

# KUOYANG DEVELOPMENT

2025 Annual Shareholders' Meeting

Meeting Agenda

June 26, 2025

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# Kuoyang Development Co., Ltd.

## Proceedings for 2025 General Shareholders Meeting

- I. Call meeting to order
- II. Chairman takes seat
- III. Chairman's speech
- IV. Reports
- V. Ratifications
- VI. Matters for Discussion
- VII. Extraordinary Motions
- VIII. Meeting Adjourned

# Kuoyang Development Co., Ltd.

## 2025 General Shareholders Meeting Agenda

Time: 9:00 a.m. June 26, 2025 (Thursday)

Location: Importers and Exporters Association of Taipei ,IEAT Conference  
Center No. 350, SongJiang Rd, Zhongshan District, Taipei City  
the second conference room on the 11th floor

Convening method: Physical Shareholders Meeting

- I. Call meeting to order
- II. Chairman takes seat
- III. Chairman's speech
- IV. Reports:
  - (I) 2024 Business Report.
  - (II) The Audit Committee's Audit Report on the 2024 Financial Report.
  - (III) Report on the Company's distribution of 2024 remuneration to employees and Directors.
  - (IV) Report on the Company's distribution of cash dividends from 2024 earnings.
  - (V) Report on the Company's of 2024 remuneration to Directors.
- V. Ratifications:
  - (I) 2024 Business Report and Financial Statements.
  - (II) 2024 earnings distribution Statement proposal.
- VI. Matters for Discussion
  - Amendment of the Articles of Incorporation
- VII. Extraordinary Motions
- VIII. Meeting Adjourned

# Reports

## Reports

I. The Company's 2024 Business Report is hereby submitted for review.

Explanation: Refer to the Procedures Manual (Attachment 1) for the Company's 2024 Business Report.

II. The Audit Committee's Audit Report on the 2024 Financial Report is submitted for review.

Explanation: Refer to the Procedures Manual (Attachment 2) for the Company's 2024 Audit Report.

III. The report on the Company's distribution of 2024 remuneration to employees and Directors is submitted for review.

Explanation: (I) The remuneration is distributed in accordance with Article 29 of the Company's Articles of Incorporation.

(II) The Company proposed cash remunerations of NT\$4,257,337 2% to employees and NT\$4,257,337 2% to Directors for 2024, all of which will be paid in cash.

IV. The report on the Company's distribution of cash dividends from 2024 earnings is submitted for review.

Explanation:

On March 12 2025, the Board of Directors passed a resolution for the distribution of the earnings of 2024 and decided to retain all earnings instead of distribution.

V. The report on the Company's of 2024 remuneration to Directors.

Explanation: The remuneration of the company's directors is handled in accordance with Articles 21 and 29 of the Company's Articles of Incorporation. Please refer to Appendix 3 of this Handbook for relevant policies, and content and amounts of individual remuneration.

# Ratifications

# Ratifications

Proposal 1      Proposed by the Board of Directors

Proposal: The Company's 2024 Business Report and Financial Statements are submitted for ratification.

Explanation: I. The Company's 2024 Financial Statements (including the Consolidated Financial Statements and Individual Financial Statements) were passed in a resolution of the Board of Directors and audited by independent auditors, CPA Chun-Yuan Hsiao, and CPA Fang-Yu Wang of the CPA firm, PricewaterhouseCoopers, Taiwan. The aforementioned Financial Statements (including the Consolidated Financial Statements and Individual Financial Statements) were reviewed by the Audit Committee which has issued an Audit Report.

II. Refer to the Procedures Manual (Attachment 4) for the Company's 2024 Financial Statements.

III. The proposal is hereby submitted for ratification.

Resolution:



Proposal 2 Proposed by the Board of Directors

Proposal: The Company's 2024 earnings distribution Statement proposal is submitted for ratification.

Explanation: I. The Company's 2024 Financial Report has been completed and the 2024 earnings distribution statement is provided in the Procedures Manual (Attachment 5).

II. The proposal is hereby submitted for ratification.

Resolution:

# Matters for Discussion

## Matters for Discussion

Proposal 1 Proposed by the Board of Directors

Proposal: The Company plans to amend the Articles of Incorporation is submitted to a referendum.

Explanation:I. The Company plans to amend the Articles of Incorporation to In accordance with amendment of the Company Act. Please refer to Attachment 6 for the table of comparison of revised articles.

II. The proposal is hereby submitted for approval.

Resolution:



# Extraordinary Motions

Meeting Adjourned

## Attachment 1

# 2024 Business Report

Dear Shareholders, Greetings. :

Looking back at 2024, the Company has adhered to the philosophy of sound operation and innovative development, actively promoted various sales plans, and achieved good results in both the residential and factory and office markets. The following is an overview of this year's operations:

## I. Business Plan Implementation Results

During the year, a total of 9 construction projects were sold, of which 6 projects completed and 3 presale projects, with a total sales amount of 6.174 billion yuan °

### (I) 6 projects completed

1. Residential: Kaohsiung "Kuoyang" "Smile Era",  
Tainan "The Green Place A, The Green Place B, The Green Place C",  
Taipei "South Manor"
2. Plants and offices: Taipei Kuoyang Intercontinental Corporate Head Office (Neihu)
3. Sales Amount: NT\$2,667,820,000

### (II) 3 presale projects:

1. Residential: Taipei Kuoyang Jilin. New taipei Kuoyang Jilin Guanghe、  
Tainan "The Green World" (The Green Place D).
2. Sales Amount: NT\$3,506,780,000

## II. Budget Implementation

The Company did not prepare a financial forecast for 2024 and therefore does not prepare an analysis report.

## III. Financial Expenditures and Profitability

### (I) Financial Expenditures

Unit: NT\$1,000

Item	2024	2023
Operating revenue	607,692	735,459
Operating costs	(370,256)	(443,914)
Operating profit	237,436	291,545
Operating expenses	(286,371)	(280,810)
Operating profit	(48,935)	10,735
Non-operating income and expenses	265,408	322,976
Pre-tax profit	216,473	333,711
Income tax expenses	(11,347)	(28,835)
Net profit of the term	205,126	304,876

### (II) Profitability

Item	2024	2023
Return on assets	1.12%	1.82%
Return on equity	2.00%	3.08%
Pre-tax income to paid-in capital ratio	5.70%	8.78%

Net profit margin	33.75%	41.45%
Earnings per share (NT\$)	0.52	0.80

## IV. Research and Development

### (I) Key development projects:

1. Acquired building permit in 2024:
  - a. Residential: New Taipei 「Kuoyang Guanghe」
  - b. Plants and offices: New Taipei 「Kuoyang Advanced」。
2. projects being constructed in 2024:  
Taipei "Kuoyang Intercontinental Corporate Head Office":
3. Building permit expected to be acquired in 2025:
  - (1) North:
    - a. Residential: Keelung "Good morning, Kuoyang Phase 2".
    - b. Plants and offices:  
Tucheng District Urban Renewal Project in New Taipei City..
  - (2) South:
    - a. Residential: Kaohsiung Nong 16 Project、Kaohsiung Special Trade Zone 3 Office Building Urban Renewal Project (North side of the South Base)、Kaohsiung HSR Technology Hub public urban renewal project
4. projects being expected to be constructed in 2025:  
Tainan " Emerald Forest Phase 4 .The Beautiful Manor"
5. Projects being developed:
  - (1) North:
    - a. Residential: Keelung Hot Spring Residence Case  
Taipei Ren'ai Urban Renewal Project.  
Taipei Beitou Daye Road Renewal Project
  - (2) South: Kaohsiung Qianjin Livelihood Renewal Project

### (II) Planning and Design:

We are committed to building a high-quality brand image and adhering to the concept of sustainable operation. In terms of architectural planning, we will follow the 2050 Net-zero Emission target by deploying environmentally sustainable



designs, including the following:

- Combine design with local characteristics to enhance integrations between the architecture and the environment.
- Optimize building ventilation and energy-saving design to reduce energy consumption.
- Promote water resource circulation and greenify the environment to improve the comfort of living.
- Use low-energy-consuming equipment and smart building technology to create green and sustainable buildings.

We will further enhance the brand image of "Kuoyang's green buildings" through these plans, and create a Kuoyang Construction that is healthier, smarter and more energy-efficient than ever.

### (III) Engineering Cost, Progress, and Quality Management:

#### 1. Cost control

In the face of rising construction material costs, the Company will switch from separate, project-by-project procurement to joint annual procurement to reduce costs through achieving economies of scale.

#### 2. Engineering progress management

- Introducing new construction methods:

For instance, use construction methods such as aluminum molds, integrated bathrooms, and interior decoration industrialization, etc., to effectively reduce labor shortage problems, shorten engineering period, improve construction efficiency, and reduce waste materials.

- Introducing Project Management Information System (PMIS):

Features and Benefits of PMIS:

- Standardized operating procedures to improve work efficiency.
- Rapid information sharing, information can be understood instantly.
- Work collaboratively with clear responsibilities.

- Information transparency reduces errors.
- Dashboard alerts and real-time tracking.
- Preserve complete file records and pass on knowledge.

### 3. Quality and safety management

Comprehensively introduce electronic safety surveillance system to reduce engineering risks through real-time monitoring.

Established standardized engineering processes to ensure steady improvement in construction quality.

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## (IV) Brand Building and Customer Service:

### 1. Construction transparency

Provide construction progress report to purchasing customers, allowing them to instantly understand engineering progress and recognize Kuoyang's thoughtfulness in engineering, thereby boosting their trust.

### 2. Lifetime housing health check

A professional management team has been set up to provide lifelong housing health check services, and ensure the comfort of residents.

And subsequent engineering plan can be adjusted immediately based on the feedback from residents in our buildings, thus effectively improving the quality of our projects.

### 3. Overall community building and fostering customer relationships

Community activities are organized to help residents understand, use, and maintain facilities properly, build consensus among residents, and create a quality and warm community.

### 4. Introducing digital transformation and smart services

The "Home Go" community management smartphone app is introduced during the pre-sale stage to handle residents' needs instantly and provide immediate services. After the handover

procedure is completed, community management and security surveillance will be implemented, and after-sales service is fully transparent.

**V. Brand building and customer service:**

**(I) Adjustment of residential land development strategy**

Faced with the sixth and seventh rounds of credit controls - the most stringent throughout Taiwan's history, pre-sale and existing home sales volumes in Taiwan's seven major municipal areas almost halved in Q4, showing a market situation in which prices were consolidating at high levels but transaction volumes faced a sudden drop.

The Company's residential land development strategy will focus on urban renewal and joint construction projects, which will not only improve a city's appearance, but also reduce land purchasing risks and achieve stable development benefits.

