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SUN YAD CONSTRUCTION CO., LTD.

2026 Annual General Shareholders' Meeting

Meeting Handbook

Form of Shareholders' Meeting: Physical

1:00 p.m., June 24 (Wednesday), 2026
Location: 4F, No. 250, Sec. 2, Yong Hua Rd., Anping Dist., Tainan City
(The Company's conference hall)

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Agenda of 2026 Annual General Meeting of SUN YAD CONSTRUCTION CO., LTD.

Date & Time: 1:00 p.m., June 24 (Monday), 2026

Location: 4F, No. 250, Sec. 2, Yong Hua Rd., Anping Dist., Tainan City
(The Company's conference hall)

I. Call the meeting to order

II. Chairman’s opening remarks

III. Report items
   (I) The Company's 2025 business report and financial report.
   (II) Audit Committee’s audit report on the Company’s 2025 financial statements.
   (III) Report on offering and issuance of convertible corporate bonds.
   (IV) Implementation status of the 2025 private placement of ordinary shares.

IV. Ratifications
   (I) Ratification of the 2025 business report and financial statements.
   (II) Ratification of the proposal to make up for 2025 losses.

V. Discussion Topics
   (I) Amendment to the Articles of Incorporation.
   (II) Proposal to conduct hold private placement of common stock.

VI. Extraordinary Motions

VII. End of meeting

III. Report items

Proposal (I): The Company's 2025 business report.

Description: For the business report, please refer to Pages 12~13 of the Handbook.

Proposal (II): Audit Committee's audit report on the Company's 2025 financial statements.

Description: The Audit Committee's report is stated as following:

SUN YAD CONSTRUCTION CO., LTD.
Audit Committee's Review Report

The Company's Board of Directors has prepared the 2025 business report, parent company only financial statements, consolidated financial statements, and loss offsetting table. The parent only financial statements and consolidated financial statements have been audited by CPAs Vincent Hsu and Kao Yu-Lun of KPMG Taiwan and the audit report thereon has been issued, together with the 2025 business report, loss off-setting proposal and other final accounts. We had been audited by this had been audited by this audit committee and we consider no inconsistence exists. Therefore, a report is submitted for review in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To:

2026 Annual General Shareholders' Meeting of SUN YAD CONSTRUCTION CO., LTD.

Convener of Audit Committee: Lin Chia-Chia

March 30, 2026

Proposal (III): Report on offering and issuance of convertible corporate bonds..
Description:

Issuance of corporate bonds

Type of corporate bond	6th series domestic secured convertible corporate bonds (Sun Yad 6)
Date of approval by the competent authority	FSC's letter under Jin-Guan-Zheng-Fa-Zi No. 11303625201 dated December 03, 2024
Date of issuance (offering)	December 27, 2024
Total Amount	NT$400 million
Interest rate	Annual coupon rate 0%
Period	For the 3-year bonds, the maturity date: December 27, 2027
Repayment Method	Unless the bond holder exercises the put option and redeems the bond earlier, the repayment shall be made in cash in full at the carrying amount of the bond upon maturity.
Purpose and execution of raised funds	Raise working capital
Outstanding principal	NT$400,000 thousand
Number of ordinary shares already converted so far	0 shares

Proposal (IV): Implementation status of the 2025 private placement of ordinary shares.
Description: 1. On May 22, 2025, the annual general shareholders' meeting resolved to carry out a cash capital increase through private placement of up to 50,000 thousand ordinary shares with a par value of NT$10 per share, which may be conducted in up to three tranches within one year.
2. In accordance with the above resolution of the annual general shareholders' meeting, the Company's Board of Directors resolved on April 28, 2026 to conduct a private placement of 25,700,000 ordinary shares with a par value of NT$10 per share, resulting in an increase in paid-in capital of NT$257,000,000. The shares were issued at a discount price, with a private placement price of NT$9.74 per share. The capital increase record date was April 30, 2026, and the actual proceeds raised amounted to NT$250,318,000.
3. The remaining unissued quota of 24,300,000 shares will not be further processed as the implementation period is about to expire.

IV. Ratifications:
Proposal (I) Ratification of the 2025 business report and financial statements. (Proposed by the Board of Directors)
Description: 1. The Board has prepared the 2025 business report, parent company-only financial statements and consolidated financial statements. The parent-only financial statements and consolidated financial statements have been audited by CPAs Vincent Hsu and David Chen of KPMG Taiwan and the audit report thereon has been issued. The documents and the business report have been submitted to the audit committee for review, which has issued an audit report.

2. Please refer to Pages 12 to 13 and 14 to 28 of the Handbook for the 2025 Business Report, Independent Auditor's Report, and financial statements.
3. Presented for ratification.

Resolution:

Proposal (II): Ratification of 2025 Loss Off-setting Proposal.
(Proposed by the Board of Directors)

Description: 1. The Company's 2025 loss-offsetting proposal has been reviewed and passed by the Audit Committee on March 30, 2026, and is to be submitted to the Board for approval.
2. The loss offsetting plan is prepared accordingly. Please refer to the attached table.
3. Presented for ratification.

Resolution:

"Table"

SUN YAD CONSTRUCTION CO., LTD.
Loss Offsetting Table
2025

Unit: NT$

Amount of accumulated deficit to be offset at the beginning of the period	($ 360,546,811)
Add: Adjustment of undistributed earnings from prior periods	9,828,765
Add: Other comprehensive income - actuarial gains (losses)	24,508
Less: Net loss after tax for this period	(170,637,987)
Amount of accumulated deficit to be offset at the end of the period	($ 521,331,525)

Chairman: Chang Yu-Ming General Manager: Tseng Peng-Kuang Accounting Manager: Kuo Yu-Cheng

V. Discussion topics:

Proposal (I): Amendments to the "Articles of Incorporation".
(Proposed by the Board of Directors)

Description: 1. In line with the Company's future operational capital requirements, the total authorized capital was increased and the Company's Articles of Incorporation were amended accordingly.
2. Comparison Table of Amendments to the "Articles of Incorporation" (Please refer to page 29-31 of this Handbook).

Resolution:

Proposal (II): Proposal to conduct private placement of common stock.
(Proposed by the Board of Directors)

Description: 1. In order to raise working capital to improve the Company's competitive advantages and operational efficiency, it is proposed to conduct a cash capital increase by private placement of new shares in accordance with Article 43-6 of the Securities and Exchange Act and the Directions for Public Companies Conducting Private Placements of Securities. It is estimated that the private placement

will not exceed 50,000,000 shares, with a par value of NT$10 per share. Depending on the condition of the capital market, it is proposed to have the shareholders' meeting authorize the board to conduct the private placement in two installments within one year after the date of shareholders' meeting resolution.

2. In accordance with Article 43-6 of the Securities and Exchange Act, the matters that should be explained for private placement are as follows:
   (1) Basis and rationality of price set:
   The reference price for this private placement of ordinary shares issued through cash capital increase is determined based on either the simple arithmetic average of the closing prices of the common shares over the one, three, or five business days prior to the pricing date (selected as appropriate), adjusted for ex-rights and ex-dividends from bonus shares and cash dividends, and adding back price adjustments for capital reduction; or the simple arithmetic average of the closing prices over the 30 business days prior to the pricing date, also adjusted for ex-rights and ex-dividends from bonus shares and cash dividends and adding back price adjustments for capital reduction. The higher of the two calculated reference prices is adopted.
   (2) Private placement pricing percentage: The price per share of the private placement shall not be lower than 80% of the reference price.
   (3) The actual pricing date and the issue price of the private placement, within the range of not less than the percentage resolved by the shareholders' meeting, is authorized to be determined by the Board, depending on the negotiations with specific parties in the future.
   (4) The issuance conditions of private placement securities are determined because the Securities and Exchange Act imposes a three-year transfer restriction on private placement securities and also strictly regulates the qualifications of the issuers. The private placement price was determined in compliance with the relevant regulations of the competent authority and after taking into account factors such as the Company's operating performance, the most recent net worth and the recent stock price. The manner in which it was determined should be reasonable.
   (5) Based on the aforementioned pricing principles, if the price in the centralized trading market does not exceed the par value or is close to the par value, and the actual issuance price in the future is lower than the par value, this is determined in accordance with the current relevant laws and regulations and the pricing method should be reasonable. If case of such event, the impact on shareholders equity will be the accumulated losses resulting from

the difference between the actual private placement price and the par value. If the accumulated losses of the company increase and affect shareholders equity, it will be resolved by reducing capital to make up for the losses or by using future operating income to make up for the losses through surplus or capital reserves, depending on the future company operations and market conditions.

3. Selection of specific persons:

(1) The recipients of the private placement of common shares shall be limited to the specific persons who meet the requirements of Article 43-6 of the Securities and Exchange Act and the (2023) Jin-Guan-Zheng-Fa-Zi Order No. 1120383220 issued by the Financial Supervisory Commission on September 12, 2023.

(2) If the subscriber is an insider or a related party, the list of candidates is as follows:

A. List of prospective subscribers and their relationship with the Company:

Name of subscriber	Relationship with the Company
Chang Yu-Ming	Chairman of the Company
Zhong Qing Technology Co., Ltd.	The chairman and the Company's chairman are the same person.
Voyage Investment Limited	The chairman and the Company's chairman are the same person.
He Rui Investment Ltd.	The chairman and the Company's chairman are the same person.
Metropolitan International Development Co., Ltd.	The chairman and the Company's director are the same person.
U-BEST Innovative Technology Co., Ltd.	The chairman and the Company's chairman are the same person.
Myson Century, Inc.	The chairman and the Company's chairman are the same person.
Feei Cherng Develop Technology Co., Ltd.	The chairman and the Company's chairman are the same person.
Hsin-Li Chemical Industrial Corp.	The chairman and the Company's chairman are the same person.

B. If the subscriber is a legal person, the following shall be disclosed:

a. Singular Technology Company Ltd.

major shareholders	Shareholding	Relationship with the Company
Chang Yue-Hua	1.78%	Second-degree relative to the Company's chairman
Chang Hui-Feng	11.37%	Spouse of the Company’s Chairman
Chang Yu-Ming	38.24%	Chairman of the Company
Chang Bai-Hong	22.52%	First-degree relative to the Company's chairman
Chang Ren-Wei	26.09%	First-degree relative to the Company's chairman

b. Voyage Investment Limited

major shareholders	Shareholding	Relationship with the Company
Chang Hui-Feng	0.48%	Spouse of the Company’s Chairman
Chang Yu-Chen	11.00%	None
Lai Hsiu-Chiung	16.00%	None
Chang Yu-Cheng	12.00%	None
Chang Chao Su-Chu	6.28%	First-degree relative to the Company's chairman
Chang Yue-Hua	10.28%	Second-degree relative to the Company's chairman
Chang Bai-Hong	21.48%	First-degree relative to the Company's chairman
Chang Ren-Wei	21.48%	First-degree relative to the Company's chairman
Chang Yu-Ming	1.00%	Chairman of the Company

c. He Rui Investment Ltd.

major shareholders	Shareholding	Relationship with the Company
Chang Yu-Ming	48.90%	Chairman of the Company
Chang Hui-Feng	2.10%	Spouse of the Company’s Chairman
Chang Bai-Hong	24.50%	First-degree relative to the Company's chairman
Chang Ren-Wei	24.50%	First-degree relative to the Company's chairman

d. Metropolitan International Development Co., Ltd.

major shareholders	Shareholding	Relationship with the Company
Chang Yu-Ming	14.06%	Chairman of the Company
Zhong Qing Technology Co., Ltd.	22.39%	The chairman and the Company's chairman are the same person.
Voyage Investment Limited	63.55%	The chairman and the Company's chairman are the same person.

e. U-BEST Innovative Technology Co., Ltd.

major shareholders	Shareholding	Relationship with the Company
SUN YAD CONSTRUCTION CO., LTD.	12.64%	The Company
Tseng Chun-Jung	1.08%	None
Lin Cheng-Chuan	0.82%	None
Chen Su-Ling	0.78%	None
Tseng Chen Tui-Yu	0.44%	None
SBL/PB investment account held in trust by Citibank	0.40%	None
Chen Chia-Hung	0.40%	None
Yeh Lun-Yin	0.38%	None
Ou Shu-Chuan	0.37%	None
Fan Tso-Sheng	0.34%	None

f. Myson Century, Inc.

major shareholders	Shareholding	Relationship with the Company
SUN YAD CONSTRUCTION CO., LTD.	17.17%	The Company
He Rui Investment Ltd.	7.61%	The chairman and the Company's chairman are the same person.
Capital Securities Corporation in Custody of the Investment Account of Ever-Long Securities Company Limited.	4.75%	None
Voyage Investment Limited	4.14%	The chairman and the Company's chairman are the same person.
Zhong Qing Technology Co., Ltd.	2.53%	The chairman and the Company's chairman are the same person.
Shangyu Construction Co., Ltd.	1.53%	Subsidiary of the Company
Metropolitan International Development Co., Ltd.	1.21%	The chairman and the Company's director are the same person.
Chang Chun-Ming	1.19%	None
Chang Chao Su-Chu	0.93%	First-degree relative to the Company's chairman
Kao Tung-Min	0.67%	None

g. Feei Cherng Develop Technology Co., Ltd.

major shareholders	Shareholding	Relationship with the Company
Chang Yu-Ming	21.94%	Chairman of the Company
U-BEST Innovative Technology Co., Ltd.	13.85%	The chairman and the Company's chairman are the same person.
SUN YAD CONSTRUCTION CO., LTD.	10.73%	The Company
Chi-Fu Investment Co., Ltd.	4.88%	None
Zhong Qing Technology Co., Ltd.	3.60%	The chairman and the Company's chairman are the same person.
Chen Chin	2.19%	None
He Rui Investment Ltd.	2.10%	The chairman and the Company's chairman are the same person.
Hong-Fu Investment Co., Ltd.	1.76%	None
Chang Hui-Feng	1.46%	Spouse of the Company’s Chairman
Yang Chi-Ming	1.42%	None

h. Hsinli Chemical Industrial Corp.

major shareholders	Shareholding	Relationship with the Company
U-BEST Innovative Technology Co., Ltd.	12.49%	The chairman and the Company's chairman are the same person.
HSBC Bank (Taiwan) Limited custodian account for Morgan Stanley International Limited investment account	3.22%	None
Citibank Taiwan custodian investment account for UBS Europe SE	2.68%	None
HSBC Bank (Taiwan) Limited custodian investment account for Societe Generale European options investment account	2.66%	None
SBL/PB investment account held in trust by Citibank	1.61%	None
Capital Securities Corporation was entrusted with the custody of Capital Securities Investment Trust funds	1.28%	None
Hsu Ya-Chun	1.17%	None
Li Cheng-Chieh	1.10%	None
Lu Chun-Wei	1.09%	None
Chen Ling-Hsuan	1.01%	None

(3) Method and purpose of selecting subscribers: The chairman is authorized to prioritize consideration to applicants who can directly or indirectly contribute to the future operations of the company and to select them from among specific persons who meet the requirements of the competent authority. In addition, considering that insiders or related persons are specific persons, they already have a certain degree of understanding of the company's operations. If they can participate in the private placement, they should be able to provide the funds needed for the company's operations in the short term and strengthen the company's operating conditions and competitiveness.

