

Keding Enterprises Co., Ltd.

Handbook for the 2024 Annual Meeting of Shareholders

Meeting Date: 9:00 AM, June 25, 2024

**Meeting Place: No. 268, Fuhui Road, Xinzhuang District, New Taipei
City(KD A3 commercial office building)**

Convene method : Physical meeting

Table of contents

I. Meeting Procedure	1
II. Meeting Agenda	2
1. Management Presentation.....	3
2. Proposals.....	5
3. Election Matters.....	6
4. Question Discussions.....	7
5. Motions	8
III. Appendices	
Appendix 1. Business Summary.....	9
Appendix 2. Audit Committee’s Report.....	13
Appendix 3. 2023 Annual Directors’ Individual Remuneration Breakdown	14
Appendix 4. Accountant’s Review and Opinion	15
Appendix 5. Independent Auditors’ Report and Financial Statement.....	17
Appendix 6. Earning Distribution Table Conduct	38
Appendix 7. List of candidates for the 10th term of directors	39
Appendix 8. Amendments and Comparison of “Articles of Association”	40
Appendix 9. Amendments and Comparison of “Procedures for Election of Director”	41
Appendix 10. Amendments and Comparison of “Rules of Procedure for Shareholder Meetings”.....	47
Appendix 11. Amendments and Comparison of “Procedures for loaning funds to others”.....	50
IV: Attachment	
Attachment 1.Rules of Procedure for Shareholder Meetings(Before revision).....	54
Attachment 2.Articles of Association(Before revision).....	69
Attachment 3.Procedures for Election of Director (Before revision)	75
Attachment 4.Shareholdings of the Board Member	78

Keding Enterprises Co., Ltd.
Procedure for the 2023 Annual Meeting of Shareholders

- I. Meeting Call to Order
- II. Chairperson Remarks
- III. Management Presentation
- IV. Proposals
- V. Election Matters
- VI. Question Discussions
- VII. Motions
- VIII. Adjournment

**Keding Enterprises Co., Ltd.
2024 annual general meeting agenda**

Time: 9:00 AM, June 25, 2024 (Tue)

Place: KD A3 commercial office building (No. 268, Fuhui Road, Xinzhuang District, New Taipei City)

1. Meeting Call to Order (announcing total number of shares represented)
2. Chairperson Remarks
3. Management Presentations:
 - (1) 2023 Business Report
 - (2) 2023 Audit Committee's Report
 - (3) Proposal to distribute 2023 compensation to employees and directors.
 - (4) 2023 Earnings Distribution Report
 - (5) 2023 Annual Directors' Remuneration Report
 - (6) The Status of Treasury Shares Buyback
 - (7) Changes in accounting policies after the beginning of the company's fiscal year 2024
 - (8) Execution report on the capital loan and over-limit improvement plan of the company's subsidiaries
4. Proposals
 - (1) Adoption of the 2023 Financial Statements and Business Report
 - (2) Adoption of the Proposal for Distribution of 2023 Profits
5. Election:

Reelection of directors (including independent directors)
6. Question Discussions:
 - (1) Amendments to "Articles of Association"
 - (2) Amendment to the "Director Selection Procedure"
 - (3) Amend "Rules of Procedure for Shareholder Meetings"
 - (4) Amendment to the "Procedures for loaning funds to others"
7. Motions
8. Adjournment

Management Presentation

Report No. 1

Cause of motion: Please review 2023 Business Reports

Explanation: Please see Page 8~10, Appendix 1, for 2023 Business Report

Report No. 2

Cause of motion: Please review 2023 Audit Committee's Review Report

Explanation: Please see Page 11, Appendix 2, for 2023 Audit Committee's Report

Report No. 3

Cause of motion: Please review 2023 Earnings Distribution to employees and directors.

Explanation:

- I. Handled in accordance with Article 19 of the company's articles of association
- II. This case has been reviewed and approved by the Salary and Remuneration Committee, and submitted to the Board of Directors for resolution before submitting a report to the shareholders' regular meeting.
- III. According to the meeting on March 12, 2024 in 12th session by the 4th Compensation Committee and the resolution by the 9th Board in the 21th session, no distribution will be made to the directors from the 2023 earnings, and a distribution of NT\$6,169 thousand will be made to employees.
- IV. Distribution to employees will be made in cash.

Report No. 4

Cause of motion: Please review the 2023 Earnings Appropriation

Explanation:

- I. It is planned to allocate cash dividends of NT\$418,334,442 from the distributable earnings in the first half of 2023, with NT\$6 per share to be allocated, calculated to the nearest dollar, and rounded off below the dollar; the total amount of odd amounts shall be included in the company's other income
- II. It is planned to allocate a cash dividend of NT\$236,080,041 from the distributable earnings in the second half of 2023, with an allotment of NT\$3 per share, calculated to the nearest dollar, and rounded off below the dollar; the total amount of odd amounts shall be included in the company's other income
- III. If this cash dividend distribution subsequently changes in the number of shares of the company and affects the total number of outstanding shares and the dividend rate

changes accordingly, the chairman shall be authorized to handle it with full authority in accordance with the Company Law or other relevant laws and regulations, and an additional ex-dividend basis shall be set date, issuance date and other related matters

Report No. 5

Cause of motion: Please review 2023 Annual Directors' Remuneration Report

Explanation:

- I. According to the Articles of Association of the Company, the remuneration of all directors is authorized by the Board of Directors based on the degree of their participation in the Company's operations and the value of their contribution, and with reference to the usual standards in the industry. Considering that all independent directors have external professional experience and regularly participate in the board of directors to provide their professional insights, in addition to the current fixed monthly salary system, their performance will be evaluated every year in accordance with the performance evaluation methods for directors and managers.
- II. Please see Page 12, Appendix 3, for 2023 Annual Directors' Individual Remuneration Breakdown

Report No.6

Cause of motion: Please review The Status of Treasury Shares Buyback

Times of buyback	1st	2nd	3rd
Board resolution date	March 17, 2020	July 14, 2020	March 15, 2023
Purpose of buyback	Share transfer to employees	Maintain company credit and shareholders' rights and interests	Share transfer to employees
Period of buyback	March 18, 2020 ~ May 15, 2020	July 15, 2020 ~ July 15, 2020	March 16, 2023 ~ May 15, 2023
Price of buyback (NT\$)	NT\$24~57	NT\$30~52	NT\$86~190
Total buyback executed in types and shares	4,000,000 common shares	1,640,000 common shares	1,059,000 common shares
Total of buyback value(NT\$)	NT\$ 165,010,171	NT\$ 72,637,222	NT\$ 136,454,770
As a percentage of total buyback planned	100%	91.11%	70.60%
Shares de-registered and transferred	1,571,000 shares	1,640,000 shares	Buyback shares not yet transferred
Number of shares held	2,429,000 shares	2,429,000 shares	3,488,000 shares
Number of shares held As a percentage of total number of shares issued	2.96%	2.96%	4.24%

Explanation: The company's execution of the buyback of the company's shares is as follows:

Report No.7

Cause of motion: Changes in accounting policies after the beginning of the company's fiscal year 2024

Explanation:

- I. In order to reasonably reflect the fair value of investment real estate to provide financial statement users Since the information is more relevant and reliable, it is planned to change the accounting policy for the subsequent measurement of investment real estate from January 1, 2023, from the cost model to the fair value model. Please see Page 13~14, Appendix 4, for the accountant's review opinion.

Report No.8

Cause of motion: Execution report on the capital loan and over-limit improvement plan of the company's subsidiaries

Explanation:

- I. Proceed in accordance with the Financial Supervision and Administration Commission's letter No. 1130336873 dated April 26, 2023
- II. Subsidiary Yangjin Trading Co., Ltd.'s capital loan and Keding Enterprises Private Limited, the balance exceeds the limit, the countermeasures are as follows:
 - (1) Keding Enterprises Private Limited is working hard to improve its operating conditions, and through various efforts such as the company's diversified operations and market development, to enhance the company's overall profits, increase cash inflow, and repay debts
 - (2) Instruct subsidiaries to formulate improvement plans in accordance with regulations, announce major information, announce the implementation status quarterly, and report the implementation status to the board of directors and shareholders' meeting quarterly.

Proposals

Proposal 1

(Proposed by the Board)

Cause of motion: Adoption of the 2023 Business Report and Financial Statements

Explanation:

- I. The compilation of the 2023 Consolidated Financial Statement and Business Report are completed.
- II. The 2023 Audit Report and Financial Statements, issued with an unqualified opinion, from CPAs Chuang, Pi-Yuand and Wu, Shih-Tsung from Deloitte Taiwan are attached.
- III. Please see Page 8~10 for Appendix 1 and Page 15~35 for Appendix 5.

Resolution:

Resolution No. 2

(Proposed by the Board)

Cause of motion: Proposal to distribute 2022 earnings.

Explanation:

- I. It is planned to allocate cash dividends of NT\$654,414,483 from the distributable earnings in 2023, with NT\$9 per share distributed, calculated to the nearest dollar, and rounded off if the value is less than NT\$; the total amount of the odd amount shall be included in the company's other income, and the total amount shall be included in the company's other income. For the company's earnings distribution table for 2023, please see Page 36, Appendix 6
- II. If this cash dividend distribution subsequently changes in the number of shares of the company and affects the total number of outstanding shares, resulting in a change in the dividend rate, the chairman shall be authorized to handle it with full authority in accordance with the Company Law or other relevant laws, and an ex-dividend base date shall be set. , release date and other related matters

Resolution:

Election Matters

Cause of motion: Reelection of directors (including independent directors), Please vote. (Proposed by the Board)

Explanation:

- I. The term of the ninth term of directors of the company (including independent directors) will expire on August 31, 2023 for three years. In accordance with Article 36 of the Securities and Exchange Act, they shall be re-elected at the regular meeting of shareholders convened this year.
- II. Four newly elected directors and four independent directors were elected in the tenth session, with terms of three years, starting from June 25, 2024 to June 24, 2027.
- III. According to the company's articles of association, the company's directors include 8 independent directors, and a candidate nomination system has been adopted. The company has reviewed and approved the board of directors on May 9, 2024. Shareholders should select candidates from the list of director candidates, whose academic experience and For relevant information, please see Page 37 for Appendix 7. Shareholders are kindly invited to choose

Election Result:

Question Discussions

Proposal 1

(Proposed by the Board)

Cause of motion: Please discuss the amendments to the “Rules of Procedure for Shareholder Meetings”.

Explanation:

- I. To fit operational needs, a new business item of "Plastic Products Manufacturing" has been added, and some provisions of the "Articles of Association" are planned to be revised.
- II. Please see Page 38, Appendix 8, for the “Rules of Procedure for Shareholder Meetings.”Resolution:

Resolution:

Proposal 2

(Proposed by the Board)

Cause of motion: Please discuss the amendments to the “Director Selection Procedure

Explanation:

- I. In order to meet the needs of legal amendments and practical operations, it is planned to amend some provisions of the "Director Selection Procedure"
- II. Please see Page 39~42, Appendix 9, for the “Procedures for Election of Director”

Resolution:

Proposal 3

(Proposed by the Board)

Cause of motion: Please discuss the amendments to the “Articles of Association”.

Explanation:

- I. In order to meet the needs of the digital age and provide shareholders with a convenient channel to participate in shareholders' meetings, relevant regulations on video conferencing of shareholders' meetings have been added, and some provisions of the company's " Articles of Association " are planned to be revised.
- II. Please see Page 43~44, Appendix 10, for “Articles of Association”

Resolution:

Proposal 4

(Proposed by the Board)

Cause of motion: Please discuss the amendments to the “Procedures for loaning funds to others”

Explanation:

- I. To fit operational needs, some articles of the “Procedures for loaning funds to others” shall be amended.
- II. Please see Page 45, Appendix 11, for “Procedures for loaning funds to others”

Resolution:

Motions

2023 Business Report

Dear Ladies and Gentlemen:

Thank you for your care and support, we would like to show you our appreciation. In the past year, through non-stop innovations and improvements, Keding has taken another step forward in its product quality and customer satisfaction, resulting in steady revenue growth and a soaring market reputation. In the meantime, we continued expanding our production lines and international presence for better partnerships with our customers and to be more competitive and increase our market share.

