

Tze Shin International Co., Ltd.

Minutes of 2024 Annual Shareholders' Meeting

Type of Meeting: Physical Meeting

Time: June 25, 2024 (Tuesday) at 9:00 am.

Place: No. 83, Sec. 3, Civic Blvd., Zhongshan Dist., Taipei City, Taiwan

(MIRAMAR GARDEN HOTEL TAIPEI 2F)

Attendance: The total number of shares represented by shareholders and proxies present was 98,090,661 shares (among them 92,740,689 shares of voting rights were exercised by electronic means), accounting for 51.89% of the total 189,002,272 shares issued by the Company.

Directors in attendance: Durban Development Co., Ltd. Representative: Chun-Fa Huang, TienPin Development Co., Ltd. Representative: Ming-Tan Hsu, TienPin Development Co., Ltd. Representative: Wei-Te Hsu, Independent Director: Sheng-Yu Liang (Convener of the Audit Committee). (exceeding half of the total number of the Company's directors which is seven)

Other attendees: Han-Ni Fang, CPA ; Jui- Yuan Chiu, Lawyer

Chairperson: Chairman Chun-Fa Huang

Minutes Taker: Yen-Wen Lin

I. Call the Meeting to Order

II. Chairperson's Remarks: Omitted

III. Matters to be Reported:

(I) 2023 Business Report. (See Attachments)

(II) 2023 Audit Committee Report. (See Attachments)

(III) Report on distribution of 2023 director and employee remuneration.

1. Article 27 of the Articles of Incorporation states that if the Company has any profits for any fiscal year, it shall allocate 1% as employee remuneration and no more than 1% as director remuneration. The distribution of employee and director remuneration shall be made by the board of directors with the resolution of more than two-thirds of the directors present and the approval of more than half of the directors present, which shall be submitted to the shareholders' meeting.

2. The 2023 distribution of remuneration to employees and directors is NT\$4,797,028 and NT\$4,797,028, respectively. There is no difference between the amount and the amount of expenses recognized in 2023. Both were distributed in cash to the Company's directors (excluding independent directors) and employees (including managers).

(IV) Report on 2023 Distribution of Earnings as Cash Dividends.

1. According to the Company's Articles of Incorporation, when dividends are paid in the form of cash, the Board of Directors is authorized to do so with the approval of a majority of directors attending the meeting and at least two-thirds of the directors are present voting to approve the resolution, and the matter shall be reported to the shareholders' meeting.
2. The Company's Board of Directors resolved on March 13, 2024 to distribute cash dividends of NT\$2.3 per share from the distributable earnings, totaling NT\$434,705,230. Cash dividends shall be rounded down to the nearest NTD, and the fraction less than NTD 1 distributed shall be included in the Company's other income.
3. The cash dividend distribution was approved by the Board of Directors on May 14, 2024; it is proposed to set July 2, 2024 as the ex-dividend trading date, July 8, 2024 as the ex-dividend base date, and July 31, 2024 as the cash dividend date. If there is any change in the date of dividend distribution, it is intended to authorize the chairman to handle such matters.

(V) Other reporting topics.

2023 Report on Receipt of Directors' Remuneration

1. Remuneration payment policies, criteria and composition of profit sharing from earnings, procedures to determine profit sharing from earnings, and their interrelations with business performance and future risks:

| Item | Explanation |
|---|---|
| Remuneration policies, standards and packages | <p>I. Fixed expenses of traveling and attendance: Based on the provisions of Article 16-1 of the "Articles of Incorporation", according to their respective engagement of participation in operation and contribution of individual directors and in consideration of the general market conditions of the industry, directors (including independent directors) will be paid with traveling expenses (also applicable to independent directors), and directors (including independent directors) have not been paid with variable remuneration. Directors who concurrently act as managerial officers shall also be handled in accordance with the regulations on remuneration of managerial officers.</p> <p>II. Remuneration for directors: According to Article 27 of the</p> |

| Item | Explanation |
|---|--|
| | <p>“Articles of Incorporation”, if there is any profit in a particular year, no more than 1% of such profit shall be distributed as remuneration for directors., which is not applicable to independent directors.</p> |
| <p>Procedures for determining remuneration</p> | <p>I. Based on the survey results of directors’ remuneration among the industry at the end of each year and the evaluation results carried out in accordance with the “Guidelines for Assessment of Performance of Board of Directors”.</p> <p>II. The results of self-assessment of performance of the board of directors, director members and members of each functional committee all reach good and excellent standards. The assessment items include: 1. Engagement in the Company’s operations, 2. Decision-making quality, 3. Responsibility awareness, 4. Continuous education, and 5. Internal control, etc., and only fixed expenses for traveling and attendance will be issued according to the self-assessment results.</p> <p>III. The relevant performance assessment and remuneration rationality of the Company’s directors are regularly evaluated and reviewed by the Remuneration Committee and the board of directors every year. In addition to referring to the individual’s performance achievement rate and contribution to the Company, the Company’s overall operating performance and future risks of the industry, and development trends are also taken into account when reviewing the remuneration system from time to time depending on the actual operating conditions and relevant laws and regulations. Further, after overall consideration of the current corporate governance trend, reasonable remuneration will be distributed to achieve a balance between the Company’s sustainable operation and risk control.</p> <p>IV. The actual amount of the director’s remuneration distributed shall be determined by the board’s meeting after deliberation by the Remuneration Committee.</p> |
| <p>Correlation with business performance and future risks</p> | <p>The review of payment standards and systems related to the Company’s remuneration policies is based on the Company’s overall operating conditions as the major consideration. Among the directors’ remuneration, only the director’s remuneration is based on Article 27 of the “Articles of Incorporation”, which stipulates that “If the Company has any profits for any fiscal year, it shall allocate no more than 1% as director remuneration”, which is distributed according to a fixed number of weights and shall have a certain correlation with operating performance, but the level of such correlation in terms of risk of future operation is relatively low.</p> |

2. Remuneration for directors:

Unit: NTS thousand

| Title | Name | Profit sharing from earnings for directors | | | | | | | | Percentage of the sum of A to D in net profit after tax | | Profit sharing from earnings for directors who are concurrently employees | | | | | | | | Percentage of the sum of A to G in the net profit after tax | | Related profit sharing from earnings from investees other than remuneration from the subsidiaries or the parent company |
|----------------------|------------------------------------|--|---|--|---|-------------------------------|---|---------------------------------|---|---|---|---|---|--|---|-------------------------------|---|---|---|---|---|---|
| | | Remuneration (A) | | Severance Pay/Retirement Allowance (B) | | Remuneration of directors (C) | | Business execution expenses (D) | | | | Salaries, bonuses, and special expenses (E) | | Severance Pay/Retirement Allowance (F) | | Remuneration to employees (G) | | | | | | |
| | | The company | All firms disclosed in the financial statements | The company | All firms disclosed in the financial statements | The company | All firms disclosed in the financial statements | The company | All firms disclosed in the financial statements | The company | All firms disclosed in the financial statements | The company | All firms disclosed in the financial statements | The company | All firms disclosed in the financial statements | The company | | All firms disclosed in the financial statements | | The company | All firms disclosed in the financial statements | |
| Chairman | Durban Development Co., Ltd. | 0 | 0 | 0 | 0 | 2,617 | 2,617 | 0 | 0 | 2,617 0.56 | 2,617 0.56 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,617 0.56 | 2,617 0.56 | None |
| | Representative: Chun-Fa Huang | 0 | 0 | 0 | 0 | 0 | 0 | 180 | 180 | 180 0.04 | 180 0.04 | 1,377 | 1,377 | 0 | 0 | 960 | 0 | 960 | 0 | 2,517 0.54 | 2,517 0.54 | 1,980 |
| Director | Representative: Chun-Tsao Huang | 0 | 0 | 0 | 0 | 0 | 0 | 180 | 240 | 180 0.04 | 240 0.05 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 180 0.04 | 240 0.05 | 160 |
| Vice Chairman | TienPin Development Co., Ltd. | 0 | 0 | 0 | 0 | 2,180 | 2,180 | 0 | 0 | 2,180 0.47 | 2,180 0.47 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,180 0.47 | 2,180 0.47 | None |
| | Representative: Ming-Tan Hsu | 0 | 0 | 0 | 0 | 0 | 0 | 180 | 480 | 180 0.04 | 480 0.10 | 1,441 | 1,681 | 0 | 0 | 1,334 | 0 | 1,334 | 0 | 2,955 0.63 | 3,495 0.75 | None |
| Director | Representative: Wei-Te Hsu | 0 | 0 | 0 | 0 | 0 | 0 | 180 | 420 | 180 0.04 | 420 0.09 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 180 0.04 | 420 0.09 | None |
| Independent Director | Sheng-Yu Liang | 0 | 0 | 0 | 0 | 0 | 0 | 375 | 375 | 375 0.08 | 375 0.08 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 375 0.08 | 375 0.08 | None |
| Independent Director | Chui-Ming Peng | 0 | 0 | 0 | 0 | 0 | 0 | 335 | 335 | 335 0.07 | 335 0.07 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 335 0.07 | 335 0.07 | None |
| Independent Director | Jui-Hsiang Huang | 0 | 0 | 0 | 0 | 0 | 0 | 305 | 305 | 305 0.07 | 305 0.07 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 305 0.07 | 305 0.07 | None |

1. The consolidated net income after tax for 2023 was NT\$467,964 thousand, and the Company's directors' remuneration accounted for 1.3958% of the net profit after tax.
2. Except as disclosed in the above Table, the remuneration received by the directors of the Company in the most recent year for providing services (such as serving as a non-employee consultant of the parent company/all companies in the financial report/reinvested business, etc.): 0.

