

Stock Code: 3067

# **PNC International Inc.**

## **2025 Annual General Shareholders' Meeting**

### **Meeting Handbook**

Meeting Date and Time: June 16, 2025, 9:00 A.M.

Location: B1, No. 56, Lane 316, Ruiguang Rd., Neihu District, Taipei City  
(Conference Room 1, Chang Hong Ruiguang Building)

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# PNC International Inc.

## 2025 Annual General Meeting Agenda

Convention Method: Physical Convention of Shareholders' Meeting

Meeting Date and Time: June 16, 2025, 9:00 A.M.

Location: B1, No. 56, Lane 316, Ruiguang Rd., Neihu District, Taipei City  
(Conference Room 1, Chang Hong Ruiguang Building)

- I. Call the meeting to order
- II. Chairman's remarks
- III. Reported matters
  - (I) 2024 Business Report of the Company.
  - (II) The Company's 2024 Audit Committee's Review Report
  - (III) Implementation of the 2024 private placement of ordinary shares.
- IV. Matters for Acknowledgment
  - (I) Adoption of 2024 business report and financial statements of the Company.
  - (II) The Company's 2024 earnings distribution proposal
- V. Matters for Discussion
  - (I) Amendments to certain provisions of the Company's "Articles of Incorporation"
  - (II) Private placement of common shares.
- VI. Extempore Motion
- VII. Adjourned

## Reported matters

Case 1:

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

Description: Please refer to Attachment 1 (Pages 11~12) of this Meeting Handbook.

Case 2:

Proposal: The Company's 2024 Audit Committee's review report, submitted for review.

Description: Please refer to Attachment 2 (Page 13) of this Meeting Handbook.

Case 3:

Proposal: Implementation of the 2024 private placement of ordinary shares.

Description:

- (I) In order to enrich the working capital and reinvestment and in response to other long-term operation and development capital needs, upon evaluation on the capital market status, fundraising speed and timeliness, the Company's proposal for private placement of no more than 10,000,000 ordinary shares was passed by the shareholders' meeting on June 21, 2024. The issuance period will be expired on June 20, 2025. After considering the overall business strategy, the Board of Directors of the Company has resolved on March 12, 2025 not to continue the private placement within the remaining period.
- (II) Please review accordingly.

## Matters for Acknowledgment

Case 1: "Proposed by the Board of Directors"

Proposal: The Company's 2024 business report and financial statements.

Description:

- (I) The Board of Directors has prepared the Company's 2024 business report, consolidated financial statements and parent company only financial statements, which have been audited by Chia-Hsiang Wang, CPA and Ching-Chuan Cho, CPA of Crowe (TW) CPAs, who also issued the audit report with an unqualified opinion plus the Other Matters paragraph accordingly. Said financial statements, together with the business report and the earnings distribution table, were submitted to the Company's Audit Committee for review and approval and a review report was issued.
- (II) For the business report, independent auditor's report, and said financial statements, please refer to Attachment 1 (Pages 11~12) and Attachment 3 (Pages 14~32) of this Meeting Handbook.
- (III) Please approve accordingly.

Resolutions:

Case 2: "Proposed by the Board of Directors"

Proposal: The Company's 2024 earnings distribution proposal.

Description:

- (I) The Company's undistributed earnings at the beginning of 2024 was NT\$41,935,974, and after the deduction of the 2024 net loss after tax of NT\$20,177,755, the total amount available for distribution at the end of 2024 was NT\$21,758,219.
- (II) Considering the needs of the Company's future operation and development, it was proposed not to distribute this year's earnings. Therefore, the undistributed earnings, NT\$21,758,219, was retained at the end of the period.
- (III) For the Company's 2024 earnings distribution table, please refer to Attachment 4 (Page 33) of this Meeting Handbook.
- (IV) Please approve accordingly.

Resolution:

## Matters for Discussion

Case 1:

"Proposed by the Board of Directors"

Proposal: Amendments to parts of the provisions of the Company's

"Articles of Incorporation."

Description:

- (I) According to Paragraph 6 of Article 14 of the Securities and Exchange Act, the Company proposes to amend parts of the provisions of the "Articles of Incorporation".
- (II) The present amendment is mainly to amend Article 28 to include the ratio of employee remuneration distributed to entry-level employees.
- (III) Please refer to Attachment 5 (Pages 34) of this Meeting Handbook for the Comparison Table of Amended Provisions.
- (IV) Please resolve accordingly.

Resolutions:

Case 2:

"Proposed by the Board of Directors"

Proposal: The Company's proposal for private placement of ordinary shares.

Description:

- (I) In order to replenish the working capital, to perform reinvestment and to satisfy the Company's other long-term business development capital demand, after evaluation of the capital market status, fund-raising speed and timeliness, the Company plans to execute cash capital increase via private placement of common shares in order to raise the capital, and its main content is as follows:
  - 1. Total number of shares in private placement: No more than 10,000,000 shares to be issued.
  - 2. Par value per share: NT\$10.
  - 3. Total amount of private placement: Depends on the issue price and actual number of shares issued.Within one year from the date of the resolution of the general shareholders' meeting on June 16, 2025, the private placement of ordinary shares referred to in the preceding paragraph shall raise fund from specific persons in two discrete times, depending upon the Company's actual business needs.
- (II) According to Article 43-6 of the Securities and Exchange Act, the private placement shall explain the following:
  - 1. The basis and reasonableness of the pricing:

- (1) The pricing of the Company's privately placed common shares shall be set at no less than 80% of the reference price. The reference price is determined by calculating the simple average closing price of the ordinary shares for either one, three or five business days prior to the pricing date, subtracting the ex-rights and dividends of bonus shares issued and adding back the stock price after reverse capital reduction and ex-rights, or the simple average closing price of the ordinary shares for the 30 business days prior to the pricing date, subtracting the ex-rights and dividends of bonus shares issued and adding back the stock price after reverse capital reduction and ex-rights. The higher of the two calculated benchmark prices shall be applied.
- (2) For the actual pricing date and actual private placement price of the Company's private placement of ordinary shares, the shareholders' meeting is proposed to authorize the Board of Directors to subsequently determine such date and price according to the status of the specific persons and the market conditions, insofar as the pricing shall be no less than the percentage resolved by the shareholders' meeting.
- (3) The price per share of the ordinary shares in private placement is determined in accordance with the laws and regulations promulgated by the competent authority and also by taking into account the three-year transfer restriction on private placement of securities and a company's operating performance, future outlook, ordinary share market price and market practices under the Securities and Exchange Act. The basis adopted by the Company in pricing the ordinary shares in private placement complies with the "Directions for Public Companies Conducting Private Placements of Securities" and, therefore, is unlikely to cause significant damage to shareholders' equity. The pricing should be considered reasonable.
- (4) The rights and obligations in the ordinary shares in private placement are identical with those in the ordinary shares already issued by the Company. The transfer of ordinary shares in private placement as resolved shall be subject to the restrictions referred to in Article 43-8 of the Securities and Exchange Act. Meanwhile, upon expiration of three years after the delivery of ordinary shares in private placement, the shareholders' meeting is proposed to authorize the Board of Directors to apply for the approval letter granting the retroactive handling of public issuance procedures with the competent authority and apply for the retroactive handling of public issuance procedures with FSC, subject to the circumstances.

- (5) If the actual price per share is lower than the par value of the shares in the future due to changes in the securities market, the pricing should be held setting in accordance with laws and reflecting the market price, and required and necessary in order to raise the fund successfully and benefit the Company's long-term stable growth. If the price per share is lower than the par value, resulting in an increase in accumulated losses and an impact on shareholders' equity, then the shareholders will evaluate and discuss whether or not to reduce capital or make up for the losses through in any other statutory manners based on the annual business results as resolved at the annual general meeting in the next year.

2. Specific persons selection method:

The placee of the current private placement resolved are limited to specified persons who meet the requirements specified in Article 43-6 of Securities and Exchange Act and Jin-Guan-Zheng-Fa-Zi No. 1120383220 Decree dated September 12, 2023 issued by the Financial Supervisory Commission.

(1) Placee selection method and purpose:

Placees are selected to assist the Company with the management and financial resources required for its operations, provide business management skills, strengthen financial cost management, and assist in business development and expansion to enhance the Company's competitiveness. For the time being, the Company plans to introduce strategic investors depending on the market conditions and the Company's needs. Notwithstanding, no placees have been determined so far.

(2) Necessity:

In response to the Company's long-term business planning, and to improve operating performance and strengthen the financial structure, and to consider the enhancement of the stability of the management, the funds from strategic investors introduced for the private placement may help the Company's operations and business development, and improve the Company's overall operating strength and cohesion to the Company. Therefore, it is indeed necessary to introduce the strategic investors for the current private placement.

(3) Expected benefits:

The investors were introduced in two steps within one year. With capital injection from the strategic investors, the financial structure can be strengthened and the Company's competitiveness can be enhanced, so as to urge the Company's business to grow stably and benefit shareholders' equity.