Looking ahead, we will continue to be customer-oriented to continue our innovation and R&D work on products to meet market needs to expand our market share, leading to greater business growth and revenue. Our 2022 business results and 2023 operation plan are summarized as follows:

I. 2023 Business Report

(I) Operating Performance

In 2023, KD Enterprise recorded a consolidated operating revenue of NT\$2.375 billion, with post-tax profits of NT\$250 million, and an earnings per share of NT\$3.52

Unit: In NT\$ thousands

Item	2023	2022	Amount of increase (decrease)	Percentage of increase (decrease)
Net operating revenue	2,374,947	2,433,029	(58,082)	(2.39)
Operating costs	(1,271,004)	(1,215,111)	55,893	0.14
Gross profit	1,103,943	1,217,918	(113,975)	(9.36)
Operating expenses	(774,260)	(747,019)	27,241	3.65
Operating profit	329,683	470,899	(141,216)	(29.99)
Non-operating income and expenditures	(18,230)	26,209	(44,439)	(169.56)
Pre-tax profits	311,453	497,108	(185,655)	(37.35)
Income tax expense	(61,478)	(108,081)	(46,603)	(43.12)
Net profit of the current period	249,975	389,027	(139,052)	(35.74)

(II) Budget Implementation: Not applicable (No 2023 financial forecast was previously provided)

(III) Analysis of income, expenditures, and profitability:

Unit: In NT\$ thousands

Unit: in RMB thousands

Item			2023	2022
Income and expenditures	Net cash inflow from operating activities		634,933	445,560
	Net cash outflow from investing activities		(484,936)	(997,526)
	Net cash outflow from investing activities		(188,822)	568,024
Financial structure	Debt ratio		67.25	68.93
	Ratio of long-term capital to property, plant, and equipment (%)		102.14	109.85
Profitability	Return on assets (%)		4.69	7.35
	Return on equity (%)		12.28	20.69
	As a ratio to the paid-in capital (%)	Operating profit	40.12	63.61
		Pre-tax profits	37.90	67.15
	Profit margin (%)		10.53	15.99
	Earnings per share (before retrospective adjustment)		3.52	5.56

II. Summary of the 2024 Business Plan
(I) Business policy

1. Product research and development: The Company will adopt a blue ocean strategy and focus on healthy materials with immense market potential. In addition, we will leverage our keen, forward-looking market sense to develop multiple indoor building materials, so as to offer customers a one-stop purchase experience, thereby increasing our overall operating revenue.
2. Human Resource: Superior talents are the key energy for our business expansion. To meet demands, rather than only retaining and training our own talent, we will also recruit high quality professionals with appealing compensation to enrich the management team and enhance the competitiveness of the Company.
3. Marketing Management: We will strengthen our digital services, including online reservation platform, online product meeting and product Q&A. Also lively videos on corporate image and visions, as well as products and services will be made and broadcast on Facebook, YouTube, TikTok and Instagram. We hope to upgrade the customer experience through our all-rounded, prompt and convenient communication channel.
4. Financial performance: We will enhance financial management and reduce our accounting risks; coordinate the funds and production and marketing planning among subsidiaries; and deepen our own funds pool to meet operating requirements.
5. Operation Management: Transforming from a traditional operation and selling enterprise, through to one adapt at big data collection and analysis, we are now able to provide tailor-made resources and services to different customer types, and to plan and execute customer relationships with strategies for an enhanced customer experience.

(II) Important production and marketing policies

1. Research and development technology: We will enhance the uniqueness of wood grain and diversify the pairing products for ECO+ Panels to increase their competitiveness; reach a market scale in the short term for KD Cabinets; learn technologies; and form an alliance with related enterprises to tap into the market with low risks and in a highly efficient manner.
2. Manufacture: We will standardize and integrate the manufacture and sales process into a one-stop service; effectively shortening the new product development cycle; increase the production capacity; stabilize product quality; conserve and efficiently use energy; and use big data analytics to achieve smart, automated manufacturing.
3. Sales market: We will base our operations in Taiwan as a niche market, focus on the Asian markets, penetrate Southeast Asia markets, and expand to the European and American markets, to target customers at the top of the pyramid.
4. Logistics system establishment: We will optimize the logistics model for the purposes of shortening delivery time and improving service quality.
5. Operational efficiency: We will adopt a product diversification strategy; transition to smart manufacturing; control the quality and quantity of logistics; maintain robust financial management; recruit quality talent; and enhance the advertising of products. By growing in all aspects, we as a corporation must be able to continuously transcend ourselves.

(III) The Company's future development strategy; impact from external competition, regulatory environment, and the macro-economic and operating environment.

Although affected by the international situation, KD Enterprises still shows solid operating performance. Internally, it optimizes its operational structure and continues to optimize its sales model. Externally, it actively expands the market and becomes more active in proactive marketing. In 2023, we will continue to consolidate the Southeast Asian and Middle East markets and expand to Europe and the United States. We will also make good use of our channel advantages and start from customer needs. In 2023, we will start construction of the Xinshu Logistics Park, which is expected to bring more convenient and high-quality logistics services to customers. In the same year, environmentally friendly melamine board reformed the shortcomings of melamine board on the market and entered the melamine board market as an innovative board. It not only created topics but also brought revenue growth to the company. Later, it launched environmentally friendly wood flooring, continuing the series of environmentally friendly and non-toxic concepts. We will continue to strengthen our brand value and market positioning, strengthen and consolidate Keding's leading brand position in healthy and non-toxic building materials, and look forward to an optimistic future.

IV. Operational outlook and objectives

Business opportunities can be glimpsed from the details. Over the years, KD Enterprises has insisted on focusing on details and adhering to the same attitude, so that it can seize the opportunity! When the economy changes, we must focus more on profit and use innovative thinking that breaks through the framework to overcome difficulties and create new situations. In response to the rapid competition in the market, Keding collects customer information through big data, strengthens digital

service upgrades, and establishes proactive marketing to further enhance brand visibility and customer stickiness.

Interior design styles and market trends are constantly changing. Through big data analysis, KD Enterprises continues to innovate and adhere to the purpose of creating non-toxic and healthy building materials. It continues to develop high-quality innovative products that meet market demand, reform the shortcomings of existing products, and strengthen the advantages. Upgrade to meet various interior styles and customer needs. KD Enterprise not only focuses on the Asia-Pacific and Southeast Asia regions, but also accelerates the global regional economic layout by expanding its dealer model, aiming to become the world's largest healthy building materials brand.

In addition to pursuing stable operations, **KD** Enterprises also realizes that continuous progress and continuous growth are our constant and necessary challenges. **KD** Enterprise will adhere to the principle of "using technology, continuous innovation, deep roots, and stable growth", continue to develop the highest quality products, deepen brand management, and fulfill its social responsibilities, so that **KD** Enterprise can gain the trust of more customers around the world. Affirmation and trust.

Chairman of the Board:
Tsao, Hsien-Chang

Manager:
Tsao, Hsien-Chang

Accounting Manager:
Lin, Mei-Wen

Audit Committee's Report

The financial statements for 2023 were submitted by the Board of Directors, which commissioned CPAs Chuang, Pi-Yu and Wu, Shih-Tsung from Deloitte & Touche Taiwan to audit the financial statements and issue an independent auditors' report. The Financial Statements and proposals in the independent auditors' report have been reviewed and determined to be correct and accurate by the Audit Committee members of Keding Enterprises Co., Ltd. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law. We hereby submit this report. Please review

To

2024 Annual Meeting of Shareholders, Keding Enterprises Co., Ltd.

Chairman of Audit Committee: Cheng, Chun-Jen

March 12, 2024

2023 Annual Directors' Individual Remuneration Breakdown

Unit: In NT\$ thousands/ %

Job title	Name	Directors' remuneration								The ratio of the sum of A, B, C, and D to post-tax profits (%)		Remuneration received for concurrently serving as an employee								The sum of A, B, C, D, E, F, and G and its percentage ratio to post-tax profits		Whether received remuneration from an investee other than a subsidiary
		Remuneration (A)		Retirement pay and pension(B)		Directors' compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements(E)		Retirement pay and pension(F)		Employee compensation (G)						
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman of the Board	Tsao, Hsien-Chang	0	0	0	0	0	0	29	29	29/0.01	29/0.01	1,645	1,645	0	0	0	2,423	0	2,423	4,097/1.65	4,097/1.65	None
Director	Huang Tian-Hua	432	432	0	0	0	0	25	25	457/0.18	457/0.18	0	0	0	0	0	0	0	0	457/0.18	457/0.18	None
Director	Lin Da-Zheng	612	612	0	0	0	0	29	29	641/0.26	641/0.26	0	0	0	0	0	0	0	0	641/0.26	641/0.26	None
Director	Cao Ya-Lin	0	0	0	0	0	0	29	29	29/0.01	29/0.01	989	989	38	38	0	1,373	0	1,373	2,429/0.98	2,429/0.98	None
Independent director	Zheng Chun-Ren	432	432	0	0	0	0	29	29	461/0.19	461/0.19	0	0	0	0	0	0	0	0	461/0.19	461/0.19	None
Independent director	Zheng Hong-Hui	432	432	0	0	0	0	29	29	461/0.19	461/0.19	0	0	0	0	0	0	0	0	461/0.19	461/0.19	None
Independent director	Yang Hao-Ming	432	432	0	0	0	0	29	29	461/0.19	461/0.19	0	0	0	0	0	0	0	0	461/0.19	461/0.19	None
Independent director	Liu Ting-Xuan	216	216	0	0	0	0	14	14	230/0.09	230/0.09	0	0	0	0	0	0	0	0	230/0.09	230/0.09	None

1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid:

According to the Articles of Association of the Company, the remuneration of all directors is authorized by the Board of Directors based on the degree of their participation in the Company's operations and the value of their contribution, and with reference to the usual standards in the industry.

Consider that all independent directors have external professional experience and regularly participate in the board of directors provides its professional insights, so in addition to the current fixed monthly salary system, the board of directors will also evaluate their performance every year in accordance with the performance evaluation methods for directors and managers.

2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g. for serving as a non-employee consultant to the parent company/any consolidated entities/invested enterprises): None

113.5.9 Qinchen No. 11304077

Recipient : Keding Enterprise Co., Ltd.

Purpose : Chenggui Company requested our firm to provide follow-up evaluation options for your company's change in investment real estate. The review opinion is issued on the accounting policy change case of the fair value model, please check it.

Illustrate :

1. It shall be handled in accordance with Article 6 of the "Standards for the Preparation of Financial Reports of Securities Issuers". Represented Keding Enterprise Co., Ltd. (hereinafter referred to as Keding Company), which has adopted the fair value model for the subsequent measurement of investment real estate since the 113th year of the Republic of China, and expressed its opinions on the rationality assessment of this change in accounting policy.
2. The subsequent measurement of Keding Company's investment real estate originally adopted the cost model.
3. In order to enable the financial statements to provide more reliable and relevant information, improve the transparency of financial reports, and increase the company's net worth, Keding Company changed the subsequent measurement of investment real estate from the cost model to the fair value model. The aforementioned changes should better reflect the fair value of the company's investment real estate and comply with the principle of relevance in accounting theory.
4. The subsequent measurement of investment real estate is changed to the fair value model. According to the provisions of Article 6 of the "Securities Issuers' Financial Report Preparation Standards", it is a change in accounting policy. Therefore, it is necessary to calculate the impact of the change on the new accounting policy in the year before the change and the retroactive application of the changes. The impact number, and the impact number on the opening retained earnings of the previous year.
5. If Keding Company adopts the fair value model for the subsequent measurement of investment real estate dating back to January 1, 2020, the investment real estate on January 1 and December 31, 2020 will increase by 370,835 thousand

yuan and 362,438 yuan respectively. Thousand yuan; deferred income tax liabilities increased by 74,167 thousand yuan and 72,488 thousand yuan respectively; retained earnings increased by 4,346 thousand yuan and decreased by 7,186 thousand yuan respectively; other equity increased by 292,322 thousand yuan and 297,136 thousand yuan respectively. In 2012, the consolidated comprehensive income statement showed a decrease of RMB 9,280,000 in interest from disposal of investment real estate, a decrease of RMB 1,865,000 in depreciation expenses of investment real estate, an increase of RMB 7,000,000 in evaluation losses of investment real estate, and a decrease in income tax expense of RMB 2,883,000. The total net profit in 2012 decreased by RMB 11,532,000. Thousand yuan; in addition, other comprehensive profits and losses (net after tax) in 2012 increased by 4,814 thousand yuan. The above-mentioned decreases in net profit and total comprehensive profit and loss for 2012 were attributable to the shareholders of the parent company to RMB 11,532,000 and RMB 6,718,000 respectively.

6. According to the regulations of the Financial Supervision and Administration Commission, Financial Management Certificate No. 10901500221 dated March 31, 110, if the subsequent measurement of investment real estate of a publicly issued company chooses to use the fair value model in accordance with the "Securities Issuer Financial Reporting Standards", it shall be For the increase in retained earnings generated by adopting the fair value model for investment real estate, a special surplus reserve of the same amount is set aside to limit earnings distribution. However, the retained earnings on January 1, 2013 were a net decrease, so there was no need to set aside special surplus reserves to limit surplus distribution.
7. In summary, this accountant believes that Keding Company has changed its accounting policy to use the fair value model for subsequent measurement of investment real estate since the 113th year of the Republic of China, the alleged reasons for the original adoption and proposed change of accounting policies, and the change in calculation The new accounting policy traces back the impact items and the actual impact number of the previous year, and the actual impact number on the opening retained earnings of the previous year, which should be reasonable.

