Term of service (calculated monthly) / Total weight of all non-independent directors participating in the distribution, multiplied by the maximum total remuneration amount in the table above.</u></p>	<p>Amendments made in accordance with company operations.</p>

## GSeven Co., Ltd.

### Director Candidate List

Nomination Category	Nominee Name	Gender	Nationality	Educational Background	Experience	Concurrent Positions in Other Companies	Shares Owned in the Company
Director	Lu, Chien-san	Male	Taiwan	College of Management, National Sun Yat-sen University Master of High-End Management	Chairman, GSeven Co., Ltd.	Supervisor, Chien Chuen Co., Ltd. Supervisor, Jee Shen Shih Co., Ltd.	620,000 shares
Director	Su, Tsai-Chi	Male	Taiwan	College of Management, National Sun Yat-sen University Master of High-End Management	President, GSeven Co., Ltd.	Chairman, GShare Co., Ltd. Supervisor, Yuan Din Co., Ltd.	354,390 shares
Director	Yu, Kun-Hsi	Male	Taiwan	Cheng Shiu University Department of Electrical Engineering	Vice President, Management Department, GSeven Co., Ltd.	Chairman, Jee Yue Investment Co., Ltd.	975,094 shares
Director	Ji Li Investment Co., Ltd. Representative Hsu Liang-Chung	Male	Taiwan	Yung Ta Institute of Technology & Commerce. Department of Electrical Engineering	Manager, Quality Assurance Department, Yudasun Co., Ltd.	None	6,960,945 shares
Independent Director	Lai, Hsin-Chung	Male	Taiwan	Department of Accounting, Taichung University of Science and Technology	Team Leader, PwC Taiwan Senior Team Leader, BDO Taiwan Manager and Auditor of Public Companies, Crown & Co Partner CPA, Gao Ten CPA Firm	CPA, So Sian CPA & Co. Independent Director, We & Win Diversification Co., Ltd. Independent Director, Etternal Precision Mechanics Co., Ltd.	0 shares
Independent Director	Li Yung-Ting	Female	Taiwan	Department of Accounting, College of Business, Chinese Culture University	Leader, Nexia International Limited. Auditor, Audit Service Department, PwC Taiwan	CPA, Pei Chen CPA & Co.	0 shares
Independent Director	Wang Chou-Chen	Male	Taiwan	Phd., Department of Electrical Engineering, National Cheng Kung University	Vice Professor, Department of Electrical Engineering, College of Smart Technology, I-Shou University Professor, Department of Electrical Engineering, College of Smart Technology, I-Shou University Professor, Department of Information Engineering, College of Smart Technology, I-Shou University	Dean, College of Smart Technology, I-Shou University Professor, Department of Electrical Engineering, College of Smart Technology, I-Shou University	0 shares

## GSeven Co., Ltd.

### Proposed List of Directors and Their Representatives for Lifting of Non-competition Restrictions

Title	Name	Current Positions in Companies Within the Scope of the Company's Business
Director	Su, Tsai-Chi	Chairman, GShare Co., Ltd.
Director	Ji Li Investment Co., Ltd.	Ji Li Investment Co., Ltd.
Independent Director	Lai, Hsin-Chung	Independent Director, We & Win Diversification Co., Ltd. Independent Director, Etternal Precision Mechanics Co., Ltd.

**GSeven Co., Ltd.**

**Articles of Incorporation**

**Chapter 1 General Provisions**

Article 1      The Company is organized in accordance with the Company Act and is named GSeven Co., Ltd.

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

1.    E601020 Electric Appliance Installation
2.    E605010 Computer Equipment Installation
3.    F109070 Wholesale of Cultural, Educational, Musical Instruments and Recreational Goods
4.    F113020 Wholesale of Electrical Appliances
5.    F113050 Wholesale of Computing and Business Machinery Equipment
6.    F113110 Wholesale of Batteries
7.    F116010 Wholesale of Camera Equipment
8.    F118010 Wholesale of Computer Software
9.    F119010 Wholesale of Electronic Materials
10.   F113070 Wholesale of Telecommunication Apparatus
11.   F401010 International Trade
12.   JE01010 Rental
13.   F209060 Retail Sale of Literature, Musical Instruments and Educational Entertainment Supplies
14.   F213010 Retail Sale of Electric Appliances
15.   F213030 Retail Sale of Computers and Office Machinery Equipment
16.   F213110 Retail Sale of Batteries
17.   F216010 Retail Sale of Camera Equipment
18.   F219010 Retail Sale of Electronic Materials
19.   F213060 Retail Sale of Telecommunication Apparatus
20.   I102010 Investment Consulting
21.   F399040 Retail Sale of Non-store
22.   ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
23.   F108031 Wholesale of Medical Devices
24.   F208031 Retail Sale of Medical Devices
25.   F218010 Retail Sale of Computer Software
26.   I501010 Product Designing
27.   I503010 Landscape and Interior Designing

28. JA02010 Electric Appliance and Electronic Products Repair
29. E701020 Satellite Television KU and Channel C Equipment Installation
30. I301010 Information Software Services
31. I301020 Data Processing Services
32. I301030 Electronic Information Supply Services
33. EZ99990 Other Engineering
34. F199990 Other Wholesale
35. F106020 Wholesale of Daily Necessities
36. F107030 Wholesale of Cleaning Supplies
37. F113990 Wholesale of Other Machinery and Tools
38. F203010 Retail Sale of Food, Grocery and Beverage
39. F203020 Retail Sale of Tobacco Products and Alcoholic Beverages
40. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
41. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
42. F206010 Retail Sale of Hardware
43. F206020 Retail Sale of Daily Necessities
44. F207030 Retail Sale of Cleaning Supplies
45. F208040 Retail Sale of Cosmetics
46. F213990 Retail Sale of Other Machinery and Tools
47. F301010 Department Store
48. F301020 Supermarkets
49. F399010 Convenience Stores
50. F399990 Other comprehensive retail
51. IZ06010 Retail Sale of Commodities
52. G801010 Storage

Article 3      The Company shall establish its head office in Kaohsiung City, and when necessary and upon resolution of the Board of Directors, may establish branches at home and abroad. The establishment, termination and changes of branches shall be implemented according to the resolutions of the Board of Directors.

Article 4      The Company shall make public announcements in accordance with the Company Act and other relevant laws and regulations.

## **Chapter 2 Shares**

Article 5      The total capital of the Company is set at NT\$600,000,000, divided into 60,000,000 shares, with a par value of NT\$10 per share. Of this total, NT\$18,000,000, representing 1,800,000 shares with a par value of NT\$10 per share, is reserved for the issuance of employee stock options, which the Board of Directors is authorized to issue in installments as needed.

Article 5-1      When issuing employee stock options with an exercise price lower than both the weighted average trading price of common shares for a period prior to the issuance date and the net worth per share in the most recent financial statements audited or reviewed by a CPA, the Company shall obtain approval from shareholders representing more than half of the total issued shares at a shareholders' meeting where at least two-thirds of the votes of attending shareholders are in favor. The Company may file applications in installments within one year from the date of the shareholders' resolution.

Recipients of the Company's employee treasury shares, employee stock options, employee remuneration, employee subscription of new shares, and restricted stock for employees may include employees of controlling or subsidiary companies who meet certain conditions.

Article 6      The Company may issue shares without printing physical stock certificates or may print the total issuance of shares in a combined certificate, provided that such shares shall be registered with or kept by a centralized securities depository.

Article 7      Registration of share transfers in the Company's shareholders' register shall be suspended from sixty days before an annual shareholders' meeting, thirty days before a special shareholders' meeting, or five days before the record date for distribution of dividends, bonuses, or other benefits.

The handling of the Company's stock affairs shall be conducted in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" issued by the competent authority.

### **Chapter 3 Shareholders' Meeting**

Article 8      Shareholders' meetings are divided into annual meetings and special meetings. Annual meetings shall be convened at least once a year by the Board of Directors within six months after the end of each fiscal year in accordance with the law. Special meetings shall be convened as necessary in accordance with the law.

Notification and convening of shareholders' meetings shall be conducted in accordance with the provisions of the Company Act, the Securities and Exchange Act, and relevant laws and regulations.

The notification mentioned in the preceding paragraph may be made electronically.

Article 9      If a shareholder of the Company is unable to attend a shareholders' meeting, in addition to issuing a proxy form printed by the Company in accordance with Article 177 of the Company Act, specifying the scope of authorization and appointing a proxy to attend the shareholders' meeting, the shareholder shall comply with the "Regula



- Article 10 Each shareholder tions Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” promulgated by the competent authority.of the Company shall have one voting right per share, except for shares with restricted rights or shares without voting rights as stipulated by the Company Act.
- Article 11 Resolutions at shareholders’ meetings, unless otherwise stipulated by the Company Act, shall be adopted by a majority vote of the shareholders present who represent more than half of the total number of issued shares.
- Article 12 If the Company intends to cancel its public issuance status, in addition to requiring approval from the Board of Directors, it shall proceed in accordance with the relevant provisions of Article 156-2 of the Company Act.
- Article 13 Resolutions adopted at shareholders’ meetings shall be recorded in the meeting minutes, which shall be signed or sealed by the meeting chairman. The meeting minutes shall record the year, month, day, venue, name of the chairman, resolution methods, key points of the meeting proceedings, and their results. The meeting minutes, attendance book of shareholders, and proxies shall be kept in accordance with Article 183 of the Company Act. The meeting minutes shall be distributed to all shareholders within twenty days after the meeting. The preparation of the aforementioned meeting minutes may be conducted electronically and announced in accordance with the relevant regulations of the competent authority.