3. Reasons for the private placement:

(1) Reasons why public offering is not adopted:

In order to enrich the working capital and reinvestment and in response to other long-term operation and development capital needs, in consideration of the convenient and rapid timeliness of the private placement and the requirement that private placement securities be non-transferrable within three years, the private placement may better ensure the long-term cooperative relationship between the Company and its investment partners. The private placement was adopted instead of public offering. The implementation of this plan is expected to improve the financial structure and upgrade the operational efficiency, and will also benefit shareholders' equity.

(2) Estimated frequency, proposed usage of funds, and benefits for each installment of the private placement:

A. Estimated frequency and amount of private placement:

Private securities item	Par value per share/bond	Issue cap	Estimated frequency
Common shares:	NT\$10 per share	10,000,000 shares	It is planned to be executed twice within one year from the date of shareholders' meeting resolution on June 16, 2025.

B. Estimated frequency, proposed usage of funds, and expected benefits for each installment of the private placement:

Private securities item	Estimated frequency	Usage of private placement funds	Expected benefits
Common shares:	1st issuance 5,000,000 shares 2nd issuance 5,000,000 shares	In order to enrich the working capital and reinvestment and in response to other long-term operations and development	Improve and strengthen the Company's financial structure, and enhance the ratio of own capital

		capital needs of the Company.	and the Company's future operating performance.
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- (III) If it is impossible for the private placement of securities to be completed within the time limit, or there is no plan to continue the private placement within the remaining period but the original plan is still applicable, it shall be deemed that the payment or price for the securities in private placement has been collected in full.
- (IV) Any dissent or qualified opinion from the independent directors: No.
- (V) The shareholders' meeting is proposed to authorize the Board of Directors to adjust, set and process the main contents of the ordinary shares in the current private placement, in addition to the percentage for the private placement pricing, including the actual issuance conditions and issuance price, number of shares issued, total amount raised, record date of capital increase, planned items, progress of fund utilization, expected benefits and other matters not covered herein, within the scope authorized by the shareholders' meeting. If the circumstances change due to any amendments made by the competent authority or amendments made due to changes in operational assessments or changes in objective environment, the shareholders' meeting is proposed to authorize the Board of Directors to resolve it with full power, subject to the market condition and laws and regulations.
- (VI) In response to the private placement of ordinary shares, the shareholders' meeting is proposed to authorize the Chairman to sign and negotiate all contracts and documents related to the private placement on behalf of the Company, and to handle all matters related to the private placement for the Company.
- (VII) The ordinary shares in this private placement shall be no more than 10 million. The places determined preliminarily refer to strategic investors. Upon the Company's evaluation, introduction of strategic investors is not likely to cause any significant change in the right of management.
- (VIII) Please resolve accordingly.

Resolutions:

Extempore Motion  
Adjourned

# Attachments

# PNC International Inc.

## 2024 Business Report

The 2024 business overview and outlook of this year are hereby reported as follows:

### I. 2024 Business Report

#### (I) Business Plan Implementation Outcome

In 2024, the consolidated operating revenue was NT\$43,649 thousand, and the net consolidated non-operating revenue NT\$6,083 thousand. The 2024 consolidated operating costs and expenses totaled NT\$67,652 thousand, the consolidated net loss before tax was NT\$17,920 thousand, the consolidated net loss after tax was NT\$20,178 thousand and the consolidated loss per share after tax was NT\$1.01.

#### (II) Budget Execution

The Company did not announce financial forecast for 2024; therefore, this is not applicable.

#### (III) Financial income and expenditure

Item	2023	2024
Consolidated net cash inflow from operating activities	14,663	(34,933)
Consolidated net cash flow (outflow) from investing activities	(106,017)	(33,151)
Net cash flow (outflow) from consolidated financing activities	(3,844)	(1,640)

#### (IV) Profitability analysis

Item	2023	2024
Return on assets (%)	6.66	(5.79)
Return on equity (%)	9.14	(7.8)
Operating income to paid-in capital ratio (%)	13.05	(12)
Income before tax to paid-in capital ratio (%)	14.44	(8.96)
Net profit margin (%)	13.74	(46.23)
Earnings per share (NTD)	1.17	(1.01)

#### (V) Research and development status

Continue to develop and optimize fully automated, digital, AI intelligent, and energy-saving products.

### II. 2025 Business Plan Overview

#### (I) Business policy:

1. Consolidate the existing markets at home and abroad, and continue to develop new customer sources.
2. Effectively explore market information and pro-actively promote various applications and products satisfying customers' needs.

3. Optimize the functions and price/performance ratio of existing products, increase the shipments of high-margin products and sales portfolios, in order to improve the Company's overall profitability.
4. Continue to promote the sustainable development of ESG, and gradually implement ESG in the overall operation activities and products.

(II) Expected sales volume and basis:

Not applicable, as the Company is not required to announce financial forecasts for 2025.

(III) Important production and distribution policies:

1. Gain an in-depth understanding of market demand, establish a niche for product differentiation and improve the brand image.
2. Effectively integrate and optimize sales channels in accordance with sales strategies.
3. Improve the flexibility and efficiency of the production process and supply chain.
4. The Company actively promotes the environmental cleaning program for air, sunshine, and water, and contributes to the sustainable development of ESG in Taiwan.

III. Future development strategies of the Company

As issues and impacts caused about by climate change are increasingly exacerbated, fresh water resources are becoming depleted day by day. Therefore, countries all over the world are striving to find the solutions that can keep water resources clean and sustainable. One of the 2030 Sustainable Development Goals proposed by the United Nations refers to SDG6, which seeks to ensure safe drinking water and sanitation for all and the sustainable management thereof. According to the statistics of Markets and Markets, an international market survey organization, the global smart water resource management market scale will reach US\$22.4 billion in 2026, with the CAGR by more than 10%. Looking forward to the future, the Company will continue to expand the business domain related to water resources, provide users with the best experience of pure water and enable clean water resources to be delivered to every corner of the world.

IV. Impacts of the external competitive environment, regulatory environment and overall business environment

Since 2025, the global market has been affected by the continuing uncertainties such as the economic slowdown between the United States and China and war conflicts of Russo-Ukrainian and the Israel-Halal wars. Enterprises need to keep changing their existing business models to maintain competitiveness and also investing resources to promote sustainable development. In the future, the Company will take into account the principles of both safe operations and sustainable growth, in order to increase the Company's profit and feed back to all shareholders for their care and support. Meanwhile, the Company also hopes to contribute to the global clean, safe water supply and the sustainable management thereof.

Chairman: Tien-Chi Yao; Managerial Officer: Ching-Wen Tsou; Accounting Officer Wei-Hung Kao

# PNC International Inc.

## Audit Committee's Review Report

The Board of Directors has prepared the Company's 2024 business report, consolidated financial statements, parent company only financial statements and earnings distribution table. Among them, the 2024 consolidated financial statements and parent company only financial statements have been audited by Chia-Hsiang Wang, CPA and Ching-Chuan Cho, CPA of Crowe (TW) CPAs, who also issued the audit report accordingly.

The Audit Committee has reviewed said report and statements and concluded that there is no discrepancy and, therefore, hereby submitted the report prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for review.

Sincerely,

PNC International Inc. 2025 Annual General Shareholders' Meeting

Audit Committee Convener  
Hao-Chieh Huang, Independent Director

March 12, 2025

### **Representation Letter**

The entities that are required to be included in the combined financial statements of PNC International Inc. as of and for the year ended December 31, 2024, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No.10 “Consolidated Financial Statements” endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, PNC International Inc. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

PNC International Inc.

Tian-Chi, Yao

Chairman

March 12, 2025

## Independent Auditors' Report

To the Board of Directors of PNC International Inc.

### Opinion

We have audited the consolidated financial statements of PNC International Inc. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant 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 the International Financial Reporting Standards, International Accounting Standards, interpretations, as well as related guidance 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 Auditing and Certification of Financial Statements by Certified Public Accountants and the 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 Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2024 are stated as follows:

### Revenue recognition

Refer to Note 4(15) for the accounting policies on recognizing revenue, and Note 6(14) for details of revenue, respectively, to the consolidated financial statements.

#### Description of key audit matter:

Revenue is recognized when the control over a product has been transferred to the customer as specified in each individual contract with customers. The Group recognizes revenue depending on the various sales terms in each individual contract with customers to ensure the performance obligation has been satisfied by transferring control over a product to a customer. Due to the complexity of the product risks, rewards and ownership transferred, we considered revenue recognition as a key audit matter.

#### How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included understanding and testing the Group's controls surrounding revenue recognition; assessing whether appropriate revenue recognition policies are applied through comparison with accounting standards and understanding the Group's main revenue types, its related sales agreements, and sales terms; on a sample basis, inspecting contracts with customers or customer's orders and assessing whether the accounting treatment of the related contracts (including sales terms) is applied appropriately; performing a test of details of sales revenue and understanding the rationale for any identified significant sales fluctuations and any significant reversals of revenue through sales discounts and sales returns which incurred within a certain period before or after the balance sheet date; and assessing the adequacy of the Group's disclosures of its revenue recognition policy and other related disclosures.