Deloitte & Touche Taiwan

CPA: Chuang, Pi-Yu

Independent Auditors' Report

To Keding Enterprises Co., Ltd.:

Audit Opinion

We have audited the consolidated balance sheet of Keding Enterprises Co., Ltd. and its subsidiaries (collectively referred to as the “Group” hereinafter) as of December 31, 2023 and 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flow for the period from January 1 through December 31, 2023 and 2022 and the notes to the consolidated financial statements (including the summary of significant accounting policies).

In our opinion, based on our audit, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2020, and 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 International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) that were endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis of Audit Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We were independent of The Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China and fulfilled all other responsibilities thereunder. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

Authenticity of sales revenue in specific regions

Sales of a specific product from Keding Enterprises Co., Ltd. and its subsidiaries grew significantly and reached a certain level of the consolidated sales and were a key driver of sales growth. Therefore the validity of the product sales is listed as a key audit item.

For accounting policies on sales revenue and relevant disclosures, refer to Notes 4(13), 21, 29, and 33 to the Consolidated Financial Statements.

We have performed the following audit procedures when auditing the authenticity of sales revenue:

- 1 Understood and tested the effectiveness of the design and implementation of the major internal control system concerning sales revenue.
- 2 Randomly checked the sales revenue against the transaction documents, e.g. sales orders, shipping documents, and payment collection documents, in order to understand and identify that control of goods, as well as significant risks and rewards, has been transferred to the buyers and that the Group's sales revenue recognition was authentic.
- 3 Sampled the sales return, sales allowance, and payment collection that occurred after the reporting date, so as to verify the reasonableness of the recognition of sales revenue.

Other Matters

The Group has prepared its parent company only financial statements for the years ended December 31, 2023 and 2022, for which we have issued an audit report containing an unqualified opinion for reference.

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

The management was responsible for fairly presenting these consolidated financial statements in accordance with 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 were approved and promulgated by the Financial Supervisory Commission, and for maintaining the necessary internal control related to the preparation of these consolidated financial statements to ensure that these consolidated financial statements were free of material misstatements, whether due to fraud or errors.

During preparation of these consolidated financial statements, the management was also responsible for evaluating the Group's ability to continue as a going concern, disclosing going concern matters, and applying the going concern basis of accounting, unless the management intended either to liquidate the Group or to terminate its operations, or had no feasible alternatives but to do so.

The Group's governance body (including the Audit Committee) was responsible for supervising the financial reporting procedures.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

- 1 Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- 3 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4 Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude 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 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 fairly represent the underlying transactions and events.
- 6 Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and execution of the audit of the Group. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence under The Norm of Professional Ethics for Certified Public 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 Group's consolidated financial statements for the year ended December 31, 2023 and 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.

Deloitte & Touche Taiwan

CPA: Chuang, Pi-Yu

CPA: Wu, Shih-Tsung

Financial Supervisory Commission
approval letter number
Jin-Guan-Zheng-Shen-Zi
No.1070323246

Financial Supervisory Commission approval
letter number
Jin-Guan-Zheng-Shen-Zi
No.1010028123

March 12,2024

Keding Enterprises Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2023 and 2022

Unit: In NT\$ thousands

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current Assets (Note 4)				
1100	Cash (Notes 4 and 6)	\$ 124,912	2	\$ 162,196	3
1136	Financial assets measured at amortized cost – current (Notes 4, 7, and 30)	7,882	-	512	-
1150	Notes receivable – net (Notes 4, 8, 21, and 29)	52,188	1	56,414	1
1170	Accounts receivable – net (Notes 4, 9, 21, and 29)	256,271	4	217,634	3
1200	Other receivables (Notes 4, 8)	2,424	-	6,056	-
1220	Current tax assets (Notes 4, 23)	612	-	-	-
1300	Inventories – net (Notes 4, 5, and 9)	994,444	16	1,130,467	18
1410	Prepayments	89,680	1	123,809	2
1481	Rights to the products to be returned (Note 21)	12,549	-	11,946	-
1479	Other current assets	5,229	-	385	-
11XX	Total current assets	<u>1,546,191</u>	<u>24</u>	<u>1,709,419</u>	<u>27</u>
	Non-current assets (Note 4)				
1600	Property, plant, and equipment (Notes 4, 11, 18, and 30)	4,546,635	71	4,344,087	68
1755	Right-of-use assets (Notes 4 and 12)	46,833	1	83,048	1
1760	Net investment property (Notes 4, 13, and 30)	172,762	3	164,689	3
1821	Intangible assets (Notes 4 and 14)	6,529	-	6,485	-
1840	Deferred tax assets (Notes 4, 5, and 23)	41,629	1	37,469	1
1915	Prepayments for business facilities	11,160	-	18,499	-
1920	Guarantee deposits paid	8,931	-	9,880	-
15XX	Total non-current assets	<u>4,834,479</u>	<u>76</u>	<u>4,664,157</u>	<u>73</u>
1XXX	Total Assets	<u>\$ 6,380,670</u>	<u>100</u>	<u>\$ 6,373,576</u>	<u>100</u>
	Liabilities and Equity				
	Current Liabilities (Note 4)				
2100	Short-term borrowings (Notes 15 and 30)	\$ 556,721	9	\$ 350,000	6
2110	Short-term Notes Payable(Notes 15)	80,000	1	-	-
2130	Contract liabilities – current (Note 21)	63,997	1	58,457	1
2150	Notes payable (Note 17)	-	-	174	-
2170	Accounts payable (Note 17)	67,347	1	43,397	1
2200	Other payables (Note 12 and 18)	170,634	3	347,285	5
2230	Current income tax liabilities (Notes 4 and 23)	148,548	2	198,796	3
2280	Lease liabilities – current (Notes 4 and 12)	16,608	-	31,872	1
2320	Long-term borrowings due within one year (Notes 15, 16 and 30)	590,892	9	537,624	8
2365	Refund liabilities – current (Notes 4, 18, and 21)	25,227	1	21,107	-
2399	Other current liabilities	16,849	-	12,707	-
21XX	Total current liabilities	<u>1,736,823</u>	<u>27</u>	<u>1,601,419</u>	<u>25</u>
	Non-current liabilities (Note 4)				
2540	Long-term borrowings (Notes 15 and 30)	2,496,307	39	2,717,161	43
2550	Non-current provisions (Notes 4 and 18)	791	-	791	-
2570	Deferred tax liabilities (Notes 4 and 23)	18,566	-	13,646	-
2580	Lease liabilities – non-current (Notes 4 and 12)	29,218	1	50,334	1
2645	Guarantee deposits received	9,299	-	9,984	-
25XX	Total non-current liabilities	<u>2,554,181</u>	<u>40</u>	<u>2,791,916</u>	<u>44</u>
2XXX	Total liabilities	<u>4,291,004</u>	<u>67</u>	<u>4,393,335</u>	<u>69</u>
	Equity attributable to owners of the Company (Notes 4, 16, 20, 23 and 25)				
3100	Share capital	821,813	13	740,334	12
3200	Capital reserves	364,036	6	71,485	1
	Retained earnings				
3310	Legal reserve	228,647	4	180,104	3
3350	Undistributed earnings	897,147	14	1,115,420	17
3300	Total retained earnings	1,125,794	18	1,295,524	20
3410	Exchange differences on translation of foreign financial statements	11,139	-	9,894	-
3500	Treasure shares	(236,661)	(4)	(138,321)	(2)
31XX	Total equity attributable to owners of the Company	2,086,121	33	1,978,916	31
36XX	Non-controlling interests	3,545	-	1,325	-
3XXX	Total equity	<u>2,089,666</u>	<u>33</u>	<u>1,980,241</u>	<u>31</u>
	Total Liabilities and Equity	<u>\$ 6,380,670</u>	<u>100</u>	<u>\$ 6,373,576</u>	<u>100</u>

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

Chairman: Tsao, Hsien-Chang

Manager: Tsao, Hsien-Chang

Accounting Manager: Lin, Mei-Wen

Keding Enterprises Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 through December 31, 2023 and 2022
Unit: NT\$ thousands, except earnings per share, which is expressed in NT\$1

Code		2023		2022	
		Amount	%	Amount	%
	Operating revenue (Notes 4, 21, and 29)				
4100	Net sales revenue	\$ 2,370,870	100	\$ 2,428,358	100
4800	Other operating revenue	<u>4,077</u>	<u>-</u>	<u>4,671</u>	<u>-</u>
4000	Total operating revenue	2,374,947	100	2,433,029	100
5000	Operating costs(Notes 4, 9, 11, and 22)	<u>1,271,004</u>	<u>53</u>	<u>1,215,111</u>	<u>50</u>
5900	Gross profit	<u>1,103,943</u>	<u>47</u>	<u>1,217,918</u>	<u>50</u>
	Operating expenses (Notes 4, 9, 13, 23, and 29)				
6100	Selling expenses	664,030	28	622,049	26
6200	Administration expenses	89,653	4	83,647	3
6300	Research and development expenditure	12,802	1	38,146	2
6450	Expected credit impairment loss	<u>7,775</u>	<u>-</u>	<u>3,177</u>	<u>-</u>
6000	Total operating expenses	<u>774,260</u>	<u>33</u>	<u>747,019</u>	<u>31</u>
6900	Operating profit	<u>329,683</u>	<u>14</u>	<u>470,899</u>	<u>19</u>
	Non-operating income and expenditure				
7100	Interest income (Note 4)	1,082	-	1,146	-
7190	Other income (Notes 4, 23, and 29)	51,037	2	38,974	2
7020	Other gains and losses (Notes 4, 14, and 23)	(2,417)	-	20,279	1
7230	Net foreign exchange gain (Note 4, 23, and 31)	-	-	9,596	-
7630	Net foreign exchange losses (Notes 4, 23, and 31)	(6,605)	-	-	-
7050	Financial costs (Notes 4 and 23)	(<u>61,327</u>)	(<u>3</u>)	(<u>43,786</u>)	(<u>2</u>)
7000	Total non-operating income and expenditures	(<u>18,230</u>)	(<u>1</u>)	<u>26,209</u>	<u>1</u>

(Continued)

(Continued)

Code		2023		2022	
		Amount	%	Amount	%
7900	Profit before tax	\$ 311,453	13	\$ 497,108	20
7950	Income tax expense (Notes 4 and 23)	<u>61,478</u>	<u>2</u>	<u>108,081</u>	<u>4</u>
8200	Net profit in the current year	<u>249,975</u>	<u>11</u>	<u>389,027</u>	<u>16</u>
	Other comprehensive income (Notes 4, 20, and 23)				
8360	Items that might subsequently be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	1,442	-	5,075	-
8300	Other comprehensive income (Net after tax)	(<u>311</u>)	<u>-</u>	(<u>1,029</u>)	<u>-</u>
		<u>1,131</u>	<u>-</u>	<u>4,046</u>	<u>-</u>
8500	Total comprehensive income for the year	<u>\$ 251,106</u>	<u>11</u>	<u>\$ 393,073</u>	<u>16</u>
	Net income attributed to				
8610	Owners of the Company				
8620	Non-controlling interests	\$ 248,604	11	\$ 389,694	16
8600		<u>1,371</u>	<u>-</u>	(<u>667</u>)	<u>-</u>
		<u>\$ 249,975</u>	<u>11</u>	<u>\$ 389,027</u>	<u>16</u>
	Total comprehensive income for the period				
8710	shareholders of parent company				
8720	Non-controlling interests	\$ 249,849	11	\$ 393,808	16
8700		<u>1,257</u>	<u>-</u>	(<u>735</u>)	<u>-</u>
		<u>\$ 251,106</u>	<u>11</u>	<u>\$ 393,073</u>	<u>16</u>
	Earnings per share (Note 24)				
9710	Basic				
9810	Diluted	<u>\$ 3.52</u>		<u>\$ 5.56</u>	

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

Keding Enterprises Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 through December 31, 2023 and 2022