4. Necessary reasons for private placement:

(1) Reasons for not adopting a public offering: Considering the timeliness, feasibility and issuance costs of raising capital, as well as that private placement securities are subject to the regulation that they cannot be freely transferred within three years, private placement is conducted rather than public offering in order to ensure a long-term equity relationship between the Company and the subscribers.

(2) Amount of private placement: The maximum amount of common stock issued for private placement is 50,000 shares, which shall be processed in two installments within one year from the date of resolution of the general meeting of shareholders.

(3) The expected number of private placements, the use of capital raised by each private placement, and the expected benefits of each private placement:

Number of expected procedures	Projected number of shares to be raised by private placement	Purpose of funds from private placement	Estimated benefits
1st time	25,000 thousand shares	Raise working capital for projects	Strengthen the Company's competitiveness and enhance operational efficiency
2nd	25,000 thousand shares		
With respect to the estimated number of shares in the first and second private placements mentioned above, all or part of the previously unissued shares and/or the subsequently estimated number of shares to be issued may be issued together when each is actually carried out, but the total number of shares to be issued shall not exceed 50,000 thousand shares.			

5. Rights and obligations of the common shares of the private placement: Same as those of the Company’s issued common shares; however, according to Article 43-8 of the Securities and Exchange Act, the shares of private placement shall be restricted and not transferred within three years from the delivery date. Three years after the date of delivery of the shares by private placement, the Company may apply for public offering and listing will be filed in accordance with relevant laws and regulations.
6. The pricing percentage, actual price of issue, number of shares, issue criteria, plan matters, amount to be raised, expected progress, expected benefits and other outstanding matters related to the issue plan are to be proposed at the annual general meeting for shareholders for approval, which authorizes the board to adjust, determine and carry out the private placement plan depending on the market condition. For any changes to be made subject to the regulations of the competent authority or in consideration of the operations or the impact of the market environment, the board is also authorized to handle the matter with full discretion.
7. For this private placement of common shares, it is proposed to request the shareholders’ meeting to authorize the chairman or his designated person to sign and discuss all contracts and documents related to the private placement on behalf of the Company and handle all matters related to the private placement plan for the Company.
8. Independent directors with opposing or reserved opinions: None.
9. Pursuant to Letter No. 1150001330 dated April 21, 2026 issued by the Securities and Futures Investors Protection Center, the Board

of Directors resolved to address the change in more than one-third of the directors following the re-election of directors at the extraordinary shareholders' meeting held on November 7, 2025, resulting in a material change in managerial control, as well as the proposed private placement amount exceeding 13% of the Company's paid-in capital, which may cause a material change in managerial control and affect the Company's business, financial condition, and shareholders' equity. Accordingly, the Company was required to engage a securities underwriter to issue an assessment opinion regarding the necessity and reasonableness of the private placement. Therefore, in accordance with the relevant regulations, the Company engaged Taishin Securities Co., Ltd. to issue an assessment opinion on the necessity and reasonableness of the private placement. For the assessment opinion, please refer to pages 29-31 of this handbook.

10. Pursuant to Article 43-6 of the Securities and Exchange Act, matters required to be explained in connection with the Company's proposal for the private placement of securities are available under the "Private Placement" section of the "Investment Information" area on the MOPS (https://mops.twse.com.tw?utm_source=chatgpt.com).

Resolution:

VI. Extraordinary motions

VII. End of Meeting

SUN YAD CONSTRUCTION CO., LTD.
Business Report

I. Business Report of the Previous Year (2025)

For 2025, the Company reported net operating revenue of NT$77,008 thousand, a decrease of 64.79% compared with NT$218,755 thousand in 2024. Operating loss was NT$297,722 thousand, an increase of NT$170,483 thousand compared with the 2024 operating loss of NT$127,240 thousand, representing an increase of approximately 133.98%. Non-operating net income amounted to NT$127,134 thousand, compared with a non-operating net expense of NT$76,417 thousand in 2024, an increase in income of NT$203,551 thousand, or 266.36%. As a result, loss before tax in 2025 was NT$170,588 thousand, compared with NT$203,657 thousand in 2024, a decrease in loss of NT$33,069 thousand, or 16.23%. Income tax expense for the period was NT$50 thousand, resulting in a net loss after tax of NT$170,638 thousand in 2025, compared with NT$204,561 thousand in 2024, a decrease in net loss of NT$33,923 thousand, or 16.58%. The main reason was the decrease in completed real estate projects and property handovers in 2025, leading to lower sales revenue and reduced profitability.

II. Business plan for this year (2026)

The 2026 business plan is as follows:

In 2025, Taiwan's housing market demonstrated a pattern of "stable prices with declining transaction volume and a cooling market." This was mainly attributable to the Central Bank's credit control measures, high interest rate environment, and inflation expectations, which led to conservative homebuying sentiment and a significant contraction in transaction volume for both newly built and existing homes, particularly in the pre-sale housing market. In terms of pricing, certain metropolitan areas in northern Taiwan experienced slight declines or remained flat, while some regions in central and southern Taiwan faced correction pressure. Looking ahead to 2026, the housing market may have an opportunity to recover, driven by the capital inflow effect resulting from continued interest rate cuts by the U.S. Federal Reserve and the possibility of the Central Bank easing its housing market policies in response to Taiwan's local mayoral and magistrate elections this year. The Company will continue to uphold its consistent high-quality development projects and adopt flexible pricing strategies, which may enable growth against the market trend in 2026.

(I) Active promotion of the sale of remaining households in the completed projects

Completed projects	Total number of households	Number of sold households	Number of remaining households	Remark
The King’s Castle	88	88	0	
Tiffany	82	79	3	
Yun Qian	8	2	6	
Mayfair	73	68	5	
The King’s Landscapes	71	16	55	

(II) Construction projects for pre-sale:

Mansion of Waterfront (The land on the north side to Jiufenzi Avenue, Guo-An Section, Annan District) is planned for two 35-story residential commercial mixed-use skyscrapers, and the construction permit was granted in 2021. The project has also commenced the pre-sale, with the sales rate already reaching 94% by end of 2025. The construction work commenced in Q1 of 2022, and the project is currently in progress, with the steel structure completed and concrete grouting underway.

(III) Projects not yet pre-sold:

The King (The land on the south side to Jiufenzi Avenue, Guoan Section, Annan District) is planned for three 36-storey super elevation complex buildings. The project has not yet been launched for pre-sale; however, a building permit was obtained in the first quarter of 2023. Construction is scheduled to commence in the fourth quarter of 2026, and diaphragm wall construction is currently in progress.

To summarize the Company's major projects, we believe that the domestic real estate market will remain uncertain in 2025 under the impact of various factors. The first half of the year is likely to remain sluggish, while the second half may show signs of recovery. The main revenue for 2026 is expected to come from the sale of completed units in the King’s Landscapes finished households. As the project is intended for luxury households, its customer base targets at high-asset customers. If the sales are successful, there should be a significant increase in revenue for the current year. Meanwhile, subject to the fund status, the Company will purchase land successively for construction of various household types, hoping to derive more operating revenue and profit for the Company.

Chairman: Chang Yu-Ming General Manager: Tseng Peng-Kuang Accounting Manager: Kuo Yu-Cheng

External Auditor's Report

To the Board of Directors of SUN YAD CONSTRUCTION CO., LTD.:

Audit Opinions

We have completed our review on the Balance Sheet of SUN YAD CONSTRUCTION CO., LTD. on December 31, 2025 and 2024, and Statement of Comprehensive Income, Statement of Changes in Equity, Cash Flow Statement, and Notes to the Parent Company Only Financial Statements (including a summary of significant accounting policies) for January 1 to December 31, 2025 and 2024.

In our opinion, said parent company only financial statements in all major respects are in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, based on our audit results and the other external auditors' report (please refer to the Other Matters section). They are sufficient to adequately express the consolidated financial status of the SUN YAD CONSTRUCTION CO., LTD. as of December 31, 2025 and 2024 and its financial performance and cash flow from January 1 through December 31, 2025 and 2024.

Basis for Opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of the report. We are independent of SUN YAD CONSTRUCTION CO., LTD. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions, based on our audit results and the other external auditors' report.

Other Matters

Included in the investments accounted for using the equity method in the above parent company only financial statements for 2025, the financial statements of Y-S Electronic Co., Ltd. have not been audited by this CPA, but have been audited by other CPAs. Accordingly, our opinion expressed on the aforementioned parent company only financial statements, with respect to the investments accounted for using the equity method as described above, was based on the audit reports of other independent auditors. As of December 31, 2025, the investment in Y-S Electronic Co., Ltd. accounted for using the equity method represented 1.57% of total assets. For the period from January 1 to December 31, 2025, the share of profit from subsidiaries and affiliates recognized using the equity method in respect of Y-S Electronic Co., Ltd. accounted for (0.26)% of loss before tax.

Key Audit Matters

Key audit matters refer to the most important matters for the audit of 2025 consolidated financial statements of the SUN YAD Group based on our professional judgment. 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. We judge that the following key audit matters should be communicated in the audit report:

I. Recognition of revenue - real estate sale

For the accounting policy on the recognition of revenue, please refer to Note IV(XIV) Recognition of Revenue in the parent company only financial statements. For the details on the recognition of revenue, please refer to Note VI(XX) Revenue in the parent company only financial statements.

Explanation of Key Audit Matters:

The revenue from the sale of real estate of SUN YAD CONSTRUCTION CO., LTD. was the main source of the operating revenue and recognized at the time of registration of the transfer of real estate title and physical settlement. The management might fail to recognize early, or defer the recognition of, the revenue, in order to attain the performance. Such transactions might not satisfy the revenue recognition principles, possibly resulting in a significant risk of over misrepresentation. Therefore, the recognition of revenue is identified as one of the important evaluation indicators in our audit on SUN YAD CONSTRUCTION CO., LTD.'s parent company only financial statements.

Audit procedures:

Our primary audit procedures for said key audit matters consist of verification of the control mechanism for the operating procedure of collecting and recognizing revenue from sales under the internal control system of SUN YAD CONSTRUCTION CO., LTD.. We conduct the random check on the house and land sales contracts, payment details, bank transaction records, real estate ownership transfer documents, and settlement list. We conduct the random check on each installment payment for house/land to analyze the integrity of bank's collections and unearned receipts out for the house/land payment accounting procedure. We select the transactions before and after the balance sheet date at random to check the related transaction documents and evaluate whether the revenue is recognized in a timely manner.

II. Inventory valuation

For the accounting policy on inventory valuation, please refer to Note IV(VII) Inventory in the parent company only financial statements. For the uncertainty in accounting estimates and hypotheses about net realizable value of inventory valuation, please refer to Note V in the consolidated financial statements. For the explanation of the net realizable value of inventory valuation, please refer to Note VI(VI) Inventory in the parent company only financial statements.

Explanation of Key Audit Matters:

SUN YAD CONSTRUCTION CO., LTD.'s inventory is measured at the lower of cost and net realizable value. As the real estate industry requires a high cash inflow with the long collection period, the industry is likely to be affected significantly by politics, economy and real estate tax systems and, therefore, there might be the risk that the inventory cost would be higher than the net realizable value. Therefore, the inventory valuation is identified as one of the important evaluation indicators in our audit on SUN YAD CONSTRUCTION CO., LTD.'s parent company only financial statements.

Audit procedures:

Our primary audit procedures for said key audit matters consist of access to the quotation about the real estate nearby according to the latest Actual Price Registration of Real Estate released by the Ministry of the Interior, and we evaluate the reasonableness of allowance for inventory valuation and obsolescence losses in the building industry and also evaluate whether the inventory valuation is executed in accordance with the Company's existing accounting policy, by translating the average selling prince into the net realizable value of inventory. Also, we evaluate whether the Company's disclosure of the information about loss allowance for inventory is adequate.

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

The 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 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 parent company only financial statements, the management is responsible for assessing the ability of SUN YAD CONSTRUCTION CO., LTD. to continue operations, disclosing related matters, as well as continuing operations with the basis of accounting, unless the management either intends to liquidate SUN YAD CONSTRUCTION CO., LTD. or to cease operations, or has no feasible alternative but to do so.

Those charged with governance (including Audit Committee) are responsible for overseeing the financial reporting process of SUN YAD CONSTRUCTION CO., LTD..

External Auditors' Responsibilities for the Audit on Parent Company Only Financial Statements

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

As part of an audit in accordance with the auditing standards, 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 internal control of SUN YAD CONSTRUCTION CO., LTD..
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of SUN YAD CONSTRUCTION CO., LTD. to continue as a going concern, based on the audit evidence obtained. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 SUN YAD CONSTRUCTION CO., LTD. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and contents of the parent company only financial statements, including the related notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of investees under equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion on the SUN YAD CONSTRUCTION CO., LTD..

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence under the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and to communicate with them all relationships and other matters that may reasonably be considered affecting our independence, and where applicable, other matters (including related safeguards).

From the matters communicated with the governance unit, we have determined key audit matters of 2025 parent company only financial statements of SUN YAD CONSTRUCTION CO., LTD.. 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.

KPMG Taiwan

CPAs:

Approval reference of securities competent authority:	:	Jin-Guan-Zhen-6-Zi No. 0960069825 Jin-Guan-Zhen-Shen-Zi No. 1130332775

March 30, 2026

SUN YAD CONSTRUCTION CO., LTD.