#### **Chapter 4 Directors and Audit Committee**

- Article 14 The Company shall have 7 to 11 directors, who shall be elected by the shareholders’ meeting from among the candidates under the candidate nomination system. The term of office shall be 3 years, and directors may be re-elected to serve consecutive terms. Among the aforementioned directors, the number of independent directors shall not be less than three and shall not be less than one-fifth of the total number of directors. The professional qualifications, shareholding, restrictions on concurrent positions, determination of independence, nomination method, election method, and other matters to be complied with regarding independent directors shall be handled in accordance with the regulations of the securities competent authority.
- When electing directors, the election shall be conducted in accordance with Article 198 of the Company Act. Independent directors and non-independent directors shall be elected simultaneously, with the number of elected positions calculated separately. Those who receive the highest number of votes representing voting rights shall be elected as independent directors and non-independent directors.
- The aggregate shareholding ratio of all directors shall comply with the regulations of the securities competent authority.

Article 15      The Board of Directors shall be organized by the directors. One person shall be elected as the chairman of the board by a vote of more than two-thirds of the directors present at a meeting attended by more than two-thirds of the directors. The chairman shall represent the Company externally.

Board of Directors' resolutions, unless otherwise provided by the Company Act, shall be adopted by a majority of the directors present at a meeting attended by a majority of the directors.

The convening of a Board of Directors meeting, unless otherwise provided by the Company Act, shall be called by the chairman of the board, specifying the reasons for the meeting and notifying each director seven days in advance. However, in case of emergency, a meeting may be called at any time. The convening of the Company's Board of Directors meetings may be notified to directors in writing, by fax, or by electronic means.

Article 16      The chairman of the board shall preside over the Board of Directors meetings. When the chairman is on leave or unable to exercise powers for any reason, the proxy shall be handled in accordance with Article 208 of the Company Act.

Directors shall attend Board of Directors meetings in person. A director who is unable to attend may appoint another director as proxy, and shall issue a written proxy statement specifying the scope of authorization with respect to the reasons for convening the meeting.

A proxy under the preceding paragraph shall accept a proxy from one person only. The Board of Directors meetings may be conducted via video conference. Directors participating in a meeting via video conference shall be deemed to have attended the meeting in person.

Article 17      If the dismissal of a director for any reason causes the number of directors to fall below the legally required number, the Company shall hold a by-election at the next shareholders' meeting. If a vacancy on the Board of Directors reaches one-third of the total number of directors specified in the Articles of Incorporation, the Company shall convene a special shareholders' meeting within sixty days from the date of occurrence to hold a by-election. In the event that an independent director is dismissed for any reason that causes the number of independent directors to fall below the minimum required by law or the Articles of Incorporation, a by-election shall be held at the next shareholders' meeting. When all independent directors have been dismissed, the Company shall convene a special shareholders' meeting within sixty days from the date of occurrence to hold a by-election.

Article 18      The Company has established an Audit Committee in accordance with the relevant provisions of the Securities and Exchange Act. The Audit Committee consists of all independent directors and has established regulations governing the exercise of its authority. The duties and other matters to be followed by the Audit Committee shall be handled in accordance with the Company Act, Securities and Exchange Act, and other relevant laws and regulations as well as the Company's regulations.

Effective from the date of establishment of the Audit Committee, the duties to be performed by supervisors under the Company Act, Securities and Exchange Act, and other laws and regulations shall be applied mutatis mutandis by the Audit Committee.

Article 19      The remuneration of all directors is authorized to be determined by the Board of Directors based on the extent of their participation in and the value of their contributions to the Company's operations, with reference to industry standards. In addition, the Board of Directors may provide directors with transportation allowances in accordance with common industry practice levels.

Article 20      The Company may, in accordance with the law, purchase liability insurance for directors during their terms of office to cover their legal liability for compensation within the scope of their business execution. The insurance amount and matters related to insurance coverage are authorized to be determined by the Board of Directors.

## **Chapter 5 managers**

Article 21      The Company shall appoint managerial personnel whose appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

## **Chapter 6 Accounting**

Article 22      At the end of each fiscal year, the Board of Directors shall prepare the following statements and submit them to the Audit Committee, then, in accordance with the law, present them to the annual shareholders' meeting for ratification.

1. Business Report
2. Financial Statements
3. Proposal for earnings distribution or loss coverage.

Article 23      Dividends and bonuses shall be distributed in proportion to the shares held by each shareholder. The Company shall not distribute dividends and bonuses when there are no earnings.

Article 24      The Company shall distribute surplus or make up for losses at the end of each fiscal year. When distributing earnings, the Company shall estimate and retain the taxes and dues to be paid, the losses to be covered and the legal reserve to be set aside. However, this does not apply if the legal reserve has reached the same amount as paid-in capital. If the earnings are distributed in cash, a resolution shall be adopted by the Board of Directors; if the earnings are distributed in the form of new shares, a resolution shall be adopted by the shareholders' meeting in accordance with the regulations.

The Company's Board of Directors may resolve to distribute dividends, bonuses, capital reserves, or legal reserves in whole or in part through cash distribution, subject to the approval of more than two-thirds of the directors and a majority vote of the attending directors. Such resolution shall be reported to the shareholders' meeting and is exempt from the previous requirement of shareholders' meeting approval.

The Company's dividend policy is formulated by comprehensively considering future capital requirements, industry competitive conditions, financial structure, and earnings performance. As the Company is currently in a stable growth phase, it is necessary to retain earnings to meet operational and investment funding needs. Consequently, the Company is implementing a residual dividend policy. The annual distribution of shareholder dividends and bonuses shall not be less than 10% of the distributable earnings for the current year, with cash dividends accounting for no less than 20% of the total dividend distribution for that year.

Article 25      The Company shall distribute the employee remuneration at no less than 5% of the current year's profits and director remuneration at no more than 1.5% of the current year's profits. However, the Company shall make up for any cumulative losses if any.

The remuneration to employees may be paid in the form of stock or cash, and the recipients of stock or cash may include the employees of the subsidiaries of the Company meeting certain specific requirements.

The term "current year's profits" as mentioned in Paragraph 1 refers to the profit before tax prior to deducting employee remuneration and director remuneration.

The distribution of employee remuneration and director remuneration shall be approved by a resolution of the Board of Directors attended by two-thirds or more of the directors and agreed by more than half of the attending directors, and reported to the shareholders' meeting.

Article 26      The distribution of shareholders' dividends shall be limited to shareholders registered in the shareholders' register five days prior to the base date for determining the distribution of dividends and bonuses.

## **Chapter 7 Supplementary Provisions**

- Article 27      The Company's total investment in other businesses is not subject to the restriction under Article 13 of the Company Act, which limits reinvestment to no more than 40% of the paid-in capital.
- Article 28      The Company may provide guarantees for external parties. After the Company becomes a public company, such operations shall be handled in accordance with the Company's Procedures for Endorsements and Guarantees.
- Article 29      The Company's organizational regulations and detailed rules shall be separately established.
- Article 30      Matters not covered in these Articles of Incorporation shall be handled in accordance with the Company Act and other relevant laws and regulations.
- Article 31      The Articles of Incorporation were established on October 22, 1994. The first amendment was made on April 7, 1999. The second amendment was made on June 20, 2002. The third amendment was made on June 15, 2006. The fourth amendment was made on October 13, 2006. The fifth amendment was made on June 16, 2007. The sixth amendment was made on June 18, 2008. The seventh amendment was made on September 22, 2009. The eighth amendment was made on September 16, 2010. The ninth amendment was made on June 8, 2011. The tenth amendment was made on July 7, 2011. The eleventh amendment was made on June 30, 2014. The twelfth amendment was made on August 24, 2015. The thirteenth amendment was made on June 20, 2016. The fourteenth amendment was made on June 19, 2019. The fifteenth amendment was made on June 16, 2023. The sixteenth amendment was made on June 18, 2024.

GSeven Co., Ltd.

Chairman: Lu, Chien-san

**GSeven Co., Ltd.**

**Rules of Procedure for Shareholders' Meetings**

Article 1 (Basis for Adoption)

In order to establish a sound governance system for the Company's shareholders' meetings, strengthen supervisory functions, and enhance management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies. The rules of procedure for the Company's shareholders' meetings shall be governed by these Rules unless otherwise provided by laws or the Articles of Incorporation.

Article 2 (Convening of Shareholders' Meetings and Meeting Notices)

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

The Company shall, at least 30 days prior to an annual shareholders' meeting or 15 days prior to a special shareholders' meeting, prepare electronic files containing the meeting notice, proxy forms, and explanatory materials relating to proposals for ratification, discussion, election or dismissal of directors, and upload them to the information reporting website designated by the Financial Supervisory Commission (hereinafter referred to as the "FSC"). The Company shall, at least 21 days prior to an annual shareholders' meeting or 15 days prior to a special shareholders' meeting, prepare electronic files containing the meeting handbook and supplemental meeting materials, and upload them to the information reporting website designated by the FSC.

If the Company's paid-in capital reaches or exceeds NT\$10 billion as of the end of the most recent fiscal year, or if the aggregate shareholding percentage of foreign investors and PRC investors recorded in the shareholders' register reaches or exceeds 30% at the annual shareholders' meeting convened in the most recent fiscal year, the Company shall complete the transmission of the aforementioned electronic files at least 30 days prior to the annual shareholders' meeting.

The Company shall prepare the shareholders' meeting handbook and supplemental meeting materials 15 days prior to the shareholders' meeting, making them available for shareholders to access at any time, and displaying them at the Company and at the professional shareholder services agent appointed by the Company. These materials shall also be distributed at the shareholders' meeting venue.

Meeting notices and announcements shall specify the reasons for convening the meeting; with the consent of the recipient, notices may be given electronically.

