

Stock code : 8941

# **GRAND HALL ENTERPRISE CO., LTD.**

## **2025 Annual General Meeting Meeting Handbook**

Convened in the form of: face-to-face shareholders' meeting

Time: 9:00 a.m., Friday, June 16, 2025

Address: 9F, No.298, Ruiguang Rd., Neihu Dist., Taipei City

**June 16, 2025**

# Table of Contents

|   |   |
|---|---|
| Meeting Procedure .....   | 1 |
| Meeting Agenda .....  | 2 |
| One. Call the Meeting to Order .....  | 3 |
| Two. Chairman’s Address .....   | 3 |
| Three. Reports on Company Affairs   |   |
| I. 2024 Business Report .....   | 3 |
| II. Audit Committee's Review Report on the Company's 2024 Financial<br>Statements .....                           | 3 |
| III. Report on 2024 Distribution of Remuneration to Directors and Employees .....                                 | 4 |
| IV. Report on Earnings Distribution and Payment of Cash Dividends for 2024 .....                                  | 4 |
| V. Report on Amendment to the Company’s “Ethical Corporate<br>Management Procedures and Conduct Guidelines” ..... | 4 |
| VI. Other Reporting Matters .....   | 5 |
| (I) Proposals of shareholders .....   | 5 |
| (II) Information on the financial business with related parties .....   | 5 |
| IV. Matters to Be Ratified:   |   |
| I. Proposal for 2024 Business Report And Financial Statements .....   | 5 |
| II. Proposal for 2024 earnings distribution .....   | 6 |
| Five. Discussions:  |   |
| I. Proposal for amendment to some provisions of the Company's<br>“Articles of Association” .....                  | 7 |
| Six. Ad Hoc Motions .....   | 7 |
| Seven. Adjournment .....  | 7 |

## Appendixes

|   |    |
|---|----|
| Appendix 1. 2024 Business Report .....  | 8  |
| Appendix 2. Table of Comparison of the Amendment to the “Ethical Corporate Management<br>Procedures and Conduct Guidelines” ..... | 9  |
| Appendix 3. 2024 Financial Statements .....   | 10 |
| Appendix 4. Table of Comparison of the Articles of Association .....  | 26 |
| 6Appendix 5 Shareholdings by Directors .....  | 27 |

## Schedules

|  |    |
|--|----|
| Schedule 1. Articles of Association (Before the Revision) .....  | 28 |
| Schedule 2. Rules of Procedure for Shareholders' Meetings .....  | 32 |
| Schedule 3. Ethical Corporate Management Procedures and Conduct Guidelines<br>(before amendment) ..... | 37 |

# **GRAND HALL ENTERPRISE CO., LTD.**

## **2025 Annual General Meeting Procedure**

- One. Call to Order
- Two. Chairman's Address
- Three. Reports on Company Affairs
- Four. Matters to be ratified
- Five. Discussions
- Six. Ad Hoc Motions
- Seven. Adjournment

# **GRAND HALL ENTERPRISE CO., LTD.**

## **2025 Annual General Meeting Agenda**

Time: 9:00 a.m., Friday, June 16, 2025

Address: F/9, No.298, Ruiguang Rd., Neihu Dist., Taipei City

Chairman: Chairman of the Board: Mr William Home

- One. Call to Order
- Two. Chairman's Address
- Three. Reports on Company Affairs
  - I. The Company's 2024 business report
  - II. Audit Committee's Review Report on the Company's 2024 Financial Statements
  - III. Report on 2024 Distribution of Remuneration to Directors and Employees
  - IV. Report on distribution of 2024 cash dividends from earnings
  - V. Report on the amendment to the Company's "Ethical Corporate Management Procedures and Conduct Guidelines"
  - VI. Other Reporting Matters
    - (I) Proposals of shareholders
    - (II) Information on the financial business with related parties
- Four. Matters to Be Ratified:
  - I. Proposal for 2024 Business Report And Financial Statements
  - II. Proposal for 2024 earnings distribution
- Five. Discussions:
  - I. Proposal for amendment to some provisions of the Company's "Articles of Association"
- Six. Ad Hoc Motions
- Seven. Adjournment

## **One. Call to Order**

## **Two. Chairman's Address**

## **Three. Reports on Company Affairs**

### **Proposal 1**

Subject: The Company's 2024 Business Report, submitted for review.

Description: For the Company's 2024 Business Report, see Appendix 1 in the Handbook.

### **Proposal 2**

Subject: Audit Committee's Review Report on the Company's 2024 Financial Statements

Instruction: Review Report from the Audit Committee of GRAND HALL ENTERPRISE CO., LTD.

#### **GRAND HALL ENTERPRISE CO., LTD. Audit Committee's Review Report for 2024**

The financial statements of GRAND HALL ENTERPRISE CO., LTD. for 2024, approved by the Audit Committee and adopted with a resolution of the Board of Directors, have been audited by CPAs Shin Yu-Ting and Huang Keng-Chia of KPMG Taiwan who have also issued an auditor's report. In addition, the Board of Directors submitted the Company's 2024 business report and proposal for earnings distribution, which were reviewed by the Audit Committee and found to be in compliance with the Company Act and other relevant laws. A report is prepared and submitted for examination pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Best Regards

2025 Annual General Meeting of GRAND HALL ENTERPRISE CO., LTD.

Convener of the meeting of the Audit committee: Gau Wen Hung

March 11, 2025

### Proposal 3

Subject: Report on 2024 distribution of remuneration to directors and employees

Description: The Company's Board of Directors approved the distribution of remuneration to directors and employees for 2024 on March 11, 2025. The details are as follows:

- I. Remuneration to directors: NT\$3,400,000, paid in cash.
- II. Remuneration to employees: NT\$6,800,000, paid in cash.
- III. There is no difference between the amount of remuneration to directors and employees and the amount of expenses recognized in 2024.

### Proposal 4

Subject: Report on distribution of 2024 cash dividends from earnings

Description: According to the Company Act and the Articles of Association of the Company, the Company's earnings distribution may be made after the end of each half fiscal year, and if the earnings distributed are paid in cash, the Board of Directors is authorized to make a resolution to distribute the earnings. The distribution of 2024 cash dividends from earnings is as follows:

Unit: NT\$

| 2024                    | Date of the Board of Directors' resolution | Payment Date | Cash dividends per share | Cash dividends in total |
|-------------------------|--|--------------|--------------------------|-------------------------|
| First half of the year  | 2024/08/13                                 | 2024/09/20   | 3.00 (Note 1)            | 91,231,491              |
| Second half of the year | 2025/03/11                                 | Undecided    | 1.50 (Note 2)            | 52,458,106              |
| Total                   |  |              |                          | 143,689,597             |

Note 1: Based on the actually allotted amount per share calculated based on the actual total number of shares outstanding at ex-dividend date.

Note 2: Calculated based on the number of outstanding shares of 34,972,071 shares as of February 29, 2025, with a cash dividend of NT\$1.5 per share. The actual amount of cash dividends per share will be calculated according to the actual total number of shares outstanding at ex-dividend date, and will be distributed to the shareholders listed in the register of members on the ex-dividend date in proportion to their shares, limited to NT \$ yuan. The fractional amount of dividends less than NT\$ 1 is summed and recognized as other income of the Company.

### Proposal 5

Subject: Report on amendment to the Company's "Ethical Corporate Management Procedures and Conduct Guidelines".

Note:

- I. In order to accommodate the Company's practical operations, the Company is to amend some provisions of its "Ethical Corporate Management Procedures and Conduct Guidelines". For the Table of Comparison of the Amendment to the "Procedures for Ethical Management and Guidelines for Conduct", see Appendix 2 in the Meeting Handbook.
- II. For the Company's "Ethical Corporate Management Procedures and Conduct Guidelines" before amendment, please refer to Appendix 3 in the Meeting Handbook.

## Proposal 6

Subject: Other Reporting Matters

Note:

- I. Proposals of shareholders: There were no shareholder proposals during the session of the annual General Meeting.
- II. Information on the financial business with related parties:
  1. Transactions between the Company and its related parties are conducted in accordance with the "Rules Governing Financial and Business Matters Between the Company and its Related Parties" adopted by the Board of Directors, which has been uploaded to the Market Observation Post System (MOPS) for reference.
  2. Transactions including purchase and sale of goods, acquisition and disposal of assets, etc. should be handled in accordance with the Code of Practice, as for purchase and sale of goods from/to, labor or technical services transactions with related parties, if the annual transaction volume is expected to reach 5% of the Company's most recent consolidated total assets or net consolidated operating income of the most recent year, except for those subject to the Regulations Governing the Acquisition or Disposal of Assets of Public Companies, or the transactions between the Company and the parent company, or subsidiaries or among subsidiaries, relevant information should be submitted to the Board of Directors for approval according to the Code of Practice before the transactions are concluded; if there is a significant financial business, it shall be submitted to the shareholders meeting for approval in accordance with the relevant operating procedures.
  3. The general business activities defined by the Company and its related parties in 2024 are summarized as follows:

Unit: NT\$

| Transaction Target                | Transaction Nature | Transaction Amount | Remarks                    |
|-----------------------------------|--------------------|--------------------|----------------------------|
| Grand Gas Equipment Incorporation | Purchase of goods  | 1,433,635,419      |                            |
| Weixiang Industrial Co., Ltd.     | Office leasing     | 6,000,000          | Amount is less significant |

## Four. Matters to be ratified

### Proposal 1 Proposed by the Board of Directors

Subject: 2024 Business Report and Financial Statements, submitted for ratification.

Note:

- I. The Company's 2024 financial statements and consolidated financial statements have been prepared and completed by the Company. The audit was completed by CPAs Shin Yu-Ting and Huang Keng-Chia, of KPMG Taiwan.
- II. For the Company's 2024 Business Report and the aforesaid financial statements, see Appendix 1 and Appendix 3 in the Meeting Handbook.
- III. The above financial statements together with the Business Report shall be approved by the Board of Directors and submitted to the Audit Committee for examination and verification, and submitted to the shareholders for recognition at the annual General Meeting.
- IV. It is hereby proposed for recognition.

Resolutions:

## Proposal 2 Proposed by the Board of Directors

Subject: Proposal for 2024 earnings distribution plan, submitted for ratification.

Note:

- I. The Company has prepared the 2024 Earnings Distribution Table in accordance with the Company Act and the Company's Articles of Association as follows:

### GRAND HALL ENTERPRISE CO., LTD. 2024 Earnings Distribution Table

Unit: NT\$

| Item   | Amount      |
|--|-------------|
| Opening undistributed earnings   | 67,211,305  |
| Add: Net income after tax in 1H2024  | 100,945,302 |
| Net income after tax in 2H2024   | 75,919,810  |
| Changes in actuarial gains and losses in 2024  | 1,372,049   |
| Less: Provision for statutory surplus reserves in 1H2024   | 10,094,530  |
| Provision for statutory surplus reserves in 2H2024   | 7,723,461   |
| Changes in ownership interests of subsidiaries   | 57,250      |
| Surpluses available for distribution   | 227,573,225 |
| Distribution items   |             |
| Less: Surplus reserves that have been allocated- Dividends paid to shareholders in cash in 1H2024 (Note 1) | 91,231,491  |
| Less: Surplus reserves proposed to be allocated- Dividends paid to shareholders in cash in 2H2024 (Note 2) | 52,458,106  |
| Closing undistributed earnings   | 83,883,628  |
| Note 1: Cash dividend of NT\$3 per share, which was paid on September 20, 2024.                            |             |
| Note 2: Cash dividend of NT\$1.5 per share.  |             |

Chairman: William Home

General Manager: Charles Lin

Accounting Supervisor: Gary Chen

- II. The cash dividends were allocated with a resolution of the Board of Directors of the Company in accordance with the Articles of Association of the Company and shall be reported at the General Meeting; please refer to the No.4 Proposal.
- III. Subsequently, if the number of outstanding shares is affected due to repurchase of the shares of the Company or the transfer of treasury shares to employees, cancellation of capital, cash increase or other factors, resulting in a change in the allocation of shares and dividend payout ratio, it is proposed that the Board of Directors will be authorized by the shareholders to make adjustments.
- IV. It is hereby proposed for recognition.

