

Stock Code: 6265



Kuen Chaang Uppertech Corp.

**2025 Annual Shareholders' Meeting
Meeting Handbook**

Convening method: Physical shareholders' meeting

Time: 9:00 a.m. on June 19, 2025

Location: 2F., No. 219, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City
(Room 204, ONE WORLD Community Services Center)

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I. Meeting Procedure

1. Call the Meeting to Order
2. Chairman's Remarks
3. Management Presentation
4. Ratifications
5. Discussions
6. Election
7. Other Matters
8. Extempore Motions
9. Adjournment

II. Meeting Agenda

Kuen Chaang Uppertech Corp. 2025 Annual Shareholders' Meeting Agenda

Time: 9:00 a.m. on June 19, 2025 (Thursday)

Location: 2F., No. 219, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City
(Room 204, ONE WORLD Community Services Center)

1. Call the Meeting to Order

2. Chairman's Remarks

3. Management Presentation

- (1) 2024 Business Report.
- (2) 2024 Audit Committee's Review Report.

4. Ratifications

- (1) 2024 Parent Company Only Financial Statements and Consolidated Financial Statements and Business Report.
- (2) 2024 Deficit Compensation.

5. Discussions

- (1) Amendment to the Corporation's "Articles of Incorporation".

6. Election

Complete re-election of directors, 7 seats to be elected.

7. Other matters

- (1) Proposal to remove the non-competition restrictions for newly elected directors.

8. Extempore Motions

9. Adjournment

III. Management Presentation

Proposal 1

Subject: The 2024 Business Report, for your review.

Explanation: Please refer to Attachment 1 on page 10 of this handbook.

Proposal 2

Subject: The 2024 Audit Committee's Review Report, for your review.

Explanation: Please refer to Attachment 2 on page 12 of this handbook.

IV. Ratifications

Proposal 1

(Proposed by the board of directors)

Subject: The 2024 Parent Company Only Financial Statements and Consolidated Financial Statements and Business Report are hereby proposed.

Explanation:

- (1) Both the 2024 Parent Company Only Financial Statements and Consolidated Financial Statements prepared and submitted by the board of directors have been audited by CPA Tu, Chan-Yuan and CPA Huang, Shih-Chun of PwC Taiwan. Such two Financial Statements, the Business Report, and the Deficit Compensation Statement have been reviewed by the audit committee.
- (2) Please refer to Attachment 1 on page 10 and Attachment 3 on pages 13-34 of this handbook for the aforementioned Business Report, Independent Auditor's Audit Report, and Financial Statements.
- (3) It is hereby submitted for ratification.

Resolution:

Proposal 2

(Proposed by the board of directors)

Subject: The 2024 Deficit Compensation is hereby proposed.

Explanation:

- (1) The board of directors has approved the 2024 Deficit Compensation Statement.
- (2) The Corporation's Statement of Loss Offsetting for the year 2024 has been prepared. The net loss after tax for the year amounts to NT\$ 24,618,679, resulting in an accumulated deficit carried forward to the next period of NT\$ 80,531,402. Please refer to Attachment 4 on page 35 of this handbook.
- (3) It is hereby submitted for ratification.

Resolution:

V. Discussions

Proposal 1

(Proposed by the board of directors)

Subject: Amendment to the "Articles of Incorporation", proposed for discussion.

Explanation:

- (1) In accordance with Article 14, Paragraph 6 of the Securities and Exchange Act, the competent authority's regulations regarding salary adjustments for entry-level employees, and the company's operational needs, the Corporation proposes to amend its "Articles of Incorporation".
- (2) For the comparison table of the amended provisions, please refer to page 36 [Attachment 5] of this handbook.
- (3) It is hereby submitted for discussion.

Resolution:

VI. Election

Proposal 1

(Proposed by the board of directors)

Subject: Complete re-election of directors, 7 seats to be elected

Explanation:

- (1) The term of the 9th Board of Directors of the Corporation will expire on June 15, 2025, and a complete re-election will be conducted in accordance with the law.
- (2) According to the Articles of Incorporation, 7 directors (including 4 independent directors) will be elected this time, using the candidate nomination system. The directors will be elected by the shareholders' meeting from the list of director candidates.
- (3) The newly elected directors will form the 10th Board of Directors of the Corporation, with a term from June 19, 2025, to June 18, 2028. All newly elected independent directors will form the Audit Committee.
- (4) This election of the Board of Directors will be conducted in accordance with the "Rules for Election of Directors".
- (5) The list of director candidates is shown as follows:

Candidate Type	Director	Director	Director
Name of candidate	Chang, Cheng-Wen	Wu, Tai-Ju	Ho, Chieh-Hsiung
Education	M.B.A., University of California, USA	Ph.D. in Management, National Sun Yat Sen University	High school
Experience	Responsible Person, Kuen Chaang Uppertech Corp.	Associate Professor, Institute of Business Administration, Cheng Shiu University	Vice General Manager, Celxpert energy (kunshan) corporation
Current Position	Responsible Person, Renlife International Co., Ltd. Responsible Person, Renshou Pharmaceutical Co.,Ltd. Responsible Person, Jerry Corporation, Ltd. Representative, Smartcon Holdings Limited Representative, Guide Straight Holding Inc.:	Cheng Shiu University Associate Professor, Institute of Business Administration, Cheng Shiu University Director Sanho Plastic Industry Co., Ltd. Member, SME Regulatory Flexibility Project	Director, Kuen Chaang Uppertech Corp.
Number of shares held (unit: share)	22,321,446	0	0

Name of Government or Legal Entity Represented	Jerry Corporation, Ltd.	None	None
Other Relevant Information	None	None	None

Candidate Type	Independent Director	Independent Director	Independent Director	Independent Director
Name of candidate	Chen, Chao-Liang	Li, Chin-Ting	Lien, Hai-Shan	Huang Zhuang-Yi
Education	Master of Business Administration, National Taiwan University	Ph.D of Juridical Science, Fu Jen Catholic University	Master of Business Administration, National Taipei University	Szechai Institute of Technology and Commerce,
Experience	Qunwai Management Consulting Co., Ltd.	Prosecutor's Chief Investigator, Prosecutor, Yilan District Prosecutors Office Chairman, Taiwan Comparative Criminal Law Association	Associate Director of General Management Department, ASEC international corporation Section Manager of Management Division, Chaofu Real Estate Management Co., Ltd.	Designer, Shangyi Architectural
Current Position	Director, Qunwai Management Consulting Co., Ltd. Chairman, Association for the Development of Competitive Dynamics Strategy	Chairman, Taiwan Comparative Criminal Law Association Standing Supervisor, Chinese Life Technological Law Society	Director/Associate Director of General Management Department, Chaofu Real Estate Management Co., Ltd.	Designer, Shangyi Architectural
Number of shares held (unit: share)	0	0	8,011	0
Name of Government or Legal Entity Represented	None	None	None	None
Other Relevant Information	None	None	None	None

(6). Election proposal.

Election results:

VII. Other matters

Proposal 1

(Proposed by the board of directors)

Subject: Lifting the non-competition restrictions for newly elected directors, for discussion.

Explanation:

- (1) Pursuant to Article 209 of the Company Act, directors who engage in activities for themselves or others within the scope of the company's business should explain the important details of such activities to the shareholders' meeting and obtain approval.
- (2) It is proposed to request the Annual Shareholders' Meeting to approve lifting the non-competition restrictions for newly elected directors and their representatives.
- (3) Please refer to the table below for details on the directors' non-competition restrictions:

Name	Director	Companies for which non-competition restrictions are to be lifted and positions held in those companies
Jerry Corporation, Ltd. Representative: Chang, Cheng-Wen	Director	Responsible Person, Renlife International Co., Ltd. Responsible Person, Renshou Pharmaceutical Co., Ltd. Responsible Person, Jerry Corporation, Ltd. Representative, Smartcon Holdings Limited Representative, Guide Straight Holding Inc.:
Wu, Tai-Ju	Director	Associate Professor, Institute of Business Administration, Cheng Shiu University Director of Sanho Plastic Industry Co., Ltd. Member, SME Regulatory Flexibility Project
Ho, Chieh-Hsiung	Director	Kuen Chaang Uppertech Corp. Director
Chen, Chao-Liang	Independent Director	Director, Qunwai Management Consulting Co., Ltd. Chairman, Association for the Development of Competitive Dynamics Strategy
Li, Chin-Ting	Independent Director	Chairman, Taiwan Comparative Criminal Law Association Standing Supervisor, Chinese Life Technological Law Society
Lien, Hai-Shan	Independent Director	Director/Associate Vice President of General Management Division, Chaofu Real Estate Management Co., Ltd.
Huang Zhuang-Yi	Independent Director	Designer, Shangyi Architectural

- (4) It is hereby submitted for discussion.