### Investments accounted for using the equity method

Refer to Note 4(9) for the accounting policies on investments accounted for using the equity method, and Note 6(5) for details of investments accounted for using the equity method, respectively, to the consolidated financial statements.

#### Description of key audit matter:

The carrying amount of investments accounted for using the equity method of the Group was \$146,549 thousand, which represented 49% of the total assets in the consolidated balance sheet as of December 31, 2024. Due to its significant impact on the financial statements, we considered the valuation of investment accounted for using the equity method as a key audit matter.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures were as follows:

1. Evaluate the accuracy of calculation of investments accounted for using the equity method and the appropriateness of accounting policies.
2. Engage in communication and obtain an understanding of the significant findings and issues identified by the component auditors, as a basis for evaluating the adequacy of their audit procedures performed and the appropriateness of their audit conclusions.
3. Evaluate the reasonableness of management's identification of impairment indicators for investments accounted for using the equity method, as well as the assumptions and sensitivity used, including the appropriateness of projected future profitability of the investee and the discount rates applied.

### **Other Matters**

As disclosed in Note 6(5) to the consolidated financial statements, the financial statements of the associate accounted for using equity method, Everpoll Health Plus Water Technology, Co., Ltd., were audited by other independent auditors. Accordingly, our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements of the associate and the related disclosures in Note 13, was based solely on the reports of other independent auditors. As of December 31, 2024 and 2023, the investment accounted for using the equity method amounted to \$146,549 thousand and \$144,281 thousand, constituting 49% and 38% of total assets, respectively, and the related share of comprehensive income in associate accounted for under the equity method amounted to \$6,200 thousand and \$763 thousand, constituting (32)% and 3% of total comprehensive (loss) income for the years then ended, respectively.

PNC International Inc. has additionally 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 with an other matter paragraph.

### **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 International Financial Reporting Standards, International Accounting Standards, interpretation as well as related guidance 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, 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 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 members of 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 maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatements of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 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 communicate with them regarding 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 for the year ended December 31, 2024 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 Chia-Hsiang Wang and Ching-Chuan Cho.

*Crowe (TW) CPAs*

Crowe (TW) CPAs  
March 12, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 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.

**PNC International Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2024 and 2023**  
**(In Thousands of New Taiwan Dollars)**

		2024.12.31		2023.12.31				2024.12.31		2023.12.31	
Assets	Notes	Amount	%	Amount	%	Liabilities and Equity	Notes	Amount	%	Amount	%
<u>Current assets</u>											
Cash and cash equivalents	6(1) and 12	\$ 95,586	32	\$ 164,188	43	Contract liabilities - current	6(14)	\$ 11	-	\$ 14,187	4
Notes receivable, net	6(2) and 12	169	-	435	-	Notes payable	12	-	-	17	-
Accounts receivable, net	6(3) and 12	3,585	1	8,506	2	Accounts payable	12	6,640	2	16,573	4
Accounts receivable – related parties	6(3), 7 and 12	1,357	-	-	-	Accounts payable to related parties	7 and 12	6,420	2	2,441	1
Other receivables	12	275	-	1,433	-	Other payables	6(5) and 12	5,435	2	48,907	13
Current tax assets		-	-	255	-	Other payables to related parties	7 and 12	755	-	60	-
Inventories	6(4)	6,144	2	11,842	3	Current tax liabilities		43	-	-	-
Prepayments		3,601	2	9,097	3	Current portion of long-term borrowings	6(9), 8 and 12	1,640	1	1,640	-
Total current assets		110,717	37	195,756	51	Other current liabilities		175	-	111	-
						Total current liabilities		21,119	7	83,936	22
<u>Non-current assets</u>											
Investments accounted for using equity method	6(5)	146,549	49	144,281	38	Non-current liabilities					
Property, plant and equipment	6(6) and 8	41,309	14	43,341	11	Long-term borrowings	6(9), 8 and 12	25,420	9	27,060	7
Deferred tax assets	6(18)	1	-	15	-	Deferred tax liabilities	6(18)	2,895	1	4,422	1
Refundable deposits	12	-	-	397	-	Total non-current liabilities		28,315	10	31,482	8
Total non-current assets		187,859	63	188,034	49	Total liabilities		49,434	17	115,418	30
<u>Equity attributable to the shareholders of the Company</u>											
						Common stock	6(10)	200,000	67	200,000	52
						Capital surplus	6(11)	18,210	6	18,210	5
						Legal reserve	6(12)	5,430	2	3,082	1
						Special reserve	6(12)	16,942	6	16,942	4
						Unappropriated earnings	6(12)	21,758	7	44,284	12
						Exchange differences arising from translation of foreign operations	6(13)	(13,198)	(5)	(14,146)	(4)
						Total equity		249,142	83	268,372	70
Total Assets		\$ 187,859	100	\$ 188,034	100	Total Liabilities and Equity		\$ 298,576	100	\$ 383,790	100

(The accompanying notes are an integral part of the consolidated financial statements)

**PNC International Inc. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2024 and 2023**  
**(In Thousands of New Taiwan Dollars)**

	Notes	2024		2023	
		Amount	%	Amount	%
Net revenue	6(14), 7 and 14	\$ 43,649	100	\$ 170,925	100
Cost of revenue	6(4), 6(7), 6(8), 6(17) and 7	(23,474)	(54)	(109,698)	(64)
Gross profit		20,175	46	61,227	36
Operating expenses	6(7), 6(8), 6(17) and 7				
Marketing		(8,455)	(19)	(2,705)	(2)
General and administrative		(33,823)	(76)	(30,757)	(18)
Research and development		(1,900)	(4)	(1,662)	(1)
Total operating expenses		(44,178)	(99)	(35,124)	(21)
Operating (loss) profit		(24,003)	(53)	26,103	15
Non-operating income and expenses					
Interest income		940	2	2,747	2
Other income	6(15)	866	2	377	-
Other gains and losses	6(16)	(1,395)	(3)	(530)	-
Finance costs		(528)	(1)	(586)	-
Share of profit of equity-accounted investees	6(5)	6,200	14	763	-
Total non-operating income and expenses		6,083	14	2,771	2
(Loss) profit before income tax from continuing operations		(17,920)	(39)	28,874	17
Income tax expense	6(18)	(2,258)	(5)	(5,395)	(3)
Net (loss) profit for the year		(20,178)	(44)	23,479	14
Other comprehensive income (loss)	6(18) and 6(19)				
Items that will be reclassified subsequently to profit or loss					
Exchange differences arising from translation of foreign operations		1,185	3	(410)	-
Income tax related to items that will be reclassified to profit or loss		(237)	(1)	82	-
Other comprehensive income (loss) for the year, net of income tax		948	2	(328)	-
Total comprehensive (loss) income for the year		\$ (19,230)	(42)	\$ 23,151	14
Net (loss) income attributable to:					
Shareholders of the parent		\$ (20,178)	(44)	\$ 23,479	14
Noncontrolling interests		\$ -	-	\$ -	-
Total comprehensive (loss) income attributable to:					
Shareholders of the parent		\$ (19,230)	(42)	\$ 23,151	14
Noncontrolling interests		\$ -	-	\$ -	-
(Loss) earnings per share	6(20)				
Basic (loss) earnings per share		\$ (1.01)		\$ 1.17	
Diluted (loss) earnings per share		\$ (1.01)		\$ 1.17	

(The accompanying notes are an integral part of the consolidated financial statements)

**PNC International Inc. and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2024 and 2023**  
**(In Thousands of New Taiwan Dollars)**

Equity attributable to the shareholders of the Company							
	Common Stock	Capital Surplus	Legal reserve	Special Reserve	Unappropriated Earnings	Exchange Differences arising from Translation of Foreign Operations	Total Equity
Balance at January 1, 2023	\$ 200,000	\$ 18,210	\$ 3,082	\$ 16,942	\$ 20,805	\$ (13,818)	\$ 245,221
Net profit for 2023	-	-	-	-	23,479	-	23,479
Other comprehensive loss for 2023	-	-	-	-	-	(328)	(328)
Total comprehensive income (loss) for 2023	-	-	-	-	23,479	(328)	23,151
Balance at December 31, 2023	200,000	18,210	3,082	16,942	44,284	(14,146)	268,372
Appropriation of retained earnings :							
Legal reserve	-	-	2,348	-	(2,348)	-	-
Net loss for 2024	-	-	-	-	(20,178)	-	(20,178)
Other comprehensive income for 2024	-	-	-	-	-	948	948
Total comprehensive income (loss) for 2024	-	-	-	-	(20,178)	948	(19,230)
Balance at December 31, 2024	<u>\$ 200,000</u>	<u>\$ 18,210</u>	<u>\$ 5,430</u>	<u>\$ 16,942</u>	<u>\$ 21,758</u>	<u>\$ (13,198)</u>	<u>\$ 249,142</u>