Matters pertaining to the election or dismissal of directors, amendments to the Articles of Incorporation, capital reduction, application for the cessation of public offering, approval of directors' competing activities, capitalization of earnings, capitalization of capital

reserves, dissolution, merger, or demerger of the Company, or any matters set forth in Paragraph 1, Article 185 of the Company Act shall be itemized in the reasons for convening the meeting with their main contents explained, and shall not be proposed as extraordinary motions.

The calling purposes of the shareholders' meeting already include the re-election of directors and supervisors, and specify the date of appointment. After the completion of the re-election at that shareholders' meeting, the appointment date cannot be changed through extraordinary motions or other means during the same meeting.

#### Article 3 (Shareholder Proposal Rights)

Shareholders holding 1% or more of the total issued shares may submit one proposal to the Company for the annual shareholders' meeting. If more than one proposal is submitted, none will be included in the agenda. However, if a shareholder's proposal is a suggestion to urge the Company to enhance public interests or fulfill its social responsibilities, the Board of Directors may still include it in the agenda. In addition, if a shareholder's proposal falls under any of the circumstances specified in Paragraph 4, Article 172-1 of the Company Act, the Board of Directors may exclude it from the agenda. The Company shall announce the acceptance of shareholder proposals, the written or electronic acceptance methods, the acceptance location, and the acceptance period before the book closure date prior to the annual shareholders' meeting. The acceptance period shall not be less than ten days.

Shareholder proposals are limited to 300 words; any proposal exceeding 300 words will not be included in the agenda. The proposing shareholder shall attend the annual shareholders' meeting in person or by proxy and participate in the discussion of the proposal.

Prior to the date of sending the notice of a shareholders' meeting, the Company shall inform the proposing shareholders of the handling results, and shall list the proposals that comply with the provisions of this Article in the meeting notice. For shareholder proposals not included in the agenda, the Board of Directors shall explain the reasons for their exclusion at the shareholders' meeting.

#### Article 4 (Proxy Attendance at Shareholders' Meetings and Authorization)

Shareholders may appoint a proxy to attend the shareholders' meeting by executing a power of attorney printed by the Company, stating therein the scope of authorization.

A shareholder may appoint a proxy to attend a shareholders' meeting by providing a proxy form issued by the Company, and the proxy shall be limited to one person. The proxy form shall be delivered to the Company five days prior to the meeting. In case of duplicate proxy forms, the one received first shall prevail. However, this restriction shall not apply when a shareholder has issued a declaration to revoke the previous proxy appointment.

After a proxy form has been delivered to the Company, if a shareholder wishes to attend

the shareholders' meeting in person or exercise voting rights in writing or electronically, the shareholder shall notify the Company in writing to revoke the proxy appointment at least two days prior to the meeting date. If the revocation is made after this deadline, the voting rights exercised by the proxy shall prevail.

Article 5 (Principles for Determining the Location and Time of Shareholders' Meetings)

Shareholders' meetings shall be held at the Company's location or at a place convenient for shareholders to attend and suitable for holding such meetings. The meeting shall not begin earlier than 9:00 a.m. or later than 3:00 p.m. The location and time of the meeting shall give full consideration to the opinions of the independent directors.

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

The Company shall specify in the meeting notice the time for shareholder registration, the location of the registration desk, and other matters that should be noted.

The shareholder registration mentioned in the preceding paragraph shall begin at least thirty minutes before the meeting starts; the registration desk shall be clearly marked and staffed with adequate and competent personnel.

Shareholders or their proxies (hereinafter referred to as "shareholders") shall attend shareholders' meetings by presenting attendance cards, sign-in cards, or other attendance credentials. The Company shall not arbitrarily require shareholders to provide additional identification documents for attendance verification. Solicitors of proxy forms shall also bring identification documents for verification.

The Company shall provide a sign-in book for attending shareholders to sign in, or attending shareholders may submit attendance cards in lieu of signing in.

The Company shall provide attending shareholders with the meeting handbook, annual report, attendance card, speaker's slip, voting ballot, and other meeting materials; separate ballots shall be provided if there is an election of directors.

When a government or juristic person is a shareholder, more than one representative may attend the shareholders' meeting. When a juristic person is entrusted to attend a shareholders' meeting, it may appoint only one person to represent it.

Article 7 (Chairman of the Shareholders' Meeting and Attendees)

For shareholders' meetings convened by the Board of Directors, the chairman of the board shall serve as the meeting chairman. If the chairman is on leave or unable to exercise their powers, the vice chairman shall act as his/her deputy. If there is no vice chairman, or the vice chairman is also on leave or unable to exercise power, the chairman shall designate one managing director to act on his/her behalf. If no managing directors have been appointed, the chairman shall designate one director to act as deputy. If the chairman has not designated a deputy, the managing directors or directors shall elect one person from among themselves to serve as deputy.

When a managing director or director serves as deputy meeting chairman as described in



the preceding paragraph, such individual must have held the position for at least six months and have understanding of the Company's financial and business conditions. The same applies when the meeting chairman is the representative of a corporate director.

For shareholders' meetings convened by the Board of Directors, the chairman should personally preside over the meeting. In addition, a majority of the directors should attend in person, and at least one representative from each functional committee should be present. The attendance status should be recorded in the shareholders' meeting minutes.

If a shareholders' meeting is convened by a party with convening rights other than the Board of Directors, that party shall serve as the meeting chairman. When there are two or more convening parties, they shall select one person from among themselves to serve as the meeting chairman.

The Company may appoint attorneys, CPAs, or relevant personnel to attend shareholders' meetings.

#### Article 8 (Audio or Video Recording of Shareholders' Meeting as Evidence)

The Company shall continuously record or videotape the entire shareholders' meeting process, including shareholder registration, meeting proceedings, and voting and vote counting procedures, without interruption.

The aforementioned audio and video records shall be kept for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, such records shall be retained until the conclusion of the litigation.

#### Article 9 (Calculation of Attending Shares and Meeting Commencement)

Attendance at shareholders' meetings shall be calculated based on shares. The attendance count shall be calculated based on the sign-in book or submitted attendance cards, plus the number of shares exercised through written or electronic voting methods.

When the meeting time arrives, the meeting chairman shall announce the commencement of the meeting and simultaneously disclose relevant information including the number of non-voting shares and attendance shares. However, if shareholders representing less than 50% of the total issued shares are present, the meeting chairman may postpone the meeting. The meeting may be postponed up to two times, with the combined postponement time not exceeding one hour. If after two postponements, shareholders representing at least one-third of the total issued shares are not present, the meeting chairman shall announce the adjournment of the meeting.

In the event that a quorum is not reached after two postponements, but shareholders representing at least one-third of the total issued shares are present, a provisional resolution may be adopted in accordance with Article 175, Paragraph 1 of the Company Act. Such provisional resolution shall be communicated to each shareholder, and another shareholders' meeting shall be convened within one month.

If during the meeting, the attending shareholders represent more than half of the total issued shares, the meeting chairman may, in accordance with Article 174 of the Company Act, submit the provisional resolutions for another vote by the shareholders' meeting.

Article 10 (Discussion of Proposals)

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. All related proposals (including extraordinary motions and amendments to the original proposals) shall be voted on a case-by-case basis. The meeting shall proceed according to the scheduled agenda and may not be changed without a resolution of the shareholders' meeting.

If a shareholders' meeting is convened by any other person with convening right other than the Board of Directors, the preceding paragraph shall apply *mutatis mutandis*.

Before the agenda items set forth in the preceding two paragraphs (including extraordinary motions) are concluded, the meeting chairman may not announce adjournment without a resolution. If the meeting chairman violates the rules of procedure by announcing adjournment, other members of the Board of Directors shall promptly assist the attending shareholders in electing, by a majority vote of the voting rights represented by the attending shareholders, one person as meeting chairman to continue the meeting in accordance with legal procedures.

The meeting chairman shall provide sufficient opportunity for explanations and discussions on proposals and shareholder-proposed amendments or extraordinary motions. When the chairman deems that a proposal has reached a point for voting, he/she may announce the cessation of discussion, proceed to voting, and arrange adequate voting time.

Article 11 (Shareholder Speech)

Before speaking, attending shareholders must complete a speech slip specifying the main points of their speech, their shareholder account number (or attendance card number), and their account name. The meeting chairman will determine the speaking order.

Shareholders who submit a speech slip but do not speak shall be deemed as not having spoken. If the content of the speech differs from what is recorded on the speech slip, the actual speech content shall prevail.

Each shareholder may speak no more than twice on the same proposal without the meeting chairman's consent, and each speech shall not exceed five minutes. If a shareholder's speech violates regulations, disrupts meeting order, or exceeds the scope of the proposal, the meeting chairman may stop the speech or announce the end of the discussion and proceed to other agenda items or procedures.

When shareholders speak at the meeting, other shareholders shall not intervene unless they have obtained permission from the meeting chairman and the speaking shareholder. The meeting chairman shall stop those who violate this rule.

When a corporate shareholder appoints two or more representatives to attend the shareholders' meeting, only one representative may speak on the same proposal.

After a shareholder has spoken, the meeting chairman may personally respond or designate relevant personnel to respond.

Article 12 (Calculation of Voting Shares, Recusal System)

Voting at shareholders' meetings shall be calculated based on shares.

Resolutions of a shareholders' meeting shall exclude shares without voting rights from the total number of issued shares.

Shareholders who have personal interests in the matters being discussed at the meeting, which may impair the interests of the Company, shall not vote on such matters, nor exercise the voting rights on behalf of other shareholders.

The number of shares for which voting rights cannot be exercised under the preceding paragraph shall not be counted as part of the voting rights of shareholders present at the meeting.

Except for trust enterprises or stock agencies approved by the securities regulatory authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy shall not exceed three percent of the total voting rights of the total issued shares. If that percentage is exceeded, the excess voting rights shall not be counted.