IV. Ratification Topics:

Motion 1

[Proposal from Board of Directors]

Subject: Present the Company's 2023 business report and financial statements for ratification.

Description:

- I. The Company's 2023 annual parent only financial statements and consolidated financial statements (see Attachments) have been audited by CPAs Han-Ni Fang and Chao-Yu Chen from Deloitte & Touche.
- II. The above-mentioned financial statements and business report (see Attachments) have been reviewed and completed by the Audit Committee.
- III. Please ratify.

Resolution: The shareholders present had a total of 94,876,887 votes in voting rights, and the motion was passed.

| Voting Result | % of Attending Shareholders' Votes |
|---|------------------------------------|
| Approval Votes: 82,743,311 (Including Electronic Votes: 80,611,113) | 87.21% |
| Disapproval Votes: 108,949 (Including Electronic Votes: 108,949) | 0.11% |
| Abstention Votes/No Votes: 12,024,627 (Including Electronic Votes: 12,020,627) | 12.67% |
| Invalid Votes: 0 | 0.00% |

Motion 2

[Proposal from Board of Directors]

Subject: The Company's 2023 proposal for recognition of earnings distribution.

Description:

- I. The Company's undistributed earnings at the beginning of the period amounted to NT\$153,134,898. After the addition of NT\$10,528,164 of accumulated gain on disposal of equity investment measured through other comprehensive income transferred to retained earnings, and the adjustment of retained earnings of NT\$848,117 due to investments under the equity method, the decrease in the remeasurement of the defined benefit plan was recognized in the retained earnings for NT\$108,462; the 2023 net income after tax was NT\$467,964,456, and the legal reserve allocated was NT\$47,923,228; the earnings available for current distribution were NT\$584,443,945; proposed distribution of shareholders' dividends in accordance with the Company's Articles of Incorporation: Cash dividends - NT\$2.3 per share, totaling NT\$434,705,230 (See Attachments).

- II. The cash dividends are distributed proportionately to the nearest NTD, and the fraction less than NTD 1 will be recognized as the Company's other income.
- III. According to the Company's Articles of Incorporation, when dividends are paid in the form of cash, the Board of Directors is authorized to do so with the approval of a majority of directors attending the meeting and at least two-thirds of the directors are present voting to approve the resolution, and the matter shall be reported to the shareholders' meeting.
- IV. The ex-dividend record date and dividend payment date, or if the number of outstanding shares is affected as a result of the repurchase or cancellation of the Company's treasury shares, the Board of Directors is authorized to determine and announce the changes in the dividend rate to shareholders.
- V. Please ratify.

Resolution: The shareholders present had a total of 94,876,887 votes in voting rights, and the motion was passed.

| Voting Result | % of Attending Shareholders' Votes |
|---|------------------------------------|
| Approval Votes: 82,746,440 (Including Electronic Votes: 80,614,242) | 87.21% |
| Disapproval Votes: 107,818 (Including Electronic Votes: 107,818) | 0.11% |
| Abstention Votes/No Votes: 12,022,629 (Including Electronic Votes: 12,018,629) | 12.67% |
| Invalid Votes: 0 | 0.00% |

V. Discussion Topics:

Motion 1

[Proposal from Board of Directors]

Subject: Submit the amendment to the Articles of Incorporation for discussion.

Description:

- I. To adjust the remuneration of employees and directors, and the dividend policy, the Company intends to amend some provisions of the Articles of Incorporation. Please refer to the comparison table before and after amendment for the amended content. (See Attachments)
- II. Please discuss.

Resolution: The shareholders present had a total of 94,876,887 votes in voting rights, and the motion was passed.

| Voting Result | % of Attending Shareholders' Votes |
|---|------------------------------------|
| Approval Votes: 82,748,109 (Including Electronic Votes: 80,615,911) | 87.21% |
| Disapproval Votes: 114,748 (Including Electronic Votes: 114,748) | 0.12% |
| Abstention Votes/No Votes: 12,014,030 (Including Electronic Votes: 12,010,030) | 12.66% |
| Invalid Votes: 0 | 0.00% |

VI. Extraordinary Motions None.

VII. Adjournment The chair declares meeting adjourned. (9:18am on the same day)

(There were no questions raised by the shareholders at this AGM.)

This translated document of the Chinese text is for reference only. If there is any discrepancy between the English version and the Chinese version, the Chinese version prevails.

Attachments

Tze Shin International Co., Ltd.

Business Report

1. 2023 Business Report

In 2023, due to factors such as high interest rates, high inflation, and China's post-pandemic weaker than expected economic performance, the global demand for end products was weak, resulting in a slowdown of manufacturing activities in various countries. In addition, the US-China chip ban, the Russo-Ukrainian war, and the Israel-Palestine conflict to the present. Before it rests, global geopolitics tends to bloc rivalries, which has an impact on global economic development and social stability.

Domestically, the domestic service industry has shown a trend of expansion after the pandemic. The performance of retail, tourism, and personnel transportation industries has improved significantly compared to 2022. However, the slowdown of global trade expansion has not only impacted Taiwan's exports and export orders, but also made enterprises investment affected. Taiwan's economic growth rate showed declines in the fourth quarter of 2022 and the first quarter of 2023, and turned from negative to positive in the second quarter. The annual economic growth rate was 1.31%.

In response to this overall change, the Company has consolidated the non-performing departments to save expenses. In the transportation business, in response to the volatile international situation and the competitive environment where the industry is faced with eliminating the weak and retaining the strong, the Company adheres to the principles of "Pursuing Excellence, Sustainable Operation" and "Integrity First, Service First", we provide safe, fast, and reliable overall services. We also continue to create differences and implement the spirit of ESG to provide customers with good transportation quality. With the efforts of all employees, the construction business continues to do a good job in quality supervision and cost control, which will contribute significantly to the Company's future growth. After the reinvestment in the "Miramar Garden Taipei" started in November 2022, it took nearly three months to upgrade the equipment in the entire building. The brand-new deluxe guest rooms were re-opened in January 2023 to welcome guests. Travelers have gradually recovered, and the occupancy rate has been close to the pre-pandemic level in the second half of 2023. In addition, the Company continues to invest in quality listed (OTC) stocks for profit.

For 2023, the operating revenue was NT\$617,327 thousand, a decrease of NT\$112,640 thousand compared with NT\$729,967 thousand in the previous year, and the rate of decrease was 15%; the operating loss was NT\$47,947 thousand, an increase of NT\$32,044 thousand from the net operating loss of NT\$15,903 thousand in the previous year; net income was NT\$475,831 thousand, a significant improvement from the net loss after tax of NT\$245,162 thousand in the previous year.

2. 2024 Business Plan Overview

It is expected that Taiwan's economic growth in 2024 will be mainly supported by consumption and investment, and external demand will recover. In terms of foreign trade, as the global electronics industry has improved and global trade has bottomed out, the

annual growth rate of Taiwan's exports has recently turned positive, indicating that the strong demand for high-tech products in the United States has driven the global trade to come to an end. The terminal demand is expected to gradually recover. The Directorate-General of Budget, Accounting and Statistics released a forecast that as the world trade volume rebounds, driven by exports, Taiwan's economic growth rate will reach 3.43% this year.

In 2024, the construction department of the Company expects to launch a project in Zhunan Town, Miaoli County, and will carefully look for suitable projects for planning and construction, in order to achieve stable long-term development goals. In addition, the Company combined the cross-industry experience and resources of affiliated companies to expand the scope of investment, pay attention to the development of the green energy industry and ESG issues, strengthen sustainable competitiveness, and create group synergies with a diversified business model, which will create greater benefits for the Company's shareholders in the best interest of all, and thank you for your long-term support and encouragement.