(The accompanying notes are an integral part of the consolidated financial statements)

**PNC International Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2024 and 2023**  
**(In Thousands of New Taiwan Dollars)**

	2024	2023
<b><u>Cash flows (used in) generated from operating activities:</u></b>		
(Loss) profit before tax	\$ (17,920)	\$ 28,874
Adjustments for:		
Depreciation expense	364	2,811
Impairment loss	1,015	-
Interest income	(940)	(2,747)
Interest expense	528	586
Loss on disposal of property, plant and equipment	528	-
Share of profits of equity-accounted investees	(6,200)	(763)
	<u>(4,705)</u>	<u>(113)</u>
<b><u>Changes in operating assets and liabilities:</u></b>		
Notes receivable, net	266	(42)
Accounts receivable, net	4,921	(5,514)
Accounts receivable – related parties	(1,357)	-
Other receivables	1,129	(481)
Inventories	5,698	7,330
Prepayments	5,496	(4,736)
Contract liabilities	(14,176)	(19,684)
Notes payable	(17)	(49)
Accounts payable	(9,933)	671
Accounts payable to related parties	3,979	2,441
Other payables	(5,828)	5,612
Other payables to related parties	695	60
Other current liabilities	64	(7)
Cash flows (used in) generated from operations	<u>(31,688)</u>	<u>14,362</u>
Interest received	969	2,718
Interest paid	(504)	(562)
Income tax paid	<u>(3,710)</u>	<u>(1,855)</u>
<b>Net cash flows (used in) generated from operating activities</b>	<u><b>(34,933)</b></u>	<u><b>14,663</b></u>
<b><u>Cash flows used in investing activities:</u></b>		
Acquisition of investments accounted for using equity method	(37,668)	(105,850)
Acquisition of property, plant and equipment	-	(167)
Proceeds from disposal of property, plant and equipment	174	-
Decrease in refundable deposits	411	-
Dividends received from investments accounted for using equity method	3,932	-
<b>Net cash flows used in investing activities</b>	<u><b>(33,151)</b></u>	<u><b>(106,017)</b></u>
<b><u>Cash flows from financing activities:</u></b>		
Decrease in long-term borrowings	\$ (1,640)	\$ (1,640)
Payment of lease liabilities	-	(2,204)
<b>Net cash flows used in financing activities</b>	<u><b>(1,640)</b></u>	<u><b>(3,844)</b></u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u><b>1,122</b></u>	<u><b>(382)</b></u>
<b>Net decrease in cash and cash equivalents</b>	<u><b>(68,602)</b></u>	<u><b>(95,580)</b></u>
<b>Cash and cash equivalents, beginning of year</b>	<u><b>164,188</b></u>	<u><b>259,768</b></u>
<b>Cash and cash equivalents, end of year</b>	<u><b>\$ 95,586</b></u>	<u><b>\$ 164,188</b></u>

(The accompanying notes are an integral part of the consolidated financial statements)



## Independent Auditors' Report

To the Board of Directors of PNC International Inc.

### Opinion

We have audited the parent company only financial statements of PNC International Inc. (the "Company"), which comprise the balance sheets as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the parent company only financial statements, including a summary of significant accounting policies.

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

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the 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 parent company only financial statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2024 are stated as follows:



### Revenue recognition

Refer to Note 4(15) for the accounting policies on recognizing revenue, and Note 6(13) for details of revenue, respectively, to the parent company only financial statements.

#### Description of key audit matter:

Revenue is recognized when the control over a product has been transferred to the customer as specified in each individual contract with customers. The Company recognizes revenue depending on the various sales terms in each individual contract with customers to ensure the performance obligation has been satisfied by transferring control over a product to a customer. Due to the complexity of the products risks, rewards and ownership transferred, we considered revenue recognition as a key audit matter.

#### How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included understanding and testing the Company's controls surrounding revenue recognition; assessing whether appropriate revenue recognition policies are applied through comparison with accounting standards and understanding the Company's main revenue types, its related sales agreements, and sales terms; on a sample basis, inspecting contracts with customers or customer's orders and assessing whether the accounting treatment of the related contracts (including sales terms) is applied appropriately; performing a test of details of sales revenue and understanding the rationale for any identified significant sales fluctuations and any significant reversals of revenue through sales discounts and sales returns which incurred within a certain period before or after the balance sheet date; and assessing the adequacy of the Company's disclosures of its revenue recognition policy and other related disclosures.

### Investments accounted for using the equity method

Refer to Note 4(8) and Note 4(9) for the accounting policies on investments accounted for using the equity method, and Note 6(5) for details of investments accounted for using the equity method, respectively, to the parent company only financial statements.

#### Description of key audit matter:

The carrying amount of investments accounted for using the equity method of the Company was \$177,270 thousand, which represented 54% of the total assets in the balance sheet as of December 31, 2024. Due to its significant impact on the financial statements, we considered the valuation of investment accounted for using the equity method as a key audit matter.

#### How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures were as follows:

1. Evaluate the accuracy of calculation of investments accounted for using the equity method and the appropriateness of accounting policies.
2. Engage in communication and obtain an understanding of the significant findings and issues identified by the component auditors, as a basis for evaluating the adequacy of their audit procedures performed and the appropriateness of their audit conclusions.
3. Evaluate the reasonableness of management's identification of impairment indicators for investments accounted for using the equity method, as well as the assumptions and sensitivity used, including the appropriateness of projected future profitability of the investee and the discount rates applied.

### **Other Matters**

As disclosed in Note 6(5) to the parent company only financial statements, the financial statements of the associate accounted for using equity method, Everpoll Health Plus Water Technology, Co., Ltd., were audited by other independent auditors. Accordingly, our opinion expressed herein, insofar as it relates to the amounts included in the parent company only financial statements of the associate and the related disclosures in Note 13, was based solely on the reports of other independent auditors. As of December 31, 2024 and 2023, the investment accounted for using the equity method amounted to \$146,549 thousand and \$144,281 thousand, constituting 45% and 37% of total assets, respectively, and the related share of comprehensive income in associate accounted for under the equity method amounted to \$6,200 thousand and \$763 thousand, constituting (32)% and 3% of total comprehensive (loss) income for the years then ended, respectively.

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

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

In preparing the parent company only financial statements, 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 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 members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 and, 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 auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the company 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 communicate with them regarding 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 parent company only financial statements for the year ended December 31, 2024 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 Chia-Hsiang Wang and Ching-Chuan Cho.

*Crowe (TW) CPAs*

Crowe (TW) CPAs  
March 12, 2025

Notice to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and 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 parent-company-only 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.

**PNC International Inc.**  
**Parent Company Only Balance Sheets**  
**December 31, 2024 and 2023**  
**(In Thousands of New Taiwan Dollars)**

Assets	Notes	2024.12.31		2023.12.31		Liabilities and Equity	Notes	2024.12.31		2023.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets</b>											
Cash and cash equivalents	6(1) and 12	\$ 95,261	29	\$ 154,926	40	Contract liabilities - current	6(13)	\$ 11	-	\$ 14,152	4
Notes receivable, net	6(2) and 12	169	-	435	-	Notes payable	12	-	-	17	-
Accounts receivable, net	6(3) and 12	3,585	1	8,459	2	Accounts payable	12	6,640	2	3,127	1
Accounts receivable-related parties	6(3) ,7and 12	1,357	-	-	-	Accounts payable to related parties	7 and 12	36,772	11	26,267	7
Other receivables	12	275	-	187	-	Other payables	6(5) and 12	5,435	2	47,693	12
Current tax assets		-	-	255	-	Other payables to related parties	7 and 12	755	-	60	-
Inventories	6(4)	6,144	2	578	-	Current tax liabilities		43	-	-	-
Prepayments		3,601	1	7,434	2	Current portion of long-term borrowings	6(8), 8 and 12	1,640	-	1,640	-
<b>Total current assets</b>		<b>110,392</b>	<b>33</b>	<b>172,274</b>	<b>44</b>	Other current liabilities		219	-	153	-
						<b>Total current liabilities</b>		<b>51,515</b>	<b>15</b>	<b>93,109</b>	<b>24</b>
<b>Non-current assets</b>											
Investments accounted for using equity method	6(5)	177,270	54	179,047	45	<b>Non-current liabilities</b>					
Property, plant and equipment	6(6) and 8	41,309	13	41,625	11	Long-term borrowings	6(8), 8 and 12	25,420	8	27,060	7
Deferred tax assets	6(17)	1	-	15	-	Deferred tax liabilities	6(17)	2,895	1	4,422	1
Refundable deposits	12	-	-	2	-	<b>Total non-current liabilities</b>		<b>28,315</b>	<b>9</b>	<b>31,482</b>	<b>8</b>
<b>Total non-current assets</b>		<b>218,580</b>	<b>67</b>	<b>220,689</b>	<b>56</b>	<b>Total liabilities</b>		<b>79,830</b>	<b>24</b>	<b>124,591</b>	<b>32</b>
						<b>Equity</b>					
						Common stock	6(9)	200,000	61	200,000	51
						Capital surplus	6(10)	18,210	5	18,210	5
						Legal reserve	6(11)	5,430	2	3,082	1
						Special reserve	6(11)	16,942	5	16,942	4
						Unappropriated earnings	6(11)	21,758	7	44,284	11
						Exchange differences arising from translation of foreign operations	6(12)	(13,198)	(4)	(14,146)	(4)
						<b>Total equity</b>		<b>249,142</b>	<b>76</b>	<b>268,372</b>	<b>68</b>
<b>Total Assets</b>		<b>\$ 328,972</b>	<b>100</b>	<b>\$ 392,963</b>	<b>100</b>	<b>Total Liabilities and Equity</b>		<b>\$ 328,972</b>	<b>100</b>	<b>\$ 392,963</b>	<b>100</b>