Resolutions:



## **Five. Discussions**

### **Proposal 1 Proposed by the Board of Directors**

Subject: Amendment to some provisions of the Company's "Articles of Association", submitted for discussion.

Note:

- I. Some provisions of the Articles of Association of the Company are to be amended in accordance with the requirements of applicable laws and regulations and in response to the amendments to the Company Act. For the Table of Comparison, see Appendix 4 in the Meeting Handbook.
- II. For the Company's "Articles of Association" before amendment, please see Schedule 1 in the Meeting Handbook.
- III. Please proceed to discuss.

Resolutions:

## **Six. Ad Hoc Motions**

## **Seven. Adjournment**

[Appendix 1]

## **GRAND HALL ENTERPRISE CO., LTD.**

### **2024 Business Report**

#### **I. 2024 Operating Results**

The Company's 2024 consolidated operating revenue, net was NT\$3.151 billion, an increase of about NT\$252 million compared to 2023. This was mainly due to the lower revenue base of gas valve customers in 2023 as they digested the overbooking of inventory during the pandemic. The gross profit was NT\$911 million, a slight increase from NT\$880 million compared to 2023. The gross profit margin slightly decreased from 30.36% in 2023 to 28.91% in 2024 due to the increase in the proportion of sales of gas valve, with an overall gross profit margin of nearly 30%. The Company's strategy focused on product differentiation as the competitive tool, while improving gross profit margin and maintaining steady growth as a sales objective to continuously maintain its product competitive edge. Operating expense rate was maintained at 25 - 28% and operating net profit increased by NT\$420.71 million compared to 2023. The non-operating income decreased due to the acquisition of the US government grants by the US subsidiary in 2023 compared to 2022. In conclusion, profit before tax in 2024 was NT\$182 million. After considering the adjustment of income tax, the net profit was NT\$169 million, of which NT\$177 million was attributable to the Company, with an earnings per share of NT\$5.06.

#### **II. 2025 business plan overview and future development strategy**

1. Gas valve product line: Continue to cooperate with customers on expanding the market share of safety switches and DIY Torch products in North America.
2. Grill product line:
  - (1) Sales: Improve the overall sales margin by adjusting the product portfolios.
  - (2) Production: Continue to adjust the production mode to improve the operating efficiency and profits from the manufacturing activities.
  - (3) Design: In response to the global ESG trends, develop electric grill products.
3. Outdoor heating product line: Improve the efficiency of existing outdoor heating products to increase operating profits and reduce the impact of low season and peak seasons.
4. Continued market development of the brand new multi-functional pizza barbecue oven OvenPlus.

#### **III. Impact of the external competitive environment, regulatory environment and overall business environment**

The Company's business has gradually shown a stable upward trend, with the continuous adjustment of the self-constitution and the continuous development of new products, the direction of profits after the transformation has been targeted, in the future, with the trend of gradual recovery of the external economy and its own adjustments, the Company will continue to strengthen its competitive advantage, and get rid of the pressure of external competition.

In addition, the Company adheres to the principle of good faith, complies with the laws and regulations promulgated by relevant governments and authorities, and conducts business in accordance with the laws and regulations currently in force; In order to continuously deliver shareholder value, the Company maintains good relationships with manufacturers and customers, being friendly with the natural environment, and developing green and energy-saving products to create greater profit-making space for shareholders. All of this requires the advanced support of all shareholders and the hard work of all employees, I would like to thank you and please favor me your instructions.

Wish you  
Good health, may all go well with you!

Chairman of the Board:  
William Home

General Manager:  
Charles Lin

Chief Accountant:  
Gary Chen

[Appendix 2]

## GRAND HALL - Table of Comparison of the Amendment to the “Ethical Corporate Management Procedures and Conduct Guidelines”

| Provisions before Amendment   | Current Provisions  | Notes  |
|---|---|--|
| <p>Article 5 (Dedicated Unit)</p> <p>The Company has designated the <u>Corporate Governance Officer</u> as a dedicated unit (hereinafter referred to as the Company's dedicated unit), under the Board of Directors, responsible for the amendment, implementation, interpretation and consultation of these Procedures and Conduct Guidelines, as well as recording and filing the contents of notifications and other related operations and supervision, and the main duties of the following matters, and shall report to the Board of Directors regularly.</p> <p>I. Assist in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</p> <p>II. Establishment of programs to prevent unethical conduct, and set forth standard operating procedures and conduct guidelines for the tasks contained in the programs.</p> <p>III. Plan the internal organization, structure, and allocate responsibilities and set up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</p> <p>IV. Promote and coordinate awareness and educational activities with respect to ethics policy.</p> <p>V. Develop a whistleblowing system and ensure its operating effectiveness.</p> <p>VI. Assist the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and prepare reports on the assessment and compliance of relevant business processes on a regular basis.</p> | <p>Article 5 (Dedicated Unit)</p> <p>The Company has designated the <u>Audit Office</u> as a dedicated unit (hereinafter referred to as the Company's dedicated unit), under the Board of Directors, responsible for the amendment, implementation, interpretation and consultation of these Procedures and Conduct Guidelines, as well as recording and filing the contents of notifications and other related operations and supervision, and the main duties of the following matters, and shall report to the Board of Directors regularly.</p> <p>I. Assist in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</p> <p>II. Establishment of programs to prevent unethical conduct, and set forth standard operating procedures and conduct guidelines for the tasks contained in the programs.</p> <p>III. Plan the internal organization, structure, and allocate responsibilities and set up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</p> <p>IV. Promote and coordinate awareness and educational activities with respect to ethics policy.</p> <p>V. Develop a whistleblowing system and ensure its operating effectiveness.</p> <p>VI. Assist the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and prepare reports on the assessment and compliance of relevant business processes on a regular basis.</p> | <p>The Company has established the position of Corporate Governance Officer.</p> |

## **Independent Auditors' Report**

To the Board of Directors of Grand Hall Enterprise Co., Ltd.:

### **Opinion**

We have audited the consolidated financial statements of Grand Hall Enterprise Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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. The key audit matters we judged shall be presented in the auditors' report were as follows:

#### **1. Valuation of financial assets measured at fair value through other comprehensive income**

Please refer to Note (4)(g) and Note (5) of the consolidated financial statements for the accounting policy of valuation of financial assets measured at fair value through other comprehensive income as well as estimation uncertainty of financial assets valuation, respectively. Information regarding financial assets measured at fair value through other comprehensive income valuation is shown in Notes 6(b) and 6(r) of the consolidated financial statements.

Description of the key audit matter:

The risks associated with the valuation of financial assets measured at fair value through other comprehensive income of the Group arise from the lack of objective external quotations in the valuation mechanism and the input parameters are not based on observable market data. Due to the involved human judgment, assumptions setting, and estimates calculation, changes in input parameters and assumptions could impact the valuation outcomes. Therefore, the test for the valuation of financial assets measured at fair value through other comprehensive income is one of the significant matters in our audit procedures.

How the matter was addressed in our audit:

Our principal audit procedures included: assessing the primary inputs and assumptions used in the valuation of financial assets, determining whether the valuation technique was in compliance with relevant regulatory standards, comparing these inputs and assumptions with prior valuation information and evaluating their reasonableness, conducting sensitivity analyses on primary inputs and assumptions used, and assessing the qualification and independence of valuation specialists.

2. Inventory valuation of major subsidiaries:

Please refer to Note (4)(h) and Note (5) of the consolidated financial statements for the accounting policy of inventory valuation as well as the accounting estimates and assumptions uncertainty of inventory valuation, respectively. Information regarding the inventory valuation is shown in Note (6)(e) of the consolidated financial statements.

Description of the key audit matter:

The water heaters and barbecue grills traded by the major subsidiaries of the Group, namely Sunrise Heating Co., Ltd. and Grand Home Holdings Inc., are classified as consumer products. The sales of these products are vulnerable to market fluctuations, leading to sluggish sales and resulting in the potential inventory obsolescence. As the assessment of inventory obsolescence involves management's judgment, the test of inventory valuation is one of the significant matters in our audit procedures.

How the matter was addressed in our audit:

Our principal audit procedure included: assessing the appropriateness of the inventory obsolescence provision policy of the major subsidiaries, obtaining the inventory aging report to analyze the changes in inventory aging, verifying the accuracy of the inventory aging period through sample testing, understanding the basis used by the management to evaluate net realizable values and performing tests on selected samples, thereby evaluating the correctness of inventory valuation.

**Other Matters**

Grand Hall Enterprise Co., Ltd. has prepared its parent company only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unqualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC, endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's 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 misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the 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.

The engagement partners on the audit resulting in this independent auditors' report are Hsin, Yu-Ting and Huang, Keng-Chia.

KPMG

Taipei, Taiwan (Republic of China)  
March 11, 2025

#### **Notes to Readers**

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

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**GRAND HALL ENTERPRISE CO., LTD. AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**December 31, 2024 and 2023**

(Expressed in Thousands of New Taiwan Dollars)