Chairman: Chun-Fa
Huang

Managerial Officer:
Ming-Tan Hsu

Head-Finance &
Accounting: Hsiu-Chi
Chen

Audit Committee Report

It is hereby certified that

The 2023 business report, parent company only financial statements, consolidated financial statements, and proposal for appropriation for earnings distribution submitted by the board of directors, among which the financial statements have been audited by CPAs Han-Ni Fang and Chao-Yu Chen from Deloitte & Touche, and an audit report has been issued. The above-mentioned documents have been reviewed by the Audit Committee, and it is confirmed that there is no discrepancy. Hence a report is prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for review.

For

2024 Shareholders' Meeting of Tze Shin International Co., Ltd.

Tze Shin International Co., Ltd.
Convener of the Audit Committee

Sheng-Yu Liang

March 13, 2024

Independent Auditors' Report

Shareholders and the Board of Directors of Tze Shin International Co., Ltd.,

Audit opinions

We have reviewed the parent company only balance sheet of Tze Shin International Co., Ltd. as of December 31, 2023 and 2022 and the parent company only statement of comprehensive income, parent company only statement of changes in equity, parent company only statement of cash flows, and notes to parent company only financial statements (including the summary of accounting policies) for the years ended December 31, 2023 and 2022.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for the audit opinion

We conducted the audit in accordance with the Regulations Governing the Audit of Financial Statements and Auditing Standards. Our responsibility under those standards is further described in the section of "Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements." We are independent of Tze Shin International Co., Ltd. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results, we believe that sufficient and appropriate audit evidence has been obtained in order to serve as the basis for expressing the audit opinion.

Key audit matters

Key audit matters are those, in our professional judgment, the most significant matters in the audit of the 2023 annual parent company only financial statements of Tze Shin International Co., Ltd.. These matters were addressed in our audit of the parent company only financial statements as a whole, and in forming our audit opinion. We do not provide a separate opinion on these matters.

Key audit matters for Tze Shin International Co., Ltd., the Parent Company Only Financial Statements for the year ended December 31, 2023 are stated as follows:

Generation of operating revenue (including operating revenue of subsidiaries invested under the equity method)

Operating revenue is a matter of great concern to the management and investors. The operating income of Tze Shin International Co., Ltd. and its subsidiaries mainly comes from transportation services and the operation of international tourist hotels, among which transportation income accounts for 60% and hence significantly impacts the financial statements of the parent company only for this year. Therefore, we recognized the transportation revenue as a key audit matter during the current year's audit.

We have implemented the main verification procedures for the above key verification items as follows:

1. Understand and test the design and implementation effectiveness of internal controls related to the occurrence of transportation revenue recognition.
2. Select samples from the transportation revenue in 2023, carry out detailed verification tests, check the transaction vouchers and the subsequent payment situation, and confirm the occurrence of revenue recognition.
3. Send the official letter to confirm the balance of the accounts receivable at the end of the year, and implement alternative procedures for those who fail to receive the confirmation reply in time, including checking transaction vouchers and observing the collection status after the period.

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

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

In preparing the parent company only financial statements, the management is responsible for assessing the ability of the Company in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Company or cease the operations without other viable alternatives.

The governing body of the Company (including the Audit Committee) is responsible for supervising the financial reporting process.

Auditor's responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance on whether the parent company only financial statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the parent company only financial statements, they are considered material.

We have utilized our professional judgment and maintained professional doubt when performing the audit work in accordance with the auditing standards in the Republic of China. We also perform the following tasks:

1. Identify and assess the risks of material misstatement arising from fraud or error within the parent company only financial statements; design and execute countermeasures in response to said risks, and obtain sufficient and appropriate audit evidence to provide a basis of our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Conclude on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the parent company only financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements adequately present the relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within Tze Shin International Co., Ltd. to express an opinion on the parent company only financial statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion on Tze Shin International Co., Ltd.

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

We also provided the governing body with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and communicated with them all relationships and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing body, we determined the key audit matters for the audit of the Company's parent company only financial statements for the year ended December 31, 2023. We have clearly indicated such matters in the auditors' report unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, we decided not to communicate over specific items in the auditors' report, for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Deloitte & Touche
CPA Han-Ni Fang

CPA Chao-Yu Chen

Approval No. of Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No.1090347472

Approval No. of Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No.1110348898

March 13, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Tze Shin International Co., Ltd.
Parent Only Balance Sheets
December 31, 2023 and 2022

Unit: NT\$ thousand

| Code | Assets | December 31, 2023 | | December 31, 2022 | |
|------|---|---------------------|------------|---------------------|------------|
| | | Amount | % | Amount | % |
| | Current assets | | | | |
| 1100 | Cash (Notes 4 and 6) | \$ 594,515 | 19 | \$ 221,049 | 9 |
| 1110 | Financial assets at fair value through profit or loss - current (Notes 4, 7 and 26) | 1,107,024 | 36 | 1,041,745 | 41 |
| 1120 | Financial assets measured at fair values through other comprehensive income - current (Notes 4, 8 and 26) | 147,000 | 5 | 139,900 | 6 |
| 1136 | Financial assets measured at amortized cost - current (Notes 4, 9 and 26) | 50 | - | 100 | - |
| 1150 | Net notes receivable (Notes 4, 10, 21 and 25) | 70,000 | 2 | 2,598 | - |
| 1170 | Net accounts receivable (Notes 4, 10, 21, and 25) | - | - | 9,902 | - |
| 1180 | Accounts receivable - related parties, net | - | - | 44 | - |
| 1200 | Other receivables, net (Notes 4.10 and 27) | 24,827 | 1 | 908 | - |
| 1210 | Other receivables - related parties (Notes 4, 12 and 25) | 8 | - | 8 | - |
| 1220 | Current income tax assets (Notes 4 and 21) | 837 | - | 817 | - |
| 1310 | Net inventory (Notes IV, 11 and 26) | 185,410 | 6 | 166,374 | 7 |
| 1479 | Other current assets | 15,415 | 1 | 5,276 | - |
| 11XX | Total current assets | <u>2,145,086</u> | <u>70</u> | <u>1,588,721</u> | <u>63</u> |
| | non-current assets | | | | |
| 1510 | Financial assets at fair value through profit or loss - non-current (Notes 4 and 7) | - | - | 383 | - |
| 1517 | Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8) | 213,898 | 7 | 165,926 | 7 |
| 1550 | Investment under equity method (Notes 4, 5 and 12) | 342,109 | 11 | 341,360 | 13 |
| 1600 | Property, plant and equipment (Notes 4, 13 and 26) | 168,660 | 6 | 169,250 | 7 |
| 1755 | Right-of-use assets (Notes 3, 4 and 14) | 6,159 | - | 4,183 | - |
| 1760 | Investment property (Notes 4, 15, 19 and 26) | 30,026 | 1 | 30,026 | 1 |
| 1780 | Intangible assets (Note 4) | 84 | - | 45 | - |
| 1840 | Deferred income tax assets (Notes 4 and 21) | 67,468 | 2 | 69,596 | 3 |
| 1920 | Refundable deposits | 80,699 | 3 | 150,748 | 6 |
| 15XX | Total non-current assets | <u>909,103</u> | <u>30</u> | <u>931,517</u> | <u>37</u> |
| 1XXX | Total assets | <u>\$ 3,054,189</u> | <u>100</u> | <u>\$ 2,520,238</u> | <u>100</u> |
| | Financial liabilities and equity | | | | |
| | Current liabilities | | | | |
| 2150 | Notes payable | \$ - | - | \$ 6,370 | - |
| 2170 | Accounts payable | 18,128 | 1 | 6,419 | - |
| 2200 | Other payables (Notes 17 and 25) | 22,048 | 1 | 17,377 | 1 |
| 2220 | Other payables - related parties | 389 | - | - | - |
| 2250 | Liability reserves - current (Note 4) | - | - | 133 | - |
| 2280 | Lease liabilities - current (Notes 3, 4 and 14) | 3,003 | - | 2,982 | - |
| 2399 | Other current liabilities | 3,695 | - | 6,846 | 1 |
| 21XX | Total current liabilities | <u>47,263</u> | <u>2</u> | <u>40,127</u> | <u>2</u> |
| | Non-current liabilities | | | | |
| 2570 | Deferred tax liabilities | - | - | 11 | - |
| 2580 | Lease liabilities - non-current (Notes 3, 4 and 14) | - | - | 1,111 | - |
| 2640 | Net defined benefit liabilities (Notes 4 and 18) | 5,621 | - | 5,358 | - |
| 2645 | Guarantee deposits | 225 | - | 175 | - |
| 25XX | Total non-current liabilities | <u>5,846</u> | <u>-</u> | <u>6,655</u> | <u>-</u> |
| 2XXX | Total liabilities | <u>53,109</u> | <u>2</u> | <u>46,782</u> | <u>2</u> |
| | Equity | | | | |
| 3110 | Ordinary shares | 1,890,023 | 62 | 1,890,023 | 75 |
| 3200 | Capital reserve | 20,886 | - | 20,857 | 1 |
| | Retained earnings | | | | |
| 3310 | Legal reserve | 309,697 | 10 | 309,697 | 12 |
| 3350 | Unappropriated earnings | 632,367 | 21 | 153,135 | 6 |
| 3300 | Total retained earnings | 942,064 | 31 | 462,832 | 18 |
| 3400 | Other equity | 148,107 | 5 | 99,744 | 4 |
| 3XXX | Total Equity | <u>3,001,080</u> | <u>98</u> | <u>2,473,456</u> | <u>98</u> |
| | Total liabilities and equity | <u>\$ 3,054,189</u> | <u>100</u> | <u>\$ 2,520,238</u> | <u>100</u> |