Unit: In NT\$ thousands

		Equity attributable to owners of the Company (Note 4, 16, 20, 23, and 25)											
		Share capital (Notes 4, 17, and 21)		Capital reserves (Notes 4, 17, and 21)		Retained earnings (Notes 4 and 21)		Other equity interest (Notes 4, 21, and 24)					
Code		Number of shares (in thousands)	Amount		Legal reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Treasury shares (Notes 4 and 21)	Total	Non-controlling interests (Notes 21)	Total equity		
A1	Balance as of January 1, 2022	74,029	\$ 740,282	\$ 12,686	\$ 144,129	\$ 1,041,814	\$ 5,780	(\$ 165,010)	\$ 1,779,681	\$ -	\$ 1,779,681		
B1	Earnings distribution for 2020												
B5	Provision of legal reserve	-	-	-	35,975	(35,975)	-	-	-	-	-		
	Shareholder cash dividend	-	-	-	-	(280,113)	-	-	(280,113)	-	(280,113)		
I1	Conversion of corporate bonds into common shares	5	52	144	-	-	-	-	196	-	196		
N1	Exercise of disgorgement	-	-	58,655	-	-	-	26,689	85,344	-	85,344		
O1	Non-controlling interests	-	-	-	-	-	-	-	-	2,060	2,060		
D1	Net profit for 2022	-	-	-	-	389,694	-	-	389,694	(667)	389,027		
D3	Other comprehensive income (loss) after tax for 2022	-	-	-	-	-	4,114	-	4,114	(68)	4,046		
D5	Total comprehensive income for 2022	-	-	-	-	389,694	4,114	-	393,808	(735)	393,073		
Z1	Balance as of December 31, 2022	74,034	740,334	71,485	180,104	1,115,420	9,894	(138,321)	1,978,916	1,325	1,980,241		
B1	Earnings distribution												
B5	Provision of legal reserve												
	Shareholder cash dividend	8,147	81,479	215,786	-	-	-	-	297,265	-	297,265		
I1	Conversion of corporate bonds into common shares	-	-	-	-	-	-	(136,455)	(136,455)	-	(136,455)		
L1	Treasury stock	-	-	2,180	-	-	-	-	2,180	(2,180)	-		
M7	Changes in ownership interests in subsidiaries												
N1	Treasure shares transferred to employees	-	-	74,585	-	-	-	38,115	112,700	-	112,700		
O1	Non-controlling interested acquired	-	-	-	-	-	-	-	-	3,143	3,143		

D1	Net profit for 2023	-	-	-	-	248,604	-	-	248,604	1,371	249,975
D3	Other comprehensive income (loss) after tax for 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,245</u>	<u>-</u>	<u>1,245</u>	<u>(114)</u>	<u>1,131</u>
D5	Total comprehensive income for 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,604</u>	<u>1,245</u>	<u>-</u>	<u>249,849</u>	<u>1,257</u>	<u>251,106</u>
Z1	Balance as of December 31, 2023	<u>82,181</u>	<u>\$ 821,813</u>	<u>\$ 364,036</u>	<u>\$ 228,647</u>	<u>\$ 897,147</u>	<u>\$ 11,139</u>	<u>(\$ 236,661)</u>	<u>\$ 2,086,121</u>	<u>\$ 3,545</u>	<u>\$ 2,089,666</u>

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

Chairman: Tsao, Hsien-Chang

Manager: Tsao, Hsien-Chang

Accounting Manager: Lin, Mei-Wen

Keding Enterprises Co., Ltd. and Subsidiaries

Consolidated Statement of Cash Flow

January 1 through December 31, 2023 and 2022

Unit: In NT\$ thousands

Code		2023	2022
	Cash flow from operating activities		
A00010	Profit before tax	\$ 311,453	\$ 497,108
A20010	Income and Expenses		
A20100	Depreciation	121,536	121,870
A20200	Amortization	2,063	2,379
A20300	Expected credit impairment loss	7,775	3,177
A20400	Net (gain) loss on financial instruments at fair value through profit or loss	-	332
A20900	Financial cost	61,327	43,786
A21200	Interest Incomes	(1,082)	(1,146)
A21900	Share-based remuneration cost	74,692	58,735
A22500	Loss (gain) on disposal of property, plant, and equipment	4,451	1,082
A22700	Gains on disposals of investment property	(9,280)	(27,989)
A22900	Gains on disposal of interests in lease agreement	(2,615)	(1,805)
A23700	Impairment loss on non-financial assets	42,964	-
A23800	Inventory depreciation (recovery gains) and obsolescence loss	-	14,794
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	4,226	(36,814)
A31150	Accounts receivable	(46,315)	(70,661)
A31180	Other receivables	5,983	(598)
A31200	Inventory	136,161	(29,769)
A31230	Prepayments	34,129	(54,196)
A31240	Other current assets	(3,961)	(323)
A31990	Rights to the products to be returned	(613)	(5,047)
A32125	Contract liabilities	5,540	22,518
A32130	Notes payable	(174)	(53)
A32150	Accounts payable	23,950	1,914
A32180	Other payables	(34,649)	(43,166)
A32200	Current refund liabilities	4,149	7,106
A32990	Other current liabilities	4,142	2,719
A33000	Cash generated from operations	745,852	505,953

(Continued)

(Continued)

Code		2023	2022
A33100	Interest received	1,082	1,146
A33500	Income taxes paid	(112,001)	(61,539)
AAAA	Net cash inflow from operating activities	<u>634,933</u>	<u>445,560</u>
Cash Flow from Investing Activities			
B00040	Acquisition of financial assets at amortized cost	(\$ 7,370)	(\$ 4)
B00050	Disposal of financial assets at amortized cost	(492,209)	(1,040,517)
B02700	Acquisition of property, plant, and equipment	8,473	1,689
B02800	Proceeds from disposal of property, plant, and equipment	870	100
B03800	Decrease in guarantee deposits paid	(1,412)	(1,411)
B04500	Acquisition of intangible assets	19,524	55,438
B05500	Disposal of investment property	(12,812)	(12,821)
B06700	Increase in prepayments for business facilities	(484,936)	(997,526)
BBBB	Net cash outflow from investing activities		
Cash Flow from Financing Activities			
		532,870	1,450,134
C00100	Increase in short-term borrowings	(326,149)	(1,455,514)
C00200	Decrease in short-term borrowings	80,000	360,000
C00500	Increase in short-term bills payable	-	(360,000)
C00600	Decrease in short-term bills payable	974,590	2,055,450
C01600	Increase in long-term borrowing	(848,026)	(1,158,865)
C01700	Repayment of long-term borrowings	-	1,687
C03000	Increase in deposit received	(558)	-
C03100	Increase (decrease) in guarantee deposits received	(27,280)	(34,566)
C04020	Repayment of principal of lease liabilities	(418,334)	(280,113)
C04500	Cash dividends distributed	(136,455)	-
C05100	Treasury shares acquired by employees	35,657	26,609
C05800	Change in non-controlling interest	(58,280)	(38,858)
C05600	Interest paid	<u>3,143</u>	<u>2,060</u>
CCCC	Net cash outflow from investing activities	(<u>188,822</u>)	<u>568,024</u>
DDDD	Effect of exchange rate changes on cash	<u>1,541</u>	<u>5,317</u>
EEEE	Net (decrease) increase in cash	(37,284)	21,375
E00100	Cash balance, beginning	<u>162,196</u>	<u>140,821</u>
E00200	Cash balance, ending	<u>\$ 124,912</u>	<u>\$ 162,196</u>

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

Chairman: Tsao, Hsien-Chang

Manager: Tsao, Hsien-Chang

Accounting Manager: Lin, Mei-Wen

Independent Auditors' Report

To Keding Enterprises Co., Ltd.:

Audit Opinion

We have audited the parent company only balance sheet of Keding Enterprises Co., Ltd. ("KD" hereinafter) as of December 31, 2023 and 2022, the parent company only statement of comprehensive income, parent company only statement of changes in equity, and parent company only statement of cash flows for the periods then ended, and the notes to the parent company only financial statements (including the summary of significant accounting policies).

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

Basis of Audit Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We were independent of KD in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China and fulfilled all other responsibilities thereunder. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Parent Company Only Financial Statements of 2023. These matters were addressed in the context of our audit of the Parent Company Only Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Below are the key audit matters for KD's 2023 Parent Company Only Financial Statements:

Authenticity of sales revenue in specific regions

Sales of a specific product from Keding Enterprises Co., Ltd. grew significantly and reached a certain level of the sales in the non-consolidated basis and were a key driver of the sales growth. Therefore the validity of the product sales is listed as a key audit item.

For accounting policies on sales revenue and relevant disclosures, refer to Notes 4(13), 22, and 29 in the Parent Company Only Financial Statements.

We have performed the following audit procedures when auditing the authenticity of sales revenue:

1. Understood and tested the effectiveness of the design and implementation of the major internal control system concerning sales revenue.
2. Randomly checked the sales revenue against the transaction documents, e.g. sales orders, shipping documents, and payment collection documents, in order to understand and identify that control of goods, as well as significant risks and rewards, has been transferred to the buyers and that KD's sales revenue recognition was authentic.
3. Sampled the sales return, sales allowance, and payment collection that occurred after the reporting date, so as to verify the reasonableness of the recognition of sales revenue.

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

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

During preparation of these Parent Company Only Financial Statements, the management was also responsible for evaluating KD's ability to continue as a going concern, disclosing going concern matters, and applying the going concern basis of accounting, unless the management intended either to liquidate KD or to terminate its operations, or had no feasible alternatives but to do so.

KD's governance body (including the Audit Committee) was responsible for supervising the financial reporting procedures.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the Parent Company Only Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of

assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists in these Parent Company Only Financial Statements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Parent Company Only Financial Statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the Parent Company Only Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of KD's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on KD's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause KD 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 fairly represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within KD to express an opinion on the Parent Company Only

Financial Statements. We are responsible for the direction, supervision, and execution of the audit of KD. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence under The Norm of Professional Ethics for Certified Public 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 KD's Parent Company Only Financial Statements for the year ended December 31, 2023 and 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.

Deloitte & Touche Taiwan

CPA: Chuang, Pi-Yu

CPA: Wu, Shih-Tsung

Financial Supervisory Commission
approval letter number
Jin-Guan-Zheng-Shen-Zi
No.1070323246

Financial Supervisory Commission approval
letter number
Jin-Guan-Zheng-Shen-Zi
No.1010028123

March 12, 2024

Keding Enterprises Co., Ltd.
Parent Company Only Balance Sheets
As of December 31, 2023 and 2022

Unit: In NT\$ thousands

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current Assets (Note 4)				
1100	Cash (Notes 4 and 6)	\$ 34,330	1	\$ 35,612	1
1136	Financial assets measured at amortized cost – current (Notes 4, 7, and 30)	7,862	-	512	-
1150	Notes receivable – net (Notes 4, 8, 21, and 29)	51,392	1	55,717	1
1170	Accounts receivable – net (Notes 4, 8, and 21)	236,432	4	184,309	3
1180	Accounts receivable – net amount due from related parties (Notes 4, 8, 21, and 29)	142,611	2	389,069	6
1200	Other receivables (Notes 4, 8, and 29)	123,161	2	31,521	-
1300	Inventories – net (Notes 4, 5, and 9)	840,394	13	916,310	14
1410	Prepayments	71,529	1	109,706	2
1481	Rights to the products to be returned (Note 21)	11,310	-	8,879	-
1479	Other current assets	5,272	-	443	-
11XX	Total current assets	<u>1,524,293</u>	<u>24</u>	<u>1,732,078</u>	<u>27</u>
	Non-current assets (Note 4)				
1550	Investments accounted for using equity method (Notes 4 and 10)	178,471	3	132,269	2
1600	Property, plant, and equipment (Notes 4, 11, 18, and 30)	4,530,973	70	4,312,815	67
1755	Right-of-use assets (Notes 4 and 12)	11,871	-	13,944	-
1760	Net investment property (Notes 4, 13, and 30)	172,762	3	164,689	3
1821	Intangible assets (Notes 4 and 14)	2,812	-	2,918	-
1840	Deferred tax assets (Notes 4, 5, and 23)	41,629	-	37,352	1
1915	Prepayments for business facilities	7,336	-	18,051	-
1920	Guarantee deposits paid	2,024	-	1,933	-
15XX	Total non-current assets	<u>4,947,878</u>	<u>76</u>	<u>4,683,971</u>	<u>73</u>
1XXX	Total Assets	<u>\$ 6,472,171</u>	<u>100</u>	<u>\$ 6,416,049</u>	<u>100</u>
Code	Liabilities and Equity	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current Liabilities (Note 4)				
2100	Short-term borrowings (Notes 15 and 30)	\$ 556,721	9	\$ 350,000	6
2110	short-term notes and bills payable(Notes 15)	80,000	1	-	-
2130	Contract liabilities – current (Note 21 and 29)	119,047	2	50,454	1
2150	Notes payable (Note 17)	-	-	174	-
2170	Accounts payable (Notes 17 and 29)	62,120	1	66,117	1
2200	Other payables (Note 18)	147,741	2	290,238	5
2230	Current income tax liabilities (Notes 4 and 23)	142,844	2	192,795	3
2280	Lease liabilities – current (Notes 4 and 12)	5,009	-	7,403	-
2320	Long-term borrowings due within one year (Notes 15 ,16 and 30)	590,892	9	537,624	8
2365	Refund liabilities – current (Notes 4, 18, and 21)	22,639	1	15,946	-
2399	Other current liabilities	13,183	-	12,312	-
21XX	Total current liabilities	<u>1,740,196</u>	<u>27</u>	<u>1,523,063</u>	<u>24</u>
	Non-current liabilities (Note 4)				
2540	Long-term borrowings (Notes 15 and 30)	2,496,307	39	2,717,161	42
2550	Non-current provisions (Notes 4 and 18)	791	-	791	-
2570	Deferred tax liabilities (Notes 4 and 23)	18,562	-	13,646	-
2580	Lease liabilities – non-current (Notes 4 and 12)	6,761	-	6,424	-
2645	Guarantee deposits received	1,867	-	1,894	-
2650	Balance of investments accounted for using equity method (Notes 4 and 10)	121,566	2	174,154	3
		<u>2,645,854</u>	<u>41</u>	<u>2,914,070</u>	<u>45</u>
25XX	Total non-current liabilities	<u>4,386,050</u>	<u>68</u>	<u>4,437,133</u>	<u>69</u>
2XXX	Total liabilities	<u>2,496,307</u>	<u>39</u>	<u>2,717,161</u>	<u>42</u>
	Equity (Notes 4, 16, 20, 23, and 25)				
3100	Share capital	821,813	13	740,334	12
3200	Capital reserves	364,036	6	71,485	1
	Retained earnings				
3310	Legal reserve	228,647	3	180,104	3
3350	Undistributed earnings	897,147	14	1,115,420	17
3300	Total retained earnings	1,125,794	17	1,295,524	20
3410	Exchange differences on translation of foreign financial statements	11,139	-	9,894	-
3500	Treasure shares	(236,661)	(4)	(138,321)	(2)
3XXX	Total equity	<u>2,086,121</u>	<u>32</u>	<u>1,978,916</u>	<u>31</u>
	Total Liabilities and Equity	<u>\$ 6,472,171</u>	<u>100</u>	<u>\$ 6,416,049</u>	<u>100</u>

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman: Tsao, Hsien-Chang

Manager: Tsao, Hsien-Chang

Accounting Manager: Lin, Mei-Wen

Keding Enterprises Co., Ltd.