Balance Sheet

December 31, 2025 and 2024

Unit: NT$ Thousand

	Assets	2025.12.31 Amount	%	2024.12.31 (adjusted) Amount	%
	Current assets:				
1100	Cash and cash equivalents (Note VI(I))	$ 333,872	4	388,268	5
1110	Financial assets at fair value through profit or loss - non-current (Note VI(II) and XIV)	-	-	121	-
1136	Financial assets measured at amortized cost - current (Note VI(IV))	51,000	-	1,000	-
1210	Other receivables-related party (Note VI(V) and VII)	150,351	2	261	-
1220	Income tax assets for the current period	838	-	818	-
130X	Inventory (Note VI(VI), VII and VIII)	6,531,577	70	5,976,045	74
1410	Prepayments (Note VII)	327,304	4	292,884	4
1470	Other current assets	206,400	2	201,024	2
1476	Other financial assets - current (Note VIII)	383,258	4	126,422	2
	Total current assets	7,984,600	86	6,986,843	87
	Non-current assets:				
1510	Financial assets at fair value through profit or loss - non-current (Note VI(II) and XIV)	-	-	3,732	-
1521	Financial assets at fair value through other comprehensive income - non-current (Note VI(III))	11,746	-	10,500	-
1550	Investment under equity method (Note VI(VII))	1,304,089	14	911,572	11
1600	Property, plant and equipment (Note VI(VIII) and VII)	1,911	-	2,040	-
1755	Right-of-use assets (Notes VI(IX))	4,892	-	10,557	-
1780	Intangible assets (Note VI (X))	967	-	283	-
1840	Deferred income tax assets (Note VI(XVI))	197	-	197	-
1920	Refundable deposits	878	-	961	-
1980	Other financial assets - non-current (Note VIII)	-	-	163,000	2
1990	Other non-current assets	215	-	119	-
	Total non-current assets	1,324,895	14	1,102,961	13
	Total assets	**$ 9,309,495**	**100**	**8,089,804**	**100**

	Liabilities and equity	2025.12.31 Amount	%	2024.12.31 (adjusted) Amount	%
	Current liabilities:				
2100	Short-term loan (Notes 6(XI) and VIII)	$ 3,421,781	37	3,117,592	39
2110	Short-term bills and notes payable (Notes VI(XII) and VIII)	233,585	3	249,716	3
2120	Financial liabilities at fair value through profit or loss - non-current (Note VI(II) and (XIV))	1,076	-	-	-
2130	Contract liabilities - current (Note VI(XX) and IX)	894,103	10	752,780	9
2150	Notes payable	-	-	84	-
2170	Accounts payable	55,631	-	97,593	1
2180	Other payables - related party (Note VII)	11,512	-	-	-
2200	Other payables (Note VII)	34,961	-	51,904	1
2280	Lease liabilities - current (Note VI(XIII))	4,977	-	5,863	-
2321	Corporate bonds payable due within one year or one business cycle (Notes VI(XIV) and VIII)	493,369	5	131,773	2
2399	Other current liabilities (Note VII)	10,469	-	3,965	-
	Total current liabilities	5,161,464	55	4,411,270	55
	Non-current liabilities:				
2530	Corporate bonds payable (Note VI(XIV) and VIII)	-	-	372,778	5
2580	Lease liabilities - non-current (Note VI(XIII))	179	-	5,156	-
2645	Deposits received	420	-	220	-
	Total non-current liabilities	599	-	378,154	5
	Total liabilities	5,162,063	55	4,789,424	60
	Equity (Notes VI(III), (VII), (XIV), (XVI), (XVII) and (XVIII))				
3100	Capital stock	3,685,312	40	3,010,160	37
3200	Capital surplus	1,002,197	11	649,691	8
3350	Accumulated deficit	(483,221)	(5)	(312,608)	(4)
3400	Other equity	73	-	(151)	-
3500	Treasury stock	(56,929)	(1)	(46,712)	(1)
	Total equity	4,147,432	45	3,300,380	40
	Total liabilities and equity	**$ 9,309,495**	**100**	**8,089,804**	**100**

(Please refer the Notes to Parent Company Only Financial Statements.)

Chairman: Chang Yu-Ming **Manager: Tseng Peng-Kuang** **Accounting Manager: Kuo Yu-Cheng**

SUN YAD CONSTRUCTION CO., LTD.

Statement of Comprehensive Income

January 1 to December 31, 2025 and 2024

Unit: NT$ Thousand

		2025		2024 (adjusted)	
		Amount	%	Amount	%
4000	**Net operating revenue (Notes VI(XX))**	$ 77,008	100	218,755	100
5000	**Operating cost (Notes VI(VI) and VII)**	38,725	50	119,889	55
5900	**Gross profit**	38,283	50	98,866	45
6000	**Operating expenses: (Notes VI(VIII), (IX), (X), (XIII), (XV), (XVIII), VII and XII)**				
6100	Selling expenses	92,551	120	103,892	47
6200	Management expenses	243,454	316	122,214	56
	Total operating expenses	336,005	436	226,106	103
6900	**Operating loss, net**	(297,722)	(386)	(127,240)	(58)
	Non-operating revenue and expenditure: (Note VI(II), (VII), (XIII), (XIV), (XXII) and VII)				
7100	Interest revenue	7,464	10	3,288	1
7020	Other gains and losses	25,187	33	27,774	12
7050	Financial cost	(68,817)	(89)	(86,096)	(39)
7375	Share of profit or loss of subsidiaries and associates recognized under equity method	163,300	212	(21,383)	(10)
	Total non-operating revenue and expenditure	127,134	166	(76,417)	(36)
7900	**Net loss before tax**	(170,588)	(220)	(203,657)	(94)
7950	**Less: Income tax expenses (gains) (Note VI(XVI))**	50	-	904	-
8200	**Net loss for the current period**	(170,638)	(220)	(204,561)	(94)
8300	**Other comprehensive income:**				
8310	**Items not reclassified into income (Note VI(XVI) and (XVII))**				
8316	Unrealized valuation gains or loss on investment in equity instrument at fair value through other comprehensive income	(1,204)	(2)	-	-
8331	Remeasurement of defined benefit plans of subsidiaries	31	-	(20)	-
8336	Unrealized valuation gains or loss on subsidiaries' investment in equity instrument at fair value through other comprehensive income	(5)	-	(170)	-
8349	Less: Income tax related to items that are not reclassified	6	-	(4)	-
	Total items not reclassified into income:	(1,184)	(2)	(186)	-
8360	**Items that may be subsequently reclassified into income (Note VI(XVI) and (XVII))**				
8381	Share of other comprehensive income of subsidiaries under equity method-Exchange differences on translation of foreign financial statements	1,119	1	4	-
8399	Less: Income tax related to items that might be reclassified	-	-	-	-
	Total items likely to be reclassified into income subsequently	1,119	1	4	-
	Other comprehensive income for the current period	(65)	(1)	(182)	-
8500	**Total comprehensive income**	**$ (170,703)**	**(221)**	**(204,743)**	**(94)**
	Earnings (loss) per share (Note VI(XIX) (Unit: NT$)				
9750	**Basic and diluted loss per share**	**$**	**(0.52)**		**(0.75)**

(Please refer the Notes to Parent Company Only Financial Statements.)

Chairman: Chang Yu-Ming **Manager: Tseng Peng-Kuang** **Accounting Manager: Kuo Yu-Cheng**

SUN YAD CONSTRUCTION CO., LTD.

Statement of Changes in Equity

January 1 to December 31, 2025 and 2024

Unit: NT$ Thousand

			Retained earnings				Other equity items				
	Common stock capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings (accumulated deficit)	Total	Exchange differences on translation of foreign financial statements	Unrealized valuation gain (loss) from financial assets at fair value through other comprehensive income	Total	Treasury stock	Total equity
Balance on January 1, 2024	$ 2,804,169	288,659	12,161	25,949	(145,869)	(107,759)	(182)	197	15	(82,303)	2,902,781
Net loss for the current period (adjusted)	-	-	-	-	(204,561)	(204,561)	-	-	-	-	(204,561)
Other comprehensive income for the current period	-	-	-	-	(16)	(16)	4	(170)	(166)	-	(182)
Total comprehensive income	-	-	-	-	(204,577)	(204,577)	4	(170)	(166)	-	(204,743)
Issuance of convertible corporate bonds - conversion rights	-	35,252	-	-	-	-	-	-	-	-	35,252
Convertible corporate bonds	161,381	47,775	-	-	-	-	-	-	-	-	209,156
A subsidiary's disposal of the parent company's shares is treated as treasury stock	-	12,282	-	-	-	-	-	-	-	35,591	47,873
Changes in the ownership and equity of the subsidiary	-	257,824	-	-	(272)	(272)	-	-	-	-	257,552
Exercise of employee stock options	44,610	7,138	-	-	-	-	-	-	-	-	51,748
Share-based payment transactions	-	761	-	-	-	-	-	-	-	-	761
Balance on December 31, 2024 (adjusted)	**3,010,160**	**649,691**	**12,161**	**25,949**	**(350,718)**	**(312,608)**	**(178)**	**27**	**(151)**	**(46,712)**	**3,300,380**
Net loss for the current period	-	-	-	-	(170,638)	(170,638)	-	-	-	-	(170,638)
Other comprehensive income for the current period	-	-	-	-	25	25	1,119	(1,209)	(90)	-	(65)
Total comprehensive income	-	-	-	-	(170,613)	(170,613)	1,119	(1,209)	(90)	-	(170,703)
Cash capital increase	650,000	130,000	-	-	-	-	-	-	-	-	780,000
Convertible corporate bonds	14,422	6,713	-	-	-	-	-	-	-	-	21,135
The stocks of the parent company purchased by a subsidiary shall be identified as treasury stocks.	-	-	-	-	-	-	-	-	-	(10,322)	(10,322)
Disposal of parent company shares by subsidiaries accounted for as treasury share transactions	-	(3,292)	-	-	-	-	-	-	-	-	(3,292)
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	314	-	314	-	314
Changes in the ownership and equity of the subsidiary	-	187,801	-	-	-	-	-	-	-	105	187,906
Exercise of employee stock options	10,730	1,546	-	-	-	-	-	-	-	-	12,276
Share-based payment transactions	-	29,738	-	-	-	-	-	-	-	-	29,738
Balance on December 31, 2025	**$ 3,685,312**	**1,002,197**	**12,161**	**25,949**	**(521,331)**	**(483,221)**	**1,255**	**(1,182)**	**73**	**(56,929)**	**4,147,432**

(Please refer the Notes to Parent Company Only Financial Statements.)

Chairman: Chang Yu-Ming **Manager: Tseng Peng-Kuang** **Accounting Manager: Kuo Yu-Cheng**

SUN YAD CONSTRUCTION CO., LTD.

Cash Flow Statement

January 1 to December 31, 2025 and 2024

Unit: NT$ Thousand

	2025	2024 (adjusted)
Cash flow from operating activities:		
Net loss before tax for the current period	$ (170,588)	(203,657)
Adjustment:		
Adjustments to reconcile profit (loss)		
Depreciation expenses	6,760	6,489
Amortization expenses	321	281
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	4,929	(7,352)
Interest expenses	68,817	86,096
Interest revenue	(7,464)	(3,288)
Share-based payment transactions	29,738	761
Share of profit or loss of subsidiaries and affiliates recognized under equity method	(163,300)	21,383
Proceeds from disposal of property, plant and equipment	(27)	(4)
Gain on disposal of investments	(35,288)	-
Unrealized foreign currency exchange loss (gain)	2	(1)
Adjustments to reconcile profit (loss)	(95,512)	104,365
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Decrease in other receivables - related party	91	9,135
Increase in inventories	(510,656)	(337,986)
Increase in prepayments	(34,420)	(58,152)
Increase in other current assets	(5,376)	(74,024)
Increase in other non-current assets	(96)	(119)
Total net changes in assets related to operating activities	(550,457)	(461,146)
Net changes in liabilities related to operating activities:		
Increase in contract liabilities	141,323	134,080
(Decrease) increase in notes payable	(84)	84
Decrease in accounts payable	(41,962)	(267,482)
Increase in other payables - related party	11,512	(191,555)
(Decrease) increase in other payables	(17,873)	25,525
Increase (decrease) in other current liabilities	6,504	(4,570)
Total net changes in liabilities related to operating activities	99,420	(303,918)
Total net changes in assets and liabilities related to operating activities	(451,037)	(765,064)
Total adjustments	(546,549)	(660,699)
Cash outflow from operation	(717,137)	(864,356)
Interest collected	7,283	3,308
Dividends collected	18,249	4,513
Interest paid	(102,810)	(92,812)
Income tax paid	(70)	(1,106)
Net cash outflow from operating activities	(794,485)	(950,453)
Cash flow from investing activities:		
Proceeds from disposal of financial assets at fair value through profit or loss	-	7,010
(Increase) decrease in financial assets measured at amortized cost	(50,000)	199,000
Acquisition of financial assets at fair value through other comprehensive income	(2,450)	(10,500)
Acquisition of investment under equity method	(36,433)	-
Acquisition of property, plant and equipment	(975)	(94)
Proceeds from disposal of property, plant and equipment	36	7
Decrease in refundable deposits	83	288
(Increase) decrease in other receivables - related party	(150,000)	10,000
Acquisition of intangible assets	(1,005)	-
(Increase) decrease in other financial assets - current	(256,836)	79,093
Decrease (increase) in other financial assets-current	163,000	(163,000)
Net cash (outflow) inflow from investing activities	(334,580)	121,804
Cash flow from financing activities:		
Increase in short-term loans	468,300	380,050
Decrease in short-term loans	(164,111)	(80,500)
(Decrease) increase in short-term bills and notes payable	(16,131)	249,716
Issuance of convertible corporate bonds	-	404,307
Repayment of corporate bonds	-	(11,500)
Increase in deposits received	200	-
Repayment of principal for lease	(5,863)	(5,483)
Cash capital increase	780,000	-
Exercise of employee stock options	12,276	51,748
Net cash inflow from financing activities	1,074,671	988,338
Effect of changes in foreign exchange rate to cash and cash equivalents	(2)	1
(Decrease) increase in cash and cash equivalents during the period	(54,396)	159,690
Balance of cash and cash equivalents, beginning	388,268	228,578
Balance of cash and cash equivalents, ending	**$ 333,872**	**388,268**

(Please refer the Notes to Parent Company Only Financial Statements.)

Chairman: Chang Yu-Ming **Manager: Tseng Peng-Kuang** **Accounting Manager: Kuo Yu-Cheng**

External Auditor's Report

To the Board of Directors of SUN YAD CONSTRUCTION CO., LTD.:

Audit Opinions

We have completed our review on the Consolidated Balance Sheet of SUN YAD CONSTRUCTION CO., LTD. and its subsidiaries (hereinafter referred to as "SUN YAD Group") on December 31, 2025 and 2024, and Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) for January 1 to December 31, 2025 and 2024.

In our opinion, said consolidated financial statements in all major respects are in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), IFRIC Interpretation, or SIC Interpretation endorsed by the Financial Supervisory Commission, based on our audit results and the other external auditors' report (please refer to the Other Matters section). They are sufficient to adequately express the consolidated financial status of the SUN YAD Group as of December 31, 2025 and 2024 and its consolidated financial performance and consolidated cash flow from January 1 through December 31, 2025 and 2024.

Basis for Opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of the report. We are independent of SUN YAD Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions, based on our audit results and the other external auditors' report.

Other Matters

Included in the consolidated financial statements of SUN YAD Group for 2025 are investments accounted for using the equity method and subsidiaries. The financial statements of Y-S Electronic Co., Ltd. and its subsidiaries have not been audited by this CPA, but have been audited by other CPAs. Accordingly, in the opinion expressed on the above-mentioned consolidated financial statements, this CPA relied on the audit reports of other CPAs. The total assets of Y-S Electronic Co., Ltd. and its subsidiaries as of December 31, 2025 accounted for 4% of the consolidated total assets, and their net operating revenue for the period from January 1 to December 31, 2025 accounted for 3% of the consolidated net operating revenue. And the share of profit or loss of affiliates recognized using the equity method accounted for 0.14% of consolidated profit before tax.

SUN YAD CONSTRUCTION CO., LTD. has prepared the parent company only financial statements 2025 and 2024, which we have audited and on which we issued an unmodified opinion with an emphasis-of-matter paragraph and an unmodified opinion, respectively, for reference purposes.