|                     |   | December 31, 2024 |           | December 31, 2023 |           |     |      | December 31, 2024  |    | December 31, 2023 |     |           |                         |  |        |   |        |   |
|---------------------|---|-------------------|-----------|-------------------|-----------|-----|------|--|----|-------------------|-----|-----------|-------------------------|--|--------|---|--------|---|
|                     |   | Amount            | %         | Amount            | %         |     |      | Amount   | %  | Amount            | %   |           |                         |  |        |   |        |   |
| Assets              |   |                   |           |                   |           |     |      |  |    |                   |     |           |                         |  |        |   |        |   |
| Current assets:     |   |                   |           |                   |           |     |      |  |    |                   |     |           |                         |  |        |   |        |   |
| 1100                | Cash and cash equivalents (note (6)(a))   | \$                | 436,583   | 23                | 619,368   | 28  | 2102 | Short-term borrowings (note (6)(h))                      | \$ | -                 | -   | 312,150   | 14                      |  |        |   |        |   |
| 1170                | Notes and accounts receivable, net (notes (6)(c) and (6)(o))                                |                   | 130,394   | 7                 | 167,662   | 8   | 2130 | Current contract liabilities (note (6)(o))               |    | 85,994            | 5   | 86,927    | 4                       |  |        |   |        |   |
| 1310                | Inventories (note (6)(e))   |                   | 342,002   | 18                | 329,586   | 15  | 2170 | Accounts payable   |    | 54,850            | 3   | 29,613    | 1                       |  |        |   |        |   |
| 1470                | Other current assets  |                   | 49,410    | 3                 | 48,905    | 2   | 2180 | Notes and accounts payable to related parties (note (7)) |    | 216,941           | 11  | 189,096   | 9                       |  |        |   |        |   |
| 1476                | Other current financial assets (notes (6)(a), (6)(d), (7) and (8))                          |                   | 62,452    | 3                 | 102,990   | 5   | 2200 | Other payables   |    | 66,703            | 3   | 69,135    | 3                       |  |        |   |        |   |
|                     |   |                   | 1,020,841 | 54                | 1,268,511 | 58  | 2220 | Other payables to related parties (note (7))             |    | 62                | -   | 13,924    | 1                       |  |        |   |        |   |
| Non-current assets: |   |                   |           |                   |           |     |      |  |    |                   |     | 2230      | Current tax liabilities |  | 12,158 | 1 | 13,294 | 1 |
| 1517                | Non-current financial assets at fair value through other comprehensive income (note (6)(b)) |                   | 484,014   | 25                | 461,748   | 22  | 2250 | Current provisions (note (6)(j))                         |    | 105,876           | 5   | 113,266   | 5                       |  |        |   |        |   |
| 1600                | Property, plant and equipment (note (6)(f))   |                   | 88,775    | 5                 | 89,686    | 4   | 2280 | Current lease liabilities (notes (6)(i) and (7))         |    | 125,596           | 7   | 129,207   | 6                       |  |        |   |        |   |
| 1755                | Right-of-use assets (notes (6)(g) and (7))  |                   | 280,419   | 15                | 324,687   | 15  | 2300 | Other current liabilities                                |    | 1,511             | -   | 1,190     | -                       |  |        |   |        |   |
| 1780                | Intangible assets   |                   | -         | -                 | 128       | -   |      | Non-current liabilities:                                 |    | 669,691           | 35  | 957,802   | 44                      |  |        |   |        |   |
| 1990                | Other non-current assets  |                   | 28,375    | 1                 | 27,525    | 1   | 2570 | Deferred tax liabilities (note (6)(l))                   |    | 31,178            | 2   | 29,672    | 2                       |  |        |   |        |   |
|                     |   |                   | 881,583   | 46                | 903,774   | 42  | 2580 | Non-current lease liabilities (notes (6)(i) and (7))     |    | 157,705           | 8   | 199,680   | 9                       |  |        |   |        |   |
| Total assets        |   | \$                | 1,902,424 | 100               | 2,172,285 | 100 | 2600 | Other non-current liabilities (note (6)(k))              |    | 3,207             | -   | 4,578     | -                       |  |        |   |        |   |
|                     |   |                   |           |                   |           |     |      | Total liabilities  |    | 192,090           | 10  | 233,930   | 11                      |  |        |   |        |   |
|                     |   |                   |           |                   |           |     |      | Equity attributable to owners of parent (note (6)(m)):   |    | 861,781           | 45  | 1,191,732 | 55                      |  |        |   |        |   |
|                     |   |                   |           |                   |           |     | 3100 | Ordinary shares  |    | 349,721           | 18  | 304,105   | 14                      |  |        |   |        |   |
|                     |   |                   |           |                   |           |     | 3200 | Capital surplus  |    | 58,692            | 3   | 58,692    | 3                       |  |        |   |        |   |
|                     |   |                   |           |                   |           |     | 3310 | Legal reserve  |    | 137,669           | 8   | 120,576   | 5                       |  |        |   |        |   |
|                     |   |                   |           |                   |           |     | 3350 | Unappropriated retained earnings                         |    | 144,065           | 8   | 180,647   | 8                       |  |        |   |        |   |
|                     |   |                   |           |                   |           |     | 3400 | Other equity interest                                    |    | 271,515           | 14  | 233,002   | 11                      |  |        |   |        |   |
|                     |   |                   |           |                   |           |     |      |  |    | 961,662           | 51  | 897,022   | 41                      |  |        |   |        |   |
|                     |   |                   |           |                   |           |     | 3610 | Non-controlling interests                                |    | 78,981            | 4   | 83,531    | 4                       |  |        |   |        |   |
|                     |   |                   |           |                   |           |     |      | Total equity   |    | 1,040,643         | 55  | 980,553   | 45                      |  |        |   |        |   |
|                     |   |                   |           |                   |           |     |      | Total liabilities and equity                             | \$ | 1,902,424         | 100 | 2,172,285 | 100                     |  |        |   |        |   |



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**GRAND HALL ENTERPRISE CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the years ended December 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)**

|      |  | <b>2024</b>       |          | <b>2023</b>    |           |
|------|--|-------------------|----------|----------------|-----------|
|      |  | <b>Amount</b>     | <b>%</b> | <b>Amount</b>  | <b>%</b>  |
| 4000 | <b>Operating revenue (note (6)(o))</b>   | \$ 3,150,740      | 100      | 2,898,751      | 100       |
| 5000 | <b>Operating costs (notes (6)(e), (6)(k), (7) and (12))</b>  | 2,239,741         | 71       | 2,018,796      | 70        |
| 5900 | <b>Gross profit</b>  | 910,999           | 29       | 879,955        | 30        |
| 6000 | <b>Operating expenses (notes (6)(i), (6)(k), (7) and (12)):</b>  |                   |          |                |           |
| 6100 | Selling expenses   | 613,190           | 20       | 575,134        | 20        |
| 6200 | Administrative expenses  | 184,454           | 6        | 210,334        | 7         |
| 6300 | Research and development expenses  | 26,501            | 1        | 22,219         | 1         |
| 6450 | Expected credit loss (gain) (note (6)(c))  | (18,176)          | (1)      | 9,309          | -         |
|      | <b>Total operating expenses</b>  | 805,969           | 26       | 816,996        | 28        |
| 6900 | <b>Net operating income</b>  | 105,030           | 3        | 62,959         | 2         |
| 7000 | <b>Non-operating income and expenses:</b>  |                   |          |                |           |
| 7100 | Interest income  | 7,536             | -        | 35,361         | 1         |
| 7130 | Dividend income (note (6)(b))  | 42,101            | 1        | 39,435         | 1         |
| 7190 | Other income (notes (6)(i) and (6)(q))   | 3,425             | -        | 70,657         | 3         |
| 7210 | Gains on disposals of property, plant and equipment  | (685)             | -        | (1,369)        | -         |
| 7230 | Foreign exchange gains (loss), net (note (6)(r))   | 33,362            | 1        | 21,140         | 1         |
| 7050 | Finance costs (notes (6)(i) and (7))   | (8,239)           | -        | (18,669)       | (1)       |
| 7020 | Other gains and losses, net  | (561)             | -        | (1,434)        | -         |
|      |  | 76,939            | 2        | 145,121        | 5         |
| 7900 | <b>Profit before tax</b>   | 181,969           | 5        | 208,080        | 7         |
| 7950 | Less: Income tax expenses (note (6)(l))  | 13,180            | -        | 17,621         | 1         |
|      | <b>Net profit</b>  | 168,789           | 5        | 190,459        | 6         |
| 8300 | <b>Other comprehensive income (loss):</b>  |                   |          |                |           |
| 8310 | <b>Items that will not be reclassified to profit or loss</b>   |                   |          |                |           |
| 8311 | Remeasurements of defined benefit plans  | 1,372             | -        | (677)          | -         |
| 8316 | Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note (6)(r)) | 22,266            | 1        | 109,051        | 4         |
| 8349 | Less: Income tax related to items that will not be reclassified to profit or loss (note (6)(l))  | 1,009             | -        | 4,534          | -         |
|      |  | 22,629            | 1        | 103,840        | 4         |
| 8360 | <b>Items that may be reclassified subsequently to profit or loss</b>   |                   |          |                |           |
| 8361 | Exchange differences on translation of foreign financial statements  | 20,724            | 1        | (1,315)        | -         |
| 8399 | Less: Income tax related to items that may be reclassified subsequently to profit or loss  | -                 | -        | -              | -         |
|      |  | 20,724            | 1        | (1,315)        | -         |
| 8300 | <b>Other comprehensive income (loss)</b>   | 43,353            | 2        | 102,525        | 4         |
| 8500 | <b>Total comprehensive income</b>  | <b>\$ 212,142</b> | <b>7</b> | <b>292,984</b> | <b>10</b> |
|      | <b>Net profit (loss), attributable to:</b>   |                   |          |                |           |
| 8610 | Owners of parent   | \$ 176,865        | 5        | 192,948        | 6         |
| 8620 | Non-controlling interests  | (8,076)           | -        | (2,489)        | -         |
|      |  | <b>\$ 168,789</b> | <b>5</b> | <b>190,459</b> | <b>6</b>  |
|      | <b>Comprehensive income (loss), attributable to:</b>   |                   |          |                |           |
| 8710 | Owners of parent   | \$ 216,750        | 7        | 295,690        | 10        |
| 8720 | Non-controlling interests  | (4,608)           | -        | (2,706)        | -         |
|      |  | <b>\$ 212,142</b> | <b>7</b> | <b>292,984</b> | <b>10</b> |
|      | <b>Earnings per share (note (6)(n))</b>  |                   |          |                |           |
| 9750 | Basic earnings per share   | <b>\$ 5.06</b>    |          | <b>5.52</b>    |           |
| 9850 | Diluted earnings per share   | <b>\$ 5.04</b>    |          | <b>5.49</b>    |           |

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**GRAND HALL ENTERPRISE CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the years ended December 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

|   | Equity attributable to owners of parent |                 |                |                                  |   |   |         |   |                           |              |
|---|---|-----------------|----------------|----------------------------------|---|---|---------|---|---------------------------|--------------|
|   | Retained earnings                       |                 |                |                                  |   | Other equity interest   |         |   |                           |              |
|   | Ordinary shares                         | Capital surplus | Legal reserves | Unappropriated retained earnings | Exchange differences on translation of foreign financial statements | Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income | Total   | Total equity attributable to owners of parent | Non-controlling interests | Total equity |
| Balance at January 1, 2023  | \$ 304,105                              | 58,692          | 87,090         | 265,146                          | 38,014  | 91,569  | 129,583 | 844,616                                       | 86,050                    | 930,666      |
| Appropriation and distribution of retained earnings:                                      |   |                 |                |                                  |   |   |         |   |                           |              |
| Legal reserves appropriated   | -                                       | -               | 33,486         | (33,486)                         | -   | -   | -       | -   | -                         | -            |
| Cash dividends of ordinary shares   | -                                       | -               | -              | (243,284)                        | -   | -   | -       | (243,284)                                     | -                         | (243,284)    |
|   | -                                       | -               | 33,486         | (276,770)                        | -   | -   | -       | (243,284)                                     | -                         | (243,284)    |
| Net profit for the year   | -                                       | -               | -              | 192,948                          | -   | -   | -       | 192,948                                       | (2,489)                   | 190,459      |
| Other comprehensive loss for the year   | -                                       | -               | -              | (677)                            | (1,098)   | 104,517   | 103,419 | 102,742                                       | (217)                     | 102,525      |
| Total comprehensive income for the year   | -                                       | -               | -              | 192,271                          | (1,098)   | 104,517   | 103,419 | 295,690                                       | (2,706)                   | 292,984      |
| Changes in non-controlling interests  | -                                       | -               | -              | -                                | -   | -   | -       | -   | 187                       | 187          |
| Balance at December 31, 2023  | 304,105                                 | 58,692          | 120,576        | 180,647                          | 36,916  | 196,086   | 233,002 | 897,022                                       | 83,531                    | 980,553      |
| Appropriation and distribution of retained earnings:                                      |   |                 |                |                                  |   |   |         |   |                           |              |
| Legal reserves appropriated   | -                                       | -               | 17,093         | (17,093)                         | -   | -   | -       | -   | -                         | -            |
| Cash dividends of ordinary shares   | -                                       | -               | -              | (152,052)                        | -   | -   | -       | (152,052)                                     | -                         | (152,052)    |
| Share dividends of ordinary shares  | 45,616                                  | -               | -              | (45,616)                         | -   | -   | -       | -   | -                         | -            |
|   | 45,616                                  | -               | 17,093         | (214,761)                        | -   | -   | -       | (152,052)                                     | -                         | (152,052)    |
| Net profit for the year   | -                                       | -               | -              | 176,865                          | -   | -   | -       | 176,865                                       | (8,076)                   | 168,789      |
| Other comprehensive income for the year   | -                                       | -               | -              | 1,372                            | 17,256  | 21,257  | 38,513  | 39,885  | 3,468                     | 43,353       |
| Total comprehensive income for the year   | -                                       | -               | -              | 178,237                          | 17,256  | 21,257  | 38,513  | 216,750                                       | (4,608)                   | 212,142      |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed | -                                       | -               | -              | (58)                             | -   | -   | -       | (58)  | 58                        | -            |
| Balance at December 31, 2024  | \$ 349,721                              | 58,692          | 137,669        | 144,065                          | 54,172  | 217,343   | 271,515 | 961,662                                       | 78,981                    | 1,040,643    |