Parent Company Only Statement of Comprehensive Income

January 1 through December 31, 2023 and 2022

Unit: NT\$ thousands, except earnings per share, which is expressed in NT\$1

Code		2023		2022	
		Amount	%	Amount	%
	Operating revenue (Notes 4, 21, and 29)				
4100	Net sales revenue	\$ 1,879,397	100	\$ 1,937,419	100
4800	Other operating revenue	<u>5,671</u>	<u>-</u>	<u>3,601</u>	<u>-</u>
4000	Total operating revenue	1,885,068	100	1,941,020	100
5000	Operating costs (Notes 4, 11, 22, and 29)	<u>1,169,124</u>	<u>62</u>	<u>1,152,638</u>	<u>59</u>
5900	Gross profit	715,944	38	788,382	41
5920	Realized gains on transactions with subsidiaries (Note 4)	<u>41,632</u>	<u>2</u>	<u>40,555</u>	<u>2</u>
5950	Realized gross profit	<u>757,576</u>	<u>40</u>	<u>828,937</u>	<u>43</u>
	Operating expenses (Notes 4, 9, 12, 22, and 29)				
6100	Selling expenses	374,728	20	252,733	13
6200	Administration expenses	72,513	4	65,811	4
6300	Research and development expenditure	12,802	-	38,146	2
6450	Expected credit impairment loss	<u>4,237</u>	<u>-</u>	<u>1,279</u>	<u>-</u>
6000	Total operating expenses	<u>464,280</u>	<u>24</u>	<u>357,969</u>	<u>19</u>
6900	Operating profit	<u>293,296</u>	<u>16</u>	<u>470,968</u>	<u>24</u>
	Non-operating income and expenditure				
7100	Interest income (Note 4)	582	-	153	-
7190	Other income (Notes 4, 22, and 29)	39,116	2	37,350	2
7020	Other gains and losses (Notes 4, 13, and 23)	2,697	-	22,895	1
7230	Net foreign exchange gains (Notes 4, 22 and 31)	-	-	46,305	2
7630	Net foreign exchange losses (Notes 4, 22, and 31)	-	-	(13,947)	(1)
7050	Financial costs (Notes 4 and 22)	(39,822)	(2)	(24,552)	(1)

(Continued)

(Continued)

Code		2023		2022	
		Amount	%	Amount	%
	Non-operating income and expenditure				
7070	Share of profits in subsidiaries accounted for using the equity method (Note 4)	(<u>45,696</u>)	(<u>2</u>)	<u>161,422</u>	<u>10</u>
7000	Total non-operating income and expenditures	<u>21,185</u>	<u>1</u>	<u>229,949</u>	<u>14</u>
7900	Profit before tax	492,153	25	636,735	39
7950	Income tax expense (Notes 4 and 23)	<u>102,459</u>	<u>5</u>	<u>99,668</u>	<u>6</u>
8200	Net profit in the current year	<u>389,694</u>	<u>20</u>	<u>537,067</u>	<u>33</u>
	Other comprehensive income (Notes 4, 20, and 23)				
8360	Items that might subsequently be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	1,556	-	5,143	-
8399	Other components of other comprehensive income that will be reclassified to profit or loss	(<u>311</u>)	-	(<u>1,029</u>)	-
8300	Other comprehensive income (Net after tax)	<u>1,245</u>	-	<u>4,114</u>	-
8500	Total comprehensive income for the year	<u>\$ 249,849</u>	<u>13</u>	<u>\$ 393,808</u>	<u>20</u>
	Earnings per share (Note 24)				
9710	Basic	<u>\$ 3.52</u>		<u>\$ 5.56</u>	
9810	Diluted	<u>\$ 3.21</u>		<u>\$ 5.04</u>	

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman: Tsao, Hsien-Chang

Manager: Tsao, Hsien-Chang

Accounting Manager: Lin, Mei-Wen

Keding Enterprises Co., Ltd.
Parent Company Only Statement of Changes in Equity
January 1 through December 31, 2023 and 2022

Unit: In NT\$ thousands

		Share capital (Notes 4, 17, and 21)		Capital reserves (Notes 4, 17, and 21)	Retained earnings (Notes 4 and 21)		Other equity interest (Notes 4, 21, and 24)	Exchange differences on translation of foreign financial statements	Treasury shares (Notes 4 and 21)	Total equity
Code		Number of shares (in thousands)	Amount		Legal reserve	Undistributed earnings				
A1	Balance as of January 1, 2022	74,029	\$ 740,282	\$ 12,686	\$ 144,129	\$ 1,041,814	\$ 5,780	(\$ 165,010)	\$ 1,779,681	
	Earnings distribution for 2020									
B1	Provision of legal reserve	-	-	-	35,975	(35,975)	-	-	-	
B5	Shareholder cash dividend	-	-	-	-	(280,113)	-	-	(280,113)	
I1	Conversion of corporate bonds into common shares	5	52	144	-	-	-	-	196	
N1	Conversion of corporate bonds into common shares	-	-	58,655	-	-	-	26,689	85,344	
D1	Net profit for 2022	-	-	-	-	389,694	-	-	389,694	
D3	Other comprehensive income (loss) after tax for 2022	-	-	-	-	-	4,114	-	4,114	
D5	Total comprehensive income for 2022	-	-	-	-	389,694	4,114	-	393,808	
Z1	Balance as of December 31, 2022	74,034	740,334	71,485	180,104	1,115,420	9,894	(138,321)	1,978,916	
	Earnings distribution									
B1	Provision of legal reserve	-	-	-	48,543	(48,543)	-	-	-	
B5	Shareholder cash dividend	-	-	-	-	(418,334)	-	-	(418,334)	
I1	Conversion of corporate bonds into common shares	8,147	81,479	215,786	-	-	-	-	297,265	
L1	Treasury stock	-	-	-	-	-	-	(136,455)	(136,455)	
M7	Changes in ownership interests in subsidiaries	-	-	2,180	-	-	-	-	2,180	
N1	Treasure shares transferred to employees	-	-	74,585	-	-	-	38,115	112,700	
D1	Net profit for 2023	-	-	-	-	248,604	-	-	248,604	
D3	Other comprehensive income (loss) after tax for 2023	-	-	-	-	-	1,245	-	1,245	
D5	Total comprehensive income for 2023	-	-	-	-	248,604	1,245	-	249,849	
Z1	Balance as of December 31, 2023	82,181	\$ 821,813	\$ 364,036	\$ 228,647	\$ 897,147	\$ 11,139	(\$ 236,661)	\$ 2,086,121	

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman: Tsao, Hsien-Chang

Manager: Tsao, Hsien-Chang

Accounting Manager: Lin, Mei-Wen

Keding Enterprises Co., Ltd.
Parent Company Only Statement of Cash Flow
January 1 through December 31, 2023 and 2022

Unit: In NT\$ thousands

Code		2023	2022
	Cash flow from operating activities		
A00010	Profit before tax	\$ 303,145	\$ 492,153
A20010	Income and Expenses		
A20100	Depreciation	96,634	86,186
A20200	Amortization	1,464	1,844
A20300	Expected credit impairment loss	4,237	1,279
A20400	Loss (Gain) on financial instruments at fair value through profit or loss	-	332
A20900	Financial cost	58,796	39,822
A21200	Interest Incomes	(582)	(153)
A21900	Share-based remuneration cost	61,878	58,735
A22400	Share of profits in subsidiaries recognized by equity method	(26,402)	45,696
A22500	Loss (gain) on disposal of property, plant, and equipment	488	(562)
A22700	Gains on disposals of investment property	(9,280)	(27,989)
A22900	Gains on disposal of interests in lease agreement	(72)	-
A23700	Impairment loss on non-financial assets	39,942	-
A23800	Inventory depreciation (recovery gains) and obsolescence loss	11,526	9,869
A24000	Realized gains from transaction with subsidiaries	(41,698)	(40,720)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	4,325	(36,117)
A31150	Accounts receivable	(56,360)	(64,911)
A31160	Accounts receivable – related parties	246,458	(62,576)
A31180	Other receivables	6,024	7,134
A31200	Inventory	64,390	(20,174)
A31230	Prepayments	38,177	(52,406)
A31990	Rights to the products to be returned	(2,431)	(4,350)
A31240	Other current assets	(4,829)	(85)
A32125	Contract liabilities	68,593	31,908
A32130	Notes payable	(174)	(53)
A32150	Accounts payable	(3,997)	(1,093)
A32180	Other payables	(\$ 548)	(\$ 29,002)
A32200	Current refund liabilities	6,693	6,177
A32990	Other current liabilities	871	2,519
A33000	Cash generated from operations	867,268	443,463
A33100	Interest received	582	153
A33500	Income taxes paid	(104,164)	(59,943)
AAAA	Net cash inflow from operating activities	<u>763,686</u>	<u>383,673</u>

(Continued)

Code		2023	2022
	Cash Flow from Investing Activities		
B00040	Acquisition of financial assets at amortized cost	(7,350)	(4)
B01800	Long-term equity investment using the equity method acquired	(14,140)	(10,997)
B02400	Proceeds refunded by investees accounted for using the equity method due to capital reduction	-	23,511
B02700	Acquisition of property, plant, and equipment	(488,561)	(1,037,718)
B02800	Proceeds from disposal of property, plant, and equipment	57	1,367
B03700	Guarantee deposits paid	(91)	(186)
B04500	Acquisition of intangible assets	(692)	(907)
B05400	Proceeds for acquisition of Investment property	19,524	55,438
B05800	Other account receivable – related parties	(95,313)	(17,385)
B07100	Increase in prepayments for business facilities	(8,937)	(12,476)
BBBB	Net cash outflow from investing activities	(595,503)	(999,357)
	Cash Flow from Financing Activities		
C00100	Increase in short-term borrowings	532,870	1,450,134
C00200	Decrease in short-term borrowings	(326,149)	(1,455,514)
C00500	Increase in short-term bills payable	80,000	360,000
C00600	Decrease in short-term bills payable	-	(360,000)
C01600	Increase in long-term borrowing	974,590	2,055,450
C01700	Repayment of long-term borrowings	(848,026)	(1,158,865)
C03000	Increase in guarantee deposits received	-	1,775
C03100	decrease in guarantee deposits received	(27)	-
C04020	Repayment of principal of lease liabilities	(7,920)	(6,839)
C04500	Cash dividends distributed	(418,334)	(280,113)
C04900	Treasury Stock acquired	(136,455)	-
C05100	Treasury shares acquired by employees	35,657	26,609
C05600	Interest paid	(55,671)	(34,894)
CCCC	Net cash outflow from investing activities	(169,465)	597,743
EEEE	Net (decrease) increase in cash	(\$ 1,282)	(\$ 17,941)
E00100	Cash balance, beginning	35,612	53,553
E00200	Cash balance, ending	\$ 34,330	\$ 35,612

The accompanying notes are an integral part of the Parent Company Only Financial Statements

Chairman: Tsao, Hsien-Chang

Manager: Tsao, Hsien-Chang

Accounting Manager: Lin, Mei-Wen

Keding Enterprises Co., Ltd.