Key Audit Matters

Key audit matters refer to the most important matters for the audit of 2025 consolidated financial statements of the SUN YAD Group based on our professional judgment. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We judge that the following key audit matters should be communicated in the audit report:

I. Recognition of revenue - real estate sale

For the accounting policy about recognition of property sales revenue, please refer to Notes IV(XVI) Recognition of Revenue in the consolidated financial statements. For the disclosures related to the recognition of revenue, please refer to Note VI(XXVIII) Revenue from contracts with customers in the consolidated financial statements.

Explanation of Key Audit Matters:

The revenue from sale of real estate of SUN YAD Group was recognized at the time of registration of the transfer of real estate title and physical settlement. Management might fail to recognize revenue early or defer the recognition of revenue in order to attain a better performance. Such transactions might not satisfy the revenue recognition principles, possibly resulting in significant risk over misrepresentation. Therefore, the recognition of revenue is identified as one of the important evaluation indicators in our audit on SUN YAD Group's consolidated financial statements.

Audit procedures:

Our primary audit procedures for said key audit matters consist of verification of the control mechanism for the operating procedure of collecting and recognizing revenue from sales under the company's internal control system. We conduct the random check on the house and land sales contracts, payment details, bank transaction records, real estate ownership transfer documents, and settlement list. We conduct the random check on each installment payment for house/land to analyze the integrity of bank's collections and unearned receipts out for the house/land payment accounting procedure. We select the transactions before and after the balance sheet date at random to check the related transaction documents and evaluate whether the revenue is recognized in a timely manner.

II. Recognition of Revenue - Health Food and Apparel Segment

For the accounting policy on revenue recognition of the health food and apparel segment, please refer to Note IV(XVI) Recognition of Revenue of the consolidated financial statements; for disclosures related to revenue, please refer to Note VI(XXVII) Revenue from contracts with customers of the consolidated financial statements.

Explanation of Key Audit Matters:

The SUN YAD Group is a TPEx-listed company involving public interest, and investors place significant attention on its operating performance. Accordingly, revenue recognition of the health food and apparel segment is one of the key audit matters considered by us in performing the audit of the consolidated financial statements.

Audit procedures:

The principal audit procedures performed by us in relation to the above key audit matter included understanding the relevant internal controls over revenue recognition for the health food and apparel segment; gaining an understanding of the transaction methods and terms in order to assess whether the accounting policies for the timing of revenue recognition for the health food and apparel segment are appropriate; selecting samples and reviewing sales contracts or orders to evaluate the impact of contract terms and transaction conditions on revenue recognition for the health food and apparel segment and to confirm whether the accounting treatment is appropriate; and assessing whether the relevant revenue information has been appropriately disclosed.

III. Inventory valuation

For the accounting policy on inventory valuation, please refer to Note IV(VIII) Inventory in the consolidated financial statements. For the uncertainty in accounting estimates and hypotheses about net realizable value of inventory valuation, please refer to Note V in the consolidated financial statements. For the explanation of the net realizable value of inventory valuation, please refer to Note VI(VII) Inventory in the consolidated financial statements.

Explanation of Key Audit Matters:

The SUN YAD Group measures inventories at the lower of cost and net realizable value. Construction industry: Due to the high capital requirements and long payback period of the real estate sector, and the industry being significantly affected by political and economic conditions as well as housing tax reforms, there is a risk that inventory costs may exceed net realizable value. Manufacturing industry: Due to changes in market supply and demand, as well as product obsolescence or reduced market demand, sales of related products may fluctuate significantly, resulting in inventory obsolescence and a risk that inventory costs may exceed net realizable value. Therefore, the inventory valuation is identified as one of the important evaluation indicators in our audit on SUN YAD Group's consolidated financial statements.

Audit procedures:

The principal audit procedures performed by us in relation to the above key audit matters include: For the construction industry, we obtained the most recent real estate actual transaction price registration values announced by the Ministry of the Interior and nearby market transaction data, and converted the average selling price into the net realizable value of inventories, or obtained appraisal reports from real estate appraisers or transaction market prices, to assess the reasonableness of the provision for inventory impairment or obsolescence in the construction segment and whether inventory valuation was performed in accordance with the Company's established accounting policies. For the manufacturing industry, we obtained an understanding of management's policy for evaluating inventory obsolescence and compared it with the actual historical obsolescence of inventories to assess the accuracy of management's past estimates; obtained inventory aging reports, selected samples and traced them to inventory movement documents to test the accuracy of inventory aging calculations; recalculated the allowance for inventory obsolescence based on the applicable provision rates for each aging category; and assessed whether the Company's disclosures regarding the allowance for inventory losses were appropriate.

IV. Business combination

For the accounting policy on business combinations, please refer to Note IV(XXI) Business Combinations of the consolidated financial statements; for estimation and assumption uncertainty in the acquisition of subsidiaries, please refer to Note V of the consolidated financial statements; and for disclosures related to business combinations, please refer to Note VI(IX) Business combinations of the consolidated financial statements.

Explanation of Key Audit Matters:

The management of the SUN YAD Group engaged external independent valuation experts to issue a purchase price allocation report, and based on the valuation results of such report, recognized and adjusted the fair values of the related identifiable intangible assets, as well as goodwill or bargain purchase gain. Since the allocation of the purchase price involves assumptions in accounting estimates, including valuation models, key parameter settings, future cash flows, and the use of discount rates, the evaluation of the purchase price allocation report is therefore one of the key audit matters considered by us in performing the audit of the consolidated financial statements.

Audit procedures:

Our principal audit procedures for the abovementioned key audit matter included interviewing management to understand the purpose of the equity transaction and the evaluation process, and reviewing the price reasonableness opinion issued by the expert; selecting samples to review the minutes of Board of Directors meetings and equity transaction agreements to confirm that the relevant resolutions were consistent with the contents of the equity transaction agreements; assessing the competence and objectivity of the external independent valuation expert engaged by management; selecting samples and engaging our valuation experts to perform relevant procedures in assessing whether the key assumptions and valuation methods adopted in the purchase price allocation report issued by the external independent valuation expert were reasonable; and evaluating whether the Company's disclosures relating to the business combination were appropriate.

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

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and with International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), IFRIC Interpretation, or SIC Interpretation endorsed and promulgated in effect by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the ability of SUN YAD Group to continue operations, disclosing related matters, as well as continuing operations with the basis of accounting, unless the management either intends to liquidate SUN YAD Group or to cease operations, or has no feasible alternative but to do so.

Those charged with governance (including Audit Committee) are responsible for overseeing the financial reporting process of SUN YAD Group.

External Auditors' Responsibilities for the Audit on Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement in the consolidated financial statements 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 auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of SUN YAD Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of SUN YAD Group to continue as a going concern, based on the audit evidence obtained. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause SUN YAD Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and contents of the consolidated financial statements, including the related notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities 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 on the Group.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence under the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and to communicate with them all relationships and other matters that may reasonably be considered affecting our independence, and where applicable, other matters (including related safeguards).

From the matters communicated with the governance unit, we have determined key audit matters of 2025 consolidated financial statements of SUN YAD Group. 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.

KPMG Taiwan

CPAs:

Approval reference of securities competent authority: : Jin-Guan-Zhen-6-Zi No. 0960069825
Jin-Guan-Zhen-Shen-Zi No. 1130332775

March 30, 2026

SUN YAD CONSTRUCTION CO., LTD. and Its' Subsidiaries

Consolidated Balance Sheet

December 31, 2025 and 2024

Unit: NT$ Thousand

	Assets	2025.12.31 Amount	%	2024.12.31 (adjusted) Amount	%
	Current assets:				
1100	Cash and cash equivalents (Note VI(I))	$ 2,907,472	12	1,631,952	9
1110	Financial assets at fair value through profit or loss - current (Notes VI(II) and (XXI))	18,708	-	134,161	1
1136	Financial assets measured at amortized cost - current (Note VI(IV))	1,199,795	5	289,623	2
1140	Contract assets - current (Note VI(XXVIII))	41,387	-	-	-
1150	Net notes receivable (Note VI(V) and (XXVIII))	62,657	-	24,426	-
1170	Net accounts receivable (Note VI(V), (XXVIII) and VII)	508,034	2	205,876	1
1200	Other receivables (Note VI(VI) and VII)	77,294	-	9,629	-
1220	Income tax assets for the current period	4,400	-	3,050	-
130X	Inventory (Note VI(VII), VIII and IX)	11,424,530	46	10,301,383	57
1410	Prepayments	772,156	3	414,236	3
1470	Other current assets	34,270	-	247,648	1
1476	Other financial assets - current (Note VIII)	454,534	2	206,461	1
	Total current assets	17,505,237	70	13,468,445	75
	Non-current assets:				
1510	Financial assets at fair value through profit or loss - non-current (Note VI(II), (XXI) and VIII)	372,378	2	393,741	2
1521	Financial assets at fair value through other comprehensive income - non-current (Note VI(III))	80,082	-	77,964	-
1535	Financial assets measured at amortized cost - non-current (Note VI(IV) and VIII)	240,967	1	152,653	1
1550	Investment under equity method (Note VI(VIII))	132,297	1	-	-
1600	Property, plant and equipment (Note VI(IX), (XII), VIII and IX)	3,565,844	14	2,992,474	17
1755	Right-of-use assets (Notes VI(IX) and (XIII))	375,688	2	116,926	1
1760	Investment property (Notes VI(XIV), (XXII) and VIII)	411,940	2	419,750	2
1780	Intangible assets (Note VI(IX) and (XV))	1,421,577	6	186,216	1
1840	Deferred income tax assets (Note VI(IX) and (XXIV))	49,896	-	28,660	-
1920	Refundable deposits (Note VII and VIII)	39,193	-	18,501	-
1960	Prepayments for investments (Note VI(II))	455,001	2	-	-
1980	Other financial assets - non-current (Note VIII)	81,793	-	163,000	1
1990	Other non-current assets (Note VI(XII) and (XXIII))	87,903	-	14,770	-
	Total non-current assets	7,314,559	30	4,564,655	25
	Total assets	**$ 24,819,796**	**100**	**18,033,100**	**100**

	Liabilities and equity	2025.12.31 Amount	%	2024.12.31 (adjusted) Amount	%
	Current liabilities:				
2100	Short-term loan (Notes VI(XVI) and VIII)	$ 6,103,187	25	5,554,426	31
2110	Short-term bills and notes payable (Notes VI(XVII) and VIII)	333,336	1	399,440	2
2120	Financial liabilities at fair value through profit or loss - non-current (Note VI(II) and (XXI))	1,076	-	-	-
2130	Contract liabilities - current (Note VI(XXVIII) and IX)	1,433,810	6	1,189,912	7
2150	Notes payable	2,790	-	28,380	-
2170	Accounts payable	763,207	3	429,491	3
2200	Other payables (Note VII)	551,176	2	209,353	1
2230	Income tax liabilities for the current period	355,257	1	51,711	-
2250	Provision for liabilities - current (Notes VI(XX) and (XXIII))	16,208	-	5,000	-
2280	Lease liabilities - current (Note VI(XIX))	61,273	-	20,593	-
2321	Corporate bonds payable due within one year or one business cycle (Notes VI(XXI) and VIII)	493,369	2	131,773	1
2322	Long-term loan due within one year or one business cycle (Note VI(XVIII) and VIII)	58,548	-	66,936	-
2399	Other current liabilities	52,650	-	20,362	-
	Total current liabilities	10,225,887	40	8,107,377	45
	Non-current liabilities:				
2530	Corporate bonds payable (Notes VI(XXI) and VIII)	378,437	2	748,534	4
2540	Long-term loan (Notes VI(XVIII) and VIII)	204,463	1	74,854	-
2572	Deferred income tax liabilities (Note VI(IX) and (XXIV))	188,960	1	81,579	-
2580	Lease liabilities - non-current (Note VI(XIX))	340,815	1	108,811	1
2640	Net defined benefit liabilities - non-current (Note VI(XXIII))	2,726	-	-	-
2645	Deposits received	6,894	-	5,771	-
	Total non-current liabilities	1,122,295	5	1,019,549	5
	Total liabilities	11,348,182	45	9,126,926	50
	Equity attributed to owners of the parent (Note VI(X), (XI), (XXI), (XXV) and (XXVI)):				
3100	Capital stock	3,685,312	15	3,010,160	17
3200	Capital surplus	1,002,197	4	649,691	4
3350	Accumulated deficit	(483,221)	(2)	(312,608)	(2)
3400	Other equity	73	-	(151)	-
3500	Treasury stock	(56,929)	-	(46,712)	-
	Total equity attributed to owners of the parent	4,147,432	17	3,300,380	19
	Non-controlling equity:				
36XX	Non-controlling equity (Notes VI(IX), (X) and (XI))	9,324,182	38	5,605,794	31
	Total equity	13,471,614	55	8,906,174	50
	Total liabilities and equity	**$ 24,819,796**	**100**	**18,033,100**	**100**

(See accompanying notes to consolidated financial statements)

Chairman: Chang Yu-Ming **Manager: Tseng Peng-Kuang** **Accounting Manager: Kuo Yu-Cheng**

SUN YAD CONSTRUCTION CO., LTD. and Its' Subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to December 31, 2025 and 2024

Unit: NT$ Thousand

		2025		2024 (adjusted)	
		Amount	%	Amount	%
4000	**Net operating revenue (Notes VI(XI), (XXVIII) and VII)**	$ 4,404,254	100	1,491,234	100
5000	**Operating cost (Note VI(VII), (XIX), (XX), (XXIII), VII and XII)**	2,688,121	61	1,010,282	68
5900	**Gross profit**	1,716,133	39	480,952	32
6100	**Operating expenses (Notes VI(V), (XIX), (XXIII), (XXVI), VII and XII):**				
6100	Selling expenses	514,315	12	234,910	16
6200	Management expenses	828,474	19	327,452	22
6300	R&D expenses	50,439	1	21,025	1
6450	Gain on reversal of expected credit impairment	(9)	-	(580)	-
		1,393,219	32	582,807	39
6900	**Operating profit (loss)**	322,914	7	(101,855)	(7)
	Non-operating revenue and expenditure: (Note VI(II), (III), (VIII), (IX), (XIX), (XXI), (XXII), (XXX) and VII)				
7100	Interest revenue	37,960	1	20,069	1
7190	Other revenue	13,567	-	12,975	1
7140	Gain recognized in bargain purchase transaction	721	-	543,086	36
7020	Other gains and losses	899,772	20	105,042	7
7050	Financial cost	(129,487)	(3)	(124,981)	(8)
7060	Share of profit or loss of affiliated companies recognized under equity method	(3,201)	-	-	-
	Total non-operating revenue and expenditure	819,332	18	556,191	37
7900	**Net profit before tax**	1,142,246	25	454,336	30
7950	**Less: Income tax expenses (gains) (Note VI(XXIV))**	380,328	8	54,974	4
8200	**Income from**	761,918	17	399,362	26
8300	**Other comprehensive income:**				
8310	**Items not reclassified into income (Note VI(XXIV) and (XXV))**				
8311	Remeasurement of defined benefit plan	3,381	-	(1,836)	-
8316	Unrealized valuation gains or loss on investment in equity instrument at fair value through other comprehensive income	(1,539)	-	(122)	-
8320	Share of other comprehensive income of affiliates accounted for using the equity method - items not reclassified to profit or loss	650	-	-	-
8349	Less: Income tax related to items that are not reclassified	677	-	(367)	-
	Total items not reclassified into income:	1,815	-	(1,591)	-
8360	**Items that may be subsequently reclassified into income (Note VI(XXIV) and (XXV))**				
8361	Exchange differences on translation of foreign financial statements	20,358	-	7	-
8367	Unrealized valuation gains or loss on investment in debt instrument at fair value through other comprehensive income	27	-	(286)	-
8370	Share of other comprehensive income of affiliates and joint ventures accounted for using the equity method - items that may be reclassified subsequently to profit or loss	(4,476)	-	-	-
8399	Less: Income tax related to items that might be reclassified	5	-	(57)	-
	Total items likely to be reclassified into income subsequently	15,904	-	(222)	-
8300	**Other comprehensive income (net after tax)**	17,719	-	(1,813)	-
8500	**Total comprehensive income**	**$ 779,637**	**17**	**397,549**	**26**
	Net income (loss) of the period attributed to:				
8610	Owners of the parent	$ (170,638)	(4)	(204,561)	(14)
8620	Non-controlling equity	932,556	21	603,923	40
		$ 761,918	**17**	**399,362**	**26**
	The total comprehensive income shall be vested in:				
8710	Owners of the parent	$ (170,703)	(4)	(204,743)	(14)
8720	Non-controlling equity	950,340	21	602,292	40
		$ 779,637	**17**	**397,549**	**26**
	Loss per share (Note VI(XXVII) (Unit: NT$)				
9750	**Basic loss per share**	**$**	**(0.52)**		**(0.75)**