**(II) Factory, office, and industrial real estate market layout**

Due to the expansion of global AI industry chain investment and the continued growth of the semiconductor industry, domestic and foreign companies have increased demand for production expansion in Taiwan, driving growth in demand for the commercial real estate and industrial real estate markets. The Company will cater to this trend by increasing investments in the development of industrial land in Taipei City and New Taipei City.

**(III) Participate in government's prime area investment promotions and urban renewal projects**

We continue to pay attention to the government-sponsored tender projects in prime areas and actively participate in public urban renewal. After winning the bid for the Kaohsiung Special Trade Zone 3 (North Side of South Base) Public Urban Renewal

Development Project, we were also selected as the best applicant for the "Zuoying HSR Technology Hub Public Urban Renewal Project" in May 2024.

(IV) Activate existing assets and strengthen strategic partnerships

Through forming strategic alliances with industry peers, we can submit urban renewal development plans for idle land in Minquan East Road, Jingmei District, etc. in 2025, effectively increasing land value and development efficiency.

As a whole, the Company has demonstrated steady growth in both the existing home and pre-sale markets. With our precise market layout and high-quality products, we have successfully enhanced Kuoyang's brand competitiveness and paved a solid foundation for future development.

Looking ahead, we will continue to pay attention to market trends, actively develop innovative products that meet market demand, strengthen brand value, and create long-term and stable investment returns for shareholders through sound operations.

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Chairman: Tzu-Kuan Lin

Manager: Shao-Ling Peng

Accounting Manager: Cheng-I Wang

Attachment 2

## Kuoyang Development Co., Ltd. Audit Committee's Review Report

The 2024 Financial Statements (Consolidated Financial Statements and Individual Financial Statements) 、 Business Report and Earnings Distribution Statement. prepared by the Company's Board of Directors. The Financial Statements were audited by PricewaterhouseCoopers, Taiwan which issued an Audit Report. The aforementioned Financial Statements 、 Business Report and Earnings Distribution Statement were reviewed by the Audit Committee which found them to be compliant with regulations. The Committee therefore issued the Audit Report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

Respectfully submitted to

The shareholders' meeting of 2025

Audit Committee Convener: Li-Yen Yang



March 12, 2025

## Attachment 3 2024 Remuneration to Directors

Title	Name	Remuneration for Directors								Total remuneration (A+B+C+D) as a percentage of net income after tax	Remuneration received as the Company's employee								Ratio of total compensation (A+B+C+D+E+F+G) to after-tax income		Remuneration received from investees other than subsidiaries	
		Remuneration (A)		Severance pay and pension (B)		Remuneration for Directors (C) (Proposed amount)		Project implementation expenses (D)			Salary, bonuses, and allowances (E)		Severance pay and pension (F)		Employee remuneration (G)				The Company	All companies included in the Financial Report		
		The Company	All companies included in the Financial Report	The Company	All companies included in the Financial Report	The Company	All companies included in the Financial Report	The Company	All companies included in the Financial Report		The Company	All companies included in the Financial Report	The Company	All companies included in the Financial Report	Cash amount	Stock amount	Cash amount	Stock amount				
Chairman	Chi Chan Industries Co., Ltd. Representative: Tzu-Kuan Lin	120,000	120,000	0	0	709,557	709,557	0	0	0.4198%	0.4198%	0	0	0	0	0	0	0	0	0.4198%	0.4198%	None
Director	Cheng Chi Co., Ltd. Representative: Jer-Shyong Tsai	100,000	100,000	0	0	709,556	709,556	0	0	0.4097%	0.4097%	0	0	0	0	0	0	0	0	0.4097%	0.4097%	None
Director	Cheng Chi Co., Ltd. Representative: Chien-Pung Ruan	110,000	110,000	0	0	709,556	709,556	0	0	0.4147%	0.4147%	0	0	0	0	0	0	0	0	0.4147%	0.4147%	None
Director	Chi Chan Industries Co., Ltd. Representative: Chia-Chi Hou	120,000	120,000	0	0	709,556	709,556	0	0	0.4198%	0.4198%	0	0	0	0	0	0	0	0	0.4198%	0.4198%	None
Director	Cheng Chi Co., Ltd. Representative: SANNIE HUANG	120,000	120,000			709,556	709,556			0.4198%	0.4198%									0.4198%	0.4198%	None
Director	Pai Ti Development Co., Ltd. Representative: Pei-Kui Su	110,000	110,000	0	0	709,556	709,556	0	0	0.4147%	0.4147%	0	0	0	0	0	0	0	0	0.4147%	0.4147%	None
Independent Director	Li-Yen Yang	830,000	830,000	0	0	0	0	0	0	0.4200%	0.4200%	0	0	0	0	0	0	0	0	0.4200%	0.4200%	None
Independent Director	Wu-Po Kuo	830,000	830,000	0	0	0	0	0	0	0.4200%	0.4200%	0	0	0	0	0	0	0	0	0.4200%	0.4200%	None

Independent Director	Chiu-Mu Tseng	830,000	830,000	0	0			0	0	0.4200%	0.4200%	0	0	0	0	0	0	0	0.4200%	0.4200%	None
<p>1. Please describe the policy, system, standards and structure of the remuneration packages of the Independent Directors and explain the relevance of the amount of remuneration paid to them based on factors such as responsibility, risk and time commitment:</p> <p>(1)The Board of Directors is authorized to determine the remuneration paid to Directors based on their participation in the Company's operations, the value of their contributions, and prevailing rates in the industry.</p> <p>(2)In the event of profit in the year, the Company shall (excluding remuneration for Directors and employees) no more than 5% as remuneration for Directors.</p> <p>(3)Transportation expenses: Payment for attendance in meetings of the Board of Directors. The attendance fee is NT\$10,000 per person.</p> <p>(4) Fixed remuneration: Fixed remuneration of NT\$50,000 per month., No such remuneration for Directors.</p> <p>(5)According to the Company's "Remuneration Committee Charter", the Committee shall regularly review the Company's policies, systems, standards, and structure for the performance evaluation, salary, and remuneration of the Directors, Independent Directors, and managers.</p> <p>2. Except as disclosed above, remuneration received by Directors in the latest year for on-balance sheet services (e.g., consulting service for the parent company/all companies included in the financial statements/non-employee in investee etc.) rendered to the Company: None</p>																					

## Attachment 4

# 2024 Financial Statements and Independent Auditor's Report

Independent Auditor's Report

(2025) Cai-Shen-Bao-Zi No. 24005338

To Kuoyang Development Co., Ltd.:

### **Audit Opinions**

The Consolidated Balance Sheet of Kuoyang Development Co., Ltd. and subsidiaries (hereinafter referred to as Kuoyang Group) as of December 31, 2024 and 2023, Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Cash Flow Statement, and Notes to the Consolidated Financial Statements (including a summary of material accounting policies) from January 1 to December 31, 2024 and 2023 have been audited by the CPA.

In our opinion, based on the results of the CPA's audit and the audit reports of other CPAs (refer to Other Supplementary Matters), the aforementioned Consolidated Financial Statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, and explanations/interpretations approved and promulgated to be effective by FSC in all material respects and are therefore sufficient in presenting the consolidated financial conditions of the Kuoyang Group as of December 31, 2024 and 2023, and the consolidated financial performance and consolidated cash flow from January 1 to December 31, 2024 and 2023.

### **Basis of Audit Opinions**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Accounting (TWSA). Our responsibility based on these standards will be explained in greater detail in the section on our responsibilities for the review of the Consolidated Financial Statements. The personnel of the CPA firm who are governed by regulations on independence have acted according to the ROC CPA Code of Professional Ethics and remained independent of Kuoyang Group when fulfilling other obligations set forth in the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

The key audit matters pertain to the most important items of Kuoyang Group's 2024 Consolidated Financial Statements as per the professional judgment of the CPA. 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 of the Consolidated Financial Statements of Kuoyang Group for 2024 are as follows:

#### **Occurrence of income from the sales of houses and land**

##### Description



Refer to Note 4 (29) in the Consolidated Financial Statements for accounting policies on operating revenue from construction. Refer to Note 6 (17) of the Consolidated Financial Report for description of accounting items.

The revenue from the sales of houses and land in the construction business is recognized when the ownership of the real estate is transferred and the property handover certificate is delivered to the customer. Whether revenue recognition meets the criteria for revenue recognition is a material factor to the overall Financial Statements of the current year. Therefore, the CPA hereby includes the occurrence of income from the sales of houses and land as the most important matter for this audit.

#### Corresponding auditing procedures

The CPA has compiled the following corresponding procedures that were executed for the specific levels described in the aforementioned key audit matters:

- Understand and review the procedures for recognizing sales revenue from the sales of houses and land and verify whether the procedures have been consistently adopted in the period of the Financial Statements.
- For the details of the property and land sales revenue recognized in the year, samples are selected and verified against the corresponding real estate ownership transfer and actual property handover to confirm the appropriateness of the property and land sales revenue recorded in the accounts.

#### **Other matters - Reference to audits of other CPAs**

We did not audit certain investments accounted for through the equity method in the financial statements of Kuoyang Group for 2024 and 2023. Those financial statements were audited by other CPAs. As such, our opinions in the aforementioned Consolidated Financial Statements on the amounts included in the aforementioned financial statements and related information disclosed in Note 13 were based on audit reports of other CPAs. The investment on equity method totaling NT\$1,350,435 thousand and NT\$1,234,734 thousand as of December 31, 2024 and 2023 accounted for 6.01% and 6.66% of the total assets, respectively. The comprehensive income recognized for 2024 and 2023 was NT\$248,231 thousand and NT\$348,379 thousand, which accounted for 114.68% and 58.97% of the total comprehensive income for the period, respectively.

#### **Other matters - Individual Financial Statements**

Kuoyang Development Co., Ltd. has prepared Individual Financial Statements for 2024 and 2023, for which we have issued an audit report containing an unqualified opinion plus other matters for reference.

#### **Responsibilities of the management and the governing bodies for the Consolidated Financial Statements**

The responsibility of the management was to prepare the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, and explanations/interpretations approved and promulgated to be effective by FSC to properly indicate the company's financial status and to maintain necessary internal control with regard to establishment of consolidated financial statements to ensure

such financial statements did not contain any false contents as a result of fraudulence or mistakes.

When the Consolidated Financial Statements were in the process of preparation, the responsibility of the management also included assessment of the capacity of Kuoyang Group to continue operation, disclosure of related matters and the accounting approaches to be adopted when the company continued to operate unless the management intended to liquidate or suspend the business of Kuoyang Group if there was not any other option except liquidation or suspension of the company's business.