2023 Distribution of Earnings Statement

Unit: In NT\$ thousands

Item	Amount	
	Subtotal	Total
Initial undistributed earnings		1, 076, 450, 560
Add: Net of tax earnings from current period	248, 604, 055	
Less: Provision of legal reserve(10%)	(24, 860, 406)	
Earnings available for distribution		1, 300, 194, 209
Distribution items:		
Less: Cash dividend for the first half of 2023 is NT\$6 per share		418, 334, 442
Less: Cash dividend in the second half of 2023 is NT\$3 per share		236, 080, 041
Undistributed earnings at the year end		645, 779, 726

Chairman of the Board: Tsao, Hsien-Chang

Manager: Tsao, Hsien-Chang

Accounting Manager: Lin, Mei-Wen

List of candidates for the 10th term of directors

Position Name Education Experience	Position Name Education Experience	Position Name Education Experience	Position Name Education Experience	Amount of shares held (unit: share)
Director	Representative of Zhouding Investment Co., Ltd.: Tsao, Hsien-Chang	National Taiwan University-Fudan Offshore EMBA Programs	President, Yuanbang Interior Decoration Design Co., Ltd. Founder, Keding Enterprises Co., Ltd.	16,218,666
Director	Huang Tian-Hua	Wanluan Junior High School	Responsible person, Li Wei Engineering Co., Ltd. Founder, Keding Enterprises Co., Ltd.	2,047,000
Director	Representative of Zhouding Investment Co., Ltd.: Tsao, Ya- Lin	Master of International Marketing Management, University of Leeds, UK	Special Assistant, Keding Enterprises Co., Ltd.	16,218,666
Director	Representative of Zhouding Investment Co., Ltd.: Tsai, Sheng-Hang	Bachelor of Finance, Department of Finance, Private Xingwu Technical College	Deputy General Manager of Keding Enterprise Co., Ltd.	16,218,666
Independent Director	Cheng, Hung- Hui	Master of Law, On-the- job Programs of the College of Law, National Chengchi University Master of Accounting, National Taiwan University A professional who passed the ROC Senior Examination for CPAs Holder of the USCPA License	Deputy Manager, Audit Department, Deloitte & Touche Taiwan Manager, Audit Service Department, PwC Taiwan Internal Audit Manager of the Asia- Pacific Region, Finance Department, Analog Devices, Inc. Assistance Vice President, Audit Department, First CPA and Partners CPA, Chungsun CPAs CPA, Grant Thornton Leader, Mingda CPAs	0
Independent Director	Yang, Hao-Ming	Bachelor of Business Administration, Chinese Culture University	Responsible person, KAYU TEXTILE CO., LTD.	0
Independent Director	Liu Ting-Xuan	Bachelor's degree from the University of Toronto, Canada Master of Sun Yat-sen University	Deputy General Manager of China Life Group Co., Ltd. Chairman of Taiwan Shoen Co., Ltd.	0
Independent Director	Luo Shu-Zhen	National Taiwan University-Fudan Offshore EMBA Programs	General Manager of Zhang Fei Creative Marketing Co., Ltd.	0

Amendments and Comparison of “Articles of Association”

Amendment item	Before amendment	After amendment	Explanation
Article 2	<p>The company's business operations are as follows:</p> <p>1. C501010 Sawmilling and Planing of Wood</p> <p>2. C501030 Manufacture of Veneer Sheets</p> <p>3. C501040 Manufacture of Wood-based Panels</p> <p>4. E801010 Indoor Decoration</p> <p>5. E901010 Painting Engineering</p> <p>6. F120010 Wholesale of Refractory Materials</p> <p>7. F401010 International Trade</p> <p>8. F106010 Wholesale of Hardware</p> <p>9. F206010 Retail Sale of Hardware</p> <p>10. C501990 Manufacture of other products of wood</p> <p>11. EZ99990 Other Engineering</p> <p>12. F107190 Wholesale of Plastic Films and Bags</p> <p>13. F111090 Wholesale of Building Materials</p> <p>14. F207190 Retail Sale of Plastic Films and Bags</p> <p>15. F211010 Retail Sale of Building Materials</p> <p>16. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</p> <p>17. H701010 Housing and Building Development and Rental</p> <p>18. H701020 Industrial Factory Development and Rental</p> <p>19. F399040 Retail Sale No Storefront</p> <p>20. CN01010 Furniture and Decorations Manufacturing</p> <p>21. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures</p> <p>22. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures</p>	<p>The company's business operations are as follows:</p> <p>01. C501010 Sawmilling and Planing of Wood</p> <p>02. C501030 Manufacture of Veneer Sheets</p> <p>03. C501040 Manufacture of Wood-based Panels</p> <p>04. C501990 Manufacture of other products of wood</p> <p>05. <u>C805010 Manufacture of Plastic Sheets, Pipes and Tubes</u></p> <p>06. <u>C805070 Reinforced Plastic Products Manufacturing</u></p> <p>07. <u>C805990 Other Plastic Products Manufacturing</u></p> <p>08. <u>CN01010 Furniture and Decorations Manufacturing</u></p> <p>09. E801010 Indoor Decoration</p> <p>10. E901010 Painting Engineering</p> <p>11. EZ99990 Other Engineering</p> <p>12. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures</p> <p>13. F106010 Wholesale of Hardware</p> <p>14. F107190 Wholesale of Plastic Films and Bags</p> <p>15. F111090 Wholesale of Building Materials</p> <p>16. F120010 Wholesale of Refractory Materials</p> <p>17. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures</p> <p>18. F206010 Retail Sale of Hardware</p> <p>19. F207190 Retail Sale of Plastic Films and Bags</p> <p>20. F211010 Retail Sale of Building Materials</p> <p>21. F399040 Retail Sale No Storefront</p> <p>22. F401010 International Trade</p> <p>23. H701010 Housing and Building Development and Rental</p> <p>24. H701020 Industrial Factory Development and Rental</p> <p>25. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>Added new business item "Plastic Products Manufacturing"</p>
Article 22		<p>The 19th amendment was made on June 25, 2024.</p>	<p>Add to mark the number and the date of the amendment.</p>

Amendments and Comparison of “Procedures for Election of Director”

Amendment item	Before amendment	After amendment	Explanation
Article 3	<p>The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors.</p> <p>Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:</p> <ol style="list-style-type: none"> 1. The ability to make judgments about operations. 2. Accounting and financial analysis ability. 3. Business management ability. 4. Crisis management ability. 5. Knowledge of the industry. 6. An international market perspective. 7. Leadership ability. 8. Decision-making ability. <p>More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.</p>	<p>The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:</p> <ol style="list-style-type: none"> 1. Basic requirements and values: Gender, age, nationality, and culture. 2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience. <p>Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:</p> <ol style="list-style-type: none"> 1. The ability to make judgments about operations. 2. Accounting and financial analysis ability. 3. Business management ability. 4. Crisis management ability. 5. Knowledge of the industry. 6. An international market perspective. 7. Leadership ability. 8. Decision-making ability. <p>More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other</p>	<p>Refer to the "○○ Co.,Ltd. Director Selection Procedure" sample revision.</p>

Amendment item	Before amendment	After amendment	Explanation
		<p>director.</p> <p>The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.</p>	
Article 5	<p>Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.</p> <p>In order to review the director candidates' qualifications, academic background, and whether they have any of the circumstances listed in Article 30 of the Company Law, etc., no additional documents proving other qualifications shall be arbitrarily added, and the review results shall be provided to shareholders for reference. Elect qualified directors.</p> <p>.....Omit</p> <p>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, Relevant provisions of the Taiwan Stock Exchange's Listing Review Standards or Paragraph 8 of the "Specific Determination Standards for Paragraphs 1 of Article 10 of the Rules for Review of Securities Dealing at Securities Dealers' Business Premises as Unsuitable for OTC Listing" of the Securities Over-the-Counter Trading Center of the Republic of China, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent</p>	<p>Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.</p> <p>In order to review the director candidates' qualifications, academic background, and whether they have any of the circumstances listed in Article 30 of the Company Law, etc., no additional documents proving other qualifications shall be arbitrarily added, and the review results shall be provided to shareholders for reference. Elect qualified directors.(Delete)</p> <p>.....Omit</p> <p>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, Relevant provisions of the Taiwan Stock Exchange's Listing Review Standards or Paragraph 8 of the "Specific Determination Standards for Paragraphs 1 of Article 10 of the Rules for Review of Securities Dealing at Securities Dealers' Business Premises as Unsuitable for OTC Listing" of the Securities Over-the-Counter Trading Center of the Republic of China, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent</p>	Refer to the "○○ Co.,Ltd. Director Selection Procedure" sample revision.

Amendme nt item	Before amendment	After amendment	Explanation
	<p>"Specific Determination Standards for Paragraphs 1 of Article 10 of the Rules for Review of Securities Dealing at Securities Dealers' Business Premises as Unsuitable for OTC Listing" of the Securities Over-the-Counter Trading Center of the Republic of China, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>	<p>directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>	
Article 10	<p>If the electee is a shareholder, the elector must fill in the electee's account name and shareholder account number in the elector column of the election ticket; if the electee is not a shareholder, the elector must fill in the electee's name and identity document number. However, when a government or legal person shareholder is the electee, the name of the electee in the election ticket should be filled in with the</p>	(Delete)	<p>In accordance with the Financial Supervisory Commission's Order No. 1080311451 issued on April 25, 2019, the election of directors and supervisors of listed (counter) companies should adopt a candidate nomination system from 2021. Shareholders should select</p>

Amendment item	Before amendment	After amendment	Explanation
	<p>name of the government or legal person, and the name of the government or legal person and the name of its representative may also be filled in; when there are several representatives, The name of the representative should be added separately.</p>		<p>candidates from the list of director candidates. , shareholders can learn the name, academic experience and other information of each candidate from the candidate list before the shareholders meeting is held. It is unnecessary to use the shareholder account number or ID card number as a way to identify the candidates. This article is deleted.</p>
Article 11	<p>Article 11 A ballot is invalid under any of the following circumstances: 1. The ballot was not prepared by a person with the right to convene. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot does not conform to the director candidate list. 5. In addition to filling in the electee's account name (name) or shareholder account number (identity document number)</p>	<p>Article 10 A ballot is invalid under any of the following circumstances: 1. The ballot was not prepared by a person with the right to convene. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot does not conform to the director candidate list. 5. Other words or marks are entered in addition to the number of voting rights allotted.</p>	<p>1.Modification of the order of provisions 2.Refer to the example of "○○ Co., Ltd. Director Selection Procedure" to make text corrections.</p>

Amendme nt item	Before amendment	After amendment	Explanation
	<p>and the number of allocated voting rights, other words are included.</p> <p>6. The name of the elector filled in is the same as that of other shareholders, but the shareholder account number or identity document number is not filled in for identification.</p>		
Article 12	<p>Article 12</p> <p>The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation</p> <p>The results of the voting will be opened on the spot after the scrutineers have completed the voting and verified that the total number of valid votes and invalid votes are correct.</p> <p>Including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring</p>	<p>Article 11</p> <p>The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation</p> <p>The results of the voting will be opened on the spot after the scrutineers have completed the voting and verified that the total number of valid votes and invalid votes are correct.</p> <p>Including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring</p>	<p>1.Modification of the order of provisions</p> <p>2.Refer to the example of "○○ Co., Ltd. Director Selection Procedure" to make text corrections.</p>

Amendme nt item	Before amendment	After amendment	Explanation
	personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.	personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.	
Article 13	Article 13 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.	Article 12 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.	Modification of the order of provisions

Amendments Comparison for “Rules of Procedure for Shareholder Meetings”

Amendment item	Before amendment	After amendment	Explanation
Article 19	The original Article 19 is moved to Article 23	<u>Video conference information disclosure</u> <u>If the shareholders' meeting is held by video conference, the company should immediately disclose the voting results of each proposal and the election results on the shareholders' meeting video conference platform in accordance with regulations after the voting ends, and should continue to disclose the results for at least 15 years after the chairman announces the adjournment of the meeting. minute.</u>	Amended, in accordance with the current law and authorities
Article 20		<u>The location of the chairman and record-keeper of the video-conferencing shareholders' meeting</u> <u>When the company convenes a video shareholders' meeting, the chairman and the record-keeper should be at the same place in the country, and the chairman should announce the address of the place during the meeting.</u>	Amended, in accordance with the current law and authorities
Article 21		<u>Handling disconnections</u> 1. <u>If the shareholders' meeting is held by video conference, the company may provide shareholders with a simple connection test before the meeting, and provide relevant services immediately before and during the meeting to help solve technical communication problems.</u> 2. <u>If the shareholders' meeting is held by video conference, the chairman shall,</u>	Amended, in accordance with the current law and authorities