The accompanying notes form an integral part of the parent company only financial statements.

Chairman: Chun-Fa Huang

Managerial Officer: Ming-Tan Hsu

Head-Finance & Accounting: Hsiu-Chi Chen

Tze Shin International Co., Ltd.
Parent Only Statement of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NTD thousands; Earnings per share NT\$
Earnings (losses) in NTD

| Code | | 2023 | | 2022 | |
|------|--|-------------------|----------------|--------------------|----------------|
| | | Amount | % | Amount | % |
| 4000 | Net operating revenue (Notes 4, 19 and 25) | \$ 29,277 | 100 | \$ 127,728 | 100 |
| 5000 | Operating cost (Notes 11, 20 and 25) | <u>24,013</u> | <u>82</u> | <u>102,550</u> | <u>80</u> |
| 5950 | Gross profit | <u>5,264</u> | <u>18</u> | <u>25,178</u> | <u>20</u> |
| | Operating expense | | | | |
| 6200 | Administrative expenses (Notes 22 and 25) | 65,044 | 222 | 54,793 | 43 |
| 6450 | Expected credit impairment loss (Note 4 and 10) | <u>1,012</u> | <u>4</u> | <u>3,095</u> | <u>2</u> |
| 6000 | Subtotal | <u>66,056</u> | <u>226</u> | <u>57,888</u> | <u>45</u> |
| 6900 | Net operating loss | (<u>60,792</u>) | (<u>208</u>) | (<u>32,710</u>) | (<u>25</u>) |
| | Non-operating income and expenses | | | | |
| 7100 | Interest income | 4,501 | 15 | 1,423 | 1 |
| 7010 | Other income (Note 20) | 357,513 | 1,221 | 176,486 | 138 |
| 7020 | Other gains and losses (Note 20) | 162,116 | 554 | (411,698) | (322) |
| 7050 | Financial costs (Note 20) | (1,537) | (5) | (118) | - |
| 7070 | Share of profit or loss of subsidiaries and associates accounted for under the equity method | 9,885 | 34 | 5,387 | 4 |
| 7055 | Expected credit impairment loss (Note 10) | (<u>1,578</u>) | (<u>5</u>) | <u>-</u> | <u>-</u> |
| 7000 | Subtotal | <u>530,900</u> | <u>1,814</u> | (<u>228,520</u>) | (<u>179</u>) |
| 7900 | Net income (loss) before tax | 470,108 | 1,606 | (261,230) | (204) |
| 7950 | Income tax expenses (gains) (Notes 4 and 21) | <u>2,144</u> | <u>8</u> | (<u>1,387</u>) | (<u>1</u>) |
| 8000 | Net income (loss) of the year | <u>467,964</u> | <u>1,598</u> | (<u>259,843</u>) | (<u>203</u>) |

(Cont'd)

(Cont'd.)

| Code | | 2023 | | 2022 | |
|------|---|-------------------|--------------|-----------------------|----------------|
| | | Amount | % | Amount | % |
| | Other comprehensive income | | | | |
| | Not to be reclassified to profit or loss in subsequent periods: | | | | |
| 8311 | Re-measurement of defined benefit plan (Note 18) | (\$ 135) | - | \$ 2,486 | 2 |
| 8316 | Unrealized valuation gains of investments in equity instruments measured at fair value through other comprehensive income | 57,888 | 198 | (122,538) | (96) |
| 8330 | Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for under the equity method | 1,851 | 6 | (4,535) | (4) |
| 8349 | Income tax related to items not to be reclassified (Note 23) | <u>27</u> | <u>-</u> | (<u>497</u>) | <u>-</u> |
| 8300 | Other comprehensive income of the current year | <u>59,631</u> | <u>204</u> | (<u>125,084</u>) | (<u>98</u>) |
| 8500 | Total comprehensive profit and loss for the current year | <u>\$ 527,595</u> | <u>1,802</u> | (<u>\$ 384,927</u>) | (<u>301</u>) |
| | Earnings (losses) per share (Note 23) | | | | |
| 9710 | Basic | <u>\$ 2.48</u> | | (<u>\$ 1.37</u>) | |
| 9810 | Dilution | <u>\$ 2.47</u> | | (<u>\$ 1.37</u>) | |

The accompanying notes form an integral part of the parent company only financial statements.

Chairman: Chun-Fa Huang Managerial Officer: Ming-Tan Hsu Head-Finance & Accounting: Hsiu-Chi Chen

Tze Shin International Co., Ltd.
Parent Only Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand

| Code | | Additional paid-in capital (Note 18) | | | | Retained earnings (Notes 8 and 18) | | | Other equity | Total equity | |
|------|--|--------------------------------------|------------------------|---|--------|------------------------------------|-------------------------|-------------|--|--------------|--------------|
| | | Share capital | Treasury stock trading | Recognition of changes in ownership interests of subsidiaries | Others | Legal reserve | Unappropriated earnings | Total | Unrealized profit and loss on the financial assets measured at fair value through other comprehensive income | | |
| | | (Note 18) | | | | | | | | | |
| A1 | Balance as of January 1, 2022 | \$ 1,718,202 | \$ 20,348 | \$ 18 | \$ 492 | \$ 20,858 | \$ 272,218 | \$ 698,489 | \$ 970,707 | \$ 320,438 | \$ 3,030,205 |
| | Appropriations and distributions of 2021 earnings | | | | | | | | | | |
| B1 | Legal reserve | - | - | - | - | - | 37,479 | (37,479) | - | - | - |
| B5 | Cash dividends for shareholders | - | - | - | - | - | - | (171,821) | (171,821) | - | (171,821) |
| B9 | Stock dividends | 171,821 | - | - | - | - | - | (171,821) | (171,821) | - | - |
| C17 | Dividends not received by shareholders over time are transferred to capital reserves | - | - | - | (1) | (1) | - | - | - | - | (1) |
| D1 | Net of 2022 | - | - | - | - | - | - | (259,843) | (259,843) | - | (259,843) |
| D3 | Other comprehensive income after tax of 2022 | - | - | - | - | - | - | 2,788 | 2,788 | (127,872) | (125,084) |
| D5 | Total comprehensive profit and loss of 2022 | - | - | - | - | - | - | (257,055) | (257,055) | (127,872) | (384,927) |
| Q1 | Disposal of equity instruments measured at fair value through other comprehensive income | - | - | - | - | - | - | 92,822 | 92,822 | (92,822) | - |
| Z1 | Balance as of December 31, 2022 | 1,890,023 | 20,348 | 18 | 491 | 20,857 | 309,697 | 153,135 | 462,832 | 99,744 | 2,473,456 |
| C17 | Dividends not received by shareholders over time are transferred to capital reserves | - | - | - | 29 | 29 | - | - | - | - | 29 |
| D1 | Net of 2023 | - | - | - | - | - | - | 467,964 | 467,964 | - | 467,964 |
| D3 | Other comprehensive income after tax of 2023 | - | - | - | - | - | - | 740 | 740 | 58,891 | 59,631 |
| D5 | Total comprehensive profit and loss of 2023 | - | - | - | - | - | - | 468,704 | 468,704 | 58,891 | 527,595 |
| Q1 | Disposal of equity instruments measured at fair value through other comprehensive income | - | - | - | - | - | - | 10,528 | 10,528 | (10,528) | - |
| Z1 | Balance as of December 31, 2023 | \$ 1,890,023 | \$ 20,348 | \$ 18 | \$ 520 | \$ 20,886 | \$ 309,697 | \$ 632,367 | \$ 942,064 | \$ 148,107 | \$ 3,001,080 |

The accompanying notes form an integral part of the parent company only financial statements.