The governance units (including the Audit Committee) of Kuoyang Group are responsible for overseeing the financial reporting process.

## **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 misstatements, whether due to fraud or error, and to issue an independent auditor's report. Reasonably reliable means highly reliable. However, auditing work carried out in accordance with the Standards on Auditing (TWSA) cannot guarantee detection of significant misrepresentations in the Consolidated Financial Statements. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

When conducting the auditing work according to the Standards on Accounting (TWSA), we exercised our professional judgment and professional skepticism. We also execute the following tasks:

1. Identified and evaluated the risk of material misstatement due to fraud or error in the Consolidated Financial Statements; Designed and carried out appropriate countermeasures for the evaluated risks; Obtained sufficient and appropriate evidence as the basis for the audit opinion. As fraud may involve collusion, forgery, deliberate omissions, false statements, or violations of internal controls, the risks of material misstatements due to fraud are greater than those caused by errors.
2. Acquired necessary understanding about internal control which matters to audit and provide appropriate audit procedure under such circumstances. However, the purpose of such understanding is not for providing any opinion on the effectiveness of internal control of Kuoyang Group.
3. Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Concluded on the appropriateness of the 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 Kuoyang Group's ability to continue as a going concern. If we consider that material uncertainty exists in these matters or conditions, we are required to remind the users of the Consolidated Financial Statements to pay attention to relevant disclosure in the statements in their audit report, or revise the audit opinions when such disclosure is inappropriate. Our conclusions are based on the audit evidence obtained up to the

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

5. Evaluated the overall expression, structure and content of the Consolidated Financial Statements (including related notes) and if these statements present fairly the related transactions and events.
6. Obtained sufficient and appropriate proof for audit on the finances of the individual entities in Kuoyang Group to state our opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the consolidated audit. We remain solely responsible for the audit opinions of the Consolidated Financial Statements.

The CPAs' communications with the governance units include the planned scope and period of the audit and material finding in the audit (including significant defects identified in the internal control during auditing procedures).

We provided governance units with a statement assuring the personnel of our accounting firm who are subject to independent regulations had acted according to the ROC CPA Code of Professional Ethics to remain neutral and communicated with them about the all relations and other matters (including related preventive measures) that could affect the independence of the CPA.

From the matters communicated with those charged with governance, the CPA determines matters that were of most significance in the audit of the 2024 Consolidated Financial Statements of Kuoyang Group for the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Taiwan

Chun-Yuan Hsiao

CPA

Fang-Yu Wang

Former Securities and Futures Bureau, Financial  
Supervisory Commission  
No. of Approval Document: Jin-Guan-Zheng-6 No.  
0960042326  
Financial Supervisory Commission  
No. of Approval Document: Jin-Guan-Zheng-Shen  
No. 1030027246

March 12, 2025

Kuoyang Development Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
As of December 31, 2024 and 2023

Unit: NT\$ thousand

Assets	Notes	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6 (1)	\$ 2,257,783	10	\$ 2,117,455	11
1110	Current financial assets at fair value through profit or loss	6 (2)	18,127	-	17,365	-
1120	Current financial assets at fair value through other comprehensive income	6 (3)	286,184	1	310,777	2
1140	Contract assets - current	6 (17)	79,837	1	39,006	-
1150	Notes receivable, net	6 (4)	133,115	1	116,389	1
1170	Accounts receivable, net	6 (4) and 7	22,596	-	53,882	-
1200	Other receivables		16,292	-	15,394	-
1220	Current income tax assets		1,839	-	1,148	-
130X	Inventories	6 (5) (6) and 8	15,271,848	68	12,767,060	69
1410	Prepayments		184,409	1	118,771	1
1476	Other financial assets - current	8	680,933	3	333,559	2
1479	Other current assets - other		505,996	2	262,987	1
11XX	<b>Total current assets</b>		<u>19,458,959</u>	<u>87</u>	<u>16,153,793</u>	<u>87</u>
<b>Non-current assets</b>						
1517	Non-current financial assets at fair value through other comprehensive income	6 (3)	567,771	3	566,373	3
1550	Investments recognized under the equity method	6 (7)	1,367,679	6	1,235,302	7
1600	Property, plant and equipment	6 (8) and 8	86,452	-	81,671	-
1755	Right-of-use assets	6 (9)	154,156	1	27,762	-
1760	Investment properties, net	6 (10) and 8	250,665	1	251,254	1
1840	Deferred income tax assets		836	-	109	-
1920	Refundable deposits	7	111,945	-	109,826	1
1980	Other financial assets - non-current	8	399,334	2	99,335	1
1990	Other non-current assets - other		60,443	-	23,274	-
15XX	<b>Total non-current assets</b>		<u>2,999,281</u>	<u>13</u>	<u>2,394,906</u>	<u>13</u>
1XXX	<b>Total assets</b>		<u>\$ 22,458,240</u>	<u>100</u>	<u>\$ 18,548,699</u>	<u>100</u>

(Continued)

**Kuoyang Development Co., Ltd. and Subsidiaries**  
**Consolidated Balance Sheet**  
As of December 31, 2024 and 2023

Unit: NT\$ thousand

Liabilities and Equity	Notes	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6 (11)	\$ 8,876,395	39	\$ 6,605,327	36
2130	Contract liabilities - current	6 (17)	2,086,884	9	1,090,893	6
2150	Notes payable		341,324	2	244,314	1
2170	Accounts payable		410,451	2	127,524	1
2219	Other payables - other		192,889	1	133,910	1
2230	Current income tax liabilities		9,781	-	25,240	-
2280	Lease liabilities - current		14,178	-	22,403	-
2399	Other current liabilities - other		105,148	-	81,564	-
21XX	<b>Total current liabilities</b>		<u>12,037,050</u>	<u>53</u>	<u>8,331,175</u>	<u>45</u>
<b>Non-current liabilities</b>						
2580	Lease liabilities - non-current		134,577	1	1,216	-
2645	Deposits received	7	1,422	-	2,021	-
2670	Other non-current liabilities - other		6,039	-	9,051	-
25XX	<b>Total non-current liabilities</b>		<u>142,038</u>	<u>1</u>	<u>12,288</u>	<u>-</u>
2XXX	<b>Total liabilities</b>		<u>12,179,088</u>	<u>54</u>	<u>8,343,463</u>	<u>45</u>
<b>Equity</b>						
<b>Equity attributable to owners of parent company</b>						
	Share capital	6 (13)				
3110	Capital stock - common		3,800,000	17	3,800,000	20
	Capital surplus	6 (14)				
3200	Capital surplus		627,796	3	627,683	3
	Retained earnings	6 (15)				
3310	Legal reserve		1,070,722	5	1,040,789	6
3320	Special reserve		-	-	138,232	1
3350	Undistributed earnings		4,574,273	20	4,340,439	23
	Other equity	6 (16)				
3400	Other equity		83,943	-	152,533	1
31XX	<b>Total equity attributable to owners of parent company</b>		<u>10,156,734</u>	<u>45</u>	<u>10,099,676</u>	<u>54</u>
36XX	<b>Non-controlling interest</b>		<u>122,418</u>	<u>1</u>	<u>105,560</u>	<u>1</u>
3XXX	<b>Total equity</b>		<u>10,279,152</u>	<u>46</u>	<u>10,205,236</u>	<u>55</u>
	Significant contingent liabilities and unrecognized contractual commitments	9				
	Significant events after the balance sheet date	11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 22,458,240</u>	<u>100</u>	<u>\$ 18,548,699</u>	<u>100</u>

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

Chairman: Tzu-Kuan Lin

Manager: Shao-Ling Peng

Accounting Manager: Cheng-I Wang

Kuoyang Development Co., Ltd. and Subsidiaries  
Consolidated Statements of Comprehensive Income  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand  
(except earnings per share which is expressed in NT\$)

Item	Notes	2024		2023	
		Amount	%	Amount	%
4000 Operating revenue	6 (17) and 7	\$ 607,692	100	\$ 735,459	100
5000 Operating costs	6 (5) (22) (23)	( 370,256)	( 61)	( 443,914)	( 61)
5900 Operating profit		237,436	39	291,545	39
Operating expenses	6 (22) (23) and 7				
6100 Promotion expenses		( 23,070)	( 4)	( 37,818)	( 5)
6200 Administrative expenses		( 263,301)	( 43)	( 242,992)	( 33)
6000 Total operating expenses		( 286,371)	( 47)	( 280,810)	( 38)
6900 Operating profit (loss)		( 48,935)	( 8)	10,735	1
Non-operating income and expenses					
7100 Interest income	6 (18)	19,973	3	13,479	2
7010 Other income	6 (19)	57,571	10	101,182	14
7020 Other profits and losses	6 (20)	( 3,754)	( 1)	( 9,101)	( 1)
7050 Finance costs	6 (21)	( 29,852)	( 5)	( 19,753)	( 3)
7060 Share of profit or loss of affiliates and joint ventures recognized under the equity method	6 (7)	221,470	37	237,169	32
7000 Total non-operating income and expenses		265,408	44	322,976	44
7900 <b>Pre-tax profit</b>		216,473	36	333,711	45
7950 Income tax expenses	6 (24)	( 11,347)	( 2)	( 28,835)	( 4)
8200 <b>Net profit of the term</b>		\$ 205,126	34	\$ 304,876	41
<b>Other comprehensive income</b>					
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311 Remeasurements of defined benefit plan		(\$ 450)	-	\$ 781	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6 (16)	11,801	2	285,073	39
8310 Total components of other comprehensive income that will not be reclassified to profit or loss		11,351	2	285,854	39
<b>Components that may be reclassified to profit or loss</b>					
8361 Exchange differences on translation of foreign financial statements		( 39)	-	14	-
8370 Share of other comprehensive profit or loss of affiliates and joint ventures recognized under the equity method - components that may be reclassified to profit or loss		23	-	33	-
8360 Total components that may be reclassified to profit or loss	6 (16)	( 16)	-	47	-
8300 <b>Other comprehensive income (net)</b>		\$ 11,335	2	\$ 285,901	39
8500 <b>Total comprehensive income</b>		\$ 216,461	36	\$ 590,777	80
Net profit (loss) attributable to:					
8610 Owners of the parent company		\$ 197,610	33	\$ 304,198	41
8620 Non-controlling interest		7,516	1	678	-