(The accompanying notes are an integral part of the parent company only financial statements)

**PNC International Inc.**  
**Parent Company Only Statements of Comprehensive Income**  
**December 31, 2024 and 2023**  
**(In Thousands of New Taiwan Dollar, Except for Earnings (Loss) Per Share)**

	Notes	2024		2023	
		Amount	%	Amount	%
Net revenue	6(13) and 7	\$ 42,816	100	\$ 160,663	100
Cost of revenue	6(4) and 7	(32,490)	(76)	(126,607)	(79)
Gross profit		10,326	24	34,056	21
Operating expenses	6(7), 6(16) and 7				
Marketing		(8,451)	(20)	(2,362)	(1)
General and administrative		(23,920)	(56)	(25,073)	(16)
Research and development		(1,900)	(4)	(1,662)	(1)
Total operating expenses		(34,271)	(80)	(29,097)	(18)
Operating (loss) profit		(23,945)	(56)	4,959	3
Non-operating income and expenses					
Interest income		932	2	2,733	1
Other income	6(14)	501	1	80	-
Other gains and losses	6(15)	190	1	(592)	-
Finance costs		(528)	(1)	(547)	-
Share of profit of equity-accounted investees	6(5)	970	2	21,627	14
Total non-operating income and expenses		2,065	5	23,301	15
(Loss) profit before income tax from continuing operations		(21,880)	(51)	28,260	18
Income tax (expense) benefit	6(17)	1,702	4	(4,781)	(3)
Net (loss) profit for the year		(20,178)	(47)	23,479	15
Other comprehensive income (loss)	6(5), 6(17) and 6(18)				
Items that will be reclassified subsequently to profit or loss					
Exchange differences arising from translation of foreign operations		1,185	3	(410)	-
Income tax related to items that may be reclassified subsequently to profit or loss		(237)	(1)	82	-
Other comprehensive (loss) income for the year, net of income tax		948	2	(328)	-
Total comprehensive (loss) income for the year		\$ (19,230)	(45)	\$ 23,151	15
(Loss) earnings per share	6(19)				
Basic (loss) earnings per share		\$ (1.01)		\$ 1.17	
Diluted (loss) earnings per share		\$ (1.01)		\$ 1.17	

(The accompanying notes are an integral part of the parent company only financial statements)

**PNC International Inc.**  
**Parent Company Only Statements of Changes in Equity**  
**December 31, 2024 and 2023**  
**(In Thousands of New Taiwan Dollars)**

	<b>Common Stock</b>	<b>Capital Surplus</b>	<b>Legal reserve</b>	<b>Special Reserve</b>	<b>Unappropriated Earnings</b>	<b>Exchange Differences arising from Translation of Foreign Operations</b>	<b>Total Equity</b>
Balance at January 1, 2023	\$ 200,000	\$ 18,210	\$ 3,082	\$ 16,942	\$ 20,805	\$ (13,818)	\$ 245,221
Net profit for 2023	-	-	-	-	23,479	-	23,479
Other comprehensive loss for 2023	-	-	-	-	-	(328)	(328)
Total comprehensive income (loss) for 2023	-	-	-	-	23,479	(328)	23,151
Balance at December 31, 2023	200,000	18,210	3,082	16,942	44,284	(14,146)	268,372
Appropriation of retained earnings:							
Legal reserve	-	-	2,348	-	(2,348)	-	-
Net loss for 2024	-	-	-	-	(20,178)	-	(20,178)
Other comprehensive income for 2024	-	-	-	-	-	948	948
Total comprehensive income (loss) for 2024	-	-	-	-	(20,178)	948	(19,230)
Balance at December 31, 2024	<u>\$ 200,000</u>	<u>\$ 18,210</u>	<u>\$ 5,430</u>	<u>\$ 16,942</u>	<u>\$ 21,758</u>	<u>\$ (13,198)</u>	<u>\$ 249,142</u>

(The accompanying notes are an integral part of the parent company only financial statements)



**PNC International Inc.**  
**Parent Company Only Statements of Cash Flows**  
**December 31, 2024 and 2023**  
**(In Thousands of New Taiwan Dollars)**

	<u>2024</u>	<u>2023</u>
<b>Cash flows (used in) generated from operating activities:</b>		
(Loss) profit before tax	\$ (21,880)	\$ 28,260
Adjustments for:		
Depreciation expense	316	306
Interest income	(932)	(2,733)
Interest expense	528	547
Share of profits of equity-accounted investees	(970)	(21,627)
	<u>(1,058)</u>	<u>(23,507)</u>
<b>Changes in operating assets and liabilities:</b>		
Notes receivable, net	266	(42)
Accounts receivable, net	4,874	(5,515)
Accounts receivable-related parties	(1,357)	-
Inventories	(5,566)	2,173
Other receivables	(117)	(10)
Prepayments	3,833	(4,904)
Contract liabilities	(14,141)	(19,259)
Notes payable	(17)	(49)
Accounts payable	3,513	(1,172)
Accounts payable to related parties	10,505	22,811
Other payables	(4,566)	6,087
Other payables to related parties	695	60
Other current liabilities	66	35
Cash flows (used in) generated from operations	<u>(24,950)</u>	<u>4,968</u>
Interest received	961	2,704
Interest paid	(552)	(523)
Income tax refund (paid)	250	(1,241)
<b>Net cash flows (used in) generated from operating activities</b>	<u>(24,291)</u>	<u>5,908</u>
<b>Cash flows used in investing activities:</b>		
Acquisition of investments accounted for using equity method	(37,668)	(105,850)
Acquisition of property, plant and equipment	-	(151)
Decrease in refundable deposits	2	-
Dividends received from investments accounted for using equity method	3,932	-
<b>Net cash flows used in investing activities</b>	<u>(33,734)</u>	<u>(106,001)</u>
<b>Cash flows from financing activities:</b>		
Decrease in long-term borrowings	\$ (1,640)	\$ (1,640)
<b>Net cash flows used in financing activities</b>	<u>(1,640)</u>	<u>(1,640)</u>
<b>Net decrease in cash and cash equivalents</b>	(59,665)	(101,733)
<b>Cash and cash equivalents, beginning of year</b>	154,926	256,659
<b>Cash and cash equivalents, end of year</b>	<u>\$ 95,261</u>	<u>\$ 154,926</u>

(The accompanying notes are an integral part of the parent company only financial statements)

Attachment 4

PNC International Inc.  
2024 Earnings Distribution Table

Unit: NTD

Item	Amount
Undistributed earnings at the beginning of the period	41,935,974
Less: Net loss after tax in 2024	(20,177,755)
Undistributed earnings at the end of the period	21,758,219
Note: No dividends were distributed this year.	

Chairman: Tien-Chi Yao; Managerial Officer: Ching-Wen Tsou; Accounting Officer Wei-Hung Kao

PNC International Inc.  
Articles of Incorporation  
Cross Reference Table of Amendments

Article number	Amendment	Original Article	Description
Article 28	<p>No less than 2% of the current income before tax before deduction of the remuneration to the Company's employees and directors as the remuneration to directors and no more than 1% thereof as the remuneration to directors. However, if the Company still has accumulated losses (including the adjustment of the amount of undistributed earnings), it shall first retain the amount to offset it.</p> <p><u>An amount no less than 50% of the total remuneration of employees' appropriated according to the preceding paragraph shall be appropriated as the remuneration of entry-level employees.</u></p> <p>The remuneration to employees may be paid in the form of shares or in cash, and the recipients of the payment may include the employees of the subordinate company who meet the conditions set forth by the Board of Directors. The remuneration to directors referred to in the preceding paragraph may only be paid in cash.</p> <p>The preceding two paragraphs shall be implemented per resolution of the Board of Directors and reported to the shareholders' meeting.</p>	<p>No less than 2% of the current income before tax before deduction of the remuneration to the Company's employees and directors as the remuneration to directors and no more than 1% thereof as the remuneration to directors. However, if the Company still has accumulated losses (including the adjustment of the amount of undistributed earnings), it shall first retain the amount to offset it.</p> <p>The remuneration to employees in the preceding paragraph may be paid in the form of shares or in cash, and the recipients of the payment may include the employees of the subordinate company who meet the conditions set forth by the Board of Directors. The remuneration to directors referred to in the preceding paragraph may only be paid in cash.</p> <p>The preceding two paragraphs shall be implemented per resolution of the Board of Directors and reported to the shareholders' meeting.</p>	Amendment made in accordance with Paragraph 6 of Article 14 of the Securities and Exchange Act.
Article 31	<p>These Articles were established on November 7, 1973;</p> <p>Omitted...</p> <p>23rd amendments hereto were made on June 17, 2022;</p> <p>24th amendments hereto were made on June 27, 2023;</p> <p>25th amendments hereto were made on June 21, 2024;</p> <p><u>26th amendments hereto were made on June 16, 2025.</u></p>	<p>These Articles were established on November 7, 1973;</p> <p>Omitted...</p> <p>23rd amendments hereto were made on June 17, 2022;</p> <p>24th amendments hereto were made on June 27, 2023;</p> <p>25th amendments hereto were made on June 21, 2024.</p>	Add the dates of amendments.