Chairman: Chun-Fa Huang

Managerial Officer: Ming-Tan Hsu

Head-Finance & Accounting: Hsiu-Chi Chen

Tze Shin International Co., Ltd.
Parent Only Statement of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: NTS thousand

| Code | 2023 | 2022 |
|--------------------------------------|---|----------------|
| Cash flows from operating activities | | |
| A00010 | \$ 470,108 | (\$ 261,230) |
| | Adjustments to reconcile profit (loss) | |
| A20100 | 9,777 | 14,070 |
| A20200 | 21 | 116 |
| A20300 | 2,590 | 3,095 |
| A20400 | Net (gain) loss of financial assets at fair value through profit or loss | 439,518 |
| A20900 | Finance costs | 118 |
| A21200 | Interest income | (1,423) |
| A21300 | Dividend income | (169,971) |
| A22400 | Share of profit of subsidiaries and associates accounted for under the equity method | (5,387) |
| A22500 | Gains from the disposal and scrap of property, plant, and equipment | (9,034) |
| A23200 | Disposal of investment gains using the equity method | (18,752) |
| A23800 | Gains on inventory devaluation and obsolescence recovery | (11,202) |
| A29900 | Others | (322) |
| | Net changes in operating assets and liabilities | |
| A31130 | Notes receivable | (1,085) |
| A31140 | Notes receivable - related parties | 94 |
| A31150 | Accounts receivables | 14,058 |
| A31160 | Accounts receivable - related parties | 1,936 |
| A31180 | Other receivables | (691) |
| A31190 | Other receivables - related parties | 13,588 |
| A31200 | Inventory | 12,946 |
| A31240 | Other current assets | 7,965 |
| A32130 | Notes payable | (3,216) |
| A32140 | Notes payable - related parties | (7,865) |
| A32150 | Accounts payable | 1,764 |
| A32160 | Accounts payable - related parties | (9,410) |
| A32180 | Other payables | (15,944) |
| A32190 | Other payables - related parties | (2) |
| A32230 | Other current liabilities | 588 |
| A32240 | Net confirmed benefit debt | 131 |
| A33000 | Cash outflow from operating activities | (5,547) |
| A33300 | Interest paid | (26) |
| A33500 | Income tax refunded (paid) | 668 |
| AAAA | Net cash outflow from operating activities | (4,905) |

(Cont'd)

(Cont'd.)

| Code | | 2023 | 2022 |
|--------|---|-------------------|--------------------|
| | Cash flows from investing activities | | |
| B00010 | Acquisition of financial assets measured at fair value through other comprehensive income | (\$ 56,219) | (\$ 210,132) |
| B00020 | Disposal of financial assets measured at fair value through other comprehensive income | 59,035 | 454,899 |
| B00040 | Acquisition of financial assets at amortized cost | (100) | (50) |
| B00050 | Disposal of financial assets measured at amortized cost | 150 | - |
| B00100 | Acquisition of financial assets at fair value through profit or loss | (632,871) | (1,345,495) |
| B00200 | Disposal of financial assets at fair value through profit or loss | 730,559 | 573,798 |
| B02300 | Net cash inflow from disposal of subsidiaries | - | 73,778 |
| B02700 | Purchase of property, plant and equipment | (1,250) | (1,524) |
| B02800 | Disposal of property, plant and equipment prices | 518 | 16,411 |
| B03700 | Increase in refundable deposits | - | (149,997) |
| B03800 | Decrease in refundable deposits | 70,049 | - |
| B04500 | Acquisition of intangible assets | (60) | - |
| B06800 | Decrease of other non-current assets | - | 1,387 |
| B07500 | Interest received | 4,354 | 1,523 |
| B07600 | Dividends received | 288,840 | 186,690 |
| B09900 | Refund of capital reduction of financial assets measured at fair value through profit or loss | - | 24,000 |
| BBBB | Net cash inflows (outflows) from investing activities | <u>463,005</u> | (<u>374,712</u>) |
| | Cash flows from financing activities | | |
| C03000 | Increase in guarantee deposits | 50 | - |
| C04020 | Lease liability principal repayments | (7,757) | (4,866) |
| C04500 | Cash dividends paid | - | (171,821) |
| CCCC | Net cash used in financing activities | (<u>7,707</u>) | (<u>176,687</u>) |
| EEEE | Net cash increase (decrease) | 373,466 | (556,304) |
| E00100 | Cash balance at the beginning of the year | <u>221,049</u> | <u>777,353</u> |
| E00200 | Year-end cash balance | <u>\$ 594,515</u> | <u>\$ 221,049</u> |

The accompanying notes form an integral part of the parent company only financial statements.

Chairman: Chun-Fa Huang Managerial Officer: Ming-Tan Hsu Head-Finance & Accounting: Hsiu-Chi Chen

Independent Auditors' Report

Shareholders and the Board of Directors of Tze Shin International Co., Ltd.,

Audit opinions

We have reviewed the consolidated balance sheet of Tze Shin International Co., Ltd. and its subsidiaries as of December 31, 2023 and 2022 and the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and notes to consolidated financial statements (including the summary of accounting policies) for the year ended December 31, 2023 and 2022.

Based on our opinion, we have found no circumstances causing the fair presentation of the consolidated financial position of Tze Shin International Co., Ltd. and its subsidiaries as of December 31, 2023 and 2022, and the consolidated financial performance and consolidated cash flows for the years ended based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission in all material perspectives.

Basis for the audit opinion

We conducted the audit in accordance with the Regulations Governing the Audit of Financial Statements and Auditing Standards. Our responsibility under those standards is further described in the section of "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements." We are independent of Tze Shin International Co., Ltd. and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results, we believe that sufficient and appropriate audit evidence has been obtained in order to serve as the basis for expressing the audit opinion.

Key audit matters

Key audit matters are those, in our professional judgment, the most significant matters in the audit of the 2023 annual consolidated financial statements of Tze Shin International Co., Ltd. and subsidiaries. These matters were addressed in our audit of the consolidated financial statements as a whole, and in forming our audit opinion. We do not provide a separate opinion on these matters.

Key audit matters for Tze Shin International Co., Ltd. and subsidiaries' 2023 Consolidated Financial Statements for the year ended December 31, 2023 are stated as follows:

Operating revenue

Operating revenue is a matter of great concern to the management and investors. The operating income of Tze Shin International Co., Ltd. and its subsidiaries mainly comes from transportation services and the operation of international tourist hotels, among which transportation income accounts for 60% and hence significantly impacts the financial statements of the merged company for this year. Therefore, we listed whether the transportation revenue actually occurred as a key verification item during the audit this year. For the accounting policies and relevant disclosure information related to the recognition of transportation revenue, please refer to Note 4 to the financial statements.

We have implemented the main verification procedures for the above key verification items as follows:

1. Understand and test the design and implementation effectiveness of internal controls related to the occurrence of transportation revenue recognition.
2. Select samples from the transportation revenue in 2023, carry out detailed verification tests, check the transaction vouchers and the subsequent payment situation, and confirm the occurrence of transportation revenue recognition.

3. Send the official letter to confirm the balance of the accounts receivable at the end of the year, and implement alternative procedures for those who fail to receive the confirmation reply in time, including checking transaction vouchers and observing the collection status after the period.

Others

Tze Shin International Co., Ltd. has prepared the parent company only financial statements for the years ended December 31, 2023 and 2022 for which we have issued an unqualified opinion.

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

Management is responsible for the preparation and fair representation of the consolidated financial statements in accordance with IFRS, IAS, IFRICs and SICs endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the ability of the Group in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Group or cease the operations without other viable alternatives.

The governing body of the Group (including the Audit Committee) is responsible for supervising the financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the consolidated financial statements, they are considered material.

We have utilized our professional judgment and maintained professional doubt when performing the audit work in accordance with the auditing standards in the Republic of China. We also perform the following tasks:

1. Identify and assess the risks of material misstatement arising from fraud or error within the consolidated financial statements; design and execute countermeasures in response to said risks, and obtain sufficient and appropriate audit evidence to provide a basis of our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Conclude on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the consolidated financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up

to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately present the relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Group.