		<u>\$</u>	<u>205,126</u>	<u>34</u>	<u>\$</u>	<u>304,876</u>	<u>41</u>
	Total comprehensive income						
	attributable to:						
8710	Owners of the parent company	\$	208,945	35	\$	590,099	80
8720	Non-controlling interest		<u>7,516</u>	<u>1</u>		<u>678</u>	<u>-</u>
		<u>\$</u>	<u>216,461</u>	<u>36</u>	<u>\$</u>	<u>590,777</u>	<u>80</u>
	EPS						
				6 (25)			
9750	Basic earnings per share	\$		<u>0.52</u>	\$		<u>0.80</u>
9850	Diluted earnings per share	<u>\$</u>		<u>0.52</u>	<u>\$</u>		<u>0.80</u>

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

Chairman: Tzu-Kuan Lin

Manager: Shao-Ling Peng

Accounting Manager: Cheng-I Wang

Kuoyang Development Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Notes	Equity attributable to owners of parent company					Other equity		Total	Non-controlling interest	Total equity
		Capital stock - common	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income			
<u>2023</u>											
Balance as of January 1, 2023		3,800,000	627,683	999,950	10,017	4,210,159	22,326	160,558	9,509,577	103,902	9,613,479
Net profit of the term		-	-	-	-	304,198	-	-	304,198	-	304,876
Other comprehensive income for the period	6 (16)	-	-	-	-	781	47	285,073	285,901	678	285,901
Total comprehensive income		-	-	-	-	304,979	47	285,073	590,099	-	590,777
Earnings appropriation and distribution:											
Allocation to legal reserve		-	-	40,839	-	40,839	-	-	-	-	-
Provision for special surplus reserve		-	-	-	128,215	128,215	-	-	-	-	-
Disposal of equity instruments in other comprehensive income measured at fair value through profit and loss	6 (16)	-	-	-	-	5,645	-	5,645	-	-	-
Changes in non-controlling interests for the period		-	-	-	-	-	-	-	-	980	980
Balance as of December 31, 2023		3,800,000	627,683	1,078,789	138,232	4,340,439	22,373	130,160	10,099,676	105,560	10,205,236
<u>2024</u>											
Balance as of January 1, 2024		3,800,000	627,683	1,078,789	138,232	4,340,439	22,373	130,160	10,099,676	105,560	10,205,236
Net profit of the term		-	-	-	-	197,610	-	-	197,610	7,516	205,126
Other comprehensive income for the period	6 (16)	-	-	-	-	450	16	11,801	11,335	-	11,335
Total comprehensive income		-	-	-	-	197,160	16	11,801	208,945	7,516	216,461
Earnings appropriation and distribution:	6 (15)										
Allocation to legal reserve		-	-	29,933	-	29,933	-	-	-	-	-
Reversal of special surplus reserve		-	-	-	138,232	138,232	-	-	-	-	-
Cash dividends		-	-	-	-	152,000	-	-	152,000	-	152,000
Disposal of equity instruments in other comprehensive income measured at fair value through profit and loss	6 (16)	-	-	-	-	80,375	-	80,375	-	-	-
Changes in net value of equity of affiliates recognized under the equity method	6 (14)	-	113	-	-	-	-	-	113	-	113
Changes in non-controlling interests for the period		-	-	-	-	-	-	-	-	9,342	9,342
Balance as of December 31, 2024		3,800,000	627,796	1,070,722	-	4,574,273	22,357	61,586	10,156,734	122,418	10,279,152

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

Chairman: Tzu-Kuan Lin

Manager: Shao-Ling Peng

Accounting Manager: Cheng-I Wang



Kuoyang Development Co., Ltd. and Subsidiaries  
Consolidated Cash Flow Statement  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Notes	January 1 to December 31, 2024	January 1 to December 31, 2023
<u>Cash Flows from Operating Activities</u>			
Net profit before tax of the current period		\$ 216,473	\$ 333,711
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6 (22)	48,329	31,763
Amortization cost	6 (22)	763	661
Interest expenses	6 (21)	29,852	19,753
Interest income	6 (18)	( 19,973)	( 13,479)
Share of profit (loss) of affiliates and joint ventures recognized under the equity method	6 (7)	( 221,470)	( 237,169)
Dividend income	6 (19)	( 22,020)	( 37,127)
Net gains on financial assets at fair value through profit or loss	6 (20)	( 762)	( 401)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		( 40,831)	( 20,572)
Notes receivable, net		( 16,726)	( 37,331)
Accounts receivable, net		31,286	( 31,752)
Other receivables		( 898)	5,854
Inventories		( 2,320,282)	( 960,838)
Prepayments		( 68,225)	( 33,212)
Other current assets		( 243,009)	( 223,140)
Intangible assets		( 703)	( 625)
Other non-current assets		( 37,229)	57,638
Changes in operating liabilities			
Contract liabilities		995,991	882,482
Notes payable		97,010	170,389
Accounts payable		282,927	( 97,003)
Other payables		52,306	( 345,845)
Other current liabilities		23,584	10,169
Other non-current liabilities		( 9,051)	-
Cash outflow from operations		( 1,222,658)	( 526,074)
Interest received		19,973	13,479
Interest paid		( 207,654)	( 157,124)
Income tax paid		( 27,920)	( 76,099)
Dividends received		142,080	137,177
Net cash outflow from operating activities		( 1,296,179)	( 608,641)

(Continued)

Kuoyang Development Co., Ltd. and Subsidiaries  
Consolidated Cash Flow Statement  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

Notes	January 1 to December 31, 2024	January 1 to December 31, 2023
<u>Cash Flows from Investing Activities</u>		
Acquisition of current financial assets at fair value through other comprehensive income	(\$ 186,019)	(\$ 406,896)
Disposal of current financial assets at fair value through other comprehensive income	234,429	643,355
Acquisition of non-current financial assets at fair value 7 through other comprehensive income	( 44,641)	-
Other financial assets - current	( 347,373)	( 306,092)
Other financial assets - non-current	( 300,000)	-
Increase in refundable deposits	( 521,293)	( 63,784)
Decrease in refundable deposits	519,174	58,817
Acquisition of investment properties 6 (9)	( 813)	-
Acquisition of property, plant and equipment 6 (8)	( 20,163)	( 10,459)
Net cash used in investing activities	<u>( 666,699)</u>	<u>( 85,059)</u>
<u>Cash Flows from Financing Activities</u>		
Increase in short-term loans 6 (26)	3,567,182	2,372,380
Decrease in short-term borrowings 6 (26)	( 1,296,114)	( 1,232,570)
Increase in short-term bills payable 6 (26)	-	871,555
Decreases in short-term notes payable 6 (26)	-	( 1,400,055)
Increase in guarantee deposits received 6 (26)	1,481	4
Decrease in guarantee deposits received 6 (26)	( 2,080)	( 295)
Repayments of lease liabilities 6 (26)	( 24,605)	( 22,378)
Cash dividends paid 6 (15) (26)	( 152,000)	-
Changes in non-controlling interests	<u>9,342</u>	<u>980</u>
Cash inflow generated from financing activities, net	<u>2,103,206</u>	<u>589,621</u>
Effect of exchange rate changes on cash and cash equivalents	<u>-</u>	<u>( 18)</u>
Increase (decrease) in cash and cash equivalents for the current period	140,328	( 104,097)
Cash and cash equivalents at beginning of period	<u>2,117,455</u>	<u>2,221,552</u>
Cash and cash equivalents at end of period	<u>\$ 2,257,783</u>	<u>\$ 2,117,455</u>

To Kuoyang Development Co., Ltd.:

## **Audit Opinions**

The Individual Balance Sheet of Kuoyang Development Co., Ltd. as of December 31, 2024 and 2023 and the Individual Statement of Comprehensive Income, Individual Statement of Changes in Equity, Individual Cash Flow Statement, and Notes to the Individual Financial Statements (including a summary of material accounting policies) from January 1 to December 31, 2024 and 2023 have been audited by the CPA.

In our opinion and based on our audits and reports of other CPAs, the Individual Financial Statements were prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" in all material respects, and present fairly the individual financial position of Kuoyang Development as of December 31, 2024 and 2023, and its individual financial performance and its individual cash flow from January 1 to December 31, 2024 and 2023.

## **Basis of Audit Opinions**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Accounting (TWSA). Our responsibility based on these standards will be explained in greater detail in the section on our responsibilities for the review of the Individual Financial Statements. The personnel of the CPA firm who are governed by regulations on independence have acted according to the ROC CPA Code of Professional Ethics and remained independent of Kuoyang Development when fulfilling other obligations set forth in the Code. We believe that we have obtained sufficient and appropriate evidence as the basis for the audit opinion.

## **Key Audit Matters**

The key audit matters pertain to the most important items of Kuoyang Development's 2024 Individual Financial Statements as per the professional judgment of the CPA. These matters were addressed in the context of our audit of the Individual 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 of the Individual Financial Statements of Kuoyang Development for 2024 are as follows:

### **Occurrence of income from the sales of houses and land**

#### Description

Refer to Note 4 (26) in the Individual Financial Statements for accounting policies on operating revenue from construction, and refer to Note 6 (16) for the explanation of accounting items.

The revenue from the sales of houses and land in the construction business is recognized when the ownership of the real estate is transferred and the property handover certificate is delivered to the customer. Whether revenue recognition meets the criteria for revenue recognition is a material factor to the overall Financial Statements of the current

year. Therefore, the CPA hereby includes the occurrence of income from the sales of houses and land as the most important matter for this audit.

#### Corresponding auditing procedures

The CPA has compiled the following corresponding procedures that were executed for the specific levels described in the aforementioned key audit matters:

- Understand and review the procedures for recognizing sales revenue from the sales of houses and land and confirm whether the procedures have been consistently adopted in the period of the Financial Statements.
- For the details of the property and land sales revenue recognized in the year, samples are selected and verified against the corresponding real estate ownership transfer and actual property handover to confirm the appropriateness of the property and land sales revenue recorded in the accounts.

#### **Other matters - Reference to audits of other CPAs**

We did not audit certain investments accounted for through the equity method in the financial statements of Kuoyang Development for 2024 and 2023. Those financial statements were audited by other CPAs. As such, our opinions in the aforementioned Individual Financial Statements on the amounts included in the aforementioned financial statements and related information disclosed in Note 13 were based on audit reports of other CPAs. The investment on equity method totaling NT\$1,350,435 thousand and NT\$1,234,734 thousand as of December 31, 2024 and 2023, each accounted for 6.73% and 7.26% of the total assets, respectively. The comprehensive income recognized for 2024 and 2023 was NT\$248,231 thousand and NT\$348,379 thousand, each accounting for 118.80% and 59.04% of the total comprehensive income for the period, respectively.