# Appendices

## Appendix 1

# PNC International Inc. Articles of Incorporation (Before Amendment)

## Chapter 1 General Rules

- Article 1 The Company shall be duly incorporated in accordance with the Company Act and shall be named PNC International Inc.
- Article 2 The Company's business scope is as follows:
1. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing.
  2. CC01080 Electronic Components Manufacturing.
  3. F401010 International Trade.
  4. F106010 Wholesale of Hardware.
  5. F106020 Wholesale of Daily Commodities.
  6. F113020 Wholesale of Electrical Appliances.
  7. F206010 Retail Sale of Hardware.
  8. F206020 Retail sale of daily commodities.
  9. F213010 Retail Sale of Electrical Appliances.
  10. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1 The Company may, by a resolution of the Board of Directors, become a shareholder of another company with limited liability, and the total amount of reinvestment is not restricted by the Company Act, which stipulates that reinvestment shall not exceed 40% of the paid-in capital.  
The resolution of the Board meeting referred to above shall be approved by more than half of the directors present at a meeting attended by at least two-thirds of the directors.
- Article 2-2 The Company may provide endorsements and guarantees to external parties based on business needs.
- Article 3 The Company is headquartered in Taipei City, and may establish branches domestically or overseas pursuant to laws where necessary by resolution of the Board of Directors.
- Article 4 The Company shall make public announcements in accordance with Article 28 of the Company Act.

## Chapter 2 Shares

- Article 5 The authorized capital of the Company shall be NT\$500 million, divided into 50 million shares, all of which are ordinary shares at NT\$10 per share. The unissued shares are authorized to be issued by the Board of Directors at discrete times.
- Article 6 The registered shares issued by the Company are exempted from printing stock certificates and should be registered with the centralized securities depository institutions.
- Article 7 The transfer of shares shall be suspended within 60 days prior to the date of each annual general meeting, or within 30 days prior to the date of a special shareholders' meeting, or within 5 days before the record date when the Company decides to distribute dividends and bonuses or other benefits.
- Article 8 The Company's shareholder services are handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.
- Article 9 Deleted.
- Article 10 Deleted.
- Article 11 Deleted.

## Chapter 3 Shareholders' Meeting

- Article 12 The shareholders' meetings shall be divided into annual general meetings and special shareholders' meetings. Both shall be convened pursuant to the relevant laws and regulations.

Article 13	When a shareholder is unable to attend the meeting for any reason, he/she shall issue a power of attorney issued by the Company, stating the scope of authorization and designating a proxy to attend on his/her behalf. In addition to the provisions of the Company Act, any shareholders' attendance by proxy shall be governed by the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies" promulgated by the competent authority.
Article 14	Each shareholder of the Company is entitled to one voting right per share, except for those whose shares are not entitled to voting rights under Article 179 of the Company Act.
Article 15	At the time of a meeting of shareholders, the Chairman of the Board shall be preside at the meeting. If the Chairman of the Board is absent from the meeting, the Chairman of the Board shall appoint one of the directors to act on his/her behalf. If not, the directors present shall elect one among them to be the chairperson of the meeting. If a meeting is convened by a party with convening power other than the Board of Directors, such party shall preside over the meeting. If there are two or more convening parties, they shall select from among themselves one person to chair the meeting.
Article 16	Unless otherwise provided for by the related laws and regulations, 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.
Article 16-1	A shareholders' meeting of the Company can be held by means of visual communication network or other methods promulgated by the Ministry of Economic Affairs.
Article 17	Matters relating to the resolutions by a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minute shall accurately record the date and place of the meeting, the chairperson's full name, number of shareholders present at the meeting, number of voting rights, resolution matters and methods. The minute shall be kept permanently during the existence of the Company, while the attendance book signed by present shareholders and proxy letter shall be kept for one year.

#### Chapter 4 Director

Article 18	<p>The Company shall have five to nine directors, who shall be appointed among persons with disposing capacity by the shareholders' meeting to assume a term of office for three years and may be eligible for re-election. Among said directors, the number of independent directors shall not be less than three and shall not be less than one-third of the number of directors.</p> <p>The Company adopts the candidate nomination system for the election of directors. The acceptance method of candidate nomination shall be handled in accordance with Article 192-1 of the Company Act. The qualifications and election methods of independent directors, and other matters to be complied with shall be handled in accordance with the relevant provisions of the Company Act and the Securities and Exchange Act.</p> <p>Independent directors and non-independent directors shall be elected at the same time and based on the number of seats to be elected, the candidate for whom the ballots received represent the greater majority will be elected. After being elected, directors may, by resolution of the Board of Directors, take out liability insurance for the Company's directors within the scope of their liabilities. The percentage of total shareholdings of the Company's directors is determined by the securities competent authority.</p>
Article 19	Whenever the vacancy in the Board of Directors is up to one-third of members, the Board of Directors shall convene an ad hoc meeting within 60 days for by-election, and the term of office shall be limited to the remainder of the original term of office.
Article 20	In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.
Article 21	The Board of Directors shall consist of the Company's directors. The Chairman shall be elected among and from the directors by a majority of the directors

- attending a meeting of the Board of Directors at which at least two-thirds of directors are present. The Chairman shall execute the Company's business in accordance with the relevant laws and regulations, Articles of Incorporation, and resolution by the shareholders' meeting and Board of Directors meetings and shall represent the Company externally.
- Article 22 When the Chairman is on leave or for any reason unable to exercise the powers of the chairperson, the Chairman shall designate a director to act on his/her behalf. In the absence of such a designation, the directors shall elect one representative among them to act on his/her behalf.
- Article 23 The meetings of the Board of Directors, except as otherwise stipulated in the Company Act, requires the attendance by a majority of the directors with unanimous consent of half or more of the attending directors. If a director is unable to attend the meeting for any reason, it shall issue a power of attorney, indicating the reasons for the scope of authorization, to appoint another director to attend the meeting on his/her behalf. The Board of Directors meetings may be notified by electronic means.
- Article 24 The Company has established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee consists of all independent directors and is responsible for exercising the powers of supervisors under the Company Act, the Securities and Exchange Act and other laws and regulations.
- Article 25 The Board of Directors is authorized to determine the remuneration of all Directors in accordance with the extent of their participation in the Company's operations and the value of their contributions and with reference to the pay level adopted by peer companies.

#### Chapter 5 Managerial Officers

- Article 26 The Company has one President and several Vice Presidents and Managers. The appointment, dismissal and remuneration thereof shall be handled in accordance with Article 29 of the Company Act.

#### Chapter 6 Accounting

- Article 27 At the end of the fiscal year, the Board of Directors of the Company shall prepare the following statements and submit them to the Audit Committee for review within 30 days prior to the annual general meeting, and then to the annual general meeting for acknowledgment.
1. Business Report;
  2. Financial statements;
  3. Earnings distribution or deficit compensation proposal.
- Article 28 No less than 2% of the current income before tax before deduction of the remuneration to the Company's employees and directors as the remuneration to directors and no more than 1% thereof as the remuneration to directors. However, if the Company still has accumulated losses (including the adjustment of the amount of undistributed earnings), it shall first retain the amount to offset it.
- The remuneration to employees in the preceding paragraph may be paid in the form of shares or in cash, and the recipients of the payment may include the employees of the subordinate company who meet the conditions set forth by the Board of Directors. The remuneration to directors referred to in the preceding paragraph may only be paid in cash.
- The preceding two paragraphs shall be implemented per resolution of the Board of Directors and reported to the shareholders' meeting.
- Article 28-1 If there is a profit in the Company's annual final accounts, it shall first pay tax and make up for the accumulated losses of the past years and then appropriate 10% as the legal reserve, unless the legal reserve has reached the amount of the Company's paid-in capital. Then, the special reserve shall be appropriated or reversed in accordance with the law or as required by the competent authority. If there is any surplus, the remaining balance, plus the undistributed earnings at the beginning of the period, shall be distributed based on the earnings distribution proposal prepared by the Board of Directors as resolved by the shareholders' meeting.
- Article 29 Dividend policy: The Company's dividend policy complies with the Company Act

and the Articles of Incorporation, and is prepared in response to the Company's capital planning to achieve stable business goals. The process, method and amount of future dividend distribution are as follows:

I. Dividend distribution procedure:

In accordance with the Company Act, the Company's dividend distribution procedure shall take place at the end of each fiscal year. The Board of Directors, taking into account the Company's profitability and future operating needs, prepares the earnings distribution proposal and submits it to the shareholders' meeting for ratification.