Amendment item	Before amendment	After amendment	Explanation
		<p><u>when announcing the meeting, separately announce that except for the circumstances that do not require the postponement or continuation of the meeting as stipulated in Article 44-24 of the Standards for Handling Stock Affairs of Companies with Public Issuance of Stocks, the meeting shall be held by video conference. Before the chairman announces the adjournment of the meeting, if due to natural disasters, accidents or other force majeure circumstances, the video conferencing platform or participation in the video conference is hindered and continues for more than 30 minutes, the date of the meeting shall be postponed or postponed within five days. Company Law shall not apply. The provisions of Article 182.</u></p> <p>3. <u>In the event of a meeting that should be postponed or continued as specified in the preceding paragraph, shareholders who have not registered to participate in the original shareholders' meeting via video conference shall not participate in the postponed or continued meeting.</u></p> <p>4. <u>If the meeting should be postponed or postponed in accordance with the provisions of Paragraph 2,</u></p>	

Amendment item	Before amendment	After amendment	Explanation
		<p><u>shareholders who have registered to participate in the original shareholders' meeting via video conferencing and have completed registration, but who have not participated in the postponed or postponed meeting, shall have the number of shares present at the original shareholders' meeting and the number of shares that have been exercised. Voting rights and electoral rights shall be included in the total number of shares, voting rights and electoral rights of shareholders present at the postponed or continued meeting.</u></p> <p>5. <u>When the shareholders' meeting is postponed or resumed in accordance with the provisions of Paragraph 2, there is no need to re-discuss and resolve the resolutions that have completed voting and counting, and announced the voting results or the list of directors and supervisors.</u></p> <p>6. <u>When the company convenes a video-assisted shareholders' meeting and the video meeting cannot be continued in the second paragraph, if the total number of shares present after deducting the number of shares attending the shareholders' meeting via video conference still reaches the legal quota for the shareholders'</u></p>	

Amendment item	Before amendment	After amendment	Explanation
		<p><u>meeting, the shareholders' meeting</u></p> <p><u>The meeting shall continue and there is no need to postpone or continue the assembly in accordance with the provisions of Paragraph 2.</u></p> <p>7. <u>In the event that the meeting as specified in the preceding paragraph occurs and the meeting should continue, shareholders who participate in the shareholders' meeting via video conference shall have their attendance number counted in the total number of shares of the shareholders present, but all resolutions of the shareholders' meeting will be deemed to have abstained from voting.</u></p> <p>8. <u>When the company postpones or renews the meeting in accordance with the provisions of Paragraph 2, it shall comply with the provisions of Article 44-27 of the Standards for Handling Stock Affairs of Companies with Public Issuance of Stocks, and the date of the original shareholders' meeting and the provisions of the respective articles. Handle relevant preparatory work.</u></p> <p>9. <u>The latter paragraph of Article 12 and Paragraph 3 of Article 13 of the Rules for the Use of Proxy Letters to Attend Shareholders' Meetings of Publicly Issuing Companies, Article 44-5</u></p>	

Amendment item	Before amendment	After amendment	Explanation
		<u>Paragraphs 2 and 44 of the Standards for Handling Stock Affairs of Companies with Public Issuance of Stocks During the period specified in Paragraph 1 of Article 15 and Article 44-17, the Company shall postpone or renew the shareholders' meeting date in accordance with Paragraph 2.</u>	
Article 22		<u>Dealing with digital gaps</u> <u>When the company convenes a video conference of shareholders, it shall provide appropriate alternative measures for shareholders who would have difficulty attending the meeting via video conference.</u>	Amended, in accordance with the current law and authorities

Amendments and Comparison of “Procedures for loaning funds to others”

Amendment item	Before amendment	After amendment	Explanation
Article 6, Paragraph 3	1. Foreign subsidiaries that directly hold or indirectly hold 100% of the voting shares are not subject to the 40% limit on net worth when lending funds to the company.	<u>The total amount and individual limits of its funds loaned to others are as follows.</u> <u>1. The total amount of funds loaned to others due to the need for short-term financing shall not exceed 40% of the company’s most recent financial statement’s net worth; the individual loan limit shall not exceed the company’s most recent financial statement. Forty percent of the net worth is limited.</u> <u>2. The total amount of funds loaned to others due to subsidiaries having business relationships shall not exceed the amount of the company's business transactions. The individual loan limit shall not exceed the amount of the company's business transactions or the net worth of the company's most recent consolidated financial statements. Ten percent, whichever is lower.</u>	Make corrections based on actual work.
Article 7, Paragraph 4	Foreign companies that directly hold and indirectly hold 100% of the voting shares of the company are not subject to the one-year limit on lending funds to the company.	The company's subsidiaries that directly hold or indirectly hold <u>more than 50%</u> of the voting shares are not subject to the one-year limit for lending funds to the company.	Make corrections based on actual work.

Amendment item	Before amendment	After amendment	Explanation
Article 6, Paragraph 1	<p>The total amount of funds loaned and the limits for individual objects</p> <p>1. Fund loan and total amount: The total amount of the company's loans shall not exceed 40% of the company's net worth, including:</p> <p>(1). For companies or banks that have business dealings with our company, the total amount of funds loaned shall not exceed 10% of the company's net worth.</p>	<p>The total amount of funds loaned and the limits for individual objects</p> <p>1. Fund loan and total amount: The total amount of the company's loans shall not exceed 40% of the company's net worth, including:</p> <p>(1). For companies or banks that have business dealings with our company, the total amount of funds loaned shall not <u>exceed 40%</u> of the company's net worth.</p>	<p>The provisions of the "Criteria for Handling Fund Loans and Endorsement Guarantees of Publicly Offered Companies" have been revised.</p>
Article 6, Paragraph 2	<p>2. Limits of capital loans to individual objects:</p> <p>(1). For companies or banks that have business dealings with our company, the amount of loans to individual objects shall not exceed the amount of business dealings between the two parties.</p>	<p>2. Limits of capital loans to individual objects:</p> <p>1. For companies or banks that have business dealings with our company, the loan amount for individual objects shall not exceed <u>the sales or purchase amount in the last year, whichever is higher.</u></p>	<p>Make corrections based on actual work.</p>

Rules of Procedure for Shareholder Meetings

Revised on June 28, 2023

Article I Purpose and Source of Law

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, the following rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article II The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of association, shall be as provided in these Rules.**Article III Convening shareholders meetings and meeting notices.**

- I. Unless otherwise provided by law, the company's shareholders' meeting shall be convened by the board of directors. When a company convenes a video meeting of shareholders, unless otherwise provided for by the stock management standards for companies that issue shares to the public, it should be stated in the articles of association and approved by the board of directors, and the video meeting of shareholders should be approved by the board of directors with the attendance and attendance of more than two-thirds of the directors. The resolution shall be carried out if approved by more than half of the directors. Changes in the method of convening the company's shareholders' meeting shall be subject to resolution by the board of directors, and shall be made no later than before the notice of the shareholders' meeting is sent. The company shall, thirty days before the regular shareholders' meeting or fifteen days before the extraordinary shareholders' meeting, submit the notice of the shareholders' meeting, the form of proxy, the cause of each proposal, including the recognition proposal, discussion proposal, election or removal of directors, etc. The explanatory information is made into an electronic file and sent to the Public Information Observatory. And twenty-one days before the regular shareholders' meeting or fifteen days before the extraordinary shareholders' meeting, the shareholders' meeting manual and meeting supplementary materials will be prepared as electronic files and sent to the public information observation station. Fifteen days before the shareholders'

meeting, the proceedings manual and meeting supplementary materials for the current shareholders' meeting shall be prepared for shareholders to request at any time, and shall be displayed in the company and the professional stock agency appointed by the company. The proceedings manual and meeting supplements mentioned in the preceding paragraph shall be prepared. Information, the company shall provide it to shareholders for reference on the day of the shareholders' meeting in the following ways:

1. When a physical shareholders' meeting is held, the certificates should be distributed at the shareholders' meeting site.
 2. When convening a video-assisted shareholders' meeting, it should be distributed on-site at the shareholders' meeting and transmitted to the video conference as an electronic file. Conference platform.
 3. When convening a video shareholder meeting, electronic files should be sent to the video conferencing platform.
- II. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
- II. The notice shall state the reason for the convening; the notice may be made electronically if the counterparty agrees.
- III. Election or dismissal of directors or supervisors, amendments to the articles of association, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. The content of the notice may be placed on the website designated by the securities authority or the Company, and the website address shall be shown in the notice.
- IV. A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting.

The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, and the board of directors shall include it in the proposals. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors shall include it in the proposals.

- V. Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
- VI. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. A shareholder making a proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in discussion of the proposal.
- VII. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article IV Appointing a proxy for attending the shareholders meeting and the scope of authorization

- I. For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
- II. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company no later than five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
- III. If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the company at least two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
- IV. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or

electronically, a written notice of proxy cancellation shall be submitted to the Company no later than two business days before the meeting. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article V Principles determining the time and place of a shareholders meeting

- I. The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
- II. The restrictions shall not apply when the Company convenes a virtual-only shareholders meeting.

Article VI Preparation of documents such as the attendance book

- I. The Company shall specify in its shareholders' meeting notice the time during which attendance registration for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.
- II. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall begin 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel shall be assigned to handle the registrations. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed to have attended the shareholders meeting in person.
- III. Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. the Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- IV. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
- V. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.
- VI. When the government or a juristic person is a shareholder, it may be represented by

more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

- VII. In event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company at least two days before the meeting date.

In the event of a virtual shareholders' meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article VI-1 To convene a virtual shareholders' meeting, the Company shall include the follow particulars in the shareholders' meeting notice:

- I. How shareholders attend the virtual meeting and exercise their rights.
- II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 1. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 2. Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
 3. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed to be abstaining from voting on all proposals on the meeting agenda of that shareholders' meeting.
 4. Actions to be taken if the outcome of all proposals has been announced and extraordinary motions have not been carried out.
- III. To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.

Except for the circumstances stipulated in Paragraph 6 of Article 44-9 of the Standards

for Handling Stock Affairs of Companies with Public Issuance of Stocks, shareholders should at least be provided with connection equipment and necessary assistance, and the period during which shareholders can apply to the company and other relevant matters should be noted. matter

Article VII The chair and non-voting participants of a shareholders' meeting

- I. If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.
- II. When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.
- III. It is advisable that shareholders' meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.
- IV. If a shareholders' meeting is convened by a party other than the board of directors but with the power to convene, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- V. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article VIII Documentation of a shareholders meeting by audio or video

- I. The company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting

procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

- II. Where a shareholders' meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.
- III. The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

Article IX Calculation of the number attendance and calling the meeting

- I. Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.
- II. The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.
- III. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.
- IV. When, prior to conclusion of the meeting, the attending shareholders represent a

majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article X Discussion of proposals

- I. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
- II. The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.
- III. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
- IV. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote.

Article XI Shareholder speech

- I. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, their shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
- II. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
- III. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

- IV. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
- V. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
- VI. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- VII. Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing on the virtual meeting platform beginning when the chair declares the meeting open until when the chair declares the meeting adjourned. No more than two questions on the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

Article XII Calculation of voting shares and recusal system

- I. With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.
- II. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
- III. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article XIII Proposal Voting

- I. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
- II. When the Company holds a shareholders' meeting, it may adopt the exercise of voting

rights by electronic means and may adopt the exercise of voting rights by correspondence (under Article 177, paragraph 1 of the Company Act When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence.). When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. But they shall be deemed to be waiving their rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the company avoid the submission of extraordinary motions and amendments to original proposals.

- III. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.
- IV. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, no later than two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.
- V. Except as otherwise provided in the Company Act and in the Company's articles of association, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders.
- VI. At the conclusion of the vote, if there are no objections from shareholders present, the proposal shall be deemed to have been passed and shall have the same effect as having been passed by vote; if there are objections, a vote shall be taken in accordance with the preceding paragraph.

- VII. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- VIII. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.
- IX. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
- X. When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.
- XI. In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session closed, and results of votes and elections shall be announced immediately.
- XII. When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration at least two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.
- XIII. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article XIV Election Matters

- I. The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.
- II. The ballots for the election referred to in the preceding paragraph shall be sealed with

the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article XV Meeting minutes and the signing of the minutes

- I. Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.
- II. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
- III. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations. The minutes shall be retained for the duration of the existence of the Company.
- IV. Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.
- V. When convening a virtual-only shareholders' meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

Article XVI Public disclosure

- I. On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the

meeting.

- II. During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply if the total number of shares and voting rights represented at the meeting are counted separately.
- III. If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article XVII Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

- I. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- II. At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.
- III. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article XVIII Recess and resumption of a shareholders' meeting

- I. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
- II. If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.
- III. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article XIX Disclosure of information at virtual meetings

In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall

continue at least 15 minutes after the chair has announced the meeting adjourned.

Location of the chair and secretary of virtual-only shareholders' meeting

When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article XX Handling of disconnection

- I. If the virtual meeting platform or participation in the virtual meeting is obstructed, in the event of a virtual shareholders' meeting, due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.
- II. For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.
- III. For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.
- IV. During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals or elections for which votes have been cast and counted and results have been announced.
- V. When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and no postponement or resumption thereof under the second paragraph is required.
- VI. Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed to be abstaining from voting on all proposals on the meeting agenda of that shareholders' meeting.

- VII. When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.
- VIII. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.