#### **Responsibilities of the management and the governing bodies for the Individual Financial Statements**

The responsibility of the management was to prepare the individual financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" to properly indicate the company's financial status and to maintain necessary internal control with regard to establishment of individual financial statements to ensure such financial statements did not contain any false contents as a result of fraudulence or mistakes.

When the Individual Financial Statements were in the process of preparation, the responsibility of the management also included assessment of the capacity of Kuoyang Development to continue operation, disclosure of related matters and the accounting approaches to be adopted when the company continued to operate unless the management intended to liquidate or suspend the business of Kuoyang Development if there was not any other option except liquidation or suspension of the company's business.

The governance units (including the Audit Committee) of Kuoyang Development are responsible for overseeing the financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Individual Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Individual Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an independent auditor's report. Reasonably reliable means highly reliable. However, auditing work carried out in accordance with the Standards on Auditing

(TWSA) cannot guarantee detection of significant misrepresentations in the individual financial statements. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

When conducting the auditing work according to the Standards on Accounting (TWSA), we exercised our professional judgment and professional skepticism. We also execute the following tasks:

1. Identified and evaluated the risk of material misstatement due to fraud or error in the Individual Financial Statements. Designed and carried out appropriate countermeasures for the evaluated risks; Obtained sufficient and appropriate evidence as the basis for the audit opinion. As fraud may involve collusion, forgery, deliberate omissions, false statements, or violations of internal controls, the risks of material misstatements due to fraud are greater than those caused by errors.
2. Acquired necessary understanding about internal control which matters to audit and provide appropriate audit procedure under such circumstances. However, the purpose of such understanding is not for providing any opinion on the effectiveness of internal control of Kuoyang Development.
3. Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Concluded on the appropriateness of the 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 Kuoyang Development's ability to continue as a going concern. If we consider that material uncertainty exists in these matters or conditions, we are required to remind the users of the Individual Financial Statements to pay attention to relevant disclosure in the statements in their audit report, or revise the audit opinions when such disclosure is inappropriate. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause Kuoyang Development to cease to continue as a going concern.
5. Evaluated the overall expression, structure and content of the Individual Financial Statements (including related notes) and if these statements present fairly the related transactions and events.
6. Obtained sufficient and appropriate proof for audit on the finances of the individual entities in Kuoyang Development to state our opinion on the Individual Financial Statements. We are responsible for the direction, supervision and performance of the individual audit. We remain solely responsible for the audit opinions of the Individual Financial Statements.

The CPAs' communications with the governance units include the planned scope and period of the audit and material finding in the audit (including significant defects identified in the internal control during auditing procedures).

We provided governance units with a statement assuring the personnel of our accounting firm who are subject to independent regulations had acted according to the ROC CPA Code of Professional Ethics to remain neutral and communicated with them about the all relations and other matters (including related preventive measures) that could affect the independence of the CPA.

From the matters communicated with those charged with governance, the CPA determines matters that were of most significance in the audit of the 2024 Individual Financial Statements of Kuoyang Development for the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Taiwan

Chun-Yuan Hsiao

CPA

Fang-Yu Wang

Former Securities and Futures Bureau, Financial  
Supervisory Commission

No. of Approval Document: Jin-Guan-Zheng-6 No.  
0960042326

Financial Supervisory Commission

No. of Approval Document: Jin-Guan-Zheng-Shen  
No. 1030027246

March 12, 2025

Kuoyang Development Co., Ltd.  
Individual Balance Sheet  
As of December 31, 2024 and 2023

Unit: NT\$ thousand

Assets	Notes	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6 (1)	\$ 1,077,619	5	\$ 1,012,013	6
1110	Current financial assets at fair value through profit or loss	6 (2)	13,789	-	12,410	-
1120	Current financial assets at fair value through other comprehensive income	6 (3)	163,337	1	143,365	1
1140	Contract assets - current	6 (16)	79,837	-	39,006	-
1150	Notes receivable, net	6 (4)	122,404	1	109,944	1
1170	Accounts receivable, net	6 (4)	19,433	-	51,345	-
1200	Other receivables		14,799	-	14,861	-
1220	Current income tax assets	6 (23)	1,124	-	850	-
130X	Inventories	6 (5) (6) and 8	12,138,839	61	10,644,038	62
1410	Prepayments		158,379	1	102,384	1
1476	Other Financial Assets - Current	8	401,529	2	323,605	2
1479	Other current assets - other		214,699	1	169,114	1
11XX	<b>Total current assets</b>		<u>14,405,788</u>	<u>72</u>	<u>12,622,935</u>	<u>74</u>
<b>Non-current assets</b>						
1517	Non-current financial assets at fair value through other comprehensive income	6 (3)	348,622	2	375,949	2
1550	Investments recognized under the equity method	6 (7)	4,869,868	24	3,745,145	22
1600	Property, plant and equipment	8	51,072	-	39,771	-
1755	Right-of-use assets	6 (8)	154,156	1	27,762	-
1760	Investment properties, net	6 (9) and 8	59,024	-	59,375	1
1840	Deferred income tax assets	6 (23)	836	-	109	-
1920	Refundable deposits		95,356	1	93,235	1
1980	Other Financial Assets – Non-Current	8	48,335	-	48,335	-
1990	Other non-current assets - other		37,943	-	773	-
15XX	<b>Total non-current assets</b>		<u>5,665,212</u>	<u>28</u>	<u>4,390,454</u>	<u>26</u>
1XXX	<b>Total assets</b>		<u>\$ 20,071,000</u>	<u>100</u>	<u>\$ 17,013,389</u>	<u>100</u>

(Continued)

Kuoyang Development Co., Ltd.  
Individual Balance Sheet  
As of December 31, 2024 and 2023

Unit: NT\$ thousand

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6 (10)	\$ 7,305,346	36	\$ 5,392,826	32
2130	Contract liabilities - current	6 (16)	1,557,819	8	909,875	5
2150	Notes payable		284,197	1	236,224	1
2170	Accounts payable		387,147	2	114,343	1
2219	Other payables - other		139,728	1	129,348	1
2230	Current income tax liabilities	6 (23)	5,870	-	18,960	-
2280	Lease liabilities - current		14,178	-	22,403	-
2399	Other current liabilities - other		78,103	-	77,876	1
21XX	<b>Total current liabilities</b>		<u>9,772,388</u>	<u>48</u>	<u>6,901,855</u>	<u>41</u>
<b>Non-current liabilities</b>						
2580	Lease liabilities - non-current		134,577	1	1,216	-
2645	Deposits received		1,262	-	1,591	-
2670	Other non-current liabilities - other		6,039	-	9,051	-
25XX	<b>Total non-current liabilities</b>		<u>141,878</u>	<u>1</u>	<u>11,858</u>	<u>-</u>
2XXX	<b>Total liabilities</b>		<u>9,914,266</u>	<u>49</u>	<u>6,913,713</u>	<u>41</u>
<b>Equity</b>						
Share capital		6 (12)				
3110	Capital stock - common		3,800,000	19	3,800,000	22
Capital surplus		6 (13)				
3200	Capital surplus		627,796	3	627,683	3
Retained earnings		6 (14)				
3310	Legal reserve		1,070,722	6	1,040,789	6
3320	Special reserve		-	-	138,232	1
3350	Undistributed earnings		4,574,273	23	4,340,439	26
Other equity		6 (15)				
3400	Other equity		83,943	-	152,533	1
3XXX	<b>Total equity</b>		<u>10,156,734</u>	<u>51</u>	<u>10,099,676</u>	<u>59</u>
Commitment and contingencies		9				
Significant events after the balance sheet date		11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 20,071,000</u>	<u>100</u>	<u>\$ 17,013,389</u>	<u>100</u>

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

Chairman: Tzu-Kuan Lin

Manager: Shao-Ling Peng

Accounting Manager: Cheng-I Wang



Kuoyang Development Co., Ltd.  
Individual Statements of Comprehensive Income  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand  
(except earnings per share which is expressed in NT\$)

	Item	Notes	2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	6 (16)	\$ 513,113	100	\$ 571,021	100
5000	Operating costs	6 (21)(22)	( 297,464)	( 58)	( 342,001)	( 60)
5900	Operating profit		215,649	42	229,020	40
	Operating expenses	6 (21)(22)				
6100	Promotion expenses		( 21,490)	( 4)	( 25,808)	( 4)
6200	Administrative expenses		( 231,713)	( 45)	( 216,445)	( 38)
6000	Total operating expenses		( 253,203)	( 49)	( 242,253)	( 42)
6900	Operating loss		( 37,554)	( 7)	( 13,233)	( 2)
	Non-operating income and expenses					
7100	Interest income	6 (17)	11,686	2	8,278	1
7010	Other income	6 (18)	37,345	7	69,501	12
7020	Other profits and losses	6 (19)	( 1,978)	-	( 8,799)	( 2)
7050	Finance costs	6 (20)	( 29,849)	( 6)	( 19,742)	( 3)
7070	Share of profit or loss of subsidiaries, affiliates, and joint ventures recognized under the equity method	6 (7)				
			224,702	44	290,809	51
7000	Total non-operating income and expenses		241,906	47	340,047	59
7900	<b>Pre-tax profit</b>		204,352	40	326,814	57
7950	Income tax expenses	6 (23)	( 6,742)	( 1)	( 22,616)	( 4)
8200	<b>Net profit of the term</b>		\$ 197,610	39	\$ 304,198	53
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Remeasurements of defined benefit plan		(\$ 450)	-	\$ 781	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6 (15)	( 51,996)	( 10)	82,997	15
8330	Share of other comprehensive profit or loss of subsidiaries, affiliates, and joint ventures recognized under the equity method - components that will not be reclassified to profit or loss	6 (15)				
			63,797	12	202,076	35
8310	Total components of other comprehensive income that will not be reclassified to profit or loss		11,351	2	285,854	50
	<b>Components that may be reclassified to profit or loss</b>					
8361	Exchange differences on translation of foreign financial statements		( 39)	-	14	-
8380	Share of other comprehensive profit or loss of subsidiaries, affiliates, and joint ventures recognized under the equity method - components that may		23	-	33	-

	be reclassified to profit or loss				
8360	Total components that may be reclassified to profit or loss	6 (15)	<u>(16)</u>	<u>-</u>	<u>47</u>
8300	<b>Other comprehensive income (net)</b>		<u>\$ 11,335</u>	<u>2</u>	<u>\$ 285,901</u>
8500	<b>Total comprehensive income</b>		<u>\$ 208,945</u>	<u>41</u>	<u>\$ 590,099</u>
	Basic earnings per share	6 (24)			
9750	Basic earnings per share		<u>\$ 0.52</u>		<u>\$ 0.80</u>
	Diluted earnings per share	6 (24)			
9850	Diluted earnings per share		<u>\$ 0.52</u>		<u>\$ 0.80</u>