Article 13 (Voting on Proposals, Monitoring and Counting of Votes)

Each share shall be entitled to one voting right; however, shares that are restricted or have no voting rights as stipulated in Paragraph 2, Article 179 of the Company Act shall be excluded.

Unless otherwise provided by the Company Act and the Articles of Incorporation of the Company, proposals shall be approved by a majority of the voting rights represented by the shareholders present at the meeting. When voting, the meeting chairman or a person designated by the chairman shall announce the total number of voting rights represented by the shareholders present for each proposal before shareholders proceed to vote. On the day of the shareholders' meeting, the results of shareholders' consent, opposition, and abstention shall be entered into the Market Observation Post System.

If a proposal is presented to all shareholders and no objections are raised, it will be considered passed with the same effect as a vote; if there are objections, the proposal will be voted on as outlined in the previous paragraph.

When there is an amendment or alternative to a proposal, the meeting chairman shall determine the order of voting for the proposal along with the amendment or alternative. If any one of them is passed, the others shall be deemed rejected and no further voting shall be required.

The personnel for monitoring and counting of votes shall be appointed by the meeting chairman, but the monitoring personnel shall be shareholders.

The voting or election counting process at the shareholders' meeting shall be conducted at an open location within the meeting venue, and the voting results, including the statistical numbers, shall be announced on the spot upon completion of the counting process, and recorded in the minutes.

Article 14 (Exercising Voting Rights in Writing or by Electronic Means)

When the Company convenes a shareholders' meeting, it shall adopt electronic means and may adopt written means for shareholders to exercise their voting rights; when voting rights are exercised in writing or by electronic means, the method of exercise shall be specified in the shareholders' meeting notice. Shareholders who exercise their voting rights in writing or by electronic means shall be deemed to have attended the shareholders' meeting in person. However, with respect to extraordinary motions and amendments to the original proposals at that shareholders' meeting, they shall be deemed to have waived their voting rights; therefore, the Company should avoid proposing extraordinary motions and amendments to the original proposals.

Those who exercise their voting rights in writing or by electronic means as mentioned in the preceding paragraph shall deliver their declaration of intent to the Company two days prior to the shareholders' meeting. In case of duplicate declarations of intent, the one that arrives first shall prevail. However, the withdrawals of previously indicated intentions are excluded from the above restriction.

After shareholders exercise their voting rights in writing or by electronic means, if they wish to attend the shareholders' meeting in person, they should withdraw the previously indicated intentions to exercise their voting rights in the same manner as the exercise of their voting rights two days before the shareholders' meeting; if the withdrawal is made after the deadline, the voting rights exercised in writing or by electronic means shall prevail.

If a shareholder exercises voting rights in writing or by electronic means and also appoints a proxy to attend the shareholders' meeting, the voting rights exercised by the appointed proxy shall prevail.

Article 15 (Election Matters)

When the Company is to elect directors at a shareholders' meeting, the election shall be conducted in accordance with the "Procedures for the Election of Directors" established by the Company, and the voting results shall be announced on the spot, including the list of elected directors with their elected votes and the list of unsuccessful director candidates and their received votes.

The ballots for the election matter in the preceding paragraph shall be sealed with the signatures of the ballot examiners and properly kept for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, such records shall be retained until the conclusion of the litigation.

Article 16 (Meeting Minutes and Signature Matters)

Resolutions of the shareholders' meeting shall be documented in meeting minutes, which must be signed or sealed by the meeting chairman. These minutes shall be distributed to all shareholders within twenty days after the meeting. The preparation and distribution of the meeting minutes may be done by electronic means.

For the distribution of the aforementioned meeting minutes, the Company may adopt the method of posting an announcement to the Market Observation Post System.

The meeting minutes shall accurately record the year, month, day, venue, chairman's name, resolution method, summary of the proceedings, and voting results (including the number of voting rights). When there is an election for directors or supervisors, the number of votes received by each candidate shall be disclosed. During the existence of the Company, it should be permanently preserved.

Article 17 (Public Announcements)

The Company shall, on the day of the shareholders' meeting, compile in the prescribed format a statistical table of the number of shares obtained by the solicitor through solicitation and the number of shares represented by the proxy agent, and shall clearly disclose such table at the shareholders' meeting venue.

If any resolutions adopted by the shareholders' meeting constitute material information as defined by laws and regulations or the Taiwan Stock Exchange Corporation (the Taipei Exchange), the Company shall transmit such information to the information reporting website designated by the Financial Supervisory Commission within the prescribed time period.

Article 18 (Maintenance of Order at the Meeting Venue)

Personnel handling administrative matters at the shareholders' meeting shall wear identification cards or armbands.

The meeting chairman may direct marshals or security personnel to assist in maintaining order at the meeting venue. When marshals or security personnel are present to assist in maintaining order, they shall wear armbands or identification cards bearing the word "Marshal."

If the meeting venue is equipped with sound amplification equipment, the meeting chairman may stop shareholders from speaking using equipment not provided by the Company.

If a shareholder violates the rules of procedure, disobeys the meeting chairman's correction, and obstructs the proceedings of the meeting despite being ordered to stop, the meeting chairman may direct marshals or security personnel to request that they leave the meeting venue.

Article 19 (Recess, Resumption of the Meeting, and Adjournment)

During the course of a meeting, the chairman may announce a recess at his/her discretion. In the event of force majeure, the chairman may rule to temporarily suspend the meeting and announce the time to resume the meeting as the situation permits.

If the venue for the shareholders' meeting becomes unavailable for continued use before the agenda (including extraordinary motions) set for the meeting has been completed, the shareholders' meeting may resolve to find another venue to continue the meeting.

The shareholders' meeting may resolve to postpone or resume the meeting within five days in accordance with Article 182 of the Company Act.

After the completion of the established agenda of the shareholders' meeting, the chairman may announce the adjournment of the meeting.

Article 20 (Amendment and Enforcement)

These Rules shall be implemented after adoption by the shareholders' meeting, and the same shall apply when amendments are made.

The Regulations were established on June 28, 2013 after being approved by the shareholders' meeting.

The first amendment was made on June 26, 2015 after being approved by the shareholders' meeting.

The second amendment was approved by the shareholders' meeting on June 20, 2016.

The third amendment was approved by the shareholders' meeting on June 19, 2019.

The fourth amendment was approved by the shareholders' meeting on June 16, 2020.

The fifth amendment was approved by the shareholders' meeting on June 23, 2021.

The sixth amendment was approved by the shareholders' meeting on June 15, 2022.

**GSeven Co., Ltd.**

**Director Election Procedures**

Article 1      The election of directors of the Company shall be conducted in accordance with these Procedures, except as otherwise provided by laws, regulations, or the Articles of Incorporation.

Article 2      The election of directors of the Company shall take into consideration the overall composition of the Board of Directors. The composition of the Board of Directors shall consider diversity, and appropriate diversity guidelines shall be formulated based on the Company's operations, business model, and development needs. These guidelines should include, but not be limited to, standards in the following two major aspects:

- I.      Basic Qualifications and Values: Gender, age, nationality, and cultural background.
- II.     Professional Knowledge and Skills: Professional background (such as legal, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Board members should generally possess the knowledge, skills, and qualities necessary to perform their duties. The collective capabilities of the Board of Directors should include:

- I.      Operational judgment capability.
- II.     Accounting and financial analysis capability.
- III.    Business management capability.
- IV.    Crisis management capability.
- V.     Industry knowledge.
- VI.    International market perspective.
- VII.   Leadership capability.
- VIII. Decision-making capability.

More than half of the seats on the Board of Directors must not be occupied by individuals who have spousal relationships or are relatives within the second degree of kinship.

The Board of Directors should consider adjusting its composition based on the results of performance evaluations.

The qualifications of the Company's independent directors shall comply with the provisions of Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

The appointment of the Company's independent directors shall comply with Articles 5, 6, 7, 8, and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and shall be conducted in accordance with Article 24 of the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."

- Article 3 Election of the Company's Directors shall be conducted in accordance with the candidate nomination system procedures stipulated in Article 192-1 of the Company Act.
- If a Director is dismissed for any reason, resulting in fewer than five Directors, the Company shall hold a by-election at the next shareholders' meeting. However, if the number of vacancies reaches one-third of the total number of Directors specified in the Articles of Incorporation, the Company shall convene a special shareholders' meeting within sixty days from the date of occurrence to hold a by-election.
- If the number of independent directors falls below the requirement stipulated in the proviso of Paragraph 1, Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the next shareholders' meeting. When all independent directors have been dismissed, a special shareholders' meeting shall be convened within sixty days from the date of occurrence to hold a by-election.
- Article 4 The election of the Company's Directors shall adopt the cumulative voting system, whereby each share has the same number of voting rights as the number of Directors to be elected. These voting rights may be exercised to elect one candidate or distributed among several candidates.
- Article 5 The Company's Directors shall be elected according to the quota specified in the Articles of Incorporation, with voting rights calculated separately for independent directors and non-independent directors. Those who receive more voting rights shall be elected in sequence. If two or more persons receive an equal number of voting rights and this exceeds the required number of positions, the elected person shall be decided by drawing lots. The meeting chairman shall draw lots on behalf of any absent candidates.
- Article 6 Before the election begins, the meeting chairman shall appoint several shareholders to serve as ballot supervisors and ballot counters to perform relevant duties. The ballot box shall be prepared by the Board of Directors and publicly inspected by the ballot supervisors before voting commences.
- Article 7 The Board of Directors shall prepare ballots equal to the number of directors to be elected, mark the number of voting rights on each ballot, and distribute them to shareholders attending the shareholders' meeting. The name of the elector may be represented by the attendance card number printed on the ballot.
- Article 8 A ballot shall be invalid under any of the following circumstances:
- I. The ballot is not prepared by the party with the authority to convene the meeting.
  - II. A blank ballot is placed in the ballot box.
  - III. The writing is illegible, unclear or has been altered.
  - IV. The name filled in for the candidate does not match the list of director candidates after verification.
  - V. Other writing is included on the ballot in addition to the allocated number of voting rights.