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**GRAND HALL ENTERPRISE CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

|   | <u>2024</u>              | <u>2023</u>           |
|---|--------------------------|-----------------------|
| <b>Cash flows from (used in) operating activities:</b>              |                          |                       |
| Profit before tax   | \$ 181,969               | 208,080               |
| Adjustments:  |                          |                       |
| Adjustments to reconcile profit:                                    |                          |                       |
| Depreciation expense  | 160,796                  | 166,921               |
| Amortization expense  | 128                      | 153                   |
| Expected credit(Gian) loss  | (18,176)                 | 9,309                 |
| Financial costs   | 8,239                    | 18,669                |
| Interest income   | (7,536)                  | (35,361)              |
| Dividend income   | (42,101)                 | (39,435)              |
| Revenue resulted from reversal of warranty provision                | (7,670)                  | (14,583)              |
| Loss on disposal of property, plant and equipment                   | 685                      | 1,369                 |
| Others  | (13,548)                 | 110                   |
| <b>Total adjustments to reconcile profit</b>                        | <u>80,817</u>            | <u>107,152</u>        |
| <b>Changes in operating assets and liabilities:</b>                 |                          |                       |
| Changes in operating assets:  |                          |                       |
| Decrease in accounts and notes receivable                           | 55,444                   | (9,080)               |
| (Increase) decrease in inventories                                  | (12,416)                 | 53,911                |
| Increase in other current assets                                    | (338)                    | (27,719)              |
| Decrease in other financial assets                                  | 2,025                    | 1,537                 |
| <b>Total changes in operating assets</b>                            | <u>44,715</u>            | <u>18,649</u>         |
| Changes in operating liabilities:                                   |                          |                       |
| Decrease in contract liabilities                                    | (933)                    | (45,431)              |
| Increase (decrease) in notes and accounts payable                   | 25,237                   | (3,476)               |
| Increase in notes and accounts payable to related parties           | 27,845                   | 26,783                |
| Increase (decrease) in other payables                               | (2,299)                  | 1,671                 |
| Increase in other payables to related parties                       | -                        | 66                    |
| Increase (decrease) in other current liabilities                    | 321                      | (7,017)               |
| Increase in net defined benefit liabilities                         | 1                        | 5                     |
| <b>Total changes in operating liabilities</b>                       | <u>50,172</u>            | <u>(27,399)</u>       |
| <b>Total adjustments</b>  | <u>175,704</u>           | <u>98,402</u>         |
| Cash inflow generated from operations                               | 357,673                  | 306,482               |
| Interest received   | 6,805                    | 34,837                |
| Interest paid   | (8,372)                  | (18,847)              |
| Income taxes paid   | (13,986)                 | (4,784)               |
| <b>Net cash flows from operating activities</b>                     | <u>342,120</u>           | <u>317,688</u>        |
| <b>Cash flows from (used in) investing activities:</b>              |                          |                       |
| Acquisition of property, plant and equipment                        | (7,926)                  | (5,770)               |
| Proceeds from disposal of property, plant and equipment             | 532                      | 100                   |
| (Increase) decrease in refundable deposits                          | (848)                    | 1,591                 |
| Decrease in restricted deposits                                     | 58,340                   | 433,793               |
| Increase in other financial assets                                  | (19,096)                 | (39,917)              |
| Dividends received  | 42,101                   | 39,435                |
| <b>Net cash flows from investing activities</b>                     | <u>73,103</u>            | <u>429,232</u>        |
| <b>Cash flows (used in) from financing activities:</b>              |                          |                       |
| Decrease in short-term borrowings                                   | (312,150)                | (433,850)             |
| Payment of lease liabilities  | (153,926)                | (152,509)             |
| Cash dividends paid   | (152,052)                | (243,284)             |
| Change in non-controlling interests                                 | -                        | 187                   |
| <b>Net cash flows used in financing activities</b>                  | <u>(618,128)</u>         | <u>(829,456)</u>      |
| <b>Effect of exchange rate changes on cash and cash equivalents</b> | <u>20,120</u>            | <u>(2,385)</u>        |
| <b>Net decrease in cash and cash equivalents</b>                    | <u>(182,785)</u>         | <u>(84,921)</u>       |
| <b>Cash and cash equivalents at beginning of period</b>             | <u>619,368</u>           | <u>704,289</u>        |
| <b>Cash and cash equivalents at end of period</b>                   | <u><u>\$ 436,583</u></u> | <u><u>619,368</u></u> |

## **Independent Auditors' Report**

To the Board of Directors of Grand Hall Enterprise Co., Ltd.:

### **Opinion**

We have audited the financial statements of Grand Hall Enterprise Co., Ltd. ("the Company"), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the auditors' report were as follows:

#### **1. Valuation of financial assets measured at fair value through other comprehensive income**

Please refer to Note (4)(f) of the financial statements for the accounting policy of valuation of financial assets measured at fair value through other comprehensive income as well as estimation uncertainty of financial assets valuation, respectively. Information regarding financial assets measured at fair value through other comprehensive income valuation is shown in Notes (6)(b) and (6)(q) of the financial statements.

Description of the key audit matter:

The risks associated with the valuation of financial assets measured at fair value through other comprehensive income of the Company arise from the lack of objective external quotations in the valuation mechanism and the input parameters are not based on observable market data. Due to the involved human judgment, assumptions setting, and estimates calculation, changes in input parameters and assumptions could impact the valuation outcomes. Therefore, the test for the valuation of financial assets measured at fair value through other comprehensive income is one of the significant matters in our audit procedures.

How the matter was addressed in our audit:

Our principal audit procedures included: assessing the primary inputs and assumptions used in the valuation of financial assets, determining whether the valuation technique was in compliance with relevant regulatory standards, comparing these inputs and assumptions with prior valuation information and evaluating their reasonableness, conducting sensitivity analyses on primary inputs and assumptions used, and assessing the qualification and independence of valuation specialists.

2. Investment accounted for using equity method-The major Subsidiary's Inventory Valuation

Subsidiaries for accounting policies regarding investments in subsidiaries, please refer to Note (4)(h) in the individual financial statements; for disclosures related to investments accounted for using the equity method, please refer to Note (6)(f) in the individual financial statements.

Description of the key audit matter:

The water heaters and barbeque grills traded by subsidiaries of the Company, namely Sunrise Heating Co., Ltd. and Grand Home Holdings Inc., are classified as consumer products. The sales of these products are vulnerable to market fluctuations, leading to sluggish sales and resulting in the potential inventory obsolescence. As the assessment of inventory obsolescence involves management's judgment, the test of inventory valuation is one of the significant matters in our audit procedures.

How the matter was addressed in our audit:

Our principal audit procedure included: assessing the appropriateness of the inventory obsolescence provision policy of the significant subsidiaries, obtaining the inventory aging report to analyze the changes in inventory aging, verifying the accuracy of the inventory aging period through sample testing, understanding the basis used by the management to evaluate net realizable values and performing tests on selected samples, thereby evaluating the correctness of inventory valuation.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC, endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

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

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of 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.

The engagement partners on the audit resulting in this independent auditors' report are Hsin, Yu-Ting and Huang, Keng-Chia.

KPMG

Taipei, Taiwan (Republic of China)  
March 11, 2025

#### **Notes to Readers**

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

The independent auditors' audit report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**GRAND HALL ENTERPRISE CO., LTD.**

**Balance Sheets**

**December 31, 2024 and 2023**

(Expressed in Thousands of New Taiwan Dollars)

|                     |   | December 31, 2024 |    | December 31, 2023 |    |                          |  | December 31, 2024 |    | December 31, 2023 |    |
|---------------------|---|-------------------|----|-------------------|----|--------------------------|--|-------------------|----|-------------------|----|
| Assets              |   | Amount            | %  | Amount            | %  | Liabilities and Equity   |  | Amount            | %  | Amount            | %  |
| Current assets:     |   |                   |    |                   |    | Current liabilities:     |  |                   |    |                   |    |
| 1100                | Cash and cash equivalents (note (6)(a))   | \$ 276,243        | 21 | 456,378           | 30 | 2102                     | Bank borrowings (note (6)(i))                            | \$ -              | -  | 312,150           | 20 |
| 1170                | Accounts receivable, net (notes (6)(c) and (6)(o))  | 105,549           | 8  | 132,521           | 9  | 2130                     | Current contract liabilities (note (6)(o))               | 245               | -  | 22,734            | 2  |
| 1180                | Accounts receivable due from related parties, net (notes (6)(c), (6)(o) and (7))            | 9,018             | 1  | -                 | -  | 2170                     | Notes and accounts payable                               | 3,488             | -  | 698               | -  |
| 1310                | Inventories (note (6)(e))   | 103,007           | 8  | 95,024            | 6  | 2180                     | Notes and accounts payable to related parties (note (7)) | 248,901           | 19 | 200,003           | 13 |
| 1470                | Other current assets  | 24,349            | 2  | 26,923            | 1  | 2200                     | Other payables   | 34,530            | 3  | 30,384            | 2  |
| 1476                | Other current financial assets (notes (6)(d), (7) and (8))                                  | 15,353            | 1  | 72,767            | 5  | 2220                     | Other payables to related parties (note (7))             | 3,544             | -  | 2,433             | -  |
|                     |   | 533,519           | 41 | 783,613           | 51 | 2230                     | Current tax liabilities                                  | 11,019            | 1  | 12,212            | 1  |
|                     |   |                   |    |                   |    | 2280                     | Current lease liabilities (notes (6)(j) and (7))         | 5,889             | -  | 5,784             | -  |
|                     |   |                   |    |                   |    |                          |  | 307,616           | 23 | 586,398           | 38 |
| Non-current assets: |   |                   |    |                   |    | Non-current liabilities: |  |                   |    |                   |    |
| 1517                | Non-current financial assets at fair value through other comprehensive income (note (6)(b)) | 484,014           | 37 | 461,748           | 30 | 2570                     | Deferred tax liabilities (notes (6)(j) and (7))          | 31,178            | 3  | 29,672            | 1  |
| 1550                | Investments accounted for using equity method (note (6)(f))                                 | 268,808           | 20 | 254,921           | 17 | 2580                     | Non-current lease liabilities (note (6)(l))              | 11,857            | 1  | 8,873             | 2  |
| 1600                | Property, plant and equipment (note (6)(g))   | 2,333             | -  | 3,238             | -  | 2670                     | Other non-current liabilities (note (6)(k))              | 3,207             | -  | 4,578             | -  |
| 1755                | Right-of-use assets (notes (6)(h) and (7))  | 17,628            | 1  | 14,592            | 1  |                          |  | 46,242            | 4  | 43,123            | 3  |
| 1990                | Other non-current assets  | 9,218             | 1  | 8,431             | 1  |                          |  | 353,858           | 27 | 629,521           | 41 |
|                     |   | 782,001           | 59 | 742,930           | 49 |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |
|                     |   |                   |    |                   |    |                          |  |                   |    |                   |    |