2. Dividend distribution method:

The Company will distribute dividends in three manners, namely, capitalization of earnings, capitalization of capital surplus and cash dividends.

3. Dividends distribution policy:

The percentage of dividends distributed by the Company shall, in principle, be no less than 20% in cash and the rest paid in the form of stock dividends.

Chapter 7 Supplementary Provisions

Article 30 Matters not covered herein shall be handled in accordance with the Company Act and other laws and regulations.

Article 31 These Articles were established on November 7, 1973;  
1st amendments hereto were made on September 29, 1976;  
2nd amendments hereto were made on February 15, 1982;  
3rd amendments hereto were made on January 29, 1988;  
4th amendments hereto were made on August 30, 1989;  
5th amendments hereto were made on November 11, 1990;  
6th amendments were made on March 22, 2000;  
7th amendments hereto were made on May 20, 2000;  
8th amendments were made on July 3, 2001;  
9th amendments were made on May 31, 2002;  
10th amendments were made on October 1, 2002;  
11th amendments were made on April 28, 2003;  
12th amendments were made on June 16, 2004;  
13th amendments were made on May 18, 2005;  
14th amendments were made on May 19, 2006;  
15th amendments were made on June 13, 2007;  
16th amendments were made on June 16, 2009;  
17th amendments were made on June 15, 2011;  
18th amendments were made on June 15, 2012;  
19th amendments were made on June 20, 2016;  
20th amendments were made on June 19, 2017;  
21st amendments were made on June 10, 2020;  
22nd amendments were made on July 20, 2021;  
23rd amendments hereto were made on June 17, 2022;  
24th amendments hereto were made on June 27, 2023;  
25th amendments hereto were made on June 21, 2024.



## PNC International Inc.

### Rules and Procedures of Shareholders' Meeting

- Article 1 To establish an excellent governance system for the Company's shareholders' meeting, improve the supervisory function, and strengthen the management function, these Rules are formulated in accordance with the provisions of Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEx- Listed Companies for compliance.
- Article 2 Unless otherwise stipulated by the laws or Articles of Incorporation, the rules of procedure for the Company's shareholders' meeting shall be governed by these Rules.
- Article 3 Shareholders' meetings of the Company shall be convened by the Board of Directors, unless otherwise provided in the law.
- Changes to the method of convening a shareholders' meeting of the Company shall be subject to a resolution by the Board of Directors, and the organization of a shareholders' meeting by means of visual communication network shall be adopted per the resolution rendered by a majority of directors at a meeting attended by two-thirds or more of the total number of directors<sup>00</sup> and both circumstances shall take place no later than the dispatch of the notice of the shareholders' meeting.
- The Company shall compile an electronic file that contains meeting notice, proxy letter form, motions for ratification, motions for discussion, election or dismissal of directors, etc. and post it on the MOPS before 30 days before the date of an annual general meeting or before 15 days before the date of a special shareholders' meeting. In addition, the Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, the Company has the paid-in capital of NT\$2 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30 percent or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. Within 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting handbook and supplementary information and made them available for review by shareholders at any time. The same shall also be displayed at the premises of the Company and the professional shareholder services agent designated by the Company.
- The handbook and supplementary materials referred to in the preceding paragraph shall be made available to the shareholders for reference by the Company on the day of the general meeting in the following manners:
- I. For physical shareholders meetings, to be distributed on-site at the meeting.
  - II. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
  - III. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.
- The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
- Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation or any matter under Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extempore motion.
- Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.
- A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at an annual general meeting. The number of items so proposed is

limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Shareholders may submit suggestive proposals for urging the Company to promote public interests or fulfill its social responsibilities, provided that the procedure shall comply with relevant provisions of Article 172-1 of the Company Act, and the number of items so proposed shall be limited to one only, and no proposal containing more than one item shall be included in the meeting agenda.

Prior to the book closure date before an annual general meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission. The period for submission of shareholder proposals may not be less than 10 days.

Shareholders shall limit their proposed motions to 300 words only. Proposals that exceed 300 words will not be accepted for discussion. Shareholders who have successfully proposed their motions shall attend the annual general meeting in person or through proxy and participate in the discussion.

The Company shall notify the resolution to the shareholders submitting the proposals before the date of notice for the shareholders' meeting and list the motions meeting the requirements defined in this provision in the meeting notice. For shareholders' proposals that are not included in the motions, the Board of Directors shall explain the reasons for not including such proposals at the shareholders' meeting.

Article 4 For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy letter issued by the Company and stating the scope of the proxy's authorization. A shareholder may issue only one proxy letter and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy letter to the Company 5 days before the date of the meeting. When duplicate proxy letters are delivered, the one received earliest shall prevail. However, this excludes situations where the shareholder has issued a proper declaration to withdraw the previous proxy arrangement.

After a proxy letter has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company 2 business days before the meeting date. If the cancellation notice is submitted after due date, votes casted at the meeting by the proxy shall prevail. After a proxy letter has been delivered to the Company, if the shareholder intends to attend a visual shareholders' meeting, a written notice of proxy cancellation shall be submitted to the Company 2 business days before the meeting date. If the cancellation notice is submitted after due date, votes cast at the meeting by the proxy shall prevail.

Article 5 The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for the meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting. Virtual shareholders' meetings are not subject to the location restrictions stated in the preceding Paragraph.

Article 6 The Company shall specify in the meeting notice the time and place for acceptance of the registration from the shareholders, solicitors and proxies (hereinafter referred to as "shareholders") and other matters to be noted.

The time when shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.

Shareholders shall attend the shareholders' meeting with the attendance card, sign-in card or other attendance documents. The Company shall not arbitrarily add requirements for other supporting documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting the proxy letters shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

Shareholders who attend the meeting shall be given by the Company a copy of the meeting handbook, annual report, attendance pass, opinion slip, agenda ballots and any information relevant to the meeting. Additional ballots shall be prepared if director election is also being held during the meeting. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. Any juristic person that has been designated as a proxy attendant can only appoint one representative to attend the shareholders' meeting.

Where a shareholders' meeting is convened by means of visual communication network and any shareholder intends to attend the virtual shareholders' meeting, the shareholder shall register with the Company within 2 days prior to the shareholders' meeting.

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

Article 6-1

The Company shall specify the following in the shareholders' meeting notice when convening a shareholders' meeting by means of visual communication network:

- I. Methods for shareholders to participate in the meeting and exercise their rights.
- II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
  - (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed, if required, or on which the meeting will resume.
  - (2) Shareholders not registering to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
  - (3) In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.
  - (4) Actions to be taken if the outcome of all proposals have been announced while extempore motions have not been carried out.
- III. When the Company convenes a virtual-only shareholders' meeting, it shall also specify appropriate alternative measures available to shareholders who have difficulty taking part in the virtual-only shareholders' meeting. It shall at least provide said shareholders with connection facilities and necessary assistance, and shall specify the period during which shareholders may file applications with the Company and other related matters to be attended.

Article 7

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the chairperson, the Vice Chairman shall act as the chairperson. Where no Vice Chairman is appointed, or the Vice Chairman is on leave or for any reason unable to exercise the powers of the chairperson too, the Chairman shall designate one managing director to act on behalf of him/her. Where no managing director is appointed, the Chairman may designate one director to act on behalf of him/her. Where the Chairman does not make such a designation, the managing directors, or directors, shall select from among themselves one person to serve as chairperson.

If a managing director or a director serves as the chairperson in the preceding paragraph, the managing director or director shall be the one who has held the position for more than six months and who understands the financial and business conditions of the Company. The same shall apply to a representative who is a juristic person director.

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman of Board in person and attended by a majority of the directors, at least one independent director in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the shareholders' meeting minutes.

If a meeting is convened by a party with convening power other than the Board of Directors, such party shall preside over the meeting. If there are two or more convening parties, they shall select from among themselves one person to chair the meeting.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8

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

The recordings referred to in the preceding paragraph shall be retained for at least one year. However, if a shareholder raises a litigious claim against the Company in accordance with Article 189 of The Company Act, the abovementioned documents shall be retained until the end of the litigation.

Where a virtual shareholders' meeting is held, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the

Company and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The data and recordings referred to in the preceding paragraph shall be kept properly for as long as the Company exists. A copy of the recording shall also be retained by the video conference service provider.

In case of a virtual shareholders' meeting, the Company is advised to audio and video record the back-end operations interface of the virtual meeting platform.