- Article 9      After voting is completed, the ballots shall be counted on the spot, and the meeting chairman shall announce the results on the spot, including the list of elected directors and their corresponding number of voting rights.
- The ballots for the election matter in the preceding paragraph shall be sealed with the signatures of the ballot examiners and properly kept for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, such records shall be retained until the conclusion of the litigation.
- Article 10     The Board of Directors shall issue notifications of election to each elected director.
- Article 11     These regulations shall be implemented after adoption by the shareholders' meeting; the same shall apply when amendments are made.
- The Regulations were established on June 28, 2013 after being approved by the shareholders' meeting.
- The first amendment was made on June 26, 2015 after being approved by the shareholders' meeting.
- The second amendment was approved by the shareholders' meeting on June 20, 2016.
- The third amendment was approved by the shareholders' meeting on June 19, 2019.
- The fourth amendment was approved by the shareholders' meeting on August 25, 2021.

**GSeven Co., Ltd.**

**Procedures for Acquisition or Disposal of Assets**

**Chapter 1 General Provisions**

**Article 1 Purpose**

To strengthen asset management and implement information disclosure, these Procedures for Acquisition or Disposal of Assets (hereinafter referred to as “these Procedures”) are established in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” (hereinafter referred to as “the Regulations”) promulgated by the Financial Supervisory Commission of the Executive Yuan (hereinafter referred to as “the FSC”). When the Company and its subsidiaries acquire or dispose of assets, they shall comply with these Operating Procedures. However, where other laws and regulations provide otherwise, such provisions shall prevail.

**Article 2 Legal Basis**

The “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” are established pursuant to Article 36-1 of the Securities and Exchange Act (hereinafter referred to as “the Act”).

**Article 3 Scope of Assets**

- I. Investment in stocks, government bonds, corporate bonds, financial bonds, securities representing funds, depositary receipts, warrants, beneficiary certificates, and asset-backed securities.
- II. Real estate (including land, houses and buildings, investment properties, inventories and equipment of the construction industry).
- III. Membership certificates.
- IV. Intangible assets such as patents, copyrights, trademarks, and franchises.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, discounted purchases of foreign exchange and loans, and collection items).
- VII. Derivatives.
- VIII. Assets acquired or disposed of through legal merger, demerger, acquisition, or transfer of shares.
- IX. Other significant assets.

**Article 4 Definitions**

- I. Derivatives: Financial instruments whose value is derived from specific interest rates, financial instrument prices, commodity prices, exchange rates, indexes, or other variables, including forward contracts, option contracts, futures contracts, leveraged

margin contracts, swap contracts, combinations of the aforementioned contracts, or embedded derivatives in structured products or combination contracts. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, and long-term purchase/sales contracts.

- II. Assets acquired or disposed of through legal merger, demerger, acquisition, or transfer of shares: Assets acquired or disposed of through merger, demerger, or acquisition conducted in accordance with the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act, or other laws, or shares acquired from another company through issuance of new shares as consideration in accordance with Paragraph 8, Article 156 of the Company Act (hereinafter referred to as “transfer of shares”).
- III. Related parties and subsidiaries: These terms shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional Appraiser: A real estate appraiser or other person legally authorized to engage in real estate or equipment appraisal business.
- V. Date of Occurrence: The date of transaction signing, payment, commission completion, transfer, Board of Directors resolution, or any other date that can confirm the transaction counterparty and transaction amount, whichever comes first. However, for investments requiring approval from the competent authority, the date shall be the earlier of the above-mentioned dates or the date of receiving approval from the competent authority.
- VI. China Investment: Refers to investments in China conducted in accordance with the regulations on investment or technical cooperation permits in China established by the Investment Commission of the Ministry of Economic Affairs.
- VII. Transaction.

Article 5      The Company and its subsidiaries shall ensure that the appraisal reports or opinions obtained from CPAs, attorneys, or securities underwriters are provided by professional appraisers and their appraisal personnel, CPAs, attorneys, or securities underwriters who are not related parties to the transaction counterparties. The following shall be complied with:

- I. No person who has previously been convicted and sentenced to imprisonment for a term of more than one year for violating the provisions of this Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, the Business Entity Accounting Act, or for committing fraud, breach of trust, embezzlement, forgery, or any other business-related crime. However, this restriction shall not apply to those who have completed their sentence, probation period, or have been pardoned for at least three years.
- II. The person shall not be a related party or have substantive relationship with any transaction counterparty.

III. If a company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers shall not be related parties or have substantive relationships with each other.

The personnel mentioned in the preceding paragraph shall comply with the self-regulatory rules of their respective industry associations and the following matters when issuing appraisal reports or opinions:

- I. Prior to accepting a case, they shall carefully evaluate their professional competence, practical experience, and independence.
- II. When performing a case, they shall properly plan and execute appropriate operational procedures to form conclusions and issue reports or opinions accordingly; and shall record in detail the procedures performed, data collected, and conclusions reached in the case working papers.
- III. They shall evaluate the appropriateness and reasonableness of each data source, parameter, and information used as the basis for issuing appraisal reports or opinions.
- IV. Declarations shall include statements that relevant personnel possess professional qualifications and independence, that the information used has been assessed as appropriate and reasonable, and that relevant laws and regulations have been complied with.

## **Chapter 2 Procedures**

### **Section 1 Establishment of Procedures**

**Article 6** The Company and its subsidiaries shall establish these Procedures in accordance with the provisions of these Regulations. The Procedures shall be approved by the Board of Directors, submitted to each member of the Audit Committee, and reported to the shareholders' meeting for approval. The same procedure shall apply to any amendments. If there are directors expressing objections with records or written statements, the Company shall submit information regarding the directors' objections to each member of the Audit Committee.

Where the Company has appointed Independent Directors in accordance with the law, when the Procedures are submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board shall take into full consideration each Independent Director's opinion. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

Where the Company has established an Audit Committee in accordance with the law, the adoption or amendment of the Procedures shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution.

Any of the foregoing items that have not been approved with the consent of one-half or more of all members of the Audit Committee may be undertaken upon the approval of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

The term "all members of the Audit Committee" as used in Paragraph 3 and the term "all directors" as used in the preceding paragraph shall be calculated based on the actual number of persons currently holding those positions.

Article 7      The Company shall establish these Procedures specifying the following matters, and shall proceed in accordance with the established procedures:

- I.    Scope of assets.
- II.   Appraisal procedures: shall include the pricing method and reference basis.
- III.   Operating procedures: shall include authorized amounts, hierarchy levels, execution units, and transaction process.
- IV.   Procedures for Public Announcement and Filing
- V.    The total amount of real estate and its right-of-use assets not for business use and securities acquired by the Company and its subsidiaries, and the limit on individual securities.
- VI.   Control procedures for the acquisition or disposal of assets by subsidiaries.
- VII.   Penalties for personnel who violate these Regulations or these Procedures.
- VIII. Other important matters.

In addition to complying with the preceding provisions, the Company and its subsidiaries shall establish these Procedures for related party transactions, engaging in derivatives transactions, and conducting mergers, demergers, acquisitions, or transfer of shares in accordance with Sections 3 to 5 of this Chapter.

Companies and their subsidiaries that do not intend to engage in derivative transactions may be exempted from establishing procedures for handling derivative transactions after obtaining approval from the Board of Directors. If they subsequently wish to engage in derivative transactions, they should still follow the provisions of the preceding Article and the preceding paragraph.

The Company shall supervise its subsidiaries to establish and implement these Procedures in accordance with these Regulations.

Article 8      When the acquisition or disposal of assets by the Company and its subsidiaries requires approval from the Board of Directors pursuant to the Procedures or other legal requirements, if any director expresses an objection that is recorded in the minutes or a written statement, the Company shall submit the director's objection to each member of the Audit Committee.

For companies that have established independent directors in accordance with this Act, when submitting acquisition or disposal of asset transactions to the Board of Directors for discussion as specified in the preceding paragraph, the opinions of each independent director shall be fully considered. If any independent director expresses objection or reservation, it shall be recorded in the Board meeting minutes.

For companies that have established an Audit Committee in accordance with this Act, material asset or derivatives transactions shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for resolution, with Article 6, Paragraphs 4 and 5 applying *mutatis mutandis*.

Section 2 Acquisition or Disposal of Assets

Article 9 When the Company and its subsidiaries acquire or dispose of real property, equipment, or right-of-use assets thereof, unless transacting with domestic government agencies, engaging in construction on self-owned land, engaging in construction on leased land, or acquiring or disposing of equipment or right-of-use assets thereof for business use, transactions with an amount reaching 20% of the Company's paid-in capital or NT\$300 million or more shall obtain an appraisal report issued by a professional appraiser prior to the date of occurrence and shall comply with the following provisions:

- I. When a limited price, specified price, or special price is used as a reference for the transaction price due to special circumstances, the transaction shall be submitted to the Board of Directors for approval in advance; the same procedure shall apply to any subsequent changes to the terms and conditions of the transaction.
- II. For transactions with an amount exceeding NT\$1 billion, appraisals shall be obtained from at least two professional appraisers.
- III. When the appraisal results from professional appraisers have any of the following circumstances, unless all the appraisal results for asset acquisition are higher than the transaction amount, or all the appraisal results for asset disposal are lower than the transaction amount, a CPA shall be engaged to provide a specific opinion on the reason for the difference and the appropriateness of the transaction price:
  - (I) The difference between the appraisal result and the transaction amount reaches 20% or more of the transaction amount.
  - (II) The difference between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
- IV. The date of the report issued by the professional appraiser and the date of establishment of the contract shall not exceed three months. However, if the same published current value is applicable and does not exceed six months, an opinion may be issued by the original professional appraiser.