(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**GRAND HALL ENTERPRISE CO., LTD.**  
**Statements of Comprehensive Income**  
**For the years ended December 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)**

|      |  | <b>2024</b>       |           | <b>2023</b>    |           |
|------|--|-------------------|-----------|----------------|-----------|
|      |  | <b>Amount</b>     | <b>%</b>  | <b>Amount</b>  | <b>%</b>  |
| 4000 | <b>Operating revenues (notes (6)(o) and (7))</b>   | \$ 1,917,509      | 100       | 1,543,346      | 100       |
| 5000 | <b>Operating costs (notes (6)(e), (7) and (12))</b>  | 1,569,526         | 82        | 1,267,380      | 82        |
|      | <b>Gross profit from operations</b>  | 347,983           | 18        | 275,966        | 18        |
| 5910 | Unrealized profit (loss) from sales  | (5,637)           | -         | 10,599         | 1         |
| 5950 | <b>Gross profit</b>  | 342,346           | 18        | 286,565        | 19        |
|      | <b>Operating expenses (notes (6)(j), (6)(k), (7) and (12)):</b>  |                   |           |                |           |
| 6100 | Selling expenses   | 129,224           | 6         | 85,322         | 6         |
| 6200 | Administrative expenses  | 50,600            | 3         | 53,118         | 3         |
| 6300 | Research and development expenses  | 16,486            | 1         | 12,846         | 1         |
| 6450 | Expected credit loss (reversal gain) (note (6)(c))   | 834               | -         | 170            | -         |
|      | <b>Total operating expenses</b>  | 197,144           | 10        | 151,456        | 10        |
| 6900 | <b>Net operating income</b>  | 145,202           | 8         | 135,109        | 9         |
| 7000 | <b>Non-operating income and expenses:</b>  |                   |           |                |           |
| 7100 | Interest income (note (7))   | 4,813             | -         | 32,799         | 2         |
| 7130 | Dividend income (note (6)(b))  | 42,101            | 2         | 39,435         | 3         |
| 7190 | Other income   | 413               | -         | 637            | -         |
| 7230 | Foreign exchange gains, net (note (6)(q))  | 35,201            | 2         | 21,292         | 1         |
| 7050 | Finance costs (notes (6)(j) and (7))   | (1,076)           | -         | (9,492)        | (1)       |
| 7070 | Share of loss of subsidiaries, associates and joint ventures accounted for using equity method, net                                      | (37,674)          | (2)       | (11,388)       | (1)       |
| 7020 | Other gains and losses, net  | (1)               | -         | -              | -         |
|      |  | 43,777            | 2         | 73,283         | 4         |
| 7900 | <b>Profit before tax</b>   | 188,979           | 10        | 208,392        | 13        |
| 7950 | Less: Income tax expenses (note (6)(l))  | 12,114            | 1         | 15,444         | 1         |
|      | <b>Net profit</b>  | 176,865           | 9         | 192,948        | 12        |
| 8300 | <b>Other comprehensive income:</b>   |                   |           |                |           |
| 8310 | <b>Items that will not be reclassified to profit or loss</b>   |                   |           |                |           |
| 8311 | Remeasurements of defined benefit plans (note (6)(k))  | 1,372             | -         | (677)          | -         |
| 8316 | Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note (6)(q)) | 22,266            | 1         | 109,051        | 7         |
| 8349 | Less: Income tax related to items that will not be reclassified to profit or loss (note (6)(l))  | 1,009             | -         | 4,534          | -         |
|      | Total items that will not be reclassified to profit or loss  | 22,629            | 1         | 103,840        | 7         |
| 8360 | <b>Items that may be reclassified subsequently to profit or loss</b>   |                   |           |                |           |
| 8361 | Exchange differences on translation of foreign financial statements  | 17,256            | 1         | (1,098)        | -         |
| 8399 | Less: Income tax related to items that may be reclassified subsequently to profit or loss  | -                 | -         | -              | -         |
|      | Total items that may be reclassified subsequently to profit or loss  | 17,256            | 1         | (1,098)        | -         |
| 8300 | <b>Other comprehensive income</b>  | 39,885            | 2         | 102,742        | 7         |
| 8500 | <b>Total comprehensive income</b>  | <b>\$ 216,750</b> | <b>11</b> | <b>295,690</b> | <b>19</b> |
|      | <b>Earnings per share (note (6)(n))</b>  |                   |           |                |           |
| 9750 | Basic earnings per share   | <b>\$ 5.06</b>    |           | <b>5.52</b>    |           |
| 9850 | Diluted earnings per share   | <b>\$ 5.04</b>    |           | <b>5.49</b>    |           |

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**GRAND HALL ENTERPRISE CO., LTD.**

**Statements of Changes in Equity**

**For the years ended December 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

|   | Retained earnings |                 |                |                                  | Other equity interest   |   |         |              |
|---|-------------------|-----------------|----------------|----------------------------------|---|---|---------|--------------|
|   | Ordinary shares   | Capital surplus | Legal reserves | Unappropriated retained earnings | Exchange differences on translation of foreign financial statements | Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income | Total   | Total equity |
| Balance at January 1, 2023  | \$ 304,105        | 58,692          | 87,090         | 265,146                          | 38,014  | 91,569  | 129,583 | 844,616      |
| Appropriation and distribution of retained earnings:                                      |                   |                 |                |                                  |   |   |         |              |
| Legal reserves appropriated   | -                 | -               | 33,486         | (33,486)                         | -   | -   | -       | -            |
| Cash dividends of ordinary shares   | -                 | -               | -              | (243,284)                        | -   | -   | -       | (243,284)    |
|   |                   |                 | 33,486         | (276,770)                        |   |   |         | (243,284)    |
| Net profit for the year   | -                 | -               | -              | 192,948                          | -   | -   | -       | 192,948      |
| Other comprehensive income for the year   | -                 | -               | -              | (677)                            | (1,098)   | 104,517   | 103,419 | 102,742      |
| Total comprehensive income for the year   | -                 | -               | -              | 192,271                          | (1,098)   | 104,517   | 103,419 | 295,690      |
| Balance at December 31, 2023  | 304,105           | 58,692          | 120,576        | 180,647                          | 36,916  | 196,086   | 233,002 | 897,022      |
| Appropriation and distribution of retained earnings:                                      |                   |                 |                |                                  |   |   |         |              |
| Legal reserve appropriated  | -                 | -               | 17,093         | (17,093)                         | -   | -   | -       | -            |
| Cash dividends of ordinary shares   | -                 | -               | -              | (152,052)                        | -   | -   | -       | (152,052)    |
| Share dividends of ordinary shares  | 45,616            | -               | -              | (45,616)                         | -   | -   | -       | -            |
|   | 45,616            | -               | 17,093         | (214,761)                        | -   | -   | -       | (152,052)    |
| Net profit for the year   | -                 | -               | -              | 176,865                          | -   | -   | -       | 176,865      |
| Other comprehensive income for the year   | -                 | -               | -              | 1,372                            | 17,256  | 21,257  | 38,513  | 39,885       |
| Total comprehensive income for the year   | -                 | -               | -              | 178,237                          | 17,256  | 21,257  | 38,513  | 216,750      |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed | -                 | -               | -              | (58)                             | -   | -   | -       | (58)         |
| Balance at December 31, 2024  | \$ 349,721        | 58,692          | 137,669        | 144,065                          | 54,172  | 217,343   | 271,515 | 961,662      |

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**GRAND HALL ENTERPRISE CO., LTD.**

**Statements of Cash Flows**  
**For the years ended December 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

|  | <u>2024</u>       | <u>2023</u>      |
|--|-------------------|------------------|
| <b>Cash flows from (used in) operating activities:</b>   |                   |                  |
| <b>Profit before tax</b>   | \$ 188,979        | 208,392          |
| <b>Adjustments:</b>  |                   |                  |
| <b>Adjustments to reconcile profit:</b>  |                   |                  |
| Depreciation expense   | 6,657             | 6,469            |
| Expected credit loss   | 834               | 170              |
| Financial costs  | 1,076             | 9,492            |
| Interest income  | (4,813)           | (32,799)         |
| Dividend income  | (42,101)          | (39,435)         |
| Share of loss of subsidiaries, associates and joint ventures accounted for using equity method | 37,674            | 11,388           |
| Unrealized profit (loss) from sales  | 5,637             | (10,599)         |
| Others   | 489               | 20               |
| <b>Total adjustments to reconcile profit</b>   | <u>5,453</u>      | <u>(55,294)</u>  |
| <b>Changes in operating assets and liabilities:</b>  |                   |                  |
| <b>Changes in operating assets:</b>  |                   |                  |
| Decrease (Increase) in accounts receivable   | 26,138            | (16,671)         |
| (Increase) decrease in accounts receivable due from related parties                            | (9,018)           | 90,382           |
| Increase in other receivables due from related parties   | (1,376)           | (12,413)         |
| Increase in inventories  | (7,983)           | (50,899)         |
| Decrease in other current assets   | 2,574             | 15,045           |
| Decrease in other financial assets   | 450               | 48               |
| <b>Total changes in operating assets</b>   | <u>10,785</u>     | <u>25,492</u>    |
| <b>Changes in operating liabilities:</b>   |                   |                  |
| (Decrease) Increase in contract liabilities  | (22,489)          | 4,815            |
| Increase in notes and accounts payable   | 2,790             | 594              |
| Increase (decrease) in notes and accounts payable to related parties                           | 48,898            | (8,033)          |
| Increase in other payables   | 4,279             | 7,680            |
| Increase in net defined benefit liabilities  | 1                 | 5                |
| <b>Total changes in operating liabilities</b>  | <u>33,479</u>     | <u>5,061</u>     |
| <b>Total net changes in operating assets or liabilities</b>                                    | <u>44,264</u>     | <u>30,553</u>    |
| <b>Total adjustments</b>   | <u>49,717</u>     | <u>(24,741)</u>  |
| Cash inflow generated from operations  | 238,696           | 183,651          |
| Interest received  | 4,813             | 32,799           |
| Interest paid  | (1,209)           | (9,670)          |
| Income taxes paid  | (12,810)          | (3,300)          |
| <b>Net cash flows from operating activities</b>  | <u>229,490</u>    | <u>203,480</u>   |
| <b>Cash flows from (used in) investing activities:</b>   |                   |                  |
| Acquisition of investments accounted for using equity method                                   | (40,000)          | (25,580)         |
| Acquisition of property, plant and equipment   | (404)             | (1,577)          |
| (Increase) decrease in refundable deposits   | (787)             | 1,360            |
| Decrease in restricted assets  | 58,340            | 433,793          |
| Dividends received   | 42,101            | 39,435           |
| <b>Net cash flows from investing activities</b>  | <u>59,250</u>     | <u>447,431</u>   |
| <b>Cash flows from (used in) financing activities:</b>   |                   |                  |
| Decrease in short-term borrowings  | (312,150)         | (433,850)        |
| Increase (decrease) in other payables to related parties                                       | 1,111             | (22,382)         |
| Payment of lease liabilities   | (5,784)           | (5,837)          |
| Cash dividends paid  | (152,052)         | (243,284)        |
| <b>Net cash flows used in financing activities</b>   | <u>(468,875)</u>  | <u>(705,353)</u> |
| <b>Net decrease in cash and cash equivalents</b>   | (180,135)         | (54,442)         |
| <b>Cash and cash equivalents at beginning of period</b>  | 456,378           | 510,820          |
| <b>Cash and cash equivalents at end of period</b>  | <u>\$ 276,243</u> | <u>456,378</u>   |

## GRAND HALL - Table of Comparison of the Amendment to the Articles of Association of GRAND HALL

| Provisions before Amendment   | Current Provisions   | Notes   |
|---|--|---|
| <p>Article 19: The earnings distribution or loss off-setting may be made after the end of each half fiscal year, where dividends and bonuses to shareholders, capital surplus or statutory surplus reserves are paid in cash in whole or in part, payment shall be resolved to be made in accordance with Article 228-1 and Article 240 (5) of the Company Act by the Board of Directors, and reported to the shareholders' meeting, there is no need to submit to the shareholders' meeting for recognition. Before distribution of earnings, the Company shall allocate a maximum of 10% (but not less than NT\$0) of the profits during the distribution period as remuneration to employees <u>(20% to 50% of this amount shall be distributed to entry-level employees)</u> and a maximum of 3% as remuneration to directors. However, when the Company has accumulated losses, the reserves for covering the losses shall be retained in advance. The employees to whom remuneration is paid with shares or in cash include the employees of the companies under control or the affiliated companies which meet certain conditions.</p> | <p>Article 19: The earnings distribution or loss off-setting may be made after the end of each half fiscal year, where dividends and bonuses to shareholders, capital surplus or statutory surplus reserves are paid in cash in whole or in part, payment shall be resolved to be made in accordance with Article 228-1 and Article 240 (5) of the Company Act by the Board of Directors, and reported to the shareholders' meeting, there is no need to submit to the shareholders' meeting for recognition. Before distribution of earnings, the Company shall allocate a maximum of 10% (but not less than RMB 0) of the profits during the distribution period as remuneration to employees and a maximum of 3% as remuneration to directors. However, when the Company has accumulated losses, the reserves for covering the losses shall be retained in advance. The employees to whom remuneration is paid with shares or in cash include the employees of the companies under control or the affiliated companies which meet certain conditions.</p> | <p>In line with the amendment of Paragraph 6, Article 14 of the Securities and Exchange Act</p> |
| <p>Article 22: These Articles were made effective as of February 27, 1976. The 1st amendment hereto was made on March 10, 1976. The 2nd amendment hereto was made on January 19, 1978.<br/>...<br/>(Omitted)<br/>...<br/>The 26th amendment hereto was made on June 18, 2019. The 27th amendment hereto was made on June 16, 2020. The 28th amendment hereto was made on June 20, 2022. The 29th amendment hereto was made on June 16, 2023. The 30th amendment hereto was made on June 18, 2024.<br/><u>The 31st amendment was made on June 16, 2025.</u></p>  | <p>Article 22: These Articles were made effective as of February 27, 1976. The 1st amendment hereto was made on March 10, 1976. The 2nd amendment hereto was made on January 19, 1978.<br/>...<br/>(Omitted)<br/>...<br/>The 26th amendment hereto was made on June 18, 2019. The 27th amendment hereto was made on June 16, 2020. The 28th amendment hereto was made on June 20, 2022. The 29th amendment hereto was made on June 16, 2023. The 30th amendment hereto was made on June 18, 2024.</p>  | <p>Date of the 31st amendment was added.</p>  |