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

Chairman: Tzu-Kuan Lin

Manager: Shao-Ling Peng

Accounting Manager: Cheng-I Wang

Kuoyang Development Co., Ltd.  
Individual Statements of Changes in Equity  
January 1 to December 31, 2024 and 2023

Unit: NTS thousand

	Notes	Retained earnings				Other equity		Total equity	
		Capital stock - common	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements		Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
<u>2023</u>									
Balance as at January 1		\$ 3,800,000	\$ 627,683	\$ 999,950	\$ 10,017	\$ 4,210,159	\$ 22,326	(\$ 160,558)	\$ 9,509,577
Net profit of the term		-	-	-	-	304,198	-	-	304,198
Other comprehensive income for the period	6 (15)	-	-	-	-	781	47	285,073	285,901
Total comprehensive income		-	-	-	-	304,979	47	285,073	590,099
Earnings appropriation and distribution:	6 (14)								
Allocation to legal reserve		-	-	40,839	-	( 40,839)	-	-	-
Provision for special surplus reserve		-	-	-	128,215	( 128,215)	-	-	-
Disposal of equity instruments in other comprehensive income measured at fair value through profit and loss	6 (15)	-	-	-	-	( 5,645)	-	5,645	-
Balance as at December 31		<u>\$ 3,800,000</u>	<u>\$ 627,683</u>	<u>\$ 1,040,789</u>	<u>\$ 138,232</u>	<u>\$ 4,340,439</u>	<u>\$ 22,373</u>	<u>\$ 130,160</u>	<u>\$ 10,099,676</u>
<u>2024</u>									
Balance as at January 1		\$ 3,800,000	\$ 627,683	\$ 1,040,789	\$ 138,232	\$ 4,340,439	\$ 22,373	\$ 130,160	\$ 10,099,676
Net profit of the term		-	-	-	-	197,610	-	-	197,610
Other comprehensive income for the period	6 (15)	-	-	-	-	( 450)	( 16)	11,801	11,335
Total comprehensive income		-	-	-	-	197,160	( 16)	11,801	208,945
Earnings appropriation and distribution:	6 (14)								
Allocation to legal reserve		-	-	29,933	-	( 29,933)	-	-	-
Reversal of special surplus reserve		-	-	-	( 138,232)	138,232	-	-	-
Cash dividends		-	-	-	-	( 152,000)	-	-	( 152,000)
Disposal of equity instruments in other comprehensive income measured at fair value through profit and loss	6 (15)	-	-	-	-	80,375	-	( 80,375)	-
Changes in net value of equity of affiliates recognized under the equity method		-	113	-	-	-	-	-	113
Balance as at December 31		<u>\$ 3,800,000</u>	<u>\$ 627,796</u>	<u>\$ 1,070,722</u>	<u>\$ -</u>	<u>\$ 4,574,273</u>	<u>\$ 22,357</u>	<u>\$ 61,586</u>	<u>\$ 10,156,734</u>

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

Chairman: Tzu-Kuan Lin

Manager: Shao-Ling Peng

Accounting Manager: Cheng-I Wang

Kuoyang Development Co., Ltd.  
Individual Cash Flow Statement  
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Notes	January 1 to December 31, 2024	January 1 to December 31, 2023
<b>Cash Flows from Operating Activities</b>			
Net profit before tax of the current period		\$ 204,352	\$ 326,814
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6 (21)	41,571	27,150
Amortization cost	6 (21)	763	661
Interest expenses	6 (20)	29,849	19,742
Gain from reversal of impairment	6 (5)	( 81,384)	-
Interest income	6 (17)	( 11,686)	( 8,278)
Dividend income	6 (18)	( 10,091)	( 8,202)
Share of profit (loss) of affiliates and joint ventures recognized under the equity method	6 (7)	( 224,702)	( 290,809)
Net gains (losses) on financial assets at fair value through profit or loss	6 (19)	( 1,379)	( 580)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		( 40,831)	( 20,572)
Notes receivable, net		( 12,460)	( 48,721)
Accounts receivable, net		31,912	( 29,734)
Other receivables		61	3,977
Other receivables - related parties		-	11,286
Inventories		( 1,267,016)	( 864,781)
Prepayments		( 58,185)	( 19,626)
Other current assets		( 45,585)	( 163,768)
Other financial assets		( 77,924)	( 323,005)
Other non-current assets		( 37,229)	1,927
Changes in operating liabilities			
Contract liabilities		647,944	867,094
Notes payable		47,973	168,866
Accounts payable		272,804	( 70,184)
Other payables		4,583	( 249,622)
Other current liabilities		227	17,476
Other non-current liabilities		( 9,051)	-
Cash outflow from operations		( 595,484)	( 652,889)
Interest received		11,686	8,278
Interest paid		( 170,422)	( 136,444)
Dividends received		173,514	212,920
Income tax paid		( 20,832)	( 59,963)
Net cash outflow from operating activities		( 601,538)	( 628,098)
<b>Cash Flows from Investing Activities</b>			
Acquisition of current financial assets at fair value through other comprehensive income		-	( 5,408)
Disposal of current financial assets at fair value through other comprehensive income	6 (3)	-	5,277
Acquisition of non-current financial assets at fair value through other comprehensive income	7	( 44,641)	-
Acquisition of payments for investments recognized under the equity method - subsidiaries	7	( 1,000,000)	-
Acquisition of property, plant and equipment		( 20,163)	( 10,099)
Acquisition of intangible assets		( 703)	( 624)
Acquisition of investment properties		( 813)	-
Increase in refundable deposits		( 105,410)	( 63,639)
Decrease in refundable deposits		103,288	58,581
Net cash used in investing activities		( 1,068,442)	( 15,912)
<b>Cash Flows from Financing Activities</b>			
Increase in short-term loans	6 (25)	3,024,483	1,973,913
Decrease in short-term borrowings	6 (25)	( 1,111,963)	( 1,232,570)
Increase in short-term notes and bills payable	6 (25)	-	871,555
Decrease in short-term notes and bills payable	6 (25)	-	( 1,400,055)
Increase in guarantee deposits received	6 (25)	124	4
Decrease in guarantee deposits received	6 (25)	( 453)	( 124)
Repayments of lease liabilities	6 (25)	( 24,605)	( 21,482)
Cash dividends paid	6 (14) (25)	( 152,000)	-
Cash inflow generated from financing activities, net		1,735,586	191,241
Increase (decrease) in cash and cash equivalents for the current period		65,606	( 452,769)
Cash and cash equivalents at beginning of period		1,012,013	1,464,782
Cash and cash equivalents at end of period		\$ 1,077,619	\$ 1,012,013

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

Chairman: Tzu-Kuan Lin

Manager: Shao-Ling Peng

Accounting Manager: Cheng-I Wang

## Attachment 5

Kuoyang Development Co., Ltd.  
Earnings Distribution Statement  
2024

Unit: NT\$

Item	Amount
Opening undistributed earnings	4,296,737,675
Plus: After-tax net profit of the 2024	197,609,898
Remeasurement numbers for defined benefit plans	( 450,321 )
Disposal of equity instruments in other comprehensive income measured at fair value through profit and loss	80,374,913
Minus: 10% legal reserve	( 27,753,449 )
Distributable earnings	4,546,518,716
Distribution items:	
Shareholder dividends – cash	0
Shareholder dividends - stocks	0
Closing undistributed earnings	4,546,518,716

Chairman:



Manager:



Accounting Manager:



## Attachment 6

### Kuoyang Development Co., Ltd.

Table of Comparison of Revised Articles of the Articles of Incorporation

	After Amendment	Before Amendment	Description
Article 16	<p>The Company's Board of Directors shall have five to nine Directors. The Company adopts a candidate nomination system for the election of directors; shareholders shall elect directors from among the nominees listed on the roster of director candidates in accordance with Article 198 of the Company Act.</p> <p>The number of Independent Directors of the Company shall be no less than three and no less than one third of the total number of Directors. The Company adopts a candidate nomination system for the election of Independent Directors; shareholders shall elect Independent Directors from among the nominees listed on the roster of independent director candidates. The professional qualifications, restrictions on both shareholding and concurrent positions held, method of nomination and election, and other requirements with regard to the Independent Directors shall be processed in accordance with related laws and regulations of the competent authority.</p>	<p>The Company's Board of Directors shall have five to nine Directors. The Company adopts a candidate nomination system for the election of directors; shareholders shall elect directors from among the nominees listed on the roster of director candidates in accordance with Article 198 of the Company Act.</p> <p>The number of Independent Directors of the Company shall be no less than three and no less than one fifth of the total number of Directors. The Company adopts a candidate nomination system for the election of Independent Directors; shareholders shall elect Independent Directors from among the nominees listed on the roster of independent director candidates. The professional qualifications, restrictions on both shareholding and concurrent positions held, method of nomination and election, and other requirements with regard to the Independent Directors shall be processed in accordance with related laws and regulations of the competent authority.</p>	<p>In line with the “Key Points for the Establishment and Exercise of Powers of the Board of Directors”, the number of independent directors should be no less than one-third of the total number of directors.</p>
Article 29	<p>In the event of profit in the year, the Company shall appropriate 0.5% to 5% of the pre-tax earnings (excluding remuneration for Directors and employees) as remuneration for employees and no more than 5% as remuneration for Directors. However, in the event the Company has sustained cumulative losses, a proportion of profit shall be reserved in advance to make up for losses. Of the total amount actually allocated for employee remuneration in the preceding paragraph, no less than</p>	<p>In the event of profit in the year, the Company shall appropriate 0.5% to 5% of the pre-tax earnings (excluding remuneration for Directors and employees) as remuneration for employees and no more than 5% as remuneration for Directors. However, in the event the Company has sustained cumulative losses, a proportion of profit shall be reserved in advance to make up for losses. The remuneration for employees in the preceding paragraph may be paid in stock or cash based on a resolution</p>	<p>In compliance with the revision Article 14 , Paragraph 6 of the Securities and Exchange Act.</p>

	<p>20% shall be allocated for the remuneration of grassroots employees. The remuneration for employees in the preceding paragraph may be paid in stock or cash based on a resolution of the Board of Directors, and may be paid to employees of subsidiaries who meet the certain requirements.</p> <p>The distribution of remuneration for employees and Directors shall be resolved by a majority vote at a board meeting attended by more than two thirds of the Directors and it shall be reported at the shareholders' meeting.</p>	<p>of the Board of Directors, and may be paid to employees of subsidiaries who meet the certain requirements.</p> <p>The distribution of remuneration for employees and Directors shall be resolved by a majority vote at a board meeting attended by more than two thirds of the Directors and it shall be reported at the shareholders' meeting.</p>	
Article 32	<p>The Articles of Incorporation were established on May 18, 1972. The 1st amendment was on March 31, 1974. The 2nd amendment was on September 17, 1975. The 3rd ~36th.(skip). The 37th amendment was on June 18, 2019. The 38th amendment was on June 10, 2020. The 39rd amendment was on June 17, 2022. The 40rd amendment was on June 13, 2023. The 41rd amendment was on June 26, 2025.</p>	<p>The Articles of Incorporation were established on May 18, 1972. The 1st amendment was on March 31, 1974. The 2nd amendment was on September 17, 1975. The 3rd ~36th(skip). The 37th amendment was on June 18, 2019. The 38th amendment was on June 10, 2020. The 39rd amendment was on June 17, 2022. The 40rd amendment was on June 13, 2023.</p>	Number of amendments and dates.