Article 10 When the Company and its subsidiaries acquire or dispose of securities, they shall obtain the most recent financial statements of the target company audited or reviewed by a CPA prior to the date of occurrence as a reference for evaluating the transaction price. Furthermore, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall engage a CPA to express an opinion on the reasonableness of the transaction price prior to the date of occurrence. If the CPA needs to use an expert report, the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation. However, this restriction shall not apply to securities with active market quotations or where otherwise specified by the Financial Supervisory Commission.

- Article 11      When the Company and its subsidiaries acquire or dispose of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies, the Company shall engage a CPA to render an opinion on the reasonableness of the transaction price prior to the date of occurrence.
- Article 12      The calculation of the transaction amount for the preceding three articles shall be performed in accordance with Article 31, Paragraph 2, and "within one year" refers to the one year preceding the date of occurrence of the current transaction, calculated retrospectively. Portions for which an appraisal report issued by a professional appraiser or CPA opinion has been obtained in accordance with these Procedures need not be counted again.
- Article 13      If the Company and its subsidiaries acquires or disposes of assets through court auction procedures, it may substitute the certification documents issued by the court for the appraisal report or CPA opinion.
- Section 3      Transactions with related parties
- Article 14      When the Company and its subsidiaries acquire or dispose of assets with related parties, in addition to complying with the relevant resolution procedures and assessing the reasonableness of transaction terms as stipulated in the preceding section and this section, if the transaction amount reaches 10% or more of the Company's total assets, the Company shall also obtain an appraisal report issued by a professional appraiser or a CPA opinion in accordance with the provisions of the preceding section.  
The calculation of the transaction amount referred to in the preceding paragraph shall be conducted in accordance with Article 12.  
When determining if a transaction counterparty is a related party, in addition to considering its legal form, the substantive relationship should also be taken into account.
- Article 15      For the Company and its subsidiaries to acquire or dispose of real property or right-of-use assets from related parties, or to acquire or dispose of assets other than real property or right-of-use assets from related parties where the transaction amount reaches 20% of the Company's paid-in capital, 10% of total assets, or NT\$300 million or more, except for the trading of domestic government bonds, bonds under repurchase and resale agreements, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the following information must be submitted to the Board of Directors for approval and acknowledged by the Audit Committee before signing transaction contracts and making payments:
- I.    The purpose, necessity, and expected benefits of the acquisition or disposal of assets.
  - II.   The reason for selecting a related party as the transaction counterparty.

- III. When acquiring real property or right-of-use assets from related parties, relevant information evaluating the reasonableness of the proposed transaction terms in accordance with Articles 16 and 17.
- IV. The original date and price of acquisition by the related party, the transaction counterparty, and the relationship between the transaction counterparty and the Company and the related party.
- V. Cash flow forecast for each month of the following year from the planned contract month, and assessment of the transaction's necessity and the reasonableness of fund utilization.
- VI. Appraisal reports issued by professional appraisers or CPA opinions obtained in accordance with the preceding provision.
- VII. Restrictive covenants and other important terms of this transaction.

The calculation of the transaction amount specified in the preceding paragraph shall be conducted in accordance with Article 31, Paragraph 2. The term "within one year" refers to the one-year period preceding the date of occurrence of the current transaction, retroactively calculated from that date. Items already submitted to and approved by the Board of Directors, and acknowledged by the Audit Committee in accordance with these Procedures need not be counted toward the transaction amount.

For transactions between the Company and its subsidiaries listed below, the Board of Directors may authorize the Chairman to make decisions within a certain limit in advance in accordance with Article 7, Paragraph 1, Subparagraph 3, and subsequently report to the nearest Board meeting for ratification:

- I. Acquisition or disposal of equipment or right-of-use assets for business use.
- II. Acquisition or disposal of right-of-use assets of real estate for business use.

For companies that have appointed independent directors in accordance with this Act, the opinions of each independent director shall be fully considered when reporting to the Board of Directors for discussion pursuant to Paragraph 1. If an independent director objects or expresses reservations, such objections or reservations shall be recorded in the Board meeting minutes.

For companies that have established an Audit Committee in accordance with this Act, matters requiring ratification by the Audit Committee pursuant to Paragraph 1 shall first be approved by more than half of all Audit Committee members, and then submitted to the Board of Directors for resolution. The provisions of Article 6, Paragraphs 4 and 5 shall apply *mutatis mutandis*.

If a public company or its non-domestic public subsidiary has a transaction as described in Paragraph 1, and the transaction amount reaches 10% or more of the public company's total assets, the public company shall submit all information listed in Paragraph 1 to the shareholders' meeting for approval before signing the transaction contract and making payment. However, transactions between a public company and its parent company, subsidiary, or between its subsidiaries are exempted from this requirement. The calculation of transaction amounts referred to in Paragraph 1 and the preceding paragraph



shall be conducted in accordance with Article 31, Paragraph 2. The term “within one year” refers to the one-year period preceding the date of occurrence of the current transaction, calculated retrospectively. Portions that have already been submitted to and approved by the shareholders’ meeting, the Board of Directors, and recognized by the Audit Committee in accordance with these Procedures need not be counted again.

Article 16 When acquiring real estate or right-of-use assets from related parties, the Company and its subsidiaries shall evaluate the reasonableness of transaction costs using the following method:

- I. The transaction price with the related party plus necessary interest on funding and costs that the buyer shall bear by law. The necessary interest cost on funds shall be calculated based on the weighted average interest rate of the borrowings in the year the Company purchases the assets, provided that the maximum shall not exceed the highest lending rate announced by the Ministry of Finance for the non-financial industry.
- II. If the related party has previously created a mortgage on the property with a financial institution, the financial institution’s total lending appraisal value for the property shall apply. However, the financial institution’s actual accumulated lending value for the property must reach at least 70% of the total lending appraisal value and the lending period must exceed one year. However, this shall not apply where the financial institution and one of the trading parties are related parties.

When purchasing or leasing both land and buildings of the same target property, the transaction costs for the land and buildings may be evaluated separately using any of the methods listed in the preceding paragraph.

When the Company and its subsidiaries acquire real estate or right-of-use assets from related parties, they shall evaluate the costs of the real estate or right-of-use assets in accordance with the preceding two paragraphs, and shall engage a CPA to review and express a specific opinion.

When the Company and its subsidiaries acquire real property or right-of-use assets from related parties, if any of the following circumstances exists, the acquisition shall be conducted in accordance with the preceding article and the preceding three paragraphs shall not apply:

- I. The related party acquired the real property or right-of-use assets through inheritance or gift.
- II. More than five years have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets to the signing date of this transaction.
- III. The real property is acquired by signing a joint construction contract with the related party or by engaging the related party to build real property, either on the Company’s own land or on rented land.
- IV. The Company acquires right-of-use assets of real property for business use between the Company and its subsidiaries.

Article 17 When the appraisal results of the Company and its subsidiaries are both lower than the transaction price pursuant to paragraphs 1 and 2 of the preceding article, the matter shall be handled in accordance with Article 18. However, this restriction shall not apply where the following circumstances exist, objective evidence has been submitted, and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA:

- I. Where the related party acquired undeveloped land or leased land for development, evidence may be submitted to prove compliance with one of the following conditions:
  - (I) According to the previously established methods for evaluating land, buildings shall be assessed based on related parties' construction costs plus reasonable construction profits. If the total of these amounts exceeds the actual transaction price. The term "reasonable construction profit" shall be calculated based on the lower of the average gross profit margin of the related party's construction department for the last three years or the most recent construction industry gross profit margin announced by the Ministry of Finance.
  - (II) Other transactions of the same target property at different floors or in nearby areas within the past year between non-related parties, where the area is similar and the transaction terms are equivalent after reasonable evaluation of floor or location price differences according to real estate purchase or lease practices.
- II. The Company and its subsidiaries may present evidence that the transaction terms for real estate purchased from related parties or right-of-use assets obtained through leases are equivalent to other transactions between non-related parties in nearby areas within the past year with similar areas.

The so-called neighboring area transaction cases mentioned above refer, in principle, to the same or adjacent street blocks and to a radius not exceeding 500 meters from the transaction subject, or to those with similar announced present values. The term similar area refers, in principle, to other non-related party transaction cases with areas not less than 50 percent of the transaction subject's area. The term within one year refers to a one-year period calculated retrospectively from the date of the occurrence of this acquisition of real property or right-of-use assets.

Article 18 When the Company and its subsidiaries acquire real property or right-of-use assets from related parties, if the evaluation results according to the preceding two articles are both lower than the transaction price, the following matters shall be handled:

- I. The difference between the transaction price of the real property or right-of-use assets and the evaluation cost shall be set aside as a special reserve in accordance with Article 41, Paragraph 1 of this Act and shall not be distributed or transferred to capital for issuing new shares. If an investor that evaluates its investment in the Company under the equity method is a public company, it shall also set aside a special reserve in proportion to its shareholding in accordance with Article 41, Paragraph 1 of this Act.

- II. The Audit Committee shall perform duties pursuant to Article 218 of the Company Act. For companies that have established an Audit Committee according to this Act, the first section of this paragraph shall apply mutatis mutandis to the independent director members of the Audit Committee.
- III. The handling of the preceding two paragraphs shall be reported to the shareholders' meeting, and detailed information regarding the transaction shall be disclosed in the annual report and prospectus.