[Appendix 5]

## Shareholdings by Directors of GRAND HALL ENTERPRISE CO., LTD.

- I. As of April 18, 2025, the paid-in capital of the Company is NT\$ 349,720,710, and 34,972,071 shares have been issued.
- II. The Company currently has three independent directors. According to the provisions of Article 26 of the Securities and Exchange Act and the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", when a public company elects independent directors, their holdings are not included in the total amount; The statutory shareholding ratio of all directors is reduced to 80%, and the statutory minimum number of shares to be held by all directors amounts to 3,600,000 shares.
- III. The Company has established an audit committee in accordance with the law, not subject to the regulations on minimum number of shares to be held by supervisors.
- IV. The number of shares held by the individual and all directors on the register of members by the deadline for transfer of shares at the general meeting has been shown in the following table:

April 18, 2025

| Title  | Name   | Election Date | Tenure  | Director              |                   |
|--|--|---------------|---------|-----------------------|-------------------|
|  |  |               |         | Number of shares held | % of shareholding |
| Chairman   | CHUNG TAO TOU<br>TSU IMC.<br>Representative:<br>William Home | June 16, 2023 | 3 years | 11,233,461            | 32.12%            |
| Director   | Tsai Kuen San  | June 16, 2023 | 3 years | 328,699               | 0.94%             |
| Director   | Hung Wen Yu  | June 16, 2023 | 3 years | 306,975               | 0.88%             |
| Director   | Lin De Feng  | June 16, 2023 | 3 years | 202,040               | 0.58%             |
| Director   | Chiu Po Wen  | June 16, 2023 | 3 years | 0                     | 0.00%             |
| Director   | Ma Wen Hua   | June 16, 2023 | 3 years | 94,874                | 0.27%             |
| Independent director   | Tsai Rung Teng   | June 16, 2023 | 3 years | 0                     | 0.00%             |
| Independent director   | Chen Chia Chang  | June 16, 2023 | 3 years | 0                     | 0.00%             |
| Independent director   | Kao Wen Hung   | June 16, 2023 | 3 years | 0                     | 0.00%             |
| Number of shares held by all the directors (excluding independent directors) |  |               |         | 12,166,049            | 34.79%            |

## **GRAND HALL ENTERPRISE CO., LTD.**

### **Articles of Association (Before the Revision)**

#### **Chapter I General Rules**

Article 1: The Company is organized according to the Company Act, and named as 關中股份有限公司. English name: GRAND HALL ENTERPRISE CO., LTD.

Article 2: The Company is engaged in the following business:  
General import and export trade. (except for futures)  
Trading and manufacturing in gas equipment furnaces and hardware machinery tools.  
Sale of measuring instruments.  
Gas water heater installation  
All business items that are not prohibited or limited by law, except for those that are subject to special approval.

Article 2-1: If the Company needs to provide guarantees and make investments in other business, the total amount of investment shall not be limited to 40% of the paid-up share capital of the Company.

Article 3: The Company is headquartered in Taipei City. If necessary, it will establish branch offices at home and abroad by the resolution of the Board of Directors.

Article 4 (deleted).

#### **Chapter II Shares**

Article 5: The total capital of the Company is set at NT \$2 billion, divided into two hundred million shares of NT \$10 per share, to be issued in batches as deemed necessary by the Board of Directors with authorization.

Article 6 (deleted).

Article 7: The Company shall issue registered shares only. They shall be issued after being signed or sealed by the directors acting on behalf of the Company and certified in accordance with the law. After the Company issues shares to the public, it may not print shares, but shall register the shares so issued with the securities centralized depository institution according to the regulations of the institution.  
The shares registered with the securities centralized depository institution shall be transferred and pledged by the Company or transferred at TDCC, not subject to provisions of Article 164 of the Company Act and Article 908 of the Civil Code.

Article 8: The transfer of shares under a new name shall be suspended within 60 days prior to the date of each general meeting, or within 30 days prior to the date of an extraordinary shareholders' meeting, or within 5 days before the record date when the Company decides to distribute dividends and bonuses or other benefits.

#### **Chapter III Meetings of Shareholders**

Article 9: The meetings of shareholders will be divided into general meetings and extraordinary meetings. A general meeting will be held by the Board of Directors according to law once a year within six months after the end of each fiscal year. An extraordinary meeting will be convened according to law when necessary.

Article 9-1: The shareholders' meetings of the Company may be held by video conference or other means announced by the central competent authority.

Article 10: When a shareholder is unable to attend the meeting for any reason, he/she shall issue a power of attorney issued by the Company affixed with signature and seal, stating the scope of authorization and designating a proxy to attend on his/her behalf. In accordance with the provisions of the competent authority, a shareholder may also exercise voting rights electronically, and those who exercise voting rights in such way will be deemed present at the shareholders' meeting in person in accordance with the laws and regulations.

Article 11: Each shareholder of the Company has one vote for each share it owns.

Article 12: Unless otherwise provided for by the relevant laws, a resolution shall be adopted at a meeting of shareholders at which the shareholders representing a majority of outstanding shares are present by a majority of the votes represented by the attending shareholders.

#### Chapter IV Board of Directors and the Audit Committee

Article 13: The Company shall have five to eleven directors for a term of three years. The directors shall be elected by way of nomination of candidates at the shareholders' meeting from the list of candidates for directors. After the Company has publicly issued shares, the total shareholding ratio of all its directors shall be subject to the provisions of the securities competent authority.

Article 13-1: The number of independent directors of the Company shall be no less than three and no less than one fifth of the number of directors, elected by way of nomination of candidates at the shareholders' meeting from the list of candidates for independent directors. The professional qualifications, shareholding, part-time restrictions, nomination and selection methods of independent directors and other matters to be transacted shall be subject to the relevant regulations of the securities regulatory authority.

Article 13-2: The Company will set up an Audit Committee in accordance with the provisions of Article 14-4 of the Securities and Exchange Act, consisting of all independent directors, who are responsible for performance of the duties as supervisors set out in the Company Act, Securities and Exchange Act and other relevant regulations.

Article 14: The Board of Directors shall be composed of directors, more than two-thirds of directors present at a meeting of the Board of Directors shall elect one of their number to be chairman of the Board by the majority of votes of the directors, one person can be selected as the vice chairman of the Board in the same way. The chairman of the Board acts on behalf the Company.

Article 15: In case the chairman is on leave or cannot exercise his/her power and authority for any cause, the vice chairman shall act on his/her behalf in accordance with Article 208 of the Company Act.

Article 16: The remuneration for all directors shall be agreed upon at the shareholders' meeting. The remuneration for all directors shall be paid with reference to the standard practice of the industry regardless of the operating profits and losses.

#### Chapter V Managers

Article 17: The Company may, with a resolution of the Board of Directors, appoint a Chief Executive Officer to be responsible for the overall operation and decision-making of the Company and all of its affiliates, and may, with a resolution of the Board of Directors, appoint a deputy Chief Executive Officer for assistance. The Company shall have a general manager for whom the appointment, dismissal and remuneration shall

be subject to the provisions of Article 29 of the Company Act.

#### Chapter VI Accounting

- Article 18: The Company shall, at the end of each fiscal year, have the Board of Directors prepare the following statements and submit the same to the general meetings for ratification.
- I. Business Report
  - II. Financial Statements
  - III. Proposals for surplus earning distribution or loss off-setting.
- Article 19: The earnings distribution or loss off-setting may be made after the end of each half fiscal year, where dividends and bonuses to shareholders, capital surplus or statutory surplus reserves are paid in cash in whole or in part, payment shall be resolved to be made in accordance with Article 228-1 and Article 240 (5) of the Company Act by the Board of Directors, and reported to the shareholders' meeting, there is no need to submit to the shareholders' meeting for recognition. Before distribution of earnings, the Company shall allocate a maximum of 10% (but not less than RMB 0) of the profits during the distribution period as the compensation for employees and a maximum of 3% as the compensation for directors. However, when the Company has accumulated losses, the reserves for covering the losses shall be retained in advance. The employees to whom remuneration is paid with shares or in cash include the employees of the companies under control or the affiliated companies which meet certain conditions.
- Article 20: The Company's earnings from annual final account shall be distributed in the following order:
- I. To pay taxes
  - II. Cover the losses
  - III. A provision for 10% of the earnings to be made as statutory surplus reserves.
  - IV. Set aside or reverse special surplus reserves in accordance with the Securities and Exchange Act or other relevant regulations.
  - V. The balance of shareholders' dividends as set aside according to Paragraphs 1 to 4 shall be proposed by the Board of Directors for distribution and reported or submitted to the general meeting for resolution in accordance with the procedures and principles prescribed in the Articles of Association. (cash dividends shall not be less than 5%)
- Article 20-1: (deleted).

#### Chapter VII Supplementary Rules

- Article 21: The matters not covered by the Articles of Association shall be subject to the provisions of the Company Act.
- Article 22: These Articles were made effective as of February 27, 1976.  
The 1st amendment hereto was made on March 10, 1976.  
The 2nd amendment hereto was made on January 19, 1978.  
The 3rd amendment hereto was made on May 15, 1982.  
The 4th amendment hereto was made on September 15, 1982.  
The 5th amendment hereto was made on November 13, 1985.  
The 6th amendment hereto was made on November 16, 1987.  
The 7th amendment hereto was made on April 25, 1990.  
The 8th amendment hereto was made on December 20, 1991.  
The 9th amendment hereto was made on May 25, 1992.  
The 10th amendment hereto was made on December 30, 1992.  
The 11th amendment hereto was made on November 6, 1997.  
The 12th amendment hereto was made on July 30, 1998.  
The 13th amendment hereto was made on June 25, 1999.



The 14th amendment hereto was made on May 23, 2000.  
The 15th amendment hereto was made on May 18, 2001.  
The 16th amendment hereto was made on January 22, 2002.  
The 17th amendment hereto was made on May 21, 2002.  
The 18th amendment hereto was made on May 21, 2003.  
The 19th amendment hereto was made on May 21, 2003.  
The 20th amendment hereto was made on May 27, 2004.  
The 21st amendment hereto was made on May 23, 2006.  
The 22nd amendment hereto was made on June 13, 2007.  
The 23rd amendment hereto was made on June 24, 2011.  
The 24th amendment hereto was made on June 20, 2014.  
The 25th amendment hereto was made on June 17, 2015.  
The 26th amendment hereto was made on June 18, 2019.  
The 27th amendment hereto was made on June 16, 2020.  
The 28th amendment hereto was made on June 20, 2022.  
The 29th amendment hereto was made on June 16, 2023.  
The 30th amendment hereto was made on June 18, 2024.