(See accompanying notes to consolidated financial statements)

Chairman: Chang Yu-Ming **Manager: Tseng Peng-Kuang** **Accounting Manager: Kuo Yu-Cheng**

SUN YAD CONSTRUCTION CO., LTD. and Its' Subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31, 2025 and 2024

Unit: NT$ Thousand

	Equity attributed to owners of the parent												
			Retained earnings				Other equity items						
	Common stock capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings (accumulated deficit)	Total	Exchange differences on translation of foreign financial statements	Unrealized valuation gain (loss) from financial assets at fair value through other comprehensive income	Total	Treasury stock	Total equity attributed to owners of the parent	Non-controlling equity	Total equity
Balance on January 1, 2024	$ 2,804,169	288,659	12,161	25,949	(145,869)	(107,759)	(182)	197	15	(82,303)	2,902,781	2,890,478	5,793,259
Income (loss) (adjusted)	-	-	-	-	(204,561)	(204,561)	-	-	-	-	(204,561)	603,923	399,362
Other comprehensive income for the current period	-	-	-	-	(16)	(16)	4	(170)	(166)	-	(182)	(1,631)	(1,813)
Total comprehensive income	-	-	-	-	(204,577)	(204,577)	4	(170)	(166)	-	(204,743)	602,292	397,549
Issuance of convertible corporate bonds - conversion rights	-	35,252	-	-	-	-	-	-	-	-	35,252	-	35,252
Convertible corporate bonds	161,381	47,775	-	-	-	-	-	-	-	-	209,156	-	209,156
Subsidiaries' conversion of convertible corporate bonds	-	-	-	-	-	-	-	-	-	-	-	790,372	790,372
Disposal of parent company shares by subsidiaries accounted for as treasury share transactions	-	12,282	-	-	-	-	-	-	-	35,591	47,873	226,136	274,009
Subsidiaries' allocation of cash dividends to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(99,368)	(99,368)
Changes in the ownership and equity of the subsidiary	-	257,824	-	-	(272)	(272)	-	-	-	-	257,552	41,114	298,666
Share-based payment transactions	-	761	-	-	-	-	-	-	-	-	761	392	1,153
Exercise of employee stock options	44,610	7,138	-	-	-	-	-	-	-	-	51,748	-	51,748
Decrease/increase in non-controlling equity	-	-	-	-	-	-	-	-	-	-	-	1,154,378	1,154,378
Balance on December 31, 2024 (adjusted)	**3,010,160**	**649,691**	**12,161**	**25,949**	**(350,718)**	**(312,608)**	**(178)**	**27**	**(151)**	**(46,712)**	**3,300,380**	**5,605,794**	**8,906,174**
Income (loss)	-	-	-	-	(170,638)	(170,638)	-	-	-	-	(170,638)	932,556	761,918
Other comprehensive income for the current period	-	-	-	-	25	25	1,119	(1,209)	(90)	-	(65)	17,784	17,719
Total comprehensive income	-	-	-	-	(170,613)	(170,613)	1,119	(1,209)	(90)	-	(170,703)	950,340	779,637
Cash capital increase	650,000	130,000	-	-	-	-	-	-	-	-	780,000	-	780,000
Convertible corporate bonds	14,422	6,713	-	-	-	-	-	-	-	-	21,135	-	21,135
The stocks of the parent company purchased by a subsidiary shall be identified as treasury stocks.	-	-	-	-	-	-	-	-	-	(10,322)	(10,322)	(367,622)	(377,944)
Disposal of parent company shares by subsidiaries accounted for as treasury share transactions	-	(3,292)	-	-	-	-	-	-	-	-	(3,292)	135,083	131,791
Subsidiaries' allocation of cash dividends to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(165,193)	(165,193)
Changes in the ownership and equity of the subsidiary	-	187,801	-	-	-	-	-	-	-	105	187,906	1,696,720	1,884,626
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	314	-	314	-	314	-	314
Share-based payment transactions	-	29,738	-	-	-	-	-	-	-	-	29,738	-	29,738
Exercise of employee stock options	10,730	1,546	-	-	-	-	-	-	-	-	12,276	-	12,276
Decrease/increase in non-controlling equity	-	-	-	-	-	-	-	-	-	-	-	1,469,060	1,469,060
Balance on December 31, 2025	**$ 3,685,312**	**1,002,197**	**12,161**	**25,949**	**(521,331)**	**(483,221)**	**1,255**	**(1,182)**	**73**	**(56,929)**	**4,147,432**	**9,324,182**	**13,471,614**

(See accompanying notes to consolidated financial statements)

Chairman: Chang Yu-Ming **Manager: Tseng Peng-Kuang** **Accounting Manager: Kuo Yu-Cheng**

SUNYAD CONSTRUCTION CO., LTD. and Its' Subsidiaries
Consolidated Cash Flow Statement
January 1 to December 31, 2025 and 2024

Unit: NT$ Thousand

	2025	2024 (adjusted)
Cash flow from operating activities:		
Net income before tax	$ 1,142,246	454,336
Adjustment:		
Adjustments to reconcile profit (loss)		
Depreciation expenses	113,002	68,203
Amortization expenses	17,247	7,908
Gain on reversal of expected credit impairment	(9)	(580)
Net gain on financial assets and liabilities at fair value through profit or loss	(55,680)	(56,743)
Interest expenses	129,487	124,981
Interest revenue	(37,960)	(20,069)
Dividend revenue	(13,567)	(12,975)
Profit from lease modification	(123)	-
Share of profit or loss of affiliated companies recognized under equity method	3,201	-
Loss on disposal of property, plant and equipment	98	16
Disposal of investment gains under equity method	(856,684)	-
Impairment loss on non-financial assets	-	3,691
Unrealized foreign currency exchange loss (gain)	8,494	(7,388)
Share-based payment transactions	29,738	1,153
Gain recognized in bargain purchase transaction	(721)	(543,086)
Adjustments to reconcile profit (loss)	(663,477)	(434,889)
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Increase in contract asset	(12,224)	-
(Increase) decrease in notes receivable	(1,596)	14,648
(Increase) decrease in accounts receivable	(56,213)	56,507
Decrease in other receivables	5,368	26,481
Increase in inventories	(780,033)	(2,357,312)
(Increase) decrease in prepayments	(348,708)	12,349
Decrease (increase) in other current assets	241,365	(86,938)
Increase in other non-current assets	(54,104)	(3,411)
Total net changes in assets related to operating activities	(1,006,145)	(2,337,676)
Net changes in liabilities related to operating activities:		
Increase in contract liabilities	148,938	296,997
Decrease in notes payable	(26,778)	(72,094)
Increase (decrease) in accounts payable	145,070	(324,850)
Increase in other payables	5,547	62,929
(Decrease) increase in provision for liabilities - current	(5,000)	5,000
Increase in other current liabilities	20,518	3,874
Decrease in net defined benefit liabilities - non-current	(110)	-
Total net changes in liabilities related to operating activities	288,185	(28,144)
Total net changes in assets and liabilities related to operating activities	(717,960)	(2,365,820)
Total adjustments	(1,381,437)	(2,800,709)
Cash outflow from operation	(239,191)	(2,346,373)
Interest collected	37,115	18,460
Dividends collected	13,567	12,975
Interest paid	(186,843)	(133,212)
Income tax paid	(77,885)	(8,566)
Net cash outflow from operating activities	(453,237)	(2,456,716)
Cash flow from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(2,450)	(60,720)
Acquisition of financial assets measured at amortized cost	(1,789,587)	-
Disposal of financial assets measured at amortized cost	917,380	119,671
Acquisition of financial assets at fair value through profit or loss	(31,031)	(198,724)
Proceeds from disposal of financial assets at fair value through profit or loss	228,250	301,432
Acquisition of investment under equity method	(560,371)	-
Disposal of investments accounted for using the equity method	(31,979)	-
Increase in prepayments for investments	(455,001)	-
Acquisition of businesses and subsidiaries	(195,943)	(537,012)
Acquisition of property, plant and equipment	(66,537)	(42,934)
Proceeds from disposal of property, plant and equipment	43	1,672
Increase in refundable deposits	(9,763)	(1,434)
Acquisition of intangible assets	(5,983)	(16,774)
Cash inflows generated from mergers	471,307	-
Acquisition of investment property	(1,301)	(216)
Increase in other financial assets	(164,566)	(64,850)
Net cash outflow from investing activities	(1,697,532)	(499,889)

(See accompanying notes to consolidated financial statements)

Chairman: Chang Yu-Ming **Manager: Tseng Peng-Kuang** **Accounting Manager: Kuo Yu-Cheng**

SUNYAD CONSTRUCTION CO., LTD. and Its' Subsidiaries
Consolidated Cash Flow Statement (cont'd)
January 1 to December 31, 2025 and 2024

Unit: NT$ Thousand

	2025	2024 (adjusted)
Cash flow from financing activities:		
Increase in short-term loans	2,344,708	3,014,036
Decrease in short-term loans	(1,815,387)	(1,312,524)
Increase in short-term bills and notes payable	-	1,091,671
Decrease in short-term bills and notes payable	(66,104)	(848,053)
Issuance of convertible corporate bonds	-	812,655
Repayment of corporate bonds	-	(13,200)
Proceeds from long-term loans	142,697	-
Repayment of long-term loans	(129,834)	(94,291)
Increase in deposits received	155	1,227
Repayment of principal for lease	(34,374)	(12,375)
Cash capital increase	780,000	-
Exercise of employee stock options	12,276	51,748
Repurchase of treasury stock	(504,784)	-
Proceeds from disposal of treasury shares	131,791	274,009
Acquisition of equity interests in subsidiaries	(183,474)	-
Disposal of equity interests in subsidiaries (without loss of control)	2,132,776	-
Changes in non-controlling equity	615,656	933,799
Net cash inflow from financing activities	3,426,102	3,898,702
Effect of changes in foreign exchange rate to cash and cash equivalents	187	832
Net increase in cash and cash equivalents in the current period	1,275,520	942,929
Balance of cash and cash equivalents, beginning	1,631,952	689,023
Balance of cash and cash equivalents, ending	**$ 2,907,472**	**1,631,952**

(See accompanying notes to consolidated financial statements)

Chairman: Chang Yu-Ming **Manager: Tseng Peng-Kuang** **Accounting Manager: Kuo Yu-Cheng**

SUN YAD CONSTRUCTION CO., LTD.
Comparison Table of Articles of Incorporation Before and After Amendment

Article	Amended provision	Existing provision	Description for the Amendment
Article 5	The Company's total capital is set at NT$10 billion, divided into 1 billion shares with a par value of NT$10 per share, and the Board of Directors is authorized to issue the shares in installments. Among other things, from them, 30 million shares are retained for issuance of employee stock warrants.	The Company's total capital is NT$5 billion, which is divided into 500 million shares with a par value of NT$10 per share, and the Board of Directors is authorized to issue the shares in tranches. Among other things, from them, 30 million shares are retained for issuance of employee stock warrants.	Capital increase planned in response to future operational capital requirements.
Article 33	The Articles of Incorporation was established on November 28, 1979. Amended on January 7 and September 10, 1980; June 29, 1981; August 7, 1983 May 22, 2025; June 24, 2026.	The Articles of Incorporation was established on November 28, 1979. Amended on January 7 and September 10, 1980; June 29, 1981; August 7, 1983 May 27, 2022; May 22, 2025.	Date of amendment is added.

SUN YAD CONSTRUCTION CO., LTD.

Assessment Opinion on the Necessity and Reasonableness of the Private Placement of Securities

Opinion Report Client: SUN YAD CONSTRUCTION CO., LTD.

Opinion Report Recipient: SUN YAD CONSTRUCTION CO., LTD.

Intended Use of This Opinion: For the exclusive use of SUN YAD CONSTRUCTION CO., LTD. in connection with the private placement in 2026.

Report Type: Assessment Opinion on the Necessity and Reasonableness of the Private Placement

Appraisal Institution: Taishin Securities Co., Ltd.

Chairman of Board: Chen Chun-Hung

(The content of this opinion is provided solely as reference for the resolutions of the Board of Directors and the annual general shareholders' meeting of SUN YAD CONSTRUCTION CO., LTD. regarding the private placement in 2026 and shall not be used for any other purpose.) This opinion is based on the financial information provided by SUN YAD CONSTRUCTION CO., LTD. and the information disclosed on MOPS. This opinion shall bear no legal liability for any impact arising from future changes to the Company's private placement plan or any other circumstances that may result in changes to the content of this opinion. Hereby declared.)