When the Company and its subsidiaries have allocated a special reserve pursuant to the preceding paragraph, the special reserve may only be utilized after the high-priced acquired or leased assets have recognized value impairment losses, been disposed of, had the lease terminated, provided appropriate compensation, been restored to original condition, or when other evidence confirms there is no unreasonableness, and with the approval of the Financial Supervisory Commission.

When the Company and its subsidiaries acquire real property or right-of-use assets from related parties, and if there is other evidence indicating that the transaction is inconsistent with business practices, it shall also be handled in accordance with the provisions of the preceding two paragraphs of this Article.

#### Section 4 Derivatives Trading

Article 19 When the Company and its subsidiaries engage in derivatives trading, the following important risk management and audit matters shall be controlled and incorporated into the procedures:

- I. Trading Principles and Guidelines: Should include types of derivative products that may be traded, operating or hedging strategies, division of responsibilities, performance evaluation guidelines, and the total amount of derivative contracts that may be entered into, as well as the maximum loss limits for aggregate and individual contracts.
- II. Risk Management Measures.
- III. Internal Audit System.
- IV. Regular Evaluation Methods and Handling of Abnormal Situations.

Article 20 The Company and its subsidiaries shall adopt the following risk management measures when engaging in derivative product transactions:

- I. The scope of risk management shall include credit, market price, liquidity, cash flow, operational and legal risk management.
- II. Personnel engaged in derivative transactions and those responsible for confirmation and settlement operations shall not concurrently perform both roles.
- III. Personnel responsible for risk measurement, supervision, and control shall be assigned to a department different from that of the personnel mentioned in the preceding paragraph and shall report to the Board of Directors or to senior executives who do not have responsibilities for trading or position decisions.

- IV. Positions held in derivatives transactions shall be evaluated at least once per week. However, hedging transactions required for business needs shall be evaluated at least twice per month. The evaluation reports shall be submitted to senior executives authorized by the Board of Directors.
- V. Other Important Risk

Article 21 When the Company engages in derivatives transactions, the Board of Directors shall supervise and manage in accordance with the following principles:

- I. Designated senior executives shall monitor and control the risks of derivatives transactions at all times.
- II. Regularly evaluate whether the performance of derivatives trading meets the established business strategies and whether the risks undertaken are within the Company's acceptable range.

Senior executives authorized by the Board of Directors shall manage derivatives transactions in accordance with the following principles:

- I. Regularly evaluate whether the current risk management measures are appropriate and ensure compliance with these Procedures and the Company's established procedures for handling derivatives transactions.
- II. Monitor trading and profit/loss conditions. In the event of abnormal circumstances, necessary response measures shall be taken and reported immediately to the Board of Directors. If Independent Directors have been appointed, they shall attend the Board meeting and express their opinions.

When the Company and its subsidiaries engage in derivatives trading and authorizes relevant personnel to handle such transactions in accordance with the procedures for derivatives trading, these transactions shall be reported to the nearest Board of Directors meeting afterward.

Article 22 The Company and its subsidiaries engaging in derivatives transactions shall establish a logbook to record in detail the types and amounts of derivatives transactions, the date of board approval, and the matters requiring careful evaluation under Article 20, Paragraph 4, the preceding Article, Paragraph 1, Subparagraph 2, and Paragraph 2, Subparagraph 1 for future reference.

The internal auditors of the Company and its subsidiaries shall periodically evaluate the appropriateness of the internal controls for derivatives transactions and conduct monthly audits to verify the trading department's compliance with the procedures for engaging in derivatives transactions. The auditors shall prepare audit reports and, if any material violations are discovered, notify each member of the Audit Committee in writing.

For companies that have established independent directors in accordance with this Act, when notifying each member of the Audit Committee of matters pursuant to the preceding paragraph, the Company shall also provide written notification to the independent directors.

Section 5 Merger, Demerger, Acquisition, and Transfer of Shares

Article 23 When the Company and its subsidiaries conduct a merger, demerger, acquisition, or transfer of shares, prior to convening the Board of Directors meeting for a resolution, they shall engage CPAs, attorneys, or securities underwriters to provide opinions on the reasonableness of the share exchange ratio, acquisition price, or cash or other property to be distributed to shareholders, and submit these opinions to the Board of Directors for discussion and approval. However, the Company and its subsidiaries may waive the requirement to obtain the aforementioned expert's reasonableness opinion when merging with a subsidiary in which they directly or indirectly hold 100% of the issued shares or total capital, or when subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or total capital merge with one another.

Article 24 The Company and its subsidiaries participating in a merger, demerger, acquisition, or share transfer shall prepare a public document for shareholders prior to the shareholders' meeting, detailing the important terms of the merger, demerger, or acquisition and related matters. This document shall be delivered to shareholders together with the expert opinions mentioned in the preceding paragraph and the notice of the shareholders' meeting, to serve as a reference for deciding whether to approve the merger, demerger, or acquisition. However, companies are exempted from the requirement to convene a shareholders' meeting to resolve on merger, demerger, or acquisition matters if other legal provisions allow such exemption. If any of the companies participating in a merger, demerger, or acquisition is unable to convene or pass resolutions at its shareholders' meeting due to insufficient attendance, voting rights, or other legal restrictions, or if the proposal is rejected by the shareholders' meeting, the participating companies shall immediately make a public announcement explaining the reason for such occurrences, subsequent handling procedures, and the expected date for reconvening the shareholders' meeting.

Article 25 Companies participating in a merger, demerger, or acquisition shall, unless otherwise provided by other laws or special factors that have been reported to and approved by the Financial Supervisory Commission in advance, convene their Board of Directors meetings and shareholders' meetings on the same day to resolve matters relating to the merger, demerger, or acquisition.

Companies participating in a share transfer shall, unless otherwise provided by other laws or special factors that have been reported to and approved by the Financial Supervisory Commission in advance, convene their Board of Directors meetings on the same day.

Companies listed on an exchange or having their shares traded on an OTC market that participate in a merger, demerger, acquisition, or transfer of shares shall prepare a complete written record of the following information and retain it for five years for reference:

- I. Basic personnel information: Including all persons who participated in the merger, demerger, acquisition, or transfer of shares plan or its implementation prior to public disclosure, their job titles, names, and ID card numbers (or passport numbers for foreigners).

- II. Important dates: Including the dates of signing letters of intent or memorandums, engaging financial or legal advisors, signing contracts, and Board of Directors meetings.
- III. Important documents and meeting minutes: Including merger, demerger, acquisition, or transfer of shares plans, letters of intent or memorandums, important contracts, and minutes of Board of Directors meetings.

A listed company or a company whose shares are traded on a securities dealer's business premises that is involved in a merger, division, acquisition, or transfer of shares shall, within two days from the date of the Board of Directors' resolution, report the information in Items 1 and 2 of the preceding paragraph to the Financial Supervisory Commission for reference through the internet information system in the prescribed format.

If any company participating in a merger, division, acquisition, or transfer of shares is not a listed company or a company whose shares are traded on a securities dealer's business premises, the listed company or the company whose shares are traded on a securities dealer's business premises shall sign an agreement with such company and handle the matter in accordance with the previous two paragraphs.

Article 26 All persons participating in or aware of the Company's merger, demerger, acquisition, or share transfer plan shall issue a written confidentiality commitment. Before information is made public, they shall not disclose the contents of the plan externally, nor shall they trade, either in their own name or under another person's name, in any stock or other equity securities of all companies related to the merger, demerger, acquisition, or share transfer case.

Article 27 The exchange ratio or acquisition price for the Company and its subsidiaries participating in a merger, demerger, acquisition, or share transfer may not be arbitrarily changed except under the following circumstances, and conditions permitting such changes must be stipulated in the merger, demerger, acquisition, or share transfer contract.

- I. Conducting cash capital increases, issuing convertible corporate bonds, distributing stock dividends without compensation, issuing corporate bonds with warrants, preferred shares with warrants, stock warrants, and other equity securities.
- II. Actions affecting the Company's financial or business operations, such as disposal of major company assets.
- III. Major disasters, technological transformations, or other events affecting shareholders' equity or securities prices.
- IV. Adjustments due to any company involved in the merger, demerger, acquisition, or transfer of shares legally repurchasing treasury shares.
- V. Changes in the number or identity of the entities participating in the merger, demerger, acquisition, or transfer of shares.
- VI. Other conditions stipulated in the contract as alterable and publicly disclosed.

- Article 28 In the merger, division, acquisition, or share transfer involving the Company and its subsidiaries, the contract shall specify the rights and obligations of the companies participating in the merger, division, acquisition, or share transfer, and shall include the following matters:
- I. The handling of breach of contract.1. Handling of default
  - II. The principles for handling equity-type securities previously issued by companies that will be dissolved due to the merger or will be divided, or treasury shares that have been repurchased.
  - III. The quantity of treasury shares that the participating companies may legally repurchase after the base date for calculating the share exchange ratio, and the principles for handling such shares.
  - IV. The handling method for the changes in the number of participants or the number of participants.
  - V. Project implementation schedule and expected completion date
  - VI. If the project is overdue and unfinished, the Company shall convene a shareholders' meeting in accordance with the relevant procedures for the scheduled date of the meeting.

Article 29 After participating companies in a merger, division, acquisition, or share transfer have made a public announcement, if any of them intends to engage in another merger, division, acquisition, or share transfer with other companies, all procedures and legal actions already completed in the original merger, division, acquisition, or share transfer must be conducted again by all participating companies, unless the number of participating companies decreases and the shareholders' meeting has resolved and authorized the Board of Directors to alter the limits of authority. In this case, the companies may be exempted from calling another shareholders' meeting to resolve the matter anew.

Article 30 If any company participating in a merger, division, acquisition, or share transfer is not publicly listed, the Company and its subsidiaries shall sign an agreement with it and handle the matter in accordance with Article 25, Article 26, and the preceding article.