Resolution:

VIII. Extempore Motions

IX. Adjournment

Attachment 1. 2024 Business Report

Kuen Chaang Uppertech Corp. Business Report

The following is a brief report on the 2024 business report and operational outlook for this year:

I. 2024 Business Report

- (I) Business Results: Due to the weakening of the memory market, the Corporation's consolidated revenue in 2024 was NT\$558 million, a decrease of 20.64% compared to revenue NT\$704 million in 2023. The net profit after tax for was NT\$24.619 million in 2024, with earnings per share of NT\$0.21, which were both higher than net loss after tax of NT\$68.682 million and loss per share of NT\$0.58 in 2023.
- (II) Analysis of Financial Income and Expenditure and Profitability: For the financial overview in 2024, please refer to the attached financial statements.
- (III) Status of Research and Development: The Corporation is a distributor of electronic components and is normally dedicated to customer service with no R&D expenditures.

II. Business Prospects and Future Development Strategies for the Current Year

(I) Business Policy:

The Corporation's business philosophy is "Simple, Clear, Focused, Segregated." While facing the ever-changing business environment, all of us will continue to make self-improvement and growth, and strive to develop new product lines and customers.

(II) Expected Production and Sales Overview:

Although the macroeconomic environment this year is still unfavorable and full of uncertainties, the Corporation will still strive to deepen the operation of its existing product lines and expand the development of new product lines to pursue better results than last year.

(III) Future Development Strategy:

- (1) Introduce new product lines and enter new application markets – introduce new product lines with high gross margins that meet market demand and strengthen our product and market planning capabilities.
- (2) Develop new customers – actively explore new customers, provide high quality professional technical support services and complete solutions for new customers and customers with specific needs.
- (3) Improve value-added services – help OEMs create demand through customer relationships and rapid market response; increase overall company profitability.
- (4) Commit to brand management of "Sen Tao," resume the production of "Sen Tao" medicines, and continue to research and develop herbal functional health drinks based on the concept of "food and medicine share the same origin."

III. Impact of External Competitive Environment, Regulatory Environment and Overall Business Environment

This year, the downstream demand for electronic terminal applications is expected to be cautiously optimistic, as it continues to be affected by major environmental factors such as geopolitics, the Russia-Ukraine war, and inflation. Currently, only major memory chip manufacturers are taking measures to reduce capital expenditures and production cuts to maintain a balance between supply and demand. However, with the development and upgrade of the Internet, artificial intelligence, and the automotive market, there are still opportunities and room for growth in the medium and long term.

In terms of regulatory environment, we continue to pay attention to important issues such as ESG (Environmental, Social, and Governance) sustainability reporting, and actively implement measures in line with the sustainable development path and the schedule for greenhouse gas inventory and verification promulgated by the Financial Supervisory Commission. We continue to focus on environmental protection policies in the industry, energy conservation, reduction of carbon emissions, creation of an eco-friendly environment and labor conditions, and fulfilling social responsibilities.

In the future, Kuen Chaang will continue to strive with a spirit of constant innovation and change, timely providing products that customers need, fully developing the Corporation's core competencies, continuously enhancing the Corporation's various competitive strengths, and living up to the expectations of shareholders and the general public. In response to international trends, the Corporation will extend ESG performance management to value chain partners to pursue shared growth and create sustainable competitiveness. We thank all customers, suppliers, shareholders, and employees for their long-standing support.

We wish to express our most sincere gratitude.

Chairman: Chang, Cheng-Wen

President: Chang, Cheng-Wen

Accounting Manager: Lin, Fang-Yen

Attachment 2. 2024 Audit Committee's Review Report

**Kuen Chaang Uppertech Corp.
Audit committee's Review Report**

The board of directors is hereby allowed to submit the Corporation's 2024 business report, consolidated financial statements, parent company only financial statements, and loss compensation proposal for review. The consolidated financial statements and parent company only financial statements have been audited by CPA Tu, Chan-Yuan and CPA Huang, Shih-Chun of PwC Taiwan, and they have issued an unqualified opinion audit report. The aforementioned business report, consolidated financial statements, parent company only financial statements, and loss compensation proposal have been reviewed by the audit committee and found to be in compliance. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report for your review and approval.

Sincerely,

2025 Annual Shareholders' Meeting of Kuen Chaang Uppertech Corp.

Convener of the Audit Committee: Chen, Chao-Liang

Audit Committee Member: Chen, Jun-Ho

Audit Committee Member: Li, Chin-Ting

Audit Committee Member: Lien, Hai-Shan

March 7, 2025

**Attachment 3. 2024 Independent Auditors' Report and
Financial Statements and Consolidated Financial
Statements**

INDEPENDENT AUDITORS' REPORT

(114) Financial Audit Report No. 24004488

To Kuen Chaang Uppertech Corp.,

Audit Opinion

We have audited the accompanying consolidated balance sheets of Kuen Chaang Uppertech Corp. (hereinafter referred to as "the Company") and its subsidiaries (collectively, referred to as "the Group") for the years ended December 31, 2024 and 2023 and the relevant consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements, based on our audit results, present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023 and for the years then ended, and its consolidated financial performance and consolidated cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively referred to as "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for Opinions

"The accountants conducted the audit in accordance with the Regulations Governing the Auditing and Certification of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public 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 opinion.