May 11, 2026

One. Preface

SUN YAD CONSTRUCTION CO., LTD. (hereinafter referred to as "SUN YAD" or the "Company") was established in December 1979 and was officially listed on the Taiwan Stock Exchange in 1992. The Company initially focused on the manufacturing of PU synthetic leather and later expanded into electronic components and gaming businesses in response to changes in the industrial structure. To further focus on and effectively leverage its corporate strengths, the Company gradually discontinued its touch panel glass, gaming, and certain PU manufacturing businesses starting in 2013. In 2016, it was officially renamed SUN YAD CONSTRUCTION CO., LTD. and fully shifted its focus to real estate development, deeply cultivating the property development and polymer chemical raw material markets in the Greater Tainan area. In recent years, the Company has further expanded through active mergers, acquisitions, and strategic alliances. Its current investees include Feei Cherng (3313), which promotes urban renewal projects; U-BEST (4714), which specializes in environmentally friendly resins; Hsin-Li (4303), which manufactures high-end synthetic leather; as well as Myson Century, Inc. (5314), Y-S Electronic (6418), and GCC (8047), which focus on smart healthcare and technology drones, and Ever-Clear (6624), an integrated service provider for "resource recycling" and "low-carbon intelligentization." The Company has further expanded its business reach into blue ocean markets such as green environmentally friendly materials, smart healthcare, drone technology, and even digital finance. Currently, the business operations of SUN YAD have developed into a stable triangular structure, primarily encompassing the following three major segments:

Business category	Main product/services	Revenue contribution in 2025
Real estate development	Residential and building investment and development, land transactions, building design, and construction operations	Approximately 6.36%
Chemicals and resins	Polyurethane (PU) resins and other polymer chemical raw materials, and manufacturing of plastic leather	Approximately 30.02%
Other Business Departments	Including emerging sectors such as biotechnology health supplement retail and smart technology industries	Approximately 63.62%

The condensed consolidated balance sheets and statements of comprehensive income for the Company over the most recent five fiscal years are presented as follows:

Condensed Consolidated Balance Sheet

Unit: NT$ Thousand

Item	As of the end of 2021	As of the end of 2022	As of the end of 2023	As of the end of 2024	As of the end of 2025
Current assets	7,941,429	9,144,120	10,104,293	13,468,445	17,505,237
Non-current assets	2,657,721	2,662,021	2,473,072	3,732,625	7,314,559
Total assets	10,599,150	11,806,141	12,577,365	17,201,070	24,819,796
Current liabilities	4,229,506	5,470,042	6,592,597	8,107,377	10,225,887
Non-current liabilities	971,556	1,014,055	191,509	1,004,738	1,122,295
Total liabilities	5,201,062	6,484,097	6,784,106	9,112,115	11,348,182
Capital stock	2,325,457	2,190,421	2,804,169	3,010,160	3,685,312
Capital surplus	288,511	321,536	288,659	649,691	1,002,197
Accumulated deficit	-187,352	126,438	-107,759	-322,437	-483,221
Other equity	-755	2,029	15	-151	73
Treasury stock	-57,515	-61,756	-82,303	-46,712	-56,929
Total equity attributable to owners of the parent	2,368,346	2,578,668	2,902,781	3,290,551	4,147,432
Non-controlling equity	3,029,742	2,743,376	2,890,478	4,798,404	9,324,182
Total equity	5,398,088	5,322,044	5,793,259	8,088,955	13,471,614
Net worth per share (NT$)	10.18	10.18	11.64	11.71	12.51

Source: MOPS and the Company's financial statements audited and certified by CPAs.

Condensed Consolidated Statements of Comprehensive Income

Unit: NT$ Thousand

Item	2021	2022	2023	2024	2025
Operating revenue	1,035,758	2,331,605	845,937	1,491,234	4,404,254
Gross profit	199,834	587,433	145,820	480,952	1,716,133
Operating gains (losses)	-99,257	169,968	-179,157	-101,855	322,914
Non-operating revenue and expenditure	72,973	-99,921	34,622	14,866	819,332
Income (loss) before tax	-26,284	70,047	-144,535	-86,989	1,142,246
Income (loss)	-28,259	56,086	-148,879	-141,963	761,918
Other comprehensive income (net amount)	1,347	-1,407	2,348	-1,813	17,719
Total comprehensive income	-26,912	54,679	-146,531	-143,776	779,637
Net profit (net loss) attributable to owners of the parent	-85,630	140,078	-144,751	-214,390	-170,638
Net profit (net loss) attributable to non-controlling equity	57,371	-83,992	-4,128	72,427	932,556
Total comprehensive income attributable to owners of the parent	-86,104	142,219	-143,429	-214,572	-170,703
Total comprehensive income attributable to non-controlling equity	59,192	-87,540	-3,102	70,796	950,340
Basic earnings (loss) per share (NT$)	-0.55	0.70	-0.68	-0.79	-0.52

Source: MOPS and the Company's financial statements audited and certified by CPAs.

By consistently launching high-quality development projects, adopting prudent housing pricing strategies, and engaging in mergers, acquisitions, and strategic alliances, the Company has generally achieved year-by-year growth over the past five years, except for 2023, when revenue and gross profit slightly declined due to delays in project completion. With respect to profitability, the government implemented a series of stringent housing market control policies through the Central Bank beginning in 2021 in order to prevent the real estate market from overheating, resulting in sluggish transaction volumes and downward price consolidation across the domestic real estate markets in

various cities and counties. In addition, revenue and profit are recognized under the completed contract method. As revenue cannot be recognized before project completion and property handover, profit recognition has been deferred and therefore cannot yet be reflected simultaneously. It is expected that this downturn marked by simultaneous declines in both prices and transaction volume will continue through 2026 or even longer. Although the Tainan real estate market in 2026 is expected to benefit from the Southern Taiwan Science Park effect, it may still be difficult to withstand the government's housing market suppression measures. Market sentiment remains highly cautious, and only a limited number of specific regions or developers with premium brand recognition are likely to maintain a certain level of performance. Nevertheless, amid the recent surge in oil and electricity prices and the continued consolidation of international raw material prices at elevated levels, real estate, which possesses inflation-resistant and value-preserving characteristics, remains an important safe-haven investment target for both international and domestic capital.

In response to rapid changes in the global market and to enhance future growth momentum, ensure sustainable development, strengthen corporate competitiveness, satisfy long-term business development needs, and enhance operational competitiveness and shareholders' equity, the Company, while taking into consideration compliance with securities laws and regulations, ensuring long-term cooperative relationships between the Company and its investment partners, and maintaining flexibility in fundraising, resolved at the Board of Directors meeting held on March 30, 2026 to conduct a private placement cash capital increase through the issuance of no more than 50,000 thousand shares. The planned use of proceeds is to replenish working capital and enhance the Company's future operating performance and efficiency. In addition, pursuant to Article 43-6 of the Securities and Exchange Act, strategic investors will be introduced as shareholders of the Company. As more than one-third of the directors (including independent directors) were changed due to the full re-election of directors at the first extraordinary shareholders' meeting of the Company in 2025, pursuant to Paragraph 3, Article 4 of the "Directions for Public Companies Conducting Private Placements of Securities": "If there is a material change in managerial control within one year prior to the Board of Directors' resolution to conduct a private placement of securities and within one year from the delivery date of such privately placed securities, the Company shall engage a securities underwriter to issue an assessment opinion regarding the necessity and reasonableness of the private placement, and such opinion shall be specified in the notice of the shareholders' meeting as reference for shareholders in determining whether to approve the proposal." Accordingly, Taishin Securities Co., Ltd. (hereinafter referred to as the "Underwriter") was engaged to issue an assessment opinion on the necessity and reasonableness of the private placement of securities for 2026. The proposal is scheduled to be submitted for approval by the Board of Directors on May 12, 2026 and by the shareholders' meeting on June 24, 2026 before implementation.

Two. Details of the Proposed Private Placement of Securities

The proposed private placement involves the issuance of common shares through private placement within a limit of no more than 50,000 thousand shares. It is expected to be carried out in two tranches within one year from the date of the resolution of the annual general shareholders' meeting approving the private placement proposal. The proceeds from both tranches will be used to replenish working capital. The pricing of the private placement of ordinary shares shall not be lower than the higher of the following two benchmark prices: the simple arithmetic average of the closing prices of ordinary shares over one, three, or five business days prior to the pricing date, or the simple

arithmetic average of the closing prices over the 30 business days prior to the pricing date, both adjusted for ex-rights and ex-dividends of bonus shares and cash dividends and adding back the price after capital reduction adjustment; the final price shall be set at no less than 80% of the higher reference price. The actual pricing date and the actual private placement price shall, based on the aforementioned pricing principles, be determined by authorization of the Board of Directors in accordance with future market conditions.

Three. Assessment of the Necessity and Reasonableness of the Proposed Private Placement of Securities

I. Assessment of the Necessity of the Private Placement of Securities

(I) To replenish working capital, secure operational opportunities, and maintain long-term competitiveness, the Company's operating conditions are analyzed as follows:

The Company's operating revenue for 2021 through 2025 amounted to NT$1,035,758 thousand, NT$2,331,605 thousand, NT$845,937 thousand, NT$1,491,234 thousand, and NT$4,404,254 thousand, respectively, while operating gross profit amounted to NT$199,834 thousand, NT$587,433 thousand, NT$145,820 thousand, NT$480,952 thousand, and NT$1,716,133 thousand, respectively. According to the 2025 financial statements disclosed by SUN YAD, the accumulated deficit reached NT$483,221 thousand. Except for the slight decline in operating revenue and gross profit in 2023 due to delays in project completion, operating revenue and gross profit generally increased in the remaining years. However, overall operations continued to be affected by the macroeconomic environment and government policies, and the benefits of mergers, acquisitions, and strategic alliances have yet to fully materialize. As a result, the consolidated statements of comprehensive income did not return from loss to profit until 2025. Under the current government housing market suppression policies, if the Company were to seek financing from financial institutions, given the condition of the construction industry in recent years, it may be difficult for the Company to obtain favorable borrowing terms, and the resulting interest expenses would further increase the Company's financial burden, which would be unfavorable to improving the Company's financial structure. In addition, if a capital increase were conducted through a public offering, it may not attract sufficient interest from general investors, making it difficult to obtain the required funds within a short period of time and creating uncertainty regarding the completion of the fundraising plan. Therefore, after considering timeliness, convenience, and issuance costs, the Company's proposal to issue securities through private placement should be considered necessary.

(II) Introduction of strategic investors to strengthen the Company's competitiveness:

In response to rapid changes in the global market, and in order to ensure sustainable development, strengthen corporate competitiveness, satisfy long-term business development needs, and enhance operational competitiveness and shareholders' equity, the Company has adopted a private placement approach for the issuance of securities in this offering while taking into consideration compliance with securities laws and regulations and ensuring long-term cooperative relationships between the Company and its strategic investment partners. Furthermore, pursuant to Article 43-6 of the Securities and Exchange Act and in

compliance with Article 4 of the "Directions for Public Companies Conducting Private Placements of Securities," the Company plans to introduce strategic investors. Such strategic investors shall be individuals or legal entities capable of contributing to the Company through technological enhancement, product development, cost reduction, market expansion, or strengthened customer relationships, thereby strengthening the Company's competitiveness and future growth momentum. Accordingly, the introduction of strategic investors should be considered necessary.

II. Assessment of the Reasonableness of the Private Placement of Securities

The Company resolved at the Board of Directors meeting held on March 30, 2026 to conduct a private placement of common shares within a limit of no more than 50,000 thousand shares. The private placement is expected to be carried out in two tranches within one year from the date of the resolution of the annual general shareholders' meeting approving the private placement proposal, and strategic investors will be introduced. The Underwriter hereby assesses the reasonableness of the proposed private placement of securities from the following three aspects:

(I) Reasonableness of the Issuance Procedures for the Private Placement Proposal

According to the Company's 2025 financial statements audited and certified by CPAs, the ending balance of accumulated deficit pending offset amounted to NT$483,221 thousand. Therefore, the Company is not subject to the restriction under Article 3 of the "Directions for Public Companies Conducting Private Placements of Securities," which prohibits public companies with net profit after tax in the most recent fiscal year and without accumulated deficits from conducting private placements of securities. In addition, the proposed private placement was approved by the Board of Directors on March 30, 2026, and the Company plans to engage a securities underwriter on May 12, 2026 to issue an assessment opinion regarding the necessity and reasonableness of the private placement of securities for submission to the Board of Directors for approval. The private placement will only proceed upon approval at the shareholders' meeting scheduled for June 24, 2026. Upon review of the Board of Directors' meeting proposals related to the private placement, the discussion content of the proposals, pricing method, and selection criteria for private placement subscribers were all found to comply with the Securities and Exchange Act and relevant laws and regulations, with no material irregularities identified.

(II) Reasonableness of Adopting a Private Placement Approach

The purpose of the proposed private placement of securities is to obtain stable long-term funding and maintain financial flexibility. Compared with a public offering, a private placement of securities offers relatively greater timeliness and convenience and is subject to a three-year transfer restriction, which can ensure a close long-term cooperative relationship between the Company and its strategic investors. Accordingly, the Company's adoption of a private placement approach for this issuance of securities should be considered reasonable.

(III) Reasonableness of the Expected Benefits of the Private Placement

The intended use of proceeds by the Company is to replenish working capital. Through cooperation with strategic partners, the Company aims to enhance its competitive advantages and operating performance, which is expected to have a positive impact on the Company's operations and shareholders' equity. Accordingly, the anticipated benefits should be considered reasonable.

III. Assessment of the Selection of Subscribers and the Feasibility and Necessity Thereof

(I) Selection of Subscribers

According to the resolution passed by the Board of Directors on March 30, 2026 and the agenda for the Board of Directors meeting proposed to be convened on May 12, 2026, the subscribers for the proposed private placement will be selected in accordance with the relevant provisions of Article 43-6 of the Securities and Exchange Act. The prospective subscribers are intended to be strategic investors meeting the qualifications prescribed by the competent authority. However, except for the participation of certain related parties in the subscription, not all subscribers have yet been finalized. The actual subscribers will be disclosed in accordance with the relevant regulations after confirmation. Accordingly, the method for selecting subscribers should be considered appropriate.

(II) Feasibility and Necessity of the Subscribers

Due to the intense competition and rapidly changing market conditions in the industry in which the Company operates, the Company needs to introduce strategic investors. In addition to raising funds, the Company expects to leverage the experience, technology, expertise, reputation, or distribution channels of such strategic investors in the future to improve technology, enhance quality, increase efficiency, and expand markets, thereby strengthening the Company's competitiveness, operating performance, and profitability. Furthermore, as privately placed securities are subject to a three-year transfer restriction, this arrangement can ensure the establishment of a long-term and stable cooperative relationship between the Company and the subscribers. Through strategic cooperation alliances between both parties, the Company's operational structure is expected to be strengthened, operational risks reduced, and operating performance enhanced. Accordingly, the proposed private placement is expected to strengthen the Company's operational foundation and enhance overall shareholders' equity. Therefore, the solicitation of subscribers for the proposed private placement should be considered feasible and necessary.

IV. Assessment of the Impact of the Private Placement of Securities on Changes in the Company's Managerial Control

Pursuant to Article 4 of the "Directions for Public Companies Conducting Private Placements of Securities," if a material change in managerial control occurs within one year prior to the Board of Directors' resolution to conduct a private placement, or if the introduction of strategic investors through the private placement will result in a material change in managerial control, the Company shall engage a securities underwriter to issue an assessment opinion regarding the necessity and reasonableness of the private placement.