### **Chapter 3 Information Disclosure**

Article 31 The Company and its subsidiaries shall publicly announce and report the following asset acquisitions or disposals on the website designated by the Financial Supervisory Commission within two days from the date of occurrence according to the required format:

- I. When acquiring or disposing of real property or its right-of-use assets from or to a related party, or acquiring or disposing of assets other than real property or its right-of-use assets from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of total assets, or NT\$300 million or more. However, this restriction shall not apply to trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

- II. Engage in mergers, splits, acquisitions, or share transfers.
- III. Incur losses from derivatives trading reaching the maximum loss limits set forth in the established procedures for either all contracts or individual contracts.
- IV. Acquire or dispose of equipment or right-of-use assets for business operations where the transaction counterparty is not a related party, and the transaction amount meets one of the following criteria:
  - (I) For public companies with paid-in capital of less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
  - (II) For public companies with paid-in capital of NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
- V. A public company engaged in the construction business that acquires or disposes of real estate or right-of-use assets for construction use, where the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more. However, for companies with paid-in capital of NT\$10 billion or more, disposal of real estate from self-built completed construction projects where the trading counterparty is not a related party and the transaction amount reaches NT\$1 billion or more.
- VI. Acquisition of real estate through construction on self-owned land, construction on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, where the trading counterparty is not a related party and the Company's expected investment in the transaction reaches NT\$500 million or more.
- VII. For asset transactions, disposal of financial institution creditor's rights, or investments in China other than those referred to in the preceding six paragraphs, the transaction amount of which reaches 20% of the Company's paid-in capital or NT\$300 million or more. However, this restriction shall not apply to the following circumstances:
  - (I) Trading of domestic government bonds or foreign government bonds with credit ratings not lower than the sovereign rating of Taiwan.
  - (II) For professional investors, the securities trading conducted at securities exchanges or securities firms' business offices, or subscription of foreign government bonds in the primary market, or subscription or issuance of ordinary corporate bonds and general financial bonds not involving equity (excluding subordinated bonds), or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or resale of exchange traded notes, or securities acquired or disposed of by a securities firm for underwriting business needs, or when acting as the recommending securities firm for an emerging stock company, pursuant to the regulations of the Taipei Exchange.
  - (III) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.



The calculation of the previous transaction amount is based on the following method:

- I. The amount of each transaction.
- II. The cumulative amount of transactions of the same nature with the same counterparty within one year.
- III. The cumulative amount of real estate or right-of-use assets acquired or disposed of (acquisition and disposal are accumulated separately) for the same development project within one year.
- IV. The cumulative amount of the same security acquired or disposed of (acquisition and disposal are accumulated separately) within one year.

The one-year period mentioned in the preceding paragraph refers to the one year preceding the date of occurrence of the current transaction, and items that have already been publicly announced in accordance with regulations need not be counted again.

The Company and its subsidiaries shall, before the 10th day of each month, enter information regarding the status of derivatives transactions engaged in up to the end of the preceding month by the Company and any of its subsidiaries that are not domestic companies, in the prescribed format into the information reporting website designated by the Financial Supervisory Commission.

The Company and its subsidiaries shall, within two days of becoming aware, reannounce and report all items if there are errors or omissions in items that should be announced according to regulations and that require correction.

For assets acquired or disposed of by the Company and its subsidiaries, relevant contracts, meeting minutes, record books, appraisal reports, and opinions from CPAs, attorneys, or securities underwriters shall be kept at the Company for at least five years, unless otherwise stipulated by other laws.

Article 32 After the Company and its subsidiaries have announced and reported transactions in accordance with the last article, if any of the following circumstances occur, the Company shall announce and report the relevant information on the website designated by the Financial Supervisory Commission within two days from the date of the occurrence:

- I. The original contracts or agreements related to the transaction have been changed, terminated, or dissolved.
- II. The merger, spin-off, acquisition, or share transfer was not completed according to the scheduled date in the contract.
- III. The original public announcement and filing content has been changed.

## **Chapter 4 Supplementary Provisions**

Article 33 State-owned enterprises acquiring or disposing of assets shall comply with the information disclosure requirements in the preceding chapter, but may be exempted from other provisions of these Procedures.

- Article 34      When subsidiaries of the Company and subsidiaries of subsidiaries that are not domestic public companies acquire or dispose of assets under circumstances requiring public announcement and reporting as stipulated in the preceding chapter, the Company shall make such announcements and reports on their behalf.
- For subsidiaries applying the standards for public announcement and reporting as stipulated in Paragraph 1 of Article 31, the paid-in capital or total assets shall be determined based on the paid-in capital or total assets of the Company and its subsidiaries.
- Article 35      In these Procedures, the calculation of “10% of total assets” is based on the total assets amount in the most recent individual financial reports prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- For companies with no-par-value shares or shares with par value not denominated in NT\$10, the transaction amount provision regarding 20% of paid-in capital in these Procedures shall be calculated as 10% of equity attributable to the parent company owners; the transaction amount provision regarding paid-in capital of NT\$10 billion in these Procedures shall be calculated as NT\$20 billion of equity attributable to the parent company owners.
- Article 36      Supplementary Provisions
- Any matters not stipulated in these Procedures shall be handled in accordance with relevant laws and regulations.

The Procedures were approved by the Shareholders’ Meeting on June 28, 2013 for the first time.

The Procedures were passed by the Shareholders’ Meeting for the second time on June 20, 2016.

The Procedures were passed by the Board of Directors for the third time on March 27, 2017.

The Procedures were passed by the Shareholders’ Meeting for the third time on June 20, 2017.

The Procedures were passed by the Board of Directors for the fourth time on May 6, 2019.

The Procedures were passed by the Shareholders’ Meeting for the fourth time on June 19, 2019.

The Procedures were passed by the Board of Directors for the fifth time on March 7, 2022.

The Procedures were passed by the Shareholders’ Meeting for the fifth time on June 15, 2022.

**GSeven Co., Ltd.**

**Regulations Governing Directors' Remuneration**

Article 1 These Regulations are established to provide guidelines for the remuneration of the Company's directors and functional committee members.

Article 2 The remuneration of directors and functional committee members referred to in these Regulations includes the following:

- I. Remuneration: The remuneration allocated from annual earnings in accordance with the Company's Articles of Incorporation.
- II. Remuneration: The fixed remuneration for independent directors established in accordance with the Company's Articles of Incorporation and the fixed remuneration for external committee members who are not independent directors in accordance with the organizational charters of the Company's functional committees.
- III. Business execution expenses: Transportation allowances for attending Board of Directors meetings, functional committee meetings, or shareholders' meetings.

Article 3 Amount and Distribution Method of Remuneration for Directors and Functional Committee Members

- I. Remuneration for Independent Directors:

Their fixed remuneration is NT\$200,000 per year. They do not participate in the directors' remuneration allocated from the annual profit distribution. Payment is made on December 31 of each year. For those serving less than one year, the remuneration will be paid in proportion to the number of months served during the year. The above is applicable from January 1, 2024.

- II. Remuneration for Non-Independent Directors:

According to the resolution passed by the shareholders' meeting on the annual earnings distribution proposal, the maximum total remuneration and weighted distribution points are as follows:

- (I) Maximum Total Remuneration for Non-Independent Directors:

EPS after tax	Maximum total remuneration
> 2	1.5% of net income after tax
≤ 2	1% of net income after tax
≤ 1.5	0.5% of net income after tax
≤ 1	No remuneration distribution

(II) Non-independent directors are assigned weights according to the following methods, and distribution is made based on the weighted results:

1. Base points for non-independent directors is 1.
2. Acting as a joint guarantor due to the Company's financing needs adds a weight of 3.
3. One additional point for Board of Directors meeting attendance rate of 80% or above.
4. One additional point for other significant contributions, subject to discussion and approval by the Board of Directors.

(III) Calculation method:

Individual weight of a non-independent director  $\times$  Term of service (calculated monthly) / Total weight of all non-independent directors participating in the distribution, multiplied by the maximum total remuneration amount in the table above.

III. Business Execution Expenses for Each Director:

For each non-independent director attending Board of Directors meetings, functional committee meetings, or shareholders' meetings, the transportation allowance shall be NT\$2,000 per person per meeting. For directors residing in or north of Taichung City and for independent directors, the transportation allowance shall be NT\$5,000 per person per meeting.

IV. Remuneration for Functional Committee Members:

External functional committee members who are not independent directors shall receive a fixed remuneration of NT\$50,000 per year. For those serving less than one year, the remuneration shall be calculated proportionally based on the number of months served relative to the full year.

Article 4 These Regulations shall become effective upon approval by the Shareholders' Meeting and the Board of Directors is authorized to implement them. The same procedure shall apply to any amendments.

**GSeven Co., Ltd.****Directors' Shareholding Status**

- I. As of the book closure date for this Annual Shareholders' Meeting on April 21, 2025, the Company's paid-in capital is NT\$395,836,140, with a total of 39,583,614 issued shares.
- II. According to Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum number of shares required to be held by all directors is 3,600,000 shares.
- III. The shareholding details of the directors are as follows:

Title	Name	Number of shares currently held	
		Number of shares	Shareholding ratio
Chairman	Lu, Chien-san	620,000	1.57%
Director	Su, Tsai-Chi	354,390	0.89%
Director	Yu, Kun-Hsi	965,094	2.44%
Director	Ji Li Investment Co., Ltd.	6,960,945	17.59%
Independent Director	Chen, Ya-Chuan	—	—
Independent Director	Lai, Hsin-Chung	—	—
Independent Director	Chao, Chang-Ju	—	—
Total of all directors		8,900,429	22.49%

*FOR THE  
SOUND OF  
STYLE*