## Appendix 1

### Kuoyang Development Co., Ltd.

#### Rules of Procedure for Shareholders' Meetings

- Article 1. The shareholder' meetings of Kuoyang Development Co., Ltd. shall be conducted in accordance with these Rules and Procedures, unless otherwise specified by law or the Articles of Incorporation.
- Article 2. The Company shall provide an attendance log to record attendance of shareholders in attendance; alternatively, the shareholders in attendance may also submit attendance cards to register their attendance at the meeting.
- The number of shares represented during the meeting is calculated based on the total amount registered in the attendance log or the attendance cards collected, plus the number of shares where voting rights are exercised through electronic means.
- Article 3. Shareholder attendance and votes are calculated by the number of shares represented during the meeting.
- Article 4. The shareholders' meeting shall be held at locations that are suitable and convenient for shareholders to attend. The meeting shall not begin earlier than 9 a.m. or later than 3 p.m.
- Article 5. Shareholders' meetings that are convened by the Board of Directors shall be chaired by the Chairman. If the Chairman is unable to perform such duties due to leave of absence or any other reason, the Vice Chairman shall act on the Chairman's behalf. If the Vice Chairman is unavailable or if the Vice Chairman is also unable to perform such duties due to leave of absence or any other reason, the Chairman may appoint a Managing Director to act on behalf of the Chairman. If the Company does not have a Managing Director, one of the Directors shall be appointed to act on the Chairman's behalf. If no such designation is made by the Chairman, the Managing Directors or Directors shall select one person from among themselves to serve as chair.
- If the shareholders' meeting is convened by an authorized party other than the Board of Directors, the said person shall chair the meeting. If more than one person has the right to convene the meeting, one shall be elected to chair the meeting.
- If the chair violates the rules of procedure and adjourns the



shareholders' meeting, one person may be elected chair with the consent of one half of the votes represented by shareholders in attendance to resume the meeting.

Article 6. The Company may designate retained lawyers, certified public accountants, or relevant personnel to attend the shareholders' meeting.

Organizers of the shareholders' meeting must wear proper identification or arm badges.

Article 7. The audio or video of the process of the shareholders' meeting shall be recorded and shall be retained for at least one year.

Article 8. The chair shall call the meeting to order at the time scheduled for the meeting. If the number of shares represented by the shareholders present at the meeting has not yet constituted the quorum at the time scheduled for the meeting, the chair may postpone the time for the meeting. The postponements shall be limited to two times and the meeting shall not be postponed for longer than one hour in aggregate. If no quorum can yet be constituted after two postponements, but the shareholders present at the meeting represent more than one-third of the total outstanding shares, tentative resolutions may be made in accordance with Article 175, Paragraph 1 of the Company Act.

If the number of shares represented during the meeting accumulates to more than half of all outstanding shares before the meeting ends, the chair may re-propose any tentative resolution for final voting, according to Article 174 of the Company Act.

Article 9. The agenda of the meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. Unless otherwise resolved at the meeting, the meeting shall proceed in accordance with the agenda.

The above rule also applies if the shareholders' meeting is convened by any authorized party other than the Board of Directors.

Unless otherwise resolved at the meeting, the chair cannot announce adjournment of the meeting before all the discussion items (including extraordinary motions) listed in the agenda are resolved.

The shareholders may not designate any other person as chair and continue the meeting in the same or another place after the meeting is adjourned.

- Article 10. When a shareholder present at the shareholders' meeting wishes to speak, a speech note should be filled out with a summary of the speech, the shareholder's number (or the number of attendance card), and the name of the shareholder. The sequence of speeches by shareholders shall be decided by the chair.
- Shareholders who submit an opinion slip without actually speaking are considered to have remained silent. If the shareholder's actual comments differ from those stated on the opinion slip, only the actual comments spoken shall be recorded.
- While a shareholder is speaking, other shareholders shall not speak simultaneously or interfere in any way, unless agreed upon by the chair and the person speaking. Any violators shall be stopped by the chair.
- Article 11. Unless otherwise permitted by the chair, each shareholder shall not speak more than two times for each discussion item (each time cannot exceed 5 minutes).
- In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chair may stop the speech.
- Article 12. If the corporate shareholder is attending as proxy, only one representative shall be appointed to attend the shareholders' meeting.
- Where a corporate shareholder has appointed two or more representatives to attend the shareholders' meeting, only one representative may speak per agenda item.
- Article 13. After the speech of a shareholder, the chair may respond on one's own or appoint an appropriate person to respond.
- Article 14. The chair may announce the end of the discussion of any resolution and proceed with voting if the chair deems it appropriate.
- Article 15. The ballot examiner and ballot counter during polls shall be designated by the chair. The ballot examiner must be a shareholder of the Company. The results of votes shall be announced on-site immediately and recorded.
- Article 16. During the meeting, the chair may set time for intermission.
- Article 17. Unless otherwise regulated by the Company Act or the Articles of Incorporation, an agenda item is passed when supported by shareholders who represent more than half of the total voting rights. At the time of a vote, the shareholders shall vote on each proposal

and the results of shareholders' agreement, objection, and abstention shall be input on the Market Observation Post System on the same day of the shareholders' meeting.

Article 18. If there is amendment to or substitution for a discussion item, the chair shall decide the sequence of voting for the discussion item, the amendment, or the substitute. If any resolution is passed, all other proposals shall be deemed rejected, and no further voting is necessary.

Article 19. The chair may instruct marshals (security personnel) to help maintain order in the meeting. The chair may direct the disciplinary officers or the security guard to assist in keeping order in the meeting place.

While maintaining order in the meeting, all marshals (or security personnel) must wear arm bands which identify their roles.

## Appendix 2

### Kuoyang Development Co., Ltd. Articles of Incorporation

#### Chapter 1. General Provisions

Article 1. This Company has been established pursuant to the provisions of the Company Act governing limited liability companies and is named Kuoyang Development Co., Ltd.

Article 2. The Company operates the businesses specified below:

- I. Commissioned construction of public housing and commercial buildings for lease or sale, appointment by the government's competent authority of industries for the development, lease, and sales of industrial zones. (except for the construction business)
- II. Trading, manufacturing, and agency services for of construction materials.
- III. Garden landscaping and interior design and construction. (except for the construction business) (except for architect business)
- IV. Operations of hotel business.
- V. Operations of restaurant business.
- VI. Interior and exterior cleaning and maintenance services for buildings.
- VII. Operation, control, maintenance, and management of building HVAC equipment and machines for energy use.
- VIII. Investments and construction of public facilities such as markets, parks, underground malls, children's amusement parks, and parking lots in urban planning zones.
- IX. Operations of bowling, badminton, tennis, table tennis, volleyball, pelota, gateball, squash courts, and golf driving ranges with five holes or less.
- X. Operations of swimming pools, bathrooms, and fitness centers.
- XI. H701020 Industrial factory buildings lease construction and development.
- XII. H701040 Specialized field construction and development.
- XIII. H701050 Public works construction and investment.
- XIV. H701060 New county and community construction and investment.
- XV. H703010 Factory buildings leasing.
- XVI. H703020 Warehouse leasing.
- XVII. H703030 Office building leasing.
- XVIII. H703040 Booth leasing.
- XIX. H703050 Conference room leasing.
- XX. Import and export trade of the aforementioned products.
- XXI. I301030 I301030 Digital information supply services.

- XXII. ZZ99999 All business items that are not prohibited or restricted by law, except those within permitted scope.
- Article 3. The Company is headquartered in Taipei City and may establish branch institutions in other appropriate locations as necessary. The establishment, change, or abolishment of such institutions shall be determined by resolutions of the Board of Directors.
- Article 4. The public announcements made by the Company shall be published in accordance with Article 28 of the Company Act.
- Article 4-1. The Company may provide guarantees to third parties in accordance with regulations.
- Article 4-2. Where the Company is a shareholder of limited liability of another company, the Company may be exempted from the restriction on its investment amount.
- Chapter 2. Shares
- Article 5. The Company's capital is set at NT\$7,000,000,000, divided into 700,000,000 shares at NT\$10 par value. The Board of Directors is authorized to issue the shares in separate batches.
- Article 6. The Company's stocks shall be registered. Share certificates shall be affixed with the signatures or personal seals of the director representing the Company after registration and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance thereof. The total amount of all registered shares held by all Directors must not be lower than a certain percentage of the Company's total outstanding shares. The percentage shall be prescribed in accordance with an order of the competent authority.  
When issuing new shares, the Company may print the separately-issued shares on a combined basis and engage a centralized securities depository institute to safekeep the shares. Stocks issued by the Company are not required to be printed. The Company, however, should contact the centralized securities depository institution for registration of the share certificates.
- Article 7. The Company shall administer stock-related operations in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.
- Article 8. (Deleted)
- Article 9. Title transfer of stocks is suspended within 60 days prior to a general shareholders meeting, 30 days prior to an extraordinary shareholders' meeting, or 5 days prior to the baseline date for the issuer's distribution of dividends, bonuses, or other interests.
- Chapter 3. Shareholders' Meetings
- Article 10. The Company holds general and extraordinary shareholders' meetings. General meetings are to be held once every year and shall be convened within six months after the close of each fiscal year by the Board of Directors in accordance with the law. Extraordinary meetings may be convened when necessary in accordance with the law.

Shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

The Company shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters regarding the holding of shareholders' meeting by means of visual communication network.

Article 11. The Chairman of the Board shall chair shareholders' meetings. If the Chairman is unable to attend, the Chairman may appoint one of the Directors to act on the Chairman's behalf. If no delegate is appointed by the Chairman, one shall be elected from among the Directors.