Key Audit Matter

Key audit matters refer to the most vital matters in our audit of the consolidated financial statements of the Group for the year ended December 31, 2024, 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.

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

Assessment of an allowance for losses on accounts receivable

Event description

Regarding the accounting policies for recognition of accounts receivable and assessment of allowance for loss, please refer to Notes 4(10) and 4(11) to the consolidated financial statements, respectively; for accounting estimates and uncertainty of assumptions for assessment of allowance for loss on accounts receivable, please refer to Note 5(2) to the consolidated financial statements; for description of the accounting item of accounts receivable, please refer to Note 6(5) to the consolidated financial statements; for disclosure of relevant credit risk information, please refer to Note 12(2) to the consolidated financial statements.

The Group manages the collection of receivables and overdue receivables from clients and assumes relevant credit risks. Management regularly assesses its clients' credit quality and the collection situation and adjusts its credit policy for clients in a timely manner. In addition, its assessment of an allowance for losses on accounts receivable is based on the expected credit loss estimated in accordance with the relevant provisions of the IFRS 9 Financial Instruments. Management sets an expected loss ratio based on many factors that may affect each client's ability to pay on the balance sheet date and in history, such as the number of days for which the client's receivable is past due, the client's financial position, and economic situation, as well as future forward-looking information.

As the Group's amount of accounts receivable was relatively large, and the assessment process for an allowance for losses involved management's judgment, we listed the assessment of an allowance for losses on accounts receivable as one of the key audit matters.

Corresponding audit procedures

Our corresponding procedures for the above key audit matter are summarized as follows:

1. Understood the Group's client credit status, credit quality, and policy for provision of an allowance for losses on accounts receivable.
2. Tested the changes in the age of the accounts receivable, checked the relevant supporting documents of the accounts receivable dates, and confirmed the classification during the aging period.
3. Obtained and reviewed the relevant information provided by management and evaluated the percentage used for the provision of an allowance for losses on accounts receivable with reference to the loss occurrence rate in history and future forward-looking information.
4. Recalculated the allowance for losses that should be provided at the percentage of the provision for the allowance for losses.

Other matters – parent company only financial statements

The Company has also prepared the parent company only financial statements for the years ended December 31, 2024 and 2023, for which we have issued an audit report with an unqualified opinion for reference.

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

To ensure that the Consolidated Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Consolidated Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the IFRS, IAS, law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission, and for preparing and maintaining necessary internal control procedures pertaining to the Consolidated Financial Statements.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Group or cease the operations without other viable alternatives.

The Group's governing bodies (including its audit committee) are responsible for supervising the financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In accordance with the auditing standards generally accepted in the Republic of China, the CPA exercises professional judgment and maintains professional skepticism throughout the audit. The CPA also performs the following tasks:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and implement appropriate responses to those assessed risks; and obtain sufficient and appropriate audit evidence to provide a basis for our audit 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. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall expression, structure and contents of the Consolidated Financial Statements (including relevant Notes), and whether the Consolidated Financial Statements fairly present relevant transactions and items.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion about 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 provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Group's consolidated financial statements for the year ended December 31, 2023. 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.

PwC Taiwan

Tu, Chan-Yuan

CPA

Huang, Shih-Chun

Financial Supervisory Commission approved license

number: FSC Securities Examination No. 1120348565

FSC Securities Examination No. 1050029449

March 07, 2025

Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

KUEN CHAANG UPPERTECH CORP. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December, 2024 and 2023