GRAND HALL ENTERPRISE CO., LTD.  
Chairman of the Board: William Home

## **GRAND HALL ENTERPRISE CO., LTD.**

### **Procedural Rules of General Meetings**

- I. Purpose and Scope: The general meetings, except as otherwise provided for by laws or the Articles of Association, shall be held under these Rules to guarantee the rights and interests of shareholders.
- II. Place and Time of Meetings:
  - (1) A general meeting shall be convened at the place where the Company is located or at such places convenient for attendance by shareholders and suitable for convention.
  - (2) The opening time of a general meeting shall not be earlier than 9:00 AM or later than 3:00 PM.
  - (3) When determining the place and time of a general meeting, the Company shall take full account of the opinions of the independent directors.
- III. Meeting Convening and Notification:
  - (1) Unless otherwise provided for by law or regulation, general meetings of the Company shall be convened by the Board of Directors.
  - (2) The Company shall prepare and upload to the Market Observation Post System the electronic versions of the meeting notice, proxy form, the relevant proposals for ratification, matters for resolution, election or dismissal of directors and other matters on the meeting agenda, and the explanatory materials relating thereto 30 days before an annual general meeting or 15 days before an extraordinary general meeting. The Company shall prepare and upload to the MOPS the electronic versions of the handbook for a general meeting and supplemental meeting materials 21 days before an annual general meeting or 15 days before an extraordinary general meeting. In addition, within 15 days prior to a general meeting, the Company shall also prepare the handbook for the general meeting and supplemental meeting materials for review by shareholders at any time. The handbook and supplemental materials shall be displayed at the Company and its professional Shareholders' Service Agent, and be distributed at the general meeting.
  - (3) The reasons for convening a general meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
  - (4) Election or dismissal of directors, amendments to the articles of association, capital reduction, applying for the cessation of its status as a public company, discharge of directors from non-compete clauses the dissolution, capital increase out of earnings or reserves, dissolution, merger, or spin-off of the Company, or any matter under Article 185, paragraph 1 of the Company Act or Articles 26-1 and 43-6 of the Securities and Exchange Act, and Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening a general meeting in details and shall not be proposed as ad hoc motions.
  - (5) Full election of directors and appointment date have been set out in the notice of the reasons for convening a general meeting, after election of directors at a general meeting, the appointment date shall not be changed by ad hoc motions or otherwise at the general meeting.
  - (6) Shareholder(s) holding one percent or more of the total number of outstanding shares may submit to the Company a proposal for discussion at a general meeting. Where a proposal contains more than one matter, such proposal shall not be included in the agenda. In addition, if any subparagraph of Article 172-1, paragraph 4 of the Company Act applies to a proposal put forward by a shareholder, the BOD may exclude it from the agenda. Shareholders may put forward one proposal to urge the Company to promote the public interest or fulfill social responsibilities at most in accordance with the relevant provisions of Article 172-1 of the Company Act. Any proposal exceeding 1 shall not be included in the agenda.
  - (7) Prior to the date on which share transfer is suspended before the convention of a general meeting, the Company shall give a public notice announcing the place and the period for shareholders to submit proposals to be discussed at the general meeting in writing or electric form; and the period for accepting such proposals shall not be less than ten (10) days.
  - (8) The number of words of a proposal to be submitted by a shareholder shall be limited to no more than three hundred (300) words, and any proposal containing more than 300 words shall not be included in the agenda of the general meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the general meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.
  - (9) The Company shall, prior to the date for issuance of a general meeting notice, notify all the shareholders who have made proposals of the proposal screening results, and shall list in the meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders which are not included in the agenda of a general meeting, the cause of exclusion of such proposals shall be explained by the Board at the general meeting.

IV. Attendance in Person or by Proxy:

- (1) For each general meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
- (2) A shareholder may issue only one proxy form and appoint only one proxy for any given general meeting, and shall deliver the proxy form to the Company 5 days prior to the general meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy appointment.
- (3) After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights in writing or electronically, a written notice of proxy cancellation shall be submitted to the Company 2 days prior to the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

V. Chairman and Present Members:

- (1) The chairman of the Board shall chair a general meeting if the meeting is convened by the Board of Directors. In case the chairman is on leave or absent or cannot exercise his/her power and authority for any cause, the deputy chairman shall act on his/her behalf, if the Company has no deputy chairman or the deputy chairman is also on leave or absent or cannot exercise his/her power and authority for any cause, the chairman of the Board shall designate one of managing directors to act on his/her behalf; if the Company has no managing directors, a director shall be designated to chair the meeting. In the absence of such a designation, the managing directors or directors shall elect one of their number to be chairman of the meeting. Any managing director or a director acting on behalf of the chairman described in the preceding paragraph has served for more than six months and is familiar with the Company's financial position and business operations. If a director as a legal person acts on behalf of the chairman of a general meeting, such director shall also meet such requirements.
- (2) If a general meeting is called by the Board of Directors, the meeting shall be chaired by the chairman of the Board in person, and be attended by half or more of the directors in person, and by one member of each functional committee in proxy, with the information on attendance recorded in the general meeting minutes.
- (3) If a general meeting is convened by any person entitled to convene the meeting other than a member of the Board, such person shall preside at the meeting. However, if there are two or more persons entitled to convene the meeting, the chairman of the meeting shall be elected from themselves.
- (4) The Company may appoint the designated counsel, CPA or other related persons to attend the meeting.

VI. Preparation of a Visitors' Book

- (1) The Company shall indicate the time for acceptance of registration for attendance by shareholders, the place of registration, and other matters needing attention in the notice of a general meeting.
- (2) The time for the acceptance of registration for attendance by shareholders described in the preceding paragraph shall be at least 30 minutes before the start of a general meeting; the place of registration shall be clearly marked and appropriate qualified personnel shall be put in charge thereof.
- (3) A shareholder shall attend the general meeting in person or in proxy (hereinafter referred to as the "Shareholders") with the attendance certificate, sign-in card or other certificate of attendance. The Company shall not arbitrarily require a shareholder to provide other supporting documents in addition to those under which a shareholder attends the general meeting; The proxy acting on behalf of the shareholder shall provide ID document for verification.
- (4) The Company shall have a visitors' book for the attending shareholders to sign in, or the attending shareholders shall issue the sign-in cards instead.
- (5) The Company shall prepare meeting minutes, annual reports, attendance certificates, speech notes, votes for the meeting and the relevant materials, which will be made available to the attending shareholders. Where directors are elected, such materials shall be accompanied by a ballot.
- (6) If a shareholder is a government or legal person, the representative attending a general meeting is not limited to one person. When a legal person is entrusted to attend a general meeting, only one representative may be appointed to attend such meeting.

VII. Sound or Video Recordings Taken as Evidence:

The Company shall have the entire sign-in process, the process of a general meeting, and the voting and count of votes tape recorded or videotaped from the time of accepting the registration for attendance by shareholders.

These tapes shall be preserved for at least one year. If a shareholder institutes legal proceedings in accordance with Article 189 of the Company Act, the relevant audio or video recordings shall be retained until the legal proceedings are concluded.

VIII. Postponement of Meetings:

- (1) Attendance at a general meeting shall be based on the number of shares. The number of shares held by

the shareholders attending the meeting shall be calculated in accordance with the records of the visitors' book or attendance cards submitted by the shareholders, or the number of shares held by the shareholders who have exercised the voting rights in writing or in electric form.

- (2) The chairman shall call a general meeting to order at the time scheduled for the meeting, and announce the shares held by any shareholder without voting rights, the number of shares represented by the attending shareholders, etc. 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 chairman may postpone the time for the meeting. The postponements shall be limited to two times and meeting shall not be postponed for longer than one hour in the aggregate. If the number of one third of outstanding shares represented by the attending shareholders has not constituted the quorum after the meeting was postponed for two times, the chairman shall announce the meeting is dissolved.

#### IX. Agenda of Meeting:

- (1) The agenda of a general meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. Relevant motions (including ad hoc motions and amendments to original motions) shall be voted on a case-by-case basis; Unless otherwise resolved at the meeting, the meeting shall proceed in accordance with the agenda.
- (2) The above provision applies mutatis mutandis to the cases where the meeting is convened by any person, other than a member of the Board of Directors, who is entitled to convene such meeting.
- (3) Unless otherwise resolved at the general meeting, the chairman may not announce adjournment of the meeting before all the discussions (including special motions) listed in the agenda are resolved.
- (4) However, in the event that the chairman adjourns a general meeting in violation of these Procedural Procedures, other members of the Board shall assist the shareholders present thereat in designation of, by a majority of votes represented by the shareholders attending the meeting, one person as chairman to continue the meeting.

#### X. Adjournment:

- (1) During the meeting, the chairman may, at his/her discretion, set time for intermission.
- (2) In case of a force majeure event, the chairman may decide to temporarily suspend a general meeting and announce, as the case may be, when the meeting will resume, or postpone or resume the meeting within five days by resolution of the shareholders present at the meeting according to Article 182 of the Company Act.
- (3) If the meeting venue is no longer available for continued use and not all of the items (including ad hoc motions) on the meeting agenda have been addressed, the general meeting may adopt a resolution to resume the meeting at another venue.

#### XI. Manner of Shareholder Speech:

- (1) When a shareholder present at the general meeting wishes to speak, a speech note should be filled out with summary of the speech, the shareholder's account number or the number of attendance certificate and the account name of the shareholder. The sequence of speeches should be decided by the chairman.
- (2) If any shareholder present at the general meeting submits a speech note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech made by a shareholder are inconsistent with the contents of the speech note, the contents of actual speech shall prevail.
- (3) Unless otherwise permitted by the chairman, each shareholder shall not speak more than twice concerning the same item, and each speech shall not last more than 5 minutes.
- (4) In case the speech of any shareholder violates this Paragraph or exceeds the scope of the agenda, the chairman may stop the speech of such shareholder.
- (5) If a corporate shareholder has designated two or more representatives to attend the general meeting, only one representative can speak for each discussion item.
- (6) Unless otherwise permitted by the chairman and the speaking shareholder, no shareholder shall interrupt the speeches of the other shareholders. Otherwise, the chairman shall stop such interruption.
- (7) After the speech of any attending shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond.

#### XII. Discussions about the Proposed Resolutions:

- (1) The proposed resolutions and amendments or special motions put forward by shareholders should be sufficiently discussed and described by the chairman. The chairman may announce to end the discussion of any resolution, put it to the vote if he/she deems it appropriate, and set aside adequate voting time.
- (2) If there is amendment to or substitute for an original proposal, the chairman shall decide on the sequence of voting for such proposal, the amendment or the substitute. However, if any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

#### XIII. Voting Formula:

- (1) Voting at a general meeting shall be based on the number of shares. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
- (2) The shares held by any shareholder without voting rights shall not be included in the total number of outstanding shares while voting on resolutions at the general meeting.
- (3) When the Company holds a general meeting, it may allow the shareholders to exercise voting rights in writing or by electronic means; When voting rights are exercised in writing or electronically, the method of exercise shall be stated in the notice convening the shareholders' meeting. Any shareholder who exercises voting rights in writing or in electronic form shall be deemed to have attended the general meeting in person, but shall be deemed to have waived his votes in respect of any ad hoc motions and the amendments to the contents of the original proposals at such general meeting; it is therefore advisable that the Company avoid the proposal of ad hoc motions and amendments to original proposals.
- (4) A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least 2 days prior to the date of a general meeting. When duplicate declarations are delivered, the one received earliest shall prevail. Unless it is included in the subsequent vote by written ballot or electronic transmission that the original vote submitted thereby be revoked.
- (5) In case a shareholder who has exercised his votes by way of a written ballot or by way of electronic transmission intends to attend the general meeting in person, he shall, at least two days prior to the date of the meeting revoke the intention to exercise votes by written ballot or electronic transmission as described in the preceding paragraph in the same manner as exercising votes; if such revocation is not made before the prescribed time, his or her vote exercised by written ballot or electronic transmission shall prevail. In case a Shareholder exercises his votes by way of a written ballot or by way of electronic transmission, and attend a general meeting by proxy, the votes exercised by the proxy during the general meeting shall prevail.
- (6) Except as otherwise specified in the Company Act or in the Articles of Association of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the general meeting. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, with numbers of votes for, against or abstained, shall be entered into the MOPS.
- (7) With the exception of a trust enterprise or a Shareholders' Service Agent approved by the securities authorities, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights of the issued shares. If that percentage is exceeded, the excessive voting rights shall not be included in the calculation.