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

We also provided the governing body with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and communicated with them all relationships and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing body, we determined the key audit matters for the audit of the Group's consolidated financial statements for the year ended December 31, 2023. We have clearly indicated such matters in the auditors' report unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, we decided not to communicate over specific items in the auditors' report, for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Deloitte & Touche
CPA Han-Ni Fang

CPA Chao-Yu Chen

Approval No. of Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No.1090347472

Approval No. of Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No.1110348898

March 13, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ thousand

| Code | Assets | December 31, 2023 | | December 31, 2022 | |
|------|---|---------------------|------------|---------------------|------------|
| | | Amount | % | Amount | % |
| | Current assets | | | | |
| 1100 | Cash (Notes 4 and 6) | \$ 735,847 | 18 | \$ 347,821 | 10 |
| 1110 | Financial assets at fair value through profit or loss - current (Notes 4, 7 and 29) | 1,181,327 | 28 | 1,103,396 | 31 |
| 1120 | Financial assets measured at fair values through other comprehensive income - current (Notes 4, 8 and 29) | 163,945 | 4 | 157,036 | 4 |
| 1136 | Financial assets measured at amortized cost - current (Notes 4, 9 and 29) | 23,650 | 1 | 23,800 | 1 |
| 1150 | Net notes receivable (Notes 4, 10 and 22) | 81,652 | 2 | 7,146 | - |
| 1160 | Notes receivable - related parties (Notes 4 and 28) | 29,350 | 1 | 34,753 | 1 |
| 1170 | Net accounts receivable (Notes 4 and 10) | 46,871 | 1 | 39,519 | 1 |
| 1180 | Accounts receivable - related parties (Notes 4 and 28) | 33,003 | 1 | 37,367 | 1 |
| 1200 | Net other receivables (Notes 4 and 10) | 25,089 | 1 | 5,406 | - |
| 1210 | Other receivables - related parties (Note 28) | - | - | 270 | - |
| 1310 | Net inventory (Notes 4, 11 and 29) | 186,769 | 4 | 166,832 | 5 |
| 1410 | Pre-payments (Note 28) | 21,255 | - | 19,183 | - |
| 1476 | Other financial assets - current (Notes 4 and 29) | 7,323 | - | 7,200 | - |
| 1479 | Other current assets (Notes 4 and 24) | 17,230 | - | 5,221 | - |
| 11XX | Total current assets | <u>2,553,311</u> | <u>61</u> | <u>1,954,950</u> | <u>54</u> |
| | non-current assets | | | | |
| 1510 | Financial assets at fair value through profit or loss - non-current (Notes 4 and 7) | - | - | 383 | - |
| 1517 | Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8) | 217,341 | 5 | 167,587 | 5 |
| 1600 | Property, plant and equipment (Notes 4, 14 and 29) | 224,771 | 5 | 225,360 | 6 |
| 1755 | Right-of-use assets (Notes 3, 4 and 14) | 490,749 | 12 | 506,851 | 14 |
| 1760 | Investment property (Notes 4, 15 and 29) | 30,026 | 1 | 30,026 | 1 |
| 1780 | Intangible assets (Notes 4, 16, 29 and 30) | 500,998 | 12 | 416,257 | 12 |
| 1840 | Deferred income tax assets (Notes 4 and 23) | 94,895 | 2 | 96,909 | 3 |
| 1920 | Refundable deposits (Note 30) | 81,807 | 2 | 152,044 | 4 |
| 1975 | Net defined benefit assets (Notes 4 and 19) | 2,558 | - | 610 | - |
| 1980 | Other financial assets - non-current | 3,021 | - | 3,005 | - |
| 1990 | Other non-current assets (Notes 29) | - | - | 39,865 | 1 |
| 15XX | Total non-current assets | <u>1,646,166</u> | <u>39</u> | <u>1,638,897</u> | <u>46</u> |
| 1XXX | Total assets | <u>\$ 4,199,477</u> | <u>100</u> | <u>\$ 3,593,847</u> | <u>100</u> |
| | Financial liabilities and equity | | | | |
| | Current liabilities | | | | |
| 2100 | Short-term borrowings (Notes 4, 17 and 29) | \$ 170,000 | 4 | \$ 130,000 | 4 |
| 2150 | Notes payable | 20,376 | 1 | 30,470 | 1 |
| 2160 | Notes payable - related party (Note 28) | 13,456 | - | 10,522 | - |
| 2170 | Accounts payable | 37,967 | 1 | 22,726 | 1 |
| 2180 | Accounts payable - related parties (Note 28) | 4,866 | - | 5,462 | - |
| 2200 | Other payables (Note 18) | 91,771 | 2 | 79,090 | 2 |
| 2220 | Other payables - Related parties (Note 28) | 522 | - | 41 | - |
| 2230 | Income tax liabilities for the current period (Notes 4 and 23) | 51 | - | 5,664 | - |
| 2280 | Lease liabilities - current (Notes 3, 4 and 14) | 17,738 | 1 | 17,464 | 1 |
| 2320 | Long-term borrowings due within one year (Notes 4, 17 and 29) | 27,214 | 1 | 10,000 | - |
| 2399 | Other current liabilities | 17,518 | - | 15,189 | - |
| 21XX | Total current liabilities | <u>401,479</u> | <u>10</u> | <u>326,628</u> | <u>9</u> |
| | Non-current liabilities | | | | |
| 2540 | Long-term loans (Notes 4, 17 and 29) | 52,902 | 1 | 30,833 | 1 |
| 2570 | Deferred tax liabilities | - | - | 11 | - |
| 2580 | Lease liabilities - non-current (Notes 3, 4 and 14) | 488,917 | 12 | 504,763 | 14 |
| 2640 | Net defined benefit liabilities (Notes 4 and 19) | 5,622 | - | 5,358 | - |
| 2645 | Guarantee deposits | 225 | - | 175 | - |
| 2670 | Other non-current liabilities | 11,307 | - | 11,914 | - |
| 25XX | Total non-current liabilities | <u>558,973</u> | <u>13</u> | <u>553,054</u> | <u>15</u> |
| 2XXX | Total liabilities | <u>960,452</u> | <u>23</u> | <u>879,682</u> | <u>24</u> |
| | Equity attributed to owners of the Company | | | | |
| 3110 | Ordinary shares | 1,890,023 | 45 | 1,890,023 | 53 |
| 3200 | Capital reserve | 20,886 | - | 20,857 | - |
| | Retained earnings | | | | |
| 3310 | Legal reserve | 309,697 | 7 | 309,697 | 9 |
| 3350 | Unappropriated earnings | 632,367 | 15 | 153,135 | 4 |
| 3300 | Total retained earnings | 942,064 | 22 | 462,832 | 13 |
| 3400 | Other equity | 148,107 | 4 | 99,744 | 3 |
| 31XX | Total equity of the owner of the Company | 3,001,080 | 71 | 2,473,456 | 69 |
| 36XX | Non-controlling interests | 237,945 | 6 | 240,709 | 7 |
| 3XXX | Total Equity | <u>3,239,025</u> | <u>77</u> | <u>2,714,165</u> | <u>76</u> |
| | Total liabilities and equity | <u>\$ 4,199,477</u> | <u>100</u> | <u>\$ 3,593,847</u> | <u>100</u> |

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang

Managerial Officer: Ming-Tan Hsu

Head-Finance & Accounting: Hsiu-Chi Chen

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to December 31, 2023 and 2022

Unit: NTD thousands; Earnings (Losses) per share (NT\$)

| Code | | 2023 | | 2022 | |
|------|--|-------------------|--------------|--------------------|---------------|
| | | Amount | % | Amount | % |
| 4000 | Net operating revenue (Notes 4, 21 and 28) | \$ 617,327 | 100 | \$ 729,967 | 100 |
| 5000 | Operating cost (Notes 11, 22 and 28) | <u>471,448</u> | <u>76</u> | <u>571,803</u> | <u>78</u> |
| 5950 | Gross profit | <u>145,879</u> | <u>24</u> | <u>158,164</u> | <u>22</u> |
| | Operating expense | | | | |
| 6200 | Operating expense (Notes 21, 22, 28, and 30) | 192,814 | 32 | 170,972 | 23 |
| 6450 | Expected credit impairment loss (Note 4 and 10) | <u>1,012</u> | <u>-</u> | <u>3,095</u> | <u>1</u> |
| 6000 | Subtotal | <u>193,826</u> | <u>32</u> | <u>174,067</u> | <u>24</u> |
| 6900 | Net operating loss | (<u>47,947</u>) | (<u>8</u>) | (<u>15,903</u>) | (<u>2</u>) |
| | Non-operating income and expenses | | | | |
| 7100 | Interest income (Note 28) | 5,639 | 1 | 2,075 | - |
| 7010 | Other income (Notes 22 and 28) | 364,646 | 59 | 210,036 | 29 |
| 7020 | Other gains and losses (Notes 14, 22, 25 and 28) | 175,502 | 29 | (424,133) | (58) |
| 7050 | Finance costs | (16,362) | (3) | (12,603) | (2) |
| 7055 | Expected credit impairment loss (Note 10) | (<u>1,578</u>) | <u>-</u> | <u>-</u> | <u>-</u> |
| 7000 | Subtotal | <u>527,847</u> | <u>86</u> | (<u>224,625</u>) | (<u>31</u>) |
| 7900 | Net income (loss) before tax | 479,900 | 78 | (240,528) | (33) |
| 7950 | Income tax expense (Notes 4 and 23) | <u>4,069</u> | <u>1</u> | <u>4,634</u> | <u>1</u> |
| 8000 | Net income (loss) of the year | <u>475,831</u> | <u>77</u> | (<u>245,162</u>) | (<u>34</u>) |