Article XXI Handling of digital divide

When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.

Article XXII The stipulation of these rules shall be approved by the Board meeting and take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Article Association of Keding Enterprises Co., Ltd.**Section I General Provision**

- Article 1: The Company is incorporated under the Company Law of the Republic of China, and its name is 科定企業股份有限公司 in the Chinese language, and Keding Enterprises Co., Ltd. in the English language.
- Article 2: Business scopes covered by the Company are as below:
1. C501010 Sawmilling and Planing of Wood
 2. C501030 Plywood Manufacturing
 3. C501040 Manufacture of Wood-based Panels
 4. E801010 Indoor Decoration
 5. E901010 Painting Engineering
 6. F120010 Wholesale of Refractory Materials
 7. F401010 International Trade
 8. F106010 Wholesale of Hardware
 9. F206010 Retail of Hardware
 10. C501990 Other wooden woods Manufacturing
 11. EZ99990 Other Engineering
 12. F107190 Wholesale of Plastic Films and Bags
 13. F111090 Wholesale of Building Materials
 14. F207190 Retail Sale of Plastic Films and Bags
 15. F211010 Retail Sale of Building Materials
 16. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval
 17. H701010 Housing and Building Development and Rental
 18. H70102 Industrial Factory Development and Rental
 19. F399040 Retail Sale No Storefront
 20. CN01010 Furniture and Fixtures Manufacturing
 21. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures
 22. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
- Article 2-1: The Company may, upon a resolution of its Board of Directors, act as a guarantor when the Company deems it necessary.
- Article 3: The Company shall have its head office in New Taipei City, Taiwan, Republic of China, and, if necessary, may set up branches in and out of this country upon a resolution of its Board of Directors.
- Article 3-1: The Company shall not be a shareholder of unlimited liability of another entity or a partner in a partnership. When the Company becomes a shareholder of limited liability in other companies, the total amount of its investment is not subject to the restriction that its investment shall not exceed 40% of its own paid-in capital as provided in Article 13 of the Company Act.
- Article 4: Public notices of the Company shall be made in accordance with Article 28 of the Company Act.

Section II Shares

- Article 5: Total registered capital is NT\$ 1,000 million, divided into 100 million shares at NT\$10 per share. Shares not yet issued will be issued in batches through the

authorization of the Board. An amount of NT\$50 million, or five million shares at a par value of NT\$10 per share, shall be reserved from the capital in the preceding paragraph for issuing employee stock options, preferred shares with equity warrants or corporate bonds with equity warrants. The Board of Directors is authorized to conduct the issuance in installments.

Through a resolution from more than two third of shareholders attending a shareholders meeting attended by majority of shareholders, the Company has transferred treasury shares to employees at a price lower than the average buyback prices or issued employee stock options with an exercise price lower than the market closing price on the date of issuance.

- Article 5-1: The Company, pursuant to laws, shall issue employee stock options, new shares reserved for subscription by employees and restricted stock awards. Recipients can be the employees of the controlled entities of the Company or the Company's subsidiaries who fulfill specific requirements.
- Article 6: The Company may issue shares without printing share certificates but the issuance must be registered with a centralized securities depository agency.
- Article 7: Registration for transfer of shares shall be suspended 60 days before the date of the regular shareholders' meeting, 30 days before a special shareholders' meeting, or 5 days before the record day for the distribution of dividends, interest and bonuses or any other benefits as scheduled by the Company.

Section III Shareholders Meeting

- Article 8: Shareholders' meetings of the Company are of two types, namely: (1) regular meetings and (2) special meetings. Regular meetings shall be convened once a year by the Board of Directors in accordance with laws and within six months after the close of each fiscal year.
- All shareholders shall receive notice, in correspondence or electronic means, for the convening of shareholders' meetings, no later than 30 days in advance, in the case of regular meetings; and no later than 15 days in advance, in the case of special meetings. The above notice given to shareholders who own less than 1,000 shares may be given in the form of a public announcement.
- Article 8-1: The shareholders meeting shall be chaired by the Chairman. When the Chairman of the board is on leave, the Chairman shall appoint one of the directors to act as chair; if the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair.
- Article 9: In case a shareholder is unable to attend a shareholders meeting, they may issue proxy printed by the Company setting forth the scope of authorization by signing or affixing their seal on the proxy form for the representative to be present on their behalf. A shareholder may issue only one proxy form and appoint only one proxy for any given

shareholders' meeting

Article 10: Unless otherwise provided in the Laws, a shareholder of the Company shall have one vote for each share they hold.

When the Company holds a shareholders' meeting, it may adopt the exercise of voting rights by electronic means. The method of exercise shall be specified in the shareholders meeting notice.

Article 11: Unless otherwise provided in other laws, resolutions shall be adopted at a meeting attended by shareholders holding and representing a majority of the total number of issued shares and at which meeting a majority of the shareholders shall vote in favor of the resolution.

Article 11-1: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting, and may be given in the form of a public announcement.

Section IV Directors and Committees

Article 12: The Company shall have seven to nine directors who are to be elected at a shareholders' meeting through the nominating system from persons of legal capacity to serve a term of three years. A director may be re-elected. The Company may obtain directors liability insurance with respect to liabilities resulting from directors exercising their duties during their terms of office.

When the number of directors falls short by one-third of the total number prescribed by the Articles of Association, the company shall convene a special shareholders meeting to hold a by-election for directors to serve the remaining term of the predecessors pursuant to Article 201 of the Company Act.

At least two directors or one-fifth of all directors of the director quorum above, whichever is higher, shall be independent directors.

The qualifications, the limitations on shareholding and other positions concurrently being served, collectively, the methods of independence verification, and the nomination and election of independent directors and other related matters shall be subject to the applicable laws.

In the case that the total number of directors fall under five due to vacancies, then the Board of Directors shall convene a shareholders' meeting to elect new Directors to fill such vacancies in accordance with Securities and Exchange Act.

Article 12-1: In compliance with Securities and Exchange Act, the Company shall establish an Audit Committee, which shall consist of all independent directors. The responsibilities and other compliant matters of the Audit Committee shall be executed in accordance with the Company Act, the Securities and Exchange Act and other relevant regulations.

- Article 13: The Board of Directors shall be organized by directors. The Chairman of the Board shall be elected by the majority of directors present at a meeting attended by more than two thirds of directors. The directors may also elect a vice Chairman of the Board whenever they may deem necessary. The Chairman of the Board shall internally be the Chairman of the meeting of shareholders, Board of Directors and managing directors' meeting and externally represent the Company.
- Article 14: In the case the Chairman of the Board of Directors is on leave or unable to perform his duties, a designated director shall act for him according to Article 208 of the Company Act.
- Article 14-1: Other than specified in the Company Act, the resolution of the board of directors shall be adopted by a majority of the directors present at the meeting attended by more than half of the directors. A director may, by written authorization, appoint another director to attend on his behalf any meeting of the Board of Directors, but no director may act as proxy for more than one other director.
- Article 14-2: In calling a meeting of the board of directors, a notice shall be given to each director no later than 7 days prior to the scheduled meeting date. In the case of emergency, a meeting of the board of directors may be convened at any time. The notice set forth in the preceding three Paragraphs may be effected by means of correspondence, electronically or by fax.
- Article 15: Compensation to directors conducting duties is payable by the Company irrespective of whether the Company operates at a profit or loss. The compensation is, through the authorization of the Board of Directors, based on business participation and contribution and with the reference to industry standards. When the Company is operating at a profit, profit sharing will be implemented according to Article 19 of this Articles of Association.

Section V Management of the Company

- Article 16: The Company may have one General Manager and several managers, whose appointments, discharge, and remunerations shall be subject to provisions in Article 29 of the Company Act.

Section VI Accounting

- Article 17: After the close of each fiscal year, the following reports shall be prepared by the Board of Directors for the Audit Committee's review at least 30 days before the regular shareholders' meeting, and submitted to the meeting for acceptance.
- (1) Business Report; (2) Financial Statements; and (3) Proposal Concerning the

Distribution of Earnings or Covering of Losses.

- Article 18: The distribution of earnings or the covering of losses may be made on a semi-annual basis. After making the final account settlement, the Company shall allocate the net profit, if any, according to the following sequence: payment of taxes; covering loss; estimating and reserving employee compensation; and setting aside 10% for legal reserve. No dividends or bonuses will be distributed, except when accumulated legal reserve has reached the Company's paid-in capital. A legal reserve shall be reserved or reversed according to the laws or regulations. If there is a remaining balance, together with the accumulated undistributed earnings, the company shall distribute, in cash, according to a resolution by the Board of Directors attended by two third of directors, all or a portion of the dividends and bonuses, or all or a portion of the legal reserve, premiums from the share issuance in excess of par, or capital surplus from donations, based on the shareholding percentage. The distribution shall be made after reporting to the shareholders' meeting. When distributed in new shares, the distribution shall be allocated after the resolution from the shareholders' meeting.
- Article 19: When there are earnings in the year, the Company shall allocate no less than 2% of profit as employees' compensation in either shares or cash according to the resolution by the Board of Directors. The recipients include employees of the controlled entities of the Company or the Company's subsidiaries who fulfill specific requirements, based on the Board's decision. From the earnings above, no less than 2% of profit shall be allocated as directors' compensation. However, if the Company is still in deficit, an amount equal to such deficit shall be reserved in the first place. The term "annual earnings" mentioned in paragraph 1 means the pre-tax profits in the current year inclusive of employee compensation and director compensation. Distribution of employee compensation and director compensation may be made by a majority vote at a Board of Directors meeting attended by at least two thirds of directors, and must be reported at the Shareholders' Meeting.
- Article 20: The Company's dividend distribution policy must consider current and future investment environment, capital needs, state of competition at home and abroad, and capital budgets, taking into account shareholders' interests and the Company's long-term financial planning, and must stipulate that no less than 10% of earnings in any given year be distributed as shareholder bonuses. If the Company is in deficit in the current year or has earnings in previous years, the earnings in previous years may be distributed. However, if the accumulated distributable earnings in the current year (i.e. distributable earnings plus undistributed earnings in previous years) are less than 10% of the Company's paid-in capital, the Company may elect not to distribute dividends or bonuses to shareholders. Dividends or bonuses to be distributed to shareholders may be distributed in cash or in shares, but the cash dividends must

constitute at least 20% of total dividends distributed.

The said distribution percentage may be adjusted through a resolution adopted by the Shareholders' Meeting depending on the profits and fund position in the given year.

Section VII Supplementary Provisions

Article 21: For matters not provided for in these Articles of Association, the Company Act, Securities and other Laws shall govern.

Article 22: The Articles of Association was established on July 5, 2002
The 1st amendment to Articles of Association was made on August 25, 2002.
The 2nd amendment was made on June 12, 2005.
The 3rd amendment was made on September 25, 2008.
The 4th amendment was made on August 05, 2009.
The 5th amendment was made on June 29, 2010.
The 6th amendment was made on June 26, 2013.
The 7th amendment was made on September 05, 2013.
The 8th amendment was made on October 03, 2013.
The 9th amendment was made on May 15, 2014.
The 10th amendment was made on June 13, 2015.
The 11th amendment was made on June 18, 2016.
The 12th amendment was made on June 10, 2017.
The 13th amendment was made on December 28, 2017.
The 14th amendment was made on June 18, 2019.
The 15th amendment was made on June 23, 2020.
The 16th amendment was made on July 28, 2021.
The 17th amendment was made on June 30, 2022.
The 18th amendment was made on June 28, 2023.

Keding Enterprises Co., Ltd.

Chairman of the Board: Tsao, Hsien-Chang

Procedures for Election of Directors

Article 1

To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 3

The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.

Article 4

The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of this Corporation 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/GTSM Listed Companies.

Article 5

Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6

The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 7

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8

The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 11

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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

Article 12

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Shareholding by the Board Members

Total paid-in capital of the Company is NT\$821,813,470, or 82,181,347 shares. According to Article 26 under the Security Act, total shareholding by the directors shall be 6,163,601 shares or more.

As of the book closure date for this shareholders' meeting, total numbers of share held by the directors are 18,265,566, or 22.23% of total capital of the Company. Shareholding by individual director

Book closure date: April 27, 2024

Title	Name	Shareholding	Shareholding percentage (%)
Chairman of the Board	Zhou Ding Investment Co., Ltd. (Representative: Tsao, Hsien-Chang)		
Director	Zhou Ding Investment Co., Ltd. (Representative: Lin, Ta-Cheng)	16,218,666	19.74%
Director	Zhou Ding Investment Co., Ltd. (Representative: Tsao, Ya-Lin)		
Director	Huang, Tien-Hua	2,047,000	2.49%
Independent Director	Cheng, Chun-Jen	0	0%
Independent Director	Cheng, Hung-Hui	0	0%
Independent Director	Yang, Hao-Ming	0	0%
Independent Director	Liu, Ting-Hsuan	0	0%
Total		18,265,666	22.23%