Upon assessment, although more than one-third of the directors (including independent directors) of the Company were changed due to the full re-election of directors upon expiration of their term at the first extraordinary shareholders' meeting in 2025, there was no actual change in the principal controlling shareholders or resulting change in managerial control. Furthermore, the timing of the proposed private placement by the Company is expected to occur after the shareholders' meeting on June 24, 2026. At present, except for the participation of certain related parties in subscribing to part of the private placement quota, not all subscribers have yet been finalized. However, considering that the Company currently (as of May 11, 2026) has 368,531 thousand issued common shares outstanding, if the full proposed private placement limit of 50,000 thousand shares is issued, such shares will represent 11.95% of the total 418,531 thousand issued shares after the private placement. Given that specific private placement subscribers may hold a certain percentage of equity interests, it cannot be ruled out that the composition of the Company's Board of Directors may change in the future due to changes in the shareholding structure, thereby potentially resulting in a material change in managerial control. Accordingly, pursuant to Letter No. (1999) Tai-Cai-Zheng (I) No. 47693, the Company is deemed to have experienced a material change in managerial control. Therefore, Taishin Securities Co., Ltd. (hereinafter referred to as the "Underwriter") hereby issues the following assessment opinion regarding the necessity and reasonableness of the private placement of securities for 2026.

Whether the Company's future introduction of strategic investors through private placement will result in a material change in managerial control remains undetermined. Nevertheless, with respect to the subscribers for the proposed private placement of securities, in addition to certain related parties, the Company intends to introduce strategic investors who can contribute to the future sales of the Company's products and market development. Such cooperation is expected to improve technology, enhance quality, increase efficiency, and expand markets, thereby assisting the Company in strengthening its overall competitive advantages and enhancing profitability and shareholders' equity. Furthermore, the three-year transfer restriction applicable to privately placed securities can ensure a long-term cooperative relationship between the Company and its strategic investors, which will help stabilize the Company's operations. Accordingly, even if managerial control changes in the future, such change should still have a positive impact on the Company's business operations, financial condition, and shareholders' equity.

V. Impact of the proposed private placement on the Company's business operations, financial condition, and shareholders' equity

(I) Impact on the Company's business operations

The proposed private placement intends to introduce strategic investors who can contribute to the Company's future operations, with the aim of assisting the Company in enhancing its overall competitiveness and thereby improving its revenue and profitability. Accordingly, the proposed private placement should have a positive impact on the Company's business operations.

(II) Impact on the Company's financial condition

The proceeds from the proposed private placement will be used to replenish working capital and strengthen the financial structure. In addition to satisfying the funding requirements arising from business expansion following the introduction of strategic investors, the private placement will also increase financial flexibility, thereby strengthening the Company's operational foundation and overall competitiveness. Accordingly, with the effective injection of private placement funds, the proposed private placement should have a positive impact on the Company's financial condition.

(III) Impact to the shareholders’ equity of the Company

The Company resolved at the Board of Directors meeting held on March 30, 2026 to conduct a private placement of common shares within a limit of no more than 50,000 thousand shares. In addition to certain related parties participating in the subscription of part of the private placement quota, the subscribers for the proposed private placement will primarily consist of strategic investors, with the aim of assisting the Company in enhancing its overall competitiveness and thereby improving its revenue and profitability. Based on the Company's current issued common shares of 368,531 thousand shares as of May 11, 2026, if the full proposed private placement limit of 50,000 thousand shares is issued, such shares will represent 11.95% of the total 418,531 thousand issued shares after the private placement. Given that specific private placement subscribers may hold a certain percentage of equity interests, it cannot be ruled out that the composition of the Company's Board of Directors may change in the future due to changes in the shareholding structure, thereby potentially resulting in a material change in managerial control. However, as privately placed securities are subject to a three-year transfer restriction, this arrangement can ensure a long-term cooperative relationship between the Company and its strategic investors, thereby contributing to stable corporate operations. Accordingly, the proposed private placement should have a positive impact on the Company's shareholders' equity.

Based on the foregoing, whether the proposed private placement and the introduction of strategic investors by the Company will result in a material change in managerial control remains undetermined. Nevertheless, the Company may enhance its overall operating performance and shareholders' equity through strategic alliances between both parties. Accordingly, the proposed private placement should have a positive impact on the Company's business operations, financial condition, and shareholders' equity.

Four. Conclusion

Based on the foregoing, the proceeds from the proposed private placement will be used to replenish working capital, strengthen the financial structure, and satisfy funding requirements arising from business expansion following the introduction of strategic investors. In addition, through strategic cooperation alliances, the Company is expected to strengthen its operational foundation, reduce operational risks, and expand markets, thereby improving the Company's operations and generating positive benefits for shareholders' equity. Furthermore, after considering the funding requirements for the Company's operational growth, regulatory requirements, and the flexibility and timeliness of fundraising, the adoption of a private placement approach for the issuance of securities should enable the Company to obtain stable long-term funding and strengthen its operations. Accordingly, the proposed private placement should be considered necessary and reasonable. In addition, upon review by the Underwriter of the proposal materials resolved by the Board of Directors on March 30, 2026 and proposed to be resolved by the Board of Directors on May 12, 2026, the content of the issuance plan, issuance procedures, private placement pricing method, and selection criteria for specific subscribers were found to comply with the Securities and Exchange Act and relevant laws and regulations, with no material irregularities identified.

May 11, 2026

Independent Statement

The company was engaged to issue an assessment opinion regarding the necessity and reasonableness of the private placement of securities by SUN YAD CONSTRUCTION CO., LTD. (hereinafter referred to as "SUN YAD") for 2026.

The company hereby declares that none of the following circumstances exist in connection with the execution of the aforementioned engagement:

1. The company is not an investee company accounted for using the equity method by SUN YAD.
2. The company is not an investor company that accounts for its investment in SUN YAD using the equity method.
3. The Chairman or General Manager of the company is not the same person as the Chairman or General Manager of SUN YAD, nor do they have any spousal relationship or relationship within the second degree of kinship.
4. The Company is not a director or supervisor of SUN YAD.
5. SUN YAD is not a director or supervisor of the Company.
6. Except for the circumstances described above, the Company has no related-party relationship with SUN YAD as defined under Article 18 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

In issuing the assessment opinion letter regarding the necessity and reasonableness of the 2026 private placement of securities by SUN YAD, the Company has maintained a detached and independent spirit in all assessment opinions issued.

Appraiser: Taishin Securities Co., Ltd.

Chairman of Board: Chen Chun-Hung

May 11, 2026

(For the exclusive use of the assessment opinion letter regarding the necessity and reasonableness of the 2026 private placement of securities by SUN YAD CONSTRUCTION CO., LTD. only)

(2025.5.22)

SUN YAD CONSTRUCTION CO., LTD.

Articles of Incorporation

Chapter 1 General Provisions

Article 1: The Company is organized in accordance with the Company Act, and named as SUN YAD CONSTRUCTION CO., LTD.. (formerly known as SUN YAD TECHNOLOGY CO., LTD.)

Article 2: The scope of the Company's business is as follows:

1. C805010 Manufacture of Plastic Sheets, Pipes and Tubes
2. F107200 Wholesale of Chemical Feedstock
3. CC01080 Electronics Components Manufacturing
4. F401010 International Trade
5. F218010 Retail Sale of Computer Software
6. F118010 Wholesale of Computer Software
7. I301010 Information Software Services
8. I401010 General Advertisement Service
9. F113050 Wholesale of Computers and Clerical Machinery Equipment
10. J901020 Regular Hotel
11. F501060 Restaurants
12. H701010 Housing and Building Development and Rental
13. H701050 Investment, Development and Construction in Public Construction
14. H701060 New Towns, New Community Development
15. H703090 Real Estate Business
16. H703100 Real Estate Leasing
17. F111090 Wholesale of Building Materials
18. C901020 Glass and Glass Products Manufacturing
19. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company's headquarters is located in Tainan City, Taiwan. The Company may set up branches or representative offices at home or abroad subject to resolutions by the Board of Directors, if necessary.

Article 4: The Company shall make announcements, if any, in the manner referred to in Article 28 of the Company Act and securities competent authority's regulations and laws.

Chapter 2 Shares

Article 5: The Company's total capital is NT$5 billion, which is divided into 500 million shares with a par value of NT$10 per share, and the Board of Directors is authorized to issue the shares in tranches. Among other things, from them, 30 million shares are retained for issuance of employee stock warrants.

Article 6: The share certificates of the Company shall be registered, and bear the signatures or seals of directors representing the Company and may only be issued subject to certification by the competent authority. The Company may consolidate the shares to convert them for large-denomination stocks per TDCC's request. (The Company may issue new shares exempted from the requirements on the printing of stock certificates pursuant to laws.)

Article 7: The Company's shareholders service may be performed in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.

Article 8: The Company's transfer of shares to its employees at the price lower than the average price of the shares bought back by it or issuance of employee stock warrants at the subscription price lower than the closing price of the Company's ordinary shares prevailing on the date of issuance, if any, shall be subject to approval by more than two-thirds of the shareholders present at a shareholders' meeting attended by the shareholders representing more than a majority of the total outstanding shares.

Article 9: Deleted

Article 10: The recipients of the shares retained for subscription by employees from the new shares issued by the Company pursuant to Article 267 of the Company Act and restricted share awards (RSAs) issued by the Company, if any, include the employees of parents or subsidiaries of the Company meeting certain specific requirements. The Board of Directors is authorized to determine the specific requirements.

Article 11: The transfer of shares shall be suspended 60 days before an annual general meeting, 30 days before a special shareholders' meeting, and at least five days before the Company decides to pay out dividends, bonuses, or other benefits.

Chapter 3 Shareholders' Meetings

Article 12: There are annual general meetings and special shareholders' meetings. The Board of Directors shall convene the annual general meeting once a year within six months after the end of each fiscal year. Special meetings may be convened at any time pursuant to laws as needed.
When the Company convenes a shareholders' meeting, shareholders are allowed to exercise their voting rights by way of electronic transmission alternatively. The relevant operations shall be governed by the competent authority's requirements.

Article 12-1: A shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority. Where the securities competent authority has defined the requirements to be satisfied, operating procedure and other compliance

matters for a shareholders' meeting held by means of visual communication network separately, the same shall apply.

Article 13: Any shareholder who is unable to attend a shareholders' meeting in person may appoint a proxy to attend the meeting to exercise voting rights on their behalf by personally presenting a power of attorney, executed or sealed by themselves, indicating the scope of power, in accordance with Article 177 of the Company Act and Article 25-1 of the Securities and Exchange Act.

Article 14: If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is absent, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to not make such a designation, the directors shall elect from among themselves one person to serve as the chairperson. If a shareholders' meeting is convened by a party with the power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually elect a chairperson from among themselves.

Article 15: Unless otherwise provided or restricted by laws, the Company's shareholders are entitled to one vote per share.

Article 16: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Articles of Incorporation or the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 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 minutes shall record a summary of the essential points of the proceedings and the results of the meeting. The minutes, together with the present directors' attendance book and power of attorney for proxies, if any, shall be kept by the Company pursuant to laws.) The meeting minutes may be given to each shareholder in the form of a public announcement.

Chapter 4 Directors and Supervisors

Article 18: The Company shall have five to eleven directors on the Board. Their term of office is three years. The election of directors adopts the candidate nomination system. The shareholders' meeting shall elect such directors from the roster of candidates, and the directors shall be eligible for re-elections. (The number of registered shares held by all directors shall be no less than a specific percentage of the total paid-in capital shares of the Company. The percentage shall be decided subject to the competent authority's requirements.)

The directors referred to in the preceding paragraph shall include no less than 3 independent directors who shall be no less than one-fifth of the number of directors.

Independent directors and non-independent directors shall be elected at the same time, but in separately calculated numbers.

The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and appointment, exercise of duties, and other matters for compliance with respect to independent directors shall be prescribed in accordance with the Company Act and the regulations prescribed by the competent authority in charge of the security.

The Company may maintain the liability insurance for the directors of the Board of Directors of each term, subject to their job duty.

Article 18-1: When the Company may establish an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, the Audit Committee shall be responsible for performing the supervisors' duties as stipulated in the Companies Act, the Securities and Exchange Act, and other related laws and regulations.

The Audit Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

The Company's Board of Directors may establish the Audit Committee and Remuneration Committee pursuant to laws. It may also establish any other functional committees, and the articles of association thereof shall be enacted by the Board of Directors separately.

The number of members, term of office, powers and rules of procedure for meetings of the Audit Committee shall follow the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.

Article 19: When the number of directors falls short by one-third of the total number of directors, the Board of Directors shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a by-election for directors.The term of newly elected directors shall continue for the original term of the directors replaced.

Article 20: In case no election of new directors is effected after the 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 all directors. The Chairman shall be elected by a majority of the directors present at a Board meeting attended by at least two-third of all directors from among themselves. The Chairman shall execute the Company's business pursuant to laws, Articles of Incorporation, and resolution of the shareholders' meetings and Board of Directors meetings.

Article 22: The Company's business policy and other important matters shall be resolved by the Board of Directors. Except for the 1st meeting of the Board of Directors of each term, which shall be convened in accordance with Article 203 of the Company Act, the other meetings shall be convened and chaired by the Chairman of Board. When the Chairman is for any reason unable to exercise the powers of the chairperson, the Chairman shall designate one director to act on their behalf. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chairperson.
In calling a meeting of the Board of Directors, a notice shall be given to each director at least 7 days prior to the scheduled meeting date. In the case of emergency, however, the meeting may be convened at any time.
The meeting notice may be given by correspondence or via fax or email.

Article 23: Unless otherwise provided by the Company Act, the resolutions by the Board of Directors shall be adopted by more than half of the directors present at a Board meeting attended by more than half of all directors. Any director who is unable to attend the meeting with causes may appoint another director to attend the meeting on their behalf by personally presenting a power of attorney indicating the scope of power. However, a director may accept the appointment to act as the proxy of one other director only.

Article 24: Resolutions adopted by a Board of Directors meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairperson of the meeting and distributed to each director of the Company within twenty days after the close of the meeting. The minutes shall record a summary of the essential points of the proceedings and the results of the meeting. The minutes, together with the present directors' attendance book and power of attorney for proxies, if any, shall be kept by the Company pursuant to laws.

Article 25: Deleted.

Article 25-1: The Board of Directors is authorized to decide the limit of investment made by the Company flexibly by taking into consideration the actual circumstances, irrelevant with the provision under the Company Act requiring that the total investment shall be no more than 40% of the Company's paid-in capital.

Article 25-2: The Company may make endorsements/guarantees for others, subject to approval per resolution by the Board of Directors.

Article 25-3: The remuneration of directors is authorized at board meetings based on their level of participation in and contribution to the Company's operation. The remuneration follows industry standards. Where the Company retains earnings, remuneration shall be allocated in accordance with Article 29 of the Articles of Incorporation separately.

Chapter 5 Managers & Employees

Article 26: The Company may appoint CEO, President, Vice President and several managerial officers, whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act. (per the resolution approved by a majority of the directors present at a meeting attended by a majority of the directors). The scope of the managers' authority to manage the Company's business and enter their signature for the Company's business shall be set forth by the Board of Directors separately.

Article 27: Deleted.

Article 28: Deleted.