(Cont'd)

(Cont'd.)

| Code | | 2023 | | 2022 | |
|------|--|-------------------|-----------|-----------------------|---------------|
| | | Amount | % | Amount | % |
| | Other comprehensive income | | | | |
| 8310 | Not to be reclassified to profit or loss in subsequent periods: | | | | |
| 8311 | Re-measurement of defined benefit plan (Note 19) | \$ 2,100 | - | \$ 4,590 | 1 |
| 8316 | Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | 59,479 | 10 | (131,004) | (18) |
| 8349 | Income tax related to items not to be reclassified (Note 23) | (420) | - | (918) | - |
| 8300 | Other comprehensive income of the current year | <u>61,159</u> | <u>10</u> | <u>(127,332)</u> | <u>(17)</u> |
| 8500 | Total comprehensive profit and loss for the current year | <u>\$ 536,990</u> | <u>87</u> | <u>(\$ 372,494)</u> | <u>(51)</u> |
| | Net profit (loss) attributed to | | | | |
| 8610 | Owner of the Company | \$ 467,964 | 76 | (\$ 259,843) | (36) |
| 8620 | Non-controlling interests | <u>7,867</u> | <u>1</u> | <u>14,681</u> | <u>2</u> |
| 8600 | | <u>\$ 475,831</u> | <u>77</u> | <u>(\$ 245,162)</u> | <u>(34)</u> |
| | Comprehensive income attributable to | | | | |
| 8710 | Owner of the Company | \$ 527,595 | 85 | (\$ 384,927) | (53) |
| 8720 | Non-controlling interests | <u>9,395</u> | <u>2</u> | <u>12,433</u> | <u>2</u> |
| 8700 | | <u>\$ 536,990</u> | <u>87</u> | <u>(\$ 372,494)</u> | <u>(51)</u> |
| | Earnings (losses) per share (Note 24) | | | | |
| 9710 | Basic | <u>\$ 2.48</u> | | <u>(\$ 1.37)</u> | |
| 9810 | Dilution | <u>\$ 2.47</u> | | <u>(\$ 1.37)</u> | |

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang

Managerial Officer: Ming-Tan Hsu

Head-Finance & Accounting: Hsiu-Chi Chen

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand

| Equity attributable to owners of the Company (Notes 8 and 20) | | | | | | | | | | | | | |
|---|--|-----------------|-----------------------------|---|--------|-----------|-------------------|-------------------------|-------------|--|---------------------------------------|-------------------------------------|--------------|
| Code | | Capital reserve | | | | | Retained earnings | | | Other equity | Total number of owners of the Company | Non-controlling interests (Note 20) | Total equity |
| | | Share capital | Treasury shares transaction | Recognition of changes in ownership interests in subsidiaries | Others | Total | Legal reserve | Unappropriated earnings | Total | Unrealized profit and loss on the financial assets measured at fair value through other comprehensive income | | | |
| A1 | Balance as of January 1, 2022 | \$ 1,718,202 | \$ 20,348 | \$ 18 | \$ 492 | \$ 20,858 | \$ 272,218 | \$ 698,489 | \$ 970,707 | \$ 320,438 | \$ 3,030,205 | \$ 241,249 | \$ 3,271,454 |
| | Appropriations and distributions of 2021 earnings | | | | | | | | | | | | |
| B1 | Contribution to legal reserve | - | - | - | - | - | 37,479 | (37,479) | - | - | - | - | - |
| B5 | Cash dividends for shareholders of the Company | - | - | - | - | - | - | (171,821) | (171,821) | - | (171,821) | - | (171,821) |
| B9 | Dividends of common stock | 171,821 | - | - | - | - | - | (171,821) | (171,821) | - | - | - | - |
| C17 | Dividends not received by shareholders over time are transferred to capital reserves | - | - | - | (1) | (1) | - | - | - | - | (1) | - | (1) |
| D1 | Net of 2022 | - | - | - | - | - | - | (259,843) | (259,843) | - | (259,843) | 14,681 | (245,162) |
| D3 | Other comprehensive income after tax of 2022 | - | - | - | - | - | - | 2,788 | 2,788 | (127,872) | (125,084) | (2,248) | (127,332) |
| D5 | Total comprehensive profit and loss of 2022 | - | - | - | - | - | - | (257,055) | (257,055) | (127,872) | (384,927) | 12,433 | (372,494) |
| O1 | Cash dividends for shareholders of subsidiaries | - | - | - | - | - | - | - | - | - | - | (12,973) | (12,973) |
| Q1 | Disposal of equity instruments measured at fair value through other comprehensive income | - | - | - | - | - | - | 92,822 | 92,822 | (92,822) | - | - | - |
| Z1 | Balance as of December 31, 2022 | 1,890,023 | 20,348 | 18 | 491 | 20,857 | 309,697 | 153,135 | 462,832 | 99,744 | 2,473,456 | 240,709 | 2,714,165 |
| C17 | Dividends not received by shareholders over time are transferred to capital reserves | - | - | - | 29 | 29 | - | - | - | - | 29 | - | 29 |
| D1 | Net of 2023 | - | - | - | - | - | - | 467,964 | 467,964 | - | 467,964 | 7,867 | 475,831 |
| D3 | Other comprehensive income after tax of 2023 | - | - | - | - | - | - | 740 | 740 | 58,891 | 59,631 | 1,528 | 61,159 |
| D5 | Total comprehensive profit and loss of 2023 | - | - | - | - | - | - | 468,704 | 468,704 | 58,891 | 527,595 | 9,395 | 536,990 |
| O1 | Cash dividends for shareholders of subsidiaries | - | - | - | - | - | - | - | - | - | - | (12,159) | (12,159) |
| Q1 | Disposal of equity instruments measured at fair value through other comprehensive income | - | - | - | - | - | - | 10,528 | 10,528 | (10,528) | - | - | - |
| Z1 | Balance as of December 31, 2023 | \$ 1,890,023 | \$ 20,348 | \$ 18 | \$ 520 | \$ 20,886 | \$ 309,697 | \$ 632,367 | \$ 942,064 | \$ 148,107 | \$ 3,001,080 | \$ 237,945 | \$ 3,239,025 |

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang

Managerial Officer: Ming-Tan Hsu

Head-Finance & Accounting: Hsiu-Chi Chen

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: NTS thousand

| Code | | 2023 | 2022 |
|--------|---|-------------|----------------|
| | Cash flows from operating activities | | |
| A00010 | Net income (loss) before tax | \$ 479,900 | (\$ 240,528) |
| A20010 | Adjustments to reconcile profit (loss): | | |
| A20100 | Depreciation | 45,231 | 53,748 |
| A20200 | Amortization expenses | 22,022 | 19,221 |
| A20300 | Expected credit impairment loss | 2,590 | 3,095 |
| A20400 | Net (gain) loss of financial assets at fair value through profit or loss | (175,236) | 450,959 |
| A20900 | Finance costs | 16,362 | 12,603 |
| A21200 | Interest income | (5,639) | (2,075) |
| A21300 | Dividend income | (279,122) | (174,715) |
| A22500 | Net gains from the disposal and scrap of property, plant, and equipment | (1,285) | (10,883) |
| A22800 | Loss of disposal of intangible assets | 1 | 2,606 |
| A23200 | Disposal of investment interests in subsidiaries | - | (18,752) |
| A23700 | Inventory scrapping loss | 386 | 18 |
| A23800 | Price recovery benefit for inventory | (240) | (11,202) |
| A29900 | Others | (69,363) | (1,906) |
| | Net change in operating assets and liabilities | | |
| A31130 | Notes receivable | (4,506) | (4,471) |
| A31140 | Notes receivable - related parties | 5,403 | 11,361 |
| A31150 | Accounts receivables | (8,066) | 22,772 |
| A31160 | Accounts receivable - related parties | 4,364 | 8,866 |
| A31180 | Other receivables | (21,106) | 7,512 |
| A31190 | Other receivables - related parties | 270 | (270) |
| A31200 | Inventory | (20,083) | 13,548 |
| A31230 | Prepayments | (5,830) | 9,270 |
| A31240 | Other current assets | (11,180) | (2,743) |
| A32130 | Notes payable | (10,094) | (11,588) |
| A32140 | Notes payable - related parties | 2,934 | (3,009) |
| A32150 | Accounts payable | 15,241 | (4,876) |
| A32160 | Accounts payable - related parties | (596) | (2,565) |
| A32180 | Other payables | 12,927 | (5,723) |
| A32190 | Other payables - related parties | 481 | (107) |
| A32230 | Other current liabilities | 1,855 | (11,492) |
| A32240 | Net confirmed benefit debt | 416 | 451 |
| A33000 | Cash flow from operations | (1,963) | 109,125 |
| A33300 | Interest paid | (7,412) | (3,286) |
| A33500 | Income tax paid | (8,928) | (1,208) |
| AAAA | Net cash inflow (outflow) from operating activities | (18,303) | 104,631 |