Article 12. The Company's shareholders shall have one voting right per share unless otherwise provided in laws or regulations.

Article 13. In case a shareholder cannot attend a shareholders' meeting in person, the shareholder may appoint a proxy to attend the shareholders' meeting in his/her/its behalf and executing relevant rights in line accordance with Article 177 of the Company Act and other relevant laws and regulations. Except otherwise stipulated by relevant laws, the proxy is not limited to shareholders of the Company.

A shareholder exercising voting rights by electronic means will be deemed to have attended the meeting in person, and relevant matters will be executed in line with applicable laws.

Article 14. Resolutions at shareholders meetings shall, unless otherwise provided for under the Company Act, be adopted by a majority vote of the shareholders present who represent more than one-half of the total number of voting shares.

Article 15. The resolutions of shareholders' meetings must be compiled into meeting minutes, which must be signed or sealed by the chair. The meeting minutes shall include the date and venue of the meeting, the chair's name, the method of resolution, and the proceedings and results of various meeting agenda items. Meeting minutes must be preserved for as long as the company exists. The sign-in books and proxy authorization forms of shareholders in attendance shall be kept for at least one year. However, if a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, the above-mentioned documents must be retained until the litigation is concluded.

The meeting minutes shall be announced in accordance with Article 183 of the Company Act within 20 days after the meeting.

Chapter 4. Board of Directors

Article 16. The Company's Board of Directors shall have five to nine Directors. The Company adopts a candidate nomination system for the election of directors; shareholders shall elect directors from among

the nominees listed on the roster of director candidates in accordance with Article 198 of the Company Act.

The number of Independent Directors of the Company shall be no less than three and no less than one fifth of the total number of Directors. The Company adopts a candidate nomination system for the election of Independent Directors; shareholders shall elect Independent Directors from among the nominees listed on the roster of independent director candidates. The professional qualifications, restrictions on both shareholding and concurrent positions held, method of nomination and election, and other requirements with regard to the Independent Directors shall be processed in accordance with related laws and regulations of the competent authority.

Article 17. Directors shall serve three-year terms and are eligible for reelection. When one-third of the director seats become vacant, an extraordinary shareholders' meeting shall be called within 60 days to elect succeeding directors; each successor so elected shall hold office for the remaining term of their predecessors only.

Article 18. The Board of Directors is formed by the Directors in accordance with Article 208 of the Company Act. The Directors shall elect one person among themselves to serve as the Chairman who shall execute all matters of the Company in accordance with laws, regulations, the Articles of Incorporation, and resolutions of the shareholders' meeting and the Board of Directors.

Article 19. The Chairman shall convene and chair meetings of the Board of Directors. If the Chairman is unable to attend, the Chairman may appoint one of the Directors to act on the Chairman's behalf. If no delegate is appointed by the Chairman, one shall be elected from among the directors.

Article 20. Board meetings must be convened in accordance with regulations of the Company Act. If a Director is unable to attend a meeting, he/she may appoint a proxy to attend the meeting on his/her behalf. However, a Director may be made proxy for only one other Director. Unless otherwise stipulated in regulations, resolutions shall be adopted only if more than half of the Directors present vote in favor of the resolution.

If a meeting of the Board of Directors is held by video conference, all Directors attending the video conference shall be deemed to have attended the meeting in person.

Article 20-1. Directors shall be notified of board meetings seven days prior to the meeting with the reason indicated. However, a board meeting may be called at any time in the event of an emergency. Such notifications may be delivered in written format, by fax, or electronically.

Article 21. The powers of the Board of Directors are as follows:

I. Matters prescribed in Article 14-3 of the Securities and Exchange Act.

II. Matters prescribed in Article 12 of the Rules of Procedure for the Board of Directors' Meetings.

The Board of Directors is authorized to determine the remuneration paid to Directors based on their participation in the Company's operations, the value of their contributions, and prevailing rates in the industry.

Chapter 5. Audit Committee

Article 22. Deleted

Article 23. Deleted

Article 24. Deleted

Article 25. The Company has established an Audit Committee which is composed of all the Independent Directors in accordance with Article 14-4 of the Securities and Exchange Act. The duties of the Audit Committee and other matters for compliance shall be processed in accordance with related regulations and the Company's bylaws.

Chapter 6. Manager

Article 26. The Company may appoint a manager whose appointment, dismissal, and remuneration shall be made in compliance with Article 29 of the Company Act.

Article 27. The Company's level 1 supervisors shall be nominated by the President and appointed or dismissed by the Board of Directors. Other employees shall be appointed or dismissed by the President in accordance with human resources management rules.

Chapter 7. Accounting

Article 28. The Company's fiscal year begins on January 1 and ends on December 31 each year. The final accounts shall be prepared at the end of each fiscal year. The Board of Directors shall prepare the following documents which shall be submitted to the general shareholders' meeting for ratification in accordance with legal procedures.

I. Business Report

II. Financial Statements

III. Distribution of earnings or loss offsetting proposals.

Article 29.

In the event of profit in the year, the Company shall appropriate 0.5% to 5% of the pre-tax earnings (excluding remuneration for Directors and employees) as remuneration for employees and no more than 5% as remuneration for Directors. However, in the event the Company has sustained cumulative losses, a proportion of profit shall be reserved in advance to make up for losses.

The remuneration for employees in the preceding paragraph may be paid in stock or cash based on a resolution of the Board of Directors, and may be paid to employees of subsidiaries who meet the certain requirements.

The distribution of remuneration for employees and Directors shall be resolved by a majority vote at a board meeting attended by more than two thirds of the Directors and it shall be reported at the shareholders' meeting.



Article 29-1. In the event of surplus earnings after closing of annual accounts, due taxes shall be paid in accordance with the law, and losses incurred in previous years shall be compensated. Upon completion of the preceding actions, 10% of the remainder surplus shall be allocated as legal reserve. However, in the event that the accumulated legal reserve is equivalent to or exceeds the Company's total paid-in capital, such allocation may be exempted. In addition, the Board of Directors may, after allocating or reversing special reserve pursuant to the laws or regulations of the competent authority, retain parts of the earnings and prepare an earnings distribution proposal along with undistributed earnings at the beginning of the period.

Where the Company intends to distribute dividends, bonuses, legal surplus reserve, or capital reserve by issuing new shares, it shall be processed in accordance with Article 240 of the Company Act and distributed based on a resolution of the shareholders' meeting. Where dividends are distributed in cash, the Board of Directors shall be authorized to determine such distribution by a resolution adopted by a majority vote at a meeting attended by over two thirds of the Directors and it shall be reported at the shareholders' meeting.

The Company's industry is a stable and mature industry. The dividend policy should account for the financial structure, earnings, and long-term business plans to meet the development and transformation needs. The ratio of stock dividends to cash dividends shall be determined each year based on the requirements for working capital, provided that the cash dividends shall not be less than 20%. When the paid-in capital has reached NT\$10 billion, the cash dividends shall not be less than 50%.

#### Chapter 8. Supplemental Provisions

Article 30. The organizational regulations, bylaws, and enforcement rules of the Company shall be established based on resolutions of the Board of Directors.

Article 31. Any matters not addressed in the Articles of Incorporation shall be governed by the Company Act and other related regulations.

Article 32. The Articles of Incorporation were established on May 18, 1972. The 1st amendment was on March 31, 1974. The 2nd amendment was on September 17, 1975. The 3rd amendment was on October 5, 1976. The 4th amendment was on June 15, 1978. The 5th amendment was on October 18, 1978. The 6th amendment was on February 9, 1979. The 7th amendment was on February 28, 1982. The 8th amendment was on July 28, 1983. The 9th amendment was on September 20, 1988. The 10th amendment was on June 12, 1989. The 11th amendment was on June 24, 1992. The 12th amendment was on May 12, 1992. The 13th amendment was on October 1, 1992. The 14th amendment was on May 1, 1993. The 15th amendment was on April 23, 1994. The 16th amendment was on May 29, 1995. The 17th amendment was on May 25, 1996. The

18th amendment was on May 25, 1996. The 19th amendment was on April 16, 1997. The 20th amendment was on January 7, 1998. The 21st amendment was on March 12, 1998. The 22nd amendment was on May 11, 1999. The 23rd amendment was on April 24, 2000. The 24th amendment was on June 21, 2001. The 25th amendment was on May 15, 2002. The 26th amendment was on June 19, 2003. The 27th amendment was on June 9, 2005. The 28th amendment was on June 14, 2006. The 29th amendment was on June 13, 2007. The 30th amendment was on June 13, 2008. The 31st amendment was on June 18, 2010. The 32nd amendment was on December 27, 2011. The 33rd amendment was on June 18, 2012. The 34th amendment was on June 23, 2014. The 35th amendment was on June 7, 2016. The 36th amendment was on June 8, 2017. The 37th amendment was on June 18, 2019. The 38th amendment was on June 10, 2020. The 39th amendment was on June 17, 2022. The 40th amendment was on June 13, 2023.

Kuoyang Development Co., Ltd.

Chairman: Tzu-Kuan Lin

## Appendix 3

### Statement of Shares Held by Directors of the Company

The shareholdings of all Directors of Kuoyang Development as recorded in the shareholder register up until the book closure date (April 28, 2025) of the shareholders' meeting:

Title	Name	Number of shares held	Related party	Name	Number of shares held by the individual
Director	Chi Chan Industries Co., Ltd.	698,880	Representative	Tzu-Kuan Lin	0
Director	Chi Chan Industries Co., Ltd.	698,880	Representative	Chia-Chi Hou	1,010,209
Director	Cheng Chi Co., Ltd.	23,124,570	Representative	Jer-Shyong Tsai	0
Director	Cheng Chi Co., Ltd.	23,124,570	Representative	Chien-Ping Juan	0
Director	Cheng Chi Co., Ltd.	23,124,570	Representative	Sannie Huang	0
Director	Pai Ti Development Co., Ltd.	4,402,948	Representative	Pei-Kui Su	0
Independent Director	Li-Yen Yang	0			
Independent Director	Wu-Po Kuo	0			
Independent Director	Chiu-Mu Tseng	0			
Total		28,226,398			1,010,209

The Company's paid-in capital as of April 28, 2025 is NT\$3,800,000,000 and the total number of shares issued is 380,000,000 shares.

The minimum number of shares that must be held by all Directors according to Article 26 of the Securities and Exchange Act is as follows:

Minimum number of shares that must be held by all Directors by law: 15,200,000 shares.

The number of shares held by all Directors meets the legally required percentage.

## Appendix 4

Other Supplementary Matters: The Company accepts shareholders' proposals for the 2025 general shareholders' meeting but has not received any proposal from shareholders in the proposal.