#### XIV. Election:

Election of directors at a general meeting shall be subject to the applicable election rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of directors elected and the numbers of votes, and those who lost an election and the numbers of votes cast for them. The ballots for the election referred to in the preceding paragraph shall be sealed with the signature of the controller of ballot and kept in proper custody for at least one year. If a shareholder institutes legal proceedings in accordance with Article 189 of the Company Act, the relevant audio or video recordings shall be retained until the legal proceedings are concluded.

#### XV. Fake Resolutions:

- (1) If after two postponements made according to Paragraph 2 of Article 8, the number of shares represented by the attending shareholders has not constituted more than one third of outstanding shares, a tentative resolution may be passed according to Paragraph 1 of Article 175 of the Taiwan's Company Act, and notified to shareholders for convening a general meeting within one month from the date of notification.
- (2) By the end of such meeting, if number of shares represented by the attending shareholders has already constituted more than one half of the outstanding shares, the chairman may put the tentative resolution to the vote at the general meeting again in accordance with Article 174 of the Taiwan's Company Act.

#### XVI. Systems for Avoidance by the Interested Shareholders:

- (1) A shareholder shall abstain from exercise of voting rights for himself/herself or on behalf of another shareholder in respect of any proposed matter for consideration at a general meeting if he/she bears personal interest therein that may conflict with and impair the interest of the Company.
- (2) The shares represented by the voting rights contained in the preceding paragraph shall not be counted in the number of votes of the shareholders present at the said meeting.

#### XVII. Way to Check and Count Ballots:

The person(s) to check and count the ballots during votes on agenda items shall be appointed by the

chairman. The person(s) checking the ballots shall be a shareholder(s). The votes cast at a general meeting or on election proposals shall be publicly counted at any general meeting venue, and the voting results (including statistical weight) shall be announced at the general meeting after the counting is finished, and placed on record.

XVIII. Maintenance of Order at the Meeting Place:

- (1) The persons transacting affairs of the Meeting shall wear identification cards or badges. The chairman may direct inspectors or security guards to assist in keeping order at the meeting venue. Such inspectors or security guards shall wear badges or identification cards marked with "Inspectors" for identification purpose.
- (2) For those shareholders who use microphones other than those supplied at the meeting venue may be refrained from speaking by the order of the chairman.
- (3) Shareholders who violate the Procedural Rules and refuse to obey the instructions given by the chairman, the chairman may order inspectors or security guards to remove them from the meeting venue.

XIX. Meeting Minutes and Signature:

- (1) The matters relating to the resolutions of a general meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.
- (2) The Company may distribute the meeting minutes by means of a public announcement made through the MOPS.
- (3) The meeting minutes shall accurately record the year, month, date, and place of the meeting, the chair's name, the methods by which resolutions were adopted, and a summary of the deliberations and voting results (including statistical weight); When there is an election of directors, the number of votes cast for each candidate shall be disclosed. The meeting minutes shall be retained for the duration of the existence of the Company.
- (4) The meeting minutes may be produced and distributed in electronic form.

XX. Public Notice:

On the day of a general meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall explicitly disclose the same at the place of the meeting.

If the matters resolved at a general meeting contains material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

XXI. Formulation and Revision:

These Rules and any amendments hereto, shall be implemented as soon as adopted at the general meeting.

## **GRAND HALL ENTERPRISE CO., LTD.**

### **Ethical Corporate Management Procedures and Conduct Guidelines (before amendment)**

#### **Article 1 (Purpose of adoption and scope of application)**

The Company engages in business activities based on the principle of fairness, honesty, trustworthiness, and transparency. To implement the ethical corporate management policy while proactively preventing unethical conduct, these Procedures and Conduct Guidelines are adopted in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the applicable laws and regulations where the Company, Group companies and the organization operate in order to specify the matters that the Company’s personnel shall pay attention to in the course of performing duties. These Procedures and Conduct Guidelines are applicable to subsidiaries of the Company, any foundation to which the Company’s cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the Company.

#### **Article 2 (Applicable targets)**

The term “personnel of the Company” as defined in these Procedures and Conduct Guidelines refer to directors, supervisors, managers, employees, and mandataries of the Company, Group companies, and the organization or persons having substantial control over such companies. The offering, promise, request or acceptance of any improper benefit by the personnel of the Company through a third party shall be presumed to be the act of the personnel of the Company.

#### **Article 3 (Unethical conduct)**

For the purposes of these Procedures and Conduct Guidelines, “unethical conduct” means that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits. The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, managers, employees, persons having substantial control, or other interested parties.

#### **Article 4 (Types of benefits)**

For the purposes of these Procedures and Conduct Guidelines the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

#### **Article 5 (Dedicated Unit)**

The Company has designated the Audit Office as a dedicated unit (hereinafter referred to as the Company's dedicated unit), under the Board of Directors, responsible for the amendment, implementation, interpretation and consultation of these Procedures and Conduct Guidelines, as well as recording and filing the contents of notifications and other related operations and supervision, and the main duties of the following matters, and shall report to the Board of Directors regularly.

- I. Assist in incorporating ethics and moral values into the Company’s business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure

ethical management in compliance with the requirements of laws and regulations.

- II. Establishment of programs to prevent unethical conduct, and set forth standard operating procedures and conduct guidelines for the tasks contained in the programs.
- III. Plan the internal organization, structure, and allocate responsibilities and set up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
- IV. Promote and coordinate awareness and educational activities with respect to ethics policy.
- V. Develop a whistleblowing system and ensure its operating effectiveness.
- VI. Assist the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and prepare reports on the assessment and compliance of relevant business processes on a regular basis.

#### Article 6 (Prohibition against providing or accepting improper benefits)

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Company shall comply with the provisions of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and these Procedures and Conduct Guidelines and these Enforcement Rules, and the relevant procedures shall have been carried out:

- I. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
- II. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, business purposes, or developing relationships.
- III. Invitations to guests or attendance at business activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
- IV. Attendance at folk festivals that are open to and invite the attendance of the general public.
- V. Rewards, aid, condolence payments, or honorariums from supervisors.
- VI. The offering or acceptance of money, property or other benefits from a person other than relatives or frequent friends, in conformity with general social norms or normal courtesy.
- VII. Property donated due to engagement, marriage, childbirth, relocation to new home, assumption of a job, promotion, retirement, resignation, resignation, or the injury or illness of the spouse or immediate family member, or death, in line with general social norms or normal social etiquette.
- VIII. Other conduct that complies with the rules of the Company.

#### Article 7 (Procedures for handling the acceptance of improper benefits)

Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

- I. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company’s personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the dedicated



unit shall be notified if necessary.

- II. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to their immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the dedicated unit for handling.

"A relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel", as defined to in the preceding paragraph, refers to one of the following circumstances:

- I. When the two parties have business dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
- II. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
- III. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The dedicated unit of the Company shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved by the general manager and chairman.

#### Article 8 (Prohibition of and handling procedure for facilitating payments)

The Company shall neither provide nor promise any facilitating payment.

If any personnel of the Company provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the dedicated unit.

Upon receipt of the report under the preceding paragraph, the dedicated unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. Immediately report to the judicial agency if any illegal activity is found.

#### Article 9 (Procedures for handling political contributions)

Political donations or sponsorships by the Company shall be provided in accordance with the Company's authorization table and reported to the general manager and chairman for approval. When the amount reaches the limit as set forth in the authorization table of the Board of Directors, the donation or sponsorship shall be provided only after it has been submitted for adoption by the Board of Directors.

- I. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.
- II. A written record of the decision-making process shall be kept.
- III. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
- IV. In making political contributions, business dealings, applications for permits, or carrying out other matters involving the interests of the Company with the related government agencies shall be avoided.

#### Article 10 (Procedures for handling charitable contributions or sponsorships)

The Company shall comply with the following rules when making charitable contributions or sponsorship, and shall comply with the relevant regulations of the Company's approval authority table. The Company shall only proceed to make charitable donations or sponsorships

after being approved by the responsible supervisor and notified of the Company's designated unit. When the amount reaches the limit as set forth in the authorization table of the Board of Directors, the donation or sponsorship shall be provided only after it has been submitted for adoption by the Board of Directors.

- I. The process shall be subject to the laws and regulations of the country where the Company is operated.
- II. A written record of the decision-making process shall be kept.
- III. A charitable contribution shall be given to a valid charitable institution and may not be a disguised form of bribery.
- IV. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Company's business dealings or a party with which any personnel of the Company has a relationship of interest.
- V. After a charitable contribution or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

#### Article 11 (Recusal due to conflicts of interest)

When a director, manager or other stakeholder of the Company attending or present at a board meeting, or the juristic person represented thereby, has a stake in a matter under discussion in the meeting, that director, manager or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interest of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. Directors shall maintain self-discipline among themselves and may not enter into relationships of inappropriate mutual support with other directors.

If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his/her immediate supervisor and the dedicated unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of the Company may use company resources on business activities other than those of the Company, nor may any personnel's job performance be affected by his/her involvement in the business activities other than those of the Company.

#### Article 12 (Confidentiality organization and responsibility)

The Chairman's Office of the Company is a designated unit in charge with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

All personnel of the Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Company of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Company unrelated to their individual duties.

#### Article 13 (Prohibition of disclosing business secrets)

The Company shall follow the Fair Trade Act and applicable competition laws and regulations

when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

#### Article 14 (Prohibition of insider trading)

The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of the Company to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.

The Company shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

Where there are media reports, or sufficient facts to determine, that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall recall those products or suspend the services, verify the facts, and present a review and improvement plan.

The dedicated unit of the Company shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the Board of Directors.

#### Article 15 (Non-disclosure agreement)

All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.

#### Article 16 (Declaration of ethical corporate management policy)

The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the Company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

#### Article 17: (Ethical management evaluation prior to development of commercial relationships)

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain comprehensive

knowledge of its ethical management:

- I. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
- II. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
- III. Whether an enterprise's business operations are located in a country with a high risk of corruption.
- IV. Whether the business operated by the enterprise is in an industry with a high risk of bribery.
- V. The long-term business condition and degree of goodwill of the enterprise.
- VI. Consultation with the enterprise's business partners on their opinion of the enterprise.
- VII. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

**Article 18 (Statement of ethical management policy to counterparties in commercial dealings)**

Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the Company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

**Article 19 (Avoidance of commercial dealings with unethical operators)**

All personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Company's ethical management policy.

**Article 20 (Stipulation of terms of ethical management in contracts)**

Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of the Company part of the terms and conditions of the contract, stipulating at least the following matters:

- I. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation.
- II. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
- III. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

**Article 21 (Handling of unethical conduct by personnel of the Company)**

Upon discovering or receiving any unethical or improper conduct of the personnel, the relevant facts shall be immediately verified. If a person being informed on is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and

shall make an appropriate disposition. When necessary, the Company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

For unethical conduct already occurred, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.

The dedicated unit of the Company shall report to the Board of Directors on unethical conduct, actions taken, and subsequent reviews and corrective measures.

#### Article 22 (Actions upon event of unethical conduct by others towards the Company)

If any personnel of the Company discovers that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall notify the governmental anti-corruption agency.

#### Article 23: (Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures)

The dedicated unit of the Company shall organize one awareness session each year and arrange for the chairman, general manager, or senior management to communicate the importance of ethics to its directors, employees, and mandataries.

The Company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of the Company seriously violates ethical conduct, the Company shall dismiss the personnel from his/her position or terminate his/her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company.

The Company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

#### Article 24: (Enforcement)

These Procedures and Conduct Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the Board of Directors, and shall be delivered to the Audit Committee and reported to the shareholders meeting.

When the Company submits the Procedures and Conduct Guidelines to the Board of Directors for discussion, the Company shall take into full consideration each independent director's opinions and record their objections or reservations in the minutes of the Board of Directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the Board of Directors meeting.