(Cont'd)

(Cont'd.)

| Code | | 2023 | 2022 |
|--------|---|-------------------|--------------------|
| | Cash flows from investing activities | | |
| B00010 | Acquisition of financial assets measured at fair value through other comprehensive income | (\$ 56,219) | (\$ 210,132) |
| B00020 | Disposal of financial assets measured at fair value through other comprehensive income | 59,035 | 454,899 |
| B00040 | Acquisition of financial assets at amortized cost | (100) | (50) |
| B00050 | Disposal of financial assets measured at amortized cost | 250 | 100 |
| B00100 | Acquisition of financial assets at fair value through profit or loss | (632,871) | (1,351,295) |
| B00200 | Disposal of financial assets at fair value through profit or loss | 730,559 | 597,695 |
| B02300 | Net cash inflow from disposal of subsidiaries | - | 66,341 |
| B02700 | Purchase of property, plant and equipment | (14,535) | (43,095) |
| B02800 | Disposal of property, plant and equipment prices | 1,768 | 18,301 |
| B03700 | Increase in refundable deposits | - | (150,228) |
| B03800 | Decrease in refundable deposits | 70,237 | - |
| B04500 | Acquisition of intangible assets | (71,806) | (991) |
| B06600 | Increase in their financial assets | (139) | (6,530) |
| B06700 | Increase of other non-current assets | - | (38,478) |
| B07500 | Interest received | 5,386 | 2,046 |
| B07600 | Dividends received | 278,922 | 174,715 |
| B09900 | Refund of capital reduction of financial assets measured at fair value through profit or loss | - | 24,000 |
| BBBB | Net cash inflows (outflows) from investing activities | <u>370,487</u> | <u>(462,702)</u> |
| | Cash flows from financing activities | | |
| C00100 | Increase in short-term borrowings | 40,000 | - |
| C01600 | Increase in long-term loans | 60,000 | 25,833 |
| C01700 | Decrease in long-term loans | (20,717) | (5,000) |
| C03000 | Increase in guarantee deposits | 50 | - |
| C03100 | Decrease in guarantee deposits | - | (194) |
| C04020 | Lease liability principal repayments | (31,332) | (26,632) |
| C04500 | Cash dividends paid | - | (171,821) |
| C05800 | Changes in non-controlling interests | (<u>12,159</u>) | (<u>12,973</u>) |
| CCCC | Net cash inflow (outflow) from financing activities | <u>35,842</u> | <u>(190,787)</u> |
| EEEE | Net cash increase (decrease) | 388,026 | (548,858) |
| E00100 | Cash balance at the beginning of the year | <u>347,821</u> | <u>896,679</u> |
| E00200 | Year-end cash balance | <u>\$ 735,847</u> | <u>\$ 347,821</u> |

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang Managerial Officer: Ming-Tan Hsu Head-Finance & Accounting: Hsiu-Chi Chen

Tze Shin International Co., Ltd.
Earnings Distribution Table
2023

Unit: NTD

| | |
|--|-----------------------------|
| Unappropriated earnings at the beginning of the period | \$153,134,898 |
| Add: Disposal of accumulated gains and losses on equity investments measured using other comprehensive gains and losses transferred to retained earnings | 10,528,164 |
| Add: Adjustment of retained earnings due to investment using the equity method | 848,117 |
| Less: Remeasured amount of defined benefit plan recognized in retained earnings | <u>(108,462)</u> |
| Adjusted unappropriated earnings | \$164,402,717 |
| Add: Net surplus after tax of the year | 467,964,456 |
| Less: Contribution to legal reserve (10%) | <u>(47,923,228)</u> |
| Total earnings for distribution for the period | \$587,443,945 |
| Distributions: | |
| Dividend to shareholders - cash dividend (189,002,272 shares at NT\$2.3 per share) | <u>434,705,230</u> |
| Undistributed earnings at the end of the period | <u><u>\$149,738,715</u></u> |

Chairman: Chun-Fa
Huang

Managerial Officer:
Ming-Tan Hsu

Head-Finance & Accounting:
Hsiu-Chi Chen

Tze Shin International Co., Ltd.
Comparison of Amendments to Articles of Incorporation

| Articles | Original clauses (June 30, 2023) | Amended clauses (effective on June 25, 2024) | Remarks |
|--------------|---|--|---|
| Article 27 | <p>If the Company has any profits for any fiscal year, it shall allocate 1% as employee remuneration and no more than 1% as director remuneration. The distribution of employee and director remuneration shall be made by the board of directors with the resolution of more than two-thirds of the directors present and the approval of more than half of the directors present, which shall be submitted to the shareholders' meeting. In addition, when employee remuneration is determined by the board of directors to be distributed in shares or cash, the recipients of such remuneration may include employees of affiliates who meet certain conditions.</p> <p>(Skipped hereunder)</p> | <p>If the Company has any profits for any fiscal year, it shall allocate 1% to 5% of its profits for employees' remuneration and no more than 3 % of its profits for directors' remuneration. The distribution of employee and director remuneration shall be made by the board of directors with the resolution of more than two-thirds of the directors present and the approval of more than half of the directors present, which shall be submitted to the shareholders' meeting. In addition, when employee remuneration is determined by the board of directors to be distributed in shares or cash, the recipients of such remuneration may include employees of affiliates who meet certain conditions.</p> <p>(Skipped hereunder)</p> | Adjusted contribution rate for employees' and directors' remuneration |
| Article 27-1 | <p>In order to meet the needs of diversified business development, robust financial structure and protection of investors' rights and interests, the Company's dividend policy is formulated based on consideration of the its future fund needs and long-term financial planning. <u>Among them, in addition to retaining part of the earnings as the fund for the Company's growth during the distribution of earnings,</u> the distribution proportion of cash dividends shall not be lower than 50% of the total dividends distributed in the current year. The proportion of dividend distribution and cash dividends may depend on the operating capital required by Company and other related circumstances. When the board of directors is authorized to formulate an earnings distribution plan adopting the method of issuing new shares, such plan may be implemented after being submitted to the shareholders' meeting for resolution</p> | <p>In order to meet the needs of diversified business development, robust financial structure and protection of investors' rights and interests, the Company's dividend policy is formulated based on consideration of the its future fund needs and long-term financial planning. <u>In which, in principle, the earnings distribution shall be no less than 20% of the distributable earnings of the current year,</u> the distribution proportion of cash dividends shall not be lower than 50% of the total dividends distributed in the current year. The proportion of dividend distribution and cash dividends may depend on the operating capital required by Company and other related circumstances. When the board of directors is authorized to formulate an earnings distribution plan adopting the method of issuing new shares, such plan may be implemented after being submitted to the shareholders' meeting for resolution and when making</p> | Defined the principles of distributable earnings ratio |

| Articles | Original clauses (June 30, 2023) | Amended clauses (effective on June 25, 2024) | Remarks |
|------------|--|---|-------------------------|
| | and when making distribution in cash. It shall be distributed based the resolution of the board of directors, which shall be submitted to the shareholders' meeting. | distribution in cash. It shall be distributed based the resolution of the board of directors, which shall be submitted to the shareholders' meeting. | |
| Article 29 | These Articles of Incorporation were formulated on September 27, 1973, The 1st to 36th amendments (omitted) The 37th amendment on June 30, 2023. | These Articles of Incorporation were formulated on September 27, 1973, The 1st to 35th amendments (omitted) The 37th amendment on June 30, 2023, The 38th amendment on June 25, 2024. | Add the 38th amendment. |