#### Article 9

Attendance at a shareholders' meeting shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed in and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chairperson shall call the meeting to order at the appointed meeting time, and at the same time announce the number of non-voting shares and the number of shares attending the meeting.

However, when the attending shareholders represent less than a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chairperson shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act. All shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

#### Article 10

If the shareholders' meeting is convened by the Board of Directors, its agenda shall be set by the Board of Directors. Relevant motions (including extempore motions and amendments to an original motion) should be decided by voting one by one. The meeting shall be conducted according to the scheduled agenda, and shall not be changed without the resolution of a shareholders' meeting.

If the shareholders' meeting is convened by a convening party other than the Board of Directors, the provisions of the preceding paragraph shall apply.

The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders and then continue the meeting.

The chairperson shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or special motions put forward by the shareholders. When the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed, call for a vote and schedule sufficient time for voting.

#### Article 11

Before speaking, an attending shareholder must specify on a speaker slip the gist of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson.

An attending shareholder who has submitted a speaker's slip but does not speak shall be deemed to have not spoken. The contents of the speech shall prevail if they are inconsistent with the speaker's slip.

Except with the consent of the chairperson, a shareholder may not speak more than twice on the same motion and a single speech may not exceed five minutes. However, if the shareholder's speech violates the rules or exceeds the scope of the agenda, the chairperson may terminate the speech.

When an attending shareholder is speaking, the other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder that has the floor.

The chairperson shall stop any violation.

Where a juristic person shareholder has appointed two or more representatives to attend the shareholders' meeting, only one representative may speak per motion.

After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the time when the chairperson declares the meeting open until the chairperson declares the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Paragraphs 1~5 do not apply.

As long as questions so raised in accordance with the preceding paragraph do not violate the requirements or exceed the scope of the motion, it is advisable that the questions be disclosed to the public at the virtual meeting platform.

Article 12 The votes cast at a shareholders' meeting shall be calculated based on the number of shares.

For resolution of a shareholders' meeting, the number of shares held by shareholders without voting rights shall not be counted in the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item and may not exercise voting rights as proxy for any other shareholder.

The number of shares held by shareholders who are not permitted to vote shall be excluded from the calculation of total voting rights.

With the exception of a trust enterprise or a shareholder services agent approved by the securities competent authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13 A shareholder shall be entitled to one vote for each share held, except when the shares are RSAs or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. Shareholders who have voted in writing or using the electronic method are considered to have attended shareholders' meeting in person. Notwithstanding, they are considered to have waived their rights with respect to the extempore motions and amendments to original motions of that meeting. Therefore, it is advisable that the Company should avoid the submission of extempore motions and amendments to original proposals.

Instructions to exercise written and electronic votes shall be delivered to the Company at least 2 days before the shareholder meeting. In the event of duplicate submissions, the earliest submission shall be taken into record. However, exception is granted if the shareholder issues a proper declaration to withdraw the previous instruction.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or a virtual shareholders' meeting, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, within 2 days before the date of the shareholders' meeting. If the notice of retraction is submitted after due date, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a motion shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each motion, the chairperson or a person designated by the chairperson 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, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a motion, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other motions will then be deemed rejected and no further voting shall be required.

The chairperson will appoint a ballot examiner and a ballot counter, provided that the ballot examiner must be a shareholder.

Motion and election votes are to be counted openly at the shareholders' meeting. Results of the vote, including the final tally, shall be announced on-site and recorded in minutes.

When the Company convenes a virtual shareholders' meeting, after the chairperson declares the meeting open, shareholders attending the meeting online shall cast votes on motions and elections on the virtual meeting platform before the chairperson announces the voting session ends, or will be deemed abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chairperson announces the voting session ends, and results of votes and elections shall be announced immediately. When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration 2 days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extempore motions, they will not exercise voting rights on the original proposals or make any amendments to the original motions or exercise voting rights on amendments to the original motions.

Article 14 When the shareholders' meeting elects directors, it shall proceed in accordance with the regulations for election of directors established by the Company and shall announce the results of the election on the spot, including the name list of elected directors and the number of votes with which they were elected and the name list of directors not elected and number of votes they received. All ballots used in the election referred to in the preceding paragraph shall be sealed and signed by the ballot examiner and held in proper custody for at least one year. However, if a shareholder raises a litigious claim against the Company in accordance with Article 189 of The Company Act, the abovementioned documents shall be retained until the end of the litigation.

Article 15 The resolutions of the shareholders' meeting shall be recorded in the minutes of meeting, signed or sealed by the chairperson, and distributed to each shareholder within 20 days after the meeting. The meeting minute may be produced and distributed in an electronic form. The Company may distribute the meeting minute referred to in the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minute shall accurately record the year, month, day, and place of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights) and disclose the number of voting rights won by each candidate in the event of an election of directors. The minute shall be retained for the duration of the existence of the Company.

Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual shareholders' meeting, in addition to complying with the requirements in the preceding paragraph, the Company shall also specify in the meeting's minute alternative measures available to shareholders with difficulties in attending the virtual shareholders' meeting.

Article 16 On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means and shall make an expressed disclosure of the same at the place of the shareholders' meeting. In the event a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations and under the regulations of TWSE/TPEX, the Company shall upload the contents of such resolution to the MOPS within the prescribed time period.

Article 17 The service personnel of the shareholders' meeting shall wear identification badges or armbands.

The chairperson may instruct proctors or security personnel to help maintain order in the meeting. When proctors or security personnel help maintain order at the meeting place, they shall wear armbands or identification cards bearing the word "Proctor."

The chairperson may stop anyone who attempts to speak using instruments that are not provided by the Company, if any.

- If a shareholder violates the rules of procedure and does not obey the chairperson's corrective instructions and hinders the progress of the meeting and fails to comply, the chairperson may direct the proctors or security personnel to ask him or her to leave the venue.
- Article 18 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed. If, before the parliamentary procedure is accomplished in accordance with the agenda (including extempore motions), the meeting venue cannot be occupied any longer, the participants may resolve to continue the meeting at an alternative location. Shareholders may also resolve to postpone or resume the meeting within the next 5 days, according to Article 182 of The Company Act.
- Article 19 In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations and this disclosure shall continue at least 15 minutes after the chairperson has announced the meeting adjourned.
- Article 20 When the Company convenes a virtual shareholders' meeting, both the chairperson and minute recorder shall be at the same location, and the chairperson shall declare the address of their location when the meeting is called to order.
- Article 21 In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve technical communication issues. In the event of a virtual shareholders' meeting, when declaring the meeting open, the chairperson shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chairperson has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within next 5 days, in which case Article 182 of the Company Act shall not apply. For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders not registering to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session. For a meeting to be postponed or resumed under Paragraph 2, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session. During a postponed or resumed session of a shareholders' meeting held under Paragraph 2, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or the name list of elected directors. When the Company convenes a hybrid shareholders' meeting and the meeting cannot continue as described in Paragraph 2, if the total number of shares represented at the meeting, after deducting those represented by shareholders' attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue and no postponement or resumption thereof under Paragraph 2 is required. Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all motions on meeting agenda of that shareholders' meeting. When postponing or resuming a meeting according to Paragraph 2, the Company shall handle the lead-time work based on the date of the original shareholders' meeting in accordance with the requirements listed under Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. For dates or period set forth under the latter part of Article 12, and Paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Paragraph 2, Article 44-5, Article 44-15, and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under Paragraph 2.

- Article 22 When the Company convenes a virtual shareholders' meeting, it shall at least provide the shareholders who have difficulty taking part in the virtual shareholders' meeting with connection facilities and necessary assistance, and shall specify the period during which shareholders may file applications with the Company and other related matters to be attended.
- Article 23 These Rules, and any amendments hereto, shall be implemented after approval by the Shareholders' Meeting.  
These Rules were re-enacted on July 20, 2021;  
1st amendments hereto were made on June 17, 2022;  
2nd amendments hereto were made on June 27, 2023;  
3rd amendments hereto were made on June 21, 2024.



## Shareholdings of All Directors

- I. The statutory shareholding and number of shares of the Company's directors are as follows:

The Company's issued ordinary shares are 20,000,000 shares

Statutory number of shares to be held by all directors are 2,400,000 shares

- II. As of April 17, 2025, the last day of share transfer for the 2025 annual general shareholders' meeting, the number of shares held by all directors has reached the statutory requirement:

Job Title	Name	Number of shares held as recorded in the shareholder registry on the book closure date
Chairman	Kang Jian Investment Co., Ltd. Representative: Yao Tian-Chi	11,636,315
Director	Kang Jian Investment Co., Ltd. Representative: Chou Ching-Wen	11,636,315
Director	Kang Jian Investment Co., Ltd. Representative: Wu Hsin-Kai	11,636,315
Director	Kang Jian Investment Co., Ltd. Representative: Chang Chi-Chin	11,636,315
Independent Director	Huang Hao-Chieh	0
Independent Director	Chiu Li-Mei	0
Independent Director	Yao Shun-Yen	0
Total shareholdings of directors (excluding independent directors)		11,636,315