Chapter 6 Final Accounting

Article 29: At the end of each fiscal year, the Company shall have the Board of Directors prepare the following documents, and submit them to the Audit Committee for audit within 30 days prior to an annual general meeting, then to the annual general meeting for ratification.

1. Business report 2. Financial statements

3. Proposal for the distribution of earnings and accumulated deficit compensation.

Article 29-1: If the Company is profitable in the fiscal year, 1% to 10% of the pre-tax profits shall be appropriated as remuneration for employees (no less than 10% of the aforementioned amount is appropriated as remuneration for entry-level employees), and no more than 5% of the pre-tax profits shall be appropriated as remuneration for directors. However, if the Company still has accumulated losses, an amount shall be reserved in advance to make up for the losses. The remuneration of employees may be paid in the form of stock or in cash. The recipients of the employee remuneration paid in the form of stock or in cash shall include the employees of parents or subsidiaries of the Company meeting certain specific requirements. The Board of Directors is authorized to determine the specific requirements.

Said profit refers to the income before the pre-tax income less the remuneration to employees and directors for the current year.

The Company may, by a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-third of the total number of directors, distribute the remuneration to employees and directors, and report the distribution to a shareholders' meeting.

Article 30: The industry which the Company is engaged in is highly competitive. In consideration of the capital expenditure needs and robust financial planning, the following dividend policy is adopted in order to secure the Company's sustainability:

1.1 The Company may allocate earnings or compensate losses at the end of each half of the fiscal year.

Shall there be earnings at the end of each half of the fiscal year, it is

necessary to estimate and retain tax payable, cover any accumulated deficit pursuant to laws, estimate and retain the remuneration to employees, and set aside 10% thereof as the legal reserve, unless the legal reserve reaches the total paid-in capital of the Company. Meanwhile, the Company shall allocate or reverse special reserve pursuant to relevant laws or the competent authority's requirements. If there is a surplus, the balance and the accumulated undistributed surplus shall be allocated as shareholder bonus subject to the allocation plan proposed by the Board of Directors. Where the same shall be distributed in the form of issuance of new shares, such matter shall be first submitted to the Shareholders' Meeting for resolution before distribution. Where the same is distributed in cash, the distribution shall be subject to a special resolution made by the Board of Directors.

1.2 The earnings generated after the annual settlement shall be used to pay all the taxes and offset against the accumulated losses from the previous years pursuant to laws, and 10% shall be set aside as the legal reserve, unless the legal reserve reaches the paid-in capital of the Company. Certain amount may be retained from the surplus, after allocation or reversal of special reserve pursuant to Article 41 of the Securities and Exchange Act, plus the undistributed earnings at the beginning of the period, subject to the overview of business and balanced dividend policy. Then, the surplus, if any, plus the accumulated undistributed surplus in the previous years may be allocated based on the earnings allocation plan proposed by the Board of Directors, per the resolution made by a shareholders' meeting.

According to Article 240 and Article 241 of the Company Act, the Company authorizes the Board of Directors to distribute the dividends and bonuses, or legal reserve and capital surplus, to be allocated, in whole or in part, in cash after a resolution has been adopted by a majority votes at a meeting of the Board of Directors attended by two-third of the total number of directors, and report the distribution to the shareholders' meeting.

2. Conditions and timing for distribution of dividends:

In order to support the Company's long-term growth, the Company's dividend distribution policy aims to satisfy future business development. After taking into consideration the conditions, such as robust financial structure, maintenance of stable dividends, and protection of reasonable remuneration to shareholders comprehensively, the Board of Directors prepares the earnings allocation plan in accordance with the Articles of Incorporation. When it adopts the issuance of new shares, the distribution shall be subject to approval of a shareholders' meeting and also the competent authority.

3.1 (semi-annual basis)

Distribution ratio of cash dividends and stock dividends: The Company's shareholder bonus is distributed in the form of stock dividends and cash dividends. In consideration of the balanced and stable dividend policy, the Company allocates 10% of the distributable earnings as the shareholder bonus on a semi-annual basis, provided that where the distributable earnings are less than 10% of the paid-in

capital, no bonus may be distributed per resolution of the Board of Directors. The shareholder bonus may be distributed in the form of stock or in cash, provided that the cash dividend shall be no less than 10% of the total dividends.

3.2 (annual basis)

Distribution ratio of cash dividends and stock dividends: The Company's shareholder bonus is distributed in the form of stock dividends and cash dividends. In consideration of the balanced and stable dividend policy, the Company allocates 10% of the distributable earnings as the shareholder bonus after the final accounting every year, provided that where the distributable earnings are less than 10% of the paid-in capital, no bonus may be distributed per resolution of the Board of Directors. The shareholder bonus may be distributed in the form of stock or in cash, provided that the cash dividend shall be no less than 10% of the total dividends.

Notwithstanding, the Board of Directors, after taking into consideration the Company's business and capital expenditure needs, may adjust the distribution ratio of cash and stock dividends, and distribute the same in the form of the issuance of new shares based on the allocation plan prepared by it and as resolved by a shareholders' meeting.

Chapter 7 Supplementary Provisions

Article 31: The rules and regulations of the Company and the detailed procedures shall be established by the Board of Directors separately.

Article 32: Any matters not covered herein shall be governed in accordance with the Company Act and other laws and regulations.

Article 33: The Articles were established on November 28, 1979. Amended on January 7, 1980, September 10, 1980, June 29, 1981, August 7, 1983, June 5, 1984, April 5, 1987, April 13, 1988, December 6, 1989, January 8, 1990, June 30, 1990, November 30, 1990, May 15, 1991, March 15, 1992, April 18, 1993, May 29, 1994, June 11, 1995, May 25, 1997, May 17, 1998, June 12, 1999, May 10, 2000, June 23, 2001, June 15, 2002, June 14, 2003, June 18, 2005, June 24, 2006, June 17, 2008, June 17, 2010, June 10, 2011, April 18, 2012, January 3, 2013, May 7, 2013, June 20, 2014, June 23, 2015, June 22, 2016, June 20, 2017, June 26, 2018, June 24, 2019, June 30, 2020, and May 27, 2022. May 22, 2025.

SUN YAD CONSTRUCTION CO., LTD.

Chairman: Chang Yu-Ming

SUN YAD CONSTRUCTION CO., LTD.
Rules of Procedures for Shareholders' Meetings

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.

Article 2
Unless otherwise stipulated by laws or regulations, the rules of procedure for the Company's shareholders' meeting shall be governed by these Rules.

Article 3
Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.
Thirty days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting notice, proxy forms, information on proposals for ratification, matters for discussion, election or dismissal of directors or supervisors, and other matters on the shareholders' meeting agenda and upload them to the Market Observation Post System (MOPS). Meanwhile, 21 days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplementary materials and upload them to the MOPS.
Fifteen days before the Company convenes a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplementary materials and make them available for the shareholders to obtain and review at any time. The handbook shall also be displayed on the Company premises and at its professional shareholders service agency, and distributed at the venue of the shareholders' meeting.
The reasons for convening a shareholders' meeting shall be specified in the meeting notice and via the public announcement. With the consent of the addressee, the meeting notice may be given in an 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 the removal of the non-compete clause for the directors, capitalization of earnings, capitalization of legal reserve, dissolution, merger, or demerger of the Company, or any matter in each subparagraph under Article 185, paragraph 1 of the Company Act; Articles 26-1 and 43-6 of the Securities and Exchange Act, and 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 shareholders' meeting. None of the above matters may be raised by an Extraordinary Motion. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.
Where an election of all directors or supervisors and their inauguration date shall be stated in the notice of the shareholders' meeting, after the completion of the election in said meeting,

such inauguration date may not be altered by any Extraordinary Motion or otherwise in the same meeting.
A shareholder holding one percent or more of the total number of the issued shares may submit to the Company a proposal for discussion at a general shareholders' meeting. The number of items so proposed is limited to one, and no proposal containing more than one item will be included in the meeting agenda. Any shareholder proposal not in alignment with any circumstance under any subparagraph of Paragraph 4 of Article 172-1 of the Company Act may be excluded from the meeting agenda by the Board of Directors. A shareholder may propose a recommendation to urge the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will 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 shareholders' proposals in writing or by electronic means and the location and time period for their submission; the period for acceptance of shareholders' proposals may not be fewer than 10 days.
Each such proposal is limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting of shareholders and take part in the discussion of the proposal.
The Company shall inform, prior to preparing and delivering the shareholders' meeting notice, by a notice, the shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the Board of Directors at the shareholders' meeting to be convened.

Article 4
For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
Each shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. When a duplicate proxy form is served, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy form.
Once a proxy form is received by the Company, if a shareholder wishes to attend the shareholders' meeting in person or to exercise their voting rights in writing or by electronic means, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5: (Principles for the venue and time of a shareholders' meeting)
The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6: (Preparation of a sign-in book and other documents)
The Company shall specify in the meeting notice the time and place for the sign-in of the shareholders and other related matters.
The reporting time for the shareholders' meeting referred to in the preceding paragraph begin 30 minutes prior to the beginning of the meeting. There should be clear signs at the reporting place with adequate staff assigned to handle the process.
Shareholders or their proxies (hereinafter referred to as the "shareholders") shall attend the shareholders' meetings with their attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attendance presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
The Company shall furnish the attending shareholders with a sign-in book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
The Company shall furnish attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, ballots shall also be furnished.
When the government or a juridical person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juridical person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

Article 7: (Chairperson of the shareholders' meeting and attendees in a non-voting capacity)
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 unable to exercise the powers as the chair for any reason, the Vice Chairman shall chair the meeting on his behalf. Where there is no such a position as Vice Chairman or the Vice Chairman is on leave or unable to exercise the powers as the chairperson for any reason, the Chairman shall appoint one of the managing directors to act as the chairperson. Where there is no such a position as managing director, the Chairman shall appoint one of the directors to act as the chairperson. Where the Chairman fails to make such a designation, the managing directors or directors shall select, from among themselves, one person to serve as the chairperson.
The role of chairperson position mentioned above shall be assumed by a managing director or director, who has been on the board for more than six months and possesses adequate understanding of the Company's financial and business performance. The same shall apply for a representative of an juridical person director to serve as the chairperson.
It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman in person. The attendance shall be recorded in the meeting minutes.
Where a shareholders' meeting is convened by a party with the power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairperson from among themselves.

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

Article 8: (Evidence of the audio or video recordings of the shareholders' meeting)
The Company shall make an uninterrupted audio and video recording of the entire process of the shareholders' meeting from shareholders' sign-in, the proceedings of the meeting, as well as the process of voting and vote counting.
The audio and video recording in the preceding paragraph shall be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 9
Attendance at shareholders' meetings shall be counted based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.
The chairperson shall call the meeting to order at the scheduled meeting time; however, the chairperson may have the meeting postponed if the attending shareholders do not represent more than half of the total shares issued. The meeting postponement is limited to 2 times for a total of less than 1 hour. 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.
If there are not enough shareholders representing at least one third of issued shares attending the meeting after two postponements, tentative resolutions may be passed in accordance with Article 175, paragraph 1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month.
When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of outstanding 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 a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on the proposals on the agenda one by one. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution by the shareholders' meeting.
The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene other than the Board of Directors.
The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including Extraordinary Motions), except by a resolution by 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 to continue the meeting.

The chairperson shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or Extraordinary Motions put forward by the shareholders; when the 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: (Speeches by shareholders)
Before speaking, an attending shareholder shall specify on a speaker's slip the subject of the speech, their shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson.
A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the contents of the speech are not in alignment with the subject on the speaker's slip, the spoken contents shall prevail.
Except with the consent of the chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes; if the shareholder's speech violates the rules or exceeds the scope of the motion, the chairperson may have the shareholder stop the speech.
Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped.
When a juridical person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.

Article 12: (Counting of voting shares and a recusal policy)
Votes cast at shareholders' meetings shall be calculated based on numbers of shares.
With respect to resolutions by a shareholders' meeting, the number of shares held by a shareholder without voting rights shall not be calculated as part of the total number of outstanding 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 a proxy for any other shareholder.
The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be counted toward the number of the voting rights represented by attending shareholders.
With the exception of a trust enterprise or a stock affairs agency approved by the competent securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of the issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the counting.

Article 13

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

When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder' exercising their voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived their rights with respect to the Extraordinary Motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of Extraordinary Motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail.

If the shareholder exercises their voting rights in writing or by electronic means and appoints a proxy with a proxy form to attend the shareholders' meeting, the voting right exercised by the attending proxy at the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote for each proposal, the 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 vote by the shareholders case by case. After the conclusion of the meeting, on the same day it is held, the results shall be entered on the MOPS.

When there is an amendment or an alternative to a proposal, 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 proposals will then be deemed rejected and no further voting shall be required.

The scrutineers and vote counting personnel for motions shall be designated by the chairperson; however, the scrutineers must be shareholders.

Vote counting for proposals or elections at a shareholders' meeting shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting shall be announced on-site at the meeting and recorded.

Article 14: (Elections)
The election of directors or supervisors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors or supervisors and the number of votes each candidate received.
The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15
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 minutes may be produced and distributed in electronic form.
Said distribution may be announced through the MOPS.
The meeting minutes 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 also disclose the number of votes received by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.

Article 16: (Public announcement)
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 and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.
If any resolutions by the shareholders' meeting are material information as stipulated by laws and regulations or Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall upload the content to the MOPS prior to a deadline.

Article 17: (Maintenance of the order of the venue)
Staff handling administrative affairs of a shareholders' meeting shall wear an identification badge or an armband.
The chairperson may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification badge or an armband, reading "Proctor."
At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairperson may prevent the shareholder from so doing.
When a shareholder violates the rules of procedure and defies the chairperson's correction, obstructing the proceedings and refusing to heed calls to stop, the chairperson may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18: (Recess and resumption of a shareholders' meeting)
When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
If the meeting venue is no longer available for continued use and not all of the items (including Extraordinary Motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.
A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19
These Rules and all amendments thereto shall be enforced upon approval by a shareholders' meeting.

Shareholding of Directors and Supervisors

Date of book closure: April 25, 2026

Job title	Name		Shares held
Chairman of Board	Jern Yao Enterprises Co., Ltd.		100,000
	Representative	Chang Yu-Ming	
Director	U-BEST Innovative Technology Co., Ltd.		19,983,058
	Representative	Tseng Peng-Kuang	
Director	U-BEST Innovative Technology Co., Ltd.		19,983,058
	Representative	Li Tung-Hung	
Independent Director	Hu Li-Yuan		0
Independent Director	Chang Hsieh Chia-Chia		0
Independent Director	Yeh Feng-Hua		0
Independent Director	Huang Ling-Chen		0
Total number of shares held by all directors			20,083,058

Until the date of book closure, April 25, 2026, the Company's paid-in capital has amounted to NT$3,759,461,500, and the total number of issued shares is 375,946,150 (including 0 treasury shares).
The number of shares to be held by the board of directors (excluding independent directors) pursuant to laws should be 15,000,000 shares.