Unit: NTD Thousand

	Assets	Note	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	\$ 722,540	47	\$ 561,084	37
1110	Financial assets at fair value through profit or loss – current	6(2)	100,822	7	124,180	8
1136	Financial assets at amortized cost – current	6(4), 8	198,061	13	120,063	8
1170	Net accounts receivable	6(5)	113,493	7	201,484	13
1200	Other receivables		5,310	-	5,958	-
1220	Current tax assets	6(28)	4,264	-	2,126	-
130X	Inventories	6(6)	132,037	9	236,041	15
1410	Prepayments	6(7)	20,161	1	24,841	2
1470	Other current assets		318	-	252	-
11XX	Total current assets		<u>1,297,006</u>	<u>84</u>	<u>1,276,029</u>	<u>83</u>
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income – non-current	6(3)	1,596	-	1,711	-
1600	Property, plant, and equipment	6(8)	87,940	6	88,747	6
1755	Right-of-use assets	6(9)	-	-	4,352	-
1760	Net amount of investment property	6(11)	120,443	8	126,167	8
1780	Intangible assets		527	-	697	-
1840	Deferred income tax assets	6(28)	7,846	1	17,234	1
1915	Prepayment for purchases of equipment		500	-	-	-
1920	Refundable deposits		193	-	317	-
1990	Other non-current assets – others	6(12)(16)	22,731	1	22,114	2
15XX	Total non-current assets		<u>241,776</u>	<u>16</u>	<u>261,339</u>	<u>17</u>
1XXX	Total assets		<u>\$ 1,538,782</u>	<u>100</u>	<u>\$ 1,537,368</u>	<u>100</u>

(continued on next page)

KUEN CHAANG UPPERTECH CORP. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December, 2024 and 2023

Unit: NTD Thousand

Liabilities and equity		Note	Amount		Amount	
Current liabilities						
2100	Short-term loans	6(13)	\$ 100,000	6	\$ 85,000	6
2170	Accounts payable	6(14)	42,302	3	50,625	3
2200	Other payables		9,461	1	6,230	1
2230	Current income tax liabilities	6(28)	2,033	-	4,880	-
2280	Lease liabilities – current	7(2)	-	-	1,900	-
2300	Other current liabilities	6(15)	21,155	1	67,322	4
21XX	Total current liabilities		174,951	11	215,957	14
Non-current liabilities						
2560	Current income tax liabilities non-current	6(28)	-	-	2,033	-
2570	Deferred income tax liabilities	6(28)	7,986	1	1,367	-
2580	Lease liabilities – non-current	7(2)	-	-	2,499	1
2645	Guarantee deposits received		2,115	-	2,479	-
25XX	Total non-current liabilities		10,101	1	8,378	1
2XXX	Total liabilities		185,052	12	224,335	15
Equity attributable to owners of the parent company						
	Capital stock	6(17)				
3110	Capital stock – common shares		1,181,722	77	1,181,722	77
	Capital surplus	6(28)				
3200	Capital surplus		313,679	20	313,679	20
	Retained earnings	6(19)				
3320	Special reserve		10,771	1	10,771	1
3350	Deficit to be offset		(80,531)	(5)	(105,162)	(7)
	Other equity interest	6(20)				
3400	Other equity interest		(71,911)	(5)	(87,977)	(6)
31XX	Total equity attributable to owners of the parent company		1,353,730	88	1,313,033	85
3XXX	Total equity		1,353,730	88	1,313,033	85
	Significant Contingent Liabilities and Unrecognized Contractual Commitments	9				
	Significant Events After the Balance Sheet Date	11				
	Total Liabilities and Equity		\$			

Chairman: Chang, Cheng-Wen

President: Chang, Cheng-Wen

Accounting Manager: Lin, Fang-Yen

KUEN CHAANG UPPERTECH CORP. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 31, 2024 and 2023

Unit: NTD Thousand (Except earnings (deficit) per share in NTD)

	Contents	Note	2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	6(21)	\$ 558,730	100	\$ 704,031	100
5000	Operating costs	6(6)	(523,524)	(94)	(755,917)	(107)
5900	Gross operating profit (loss)		35,206	6	(51,886)	(7)
	Operating expenses	6(26)(27), 12(2)				
6100	Selling and marketing expense		(24,939)	(4)	(15,477)	(2)
6200	Administrative expenses		(43,411)	(8)	(42,074)	(6)
6450	Expected credit impairment gains (losses)	12(2)	44	-	(14)	-
6000	Total operating expenses		(68,306)	(12)	(57,565)	(8)
6900	Operating loss		(33,100)	(6)	(109,451)	(15)
	Non-operating income and expenses					
7100	Interest revenue	6(22)	30,043	5	21,970	3
7010	Other revenue	6(23)	11,979	2	16,035	2
7020	Other gains and losses	6(24)	33,225	6	(7,680)	(1)
7050	Financial costs	6(25), 7(2)	(1,531)	-	(655)	-
7000	Total non-operating income and expenses		73,716	13	29,670	4
7900	Net income (Net loss) before tax		40,616	7	(79,781)	(11)
7950	Income tax benefits (expenses)	6(28)	(15,997)	(3)	11,099	1
8200	Net income (loss) for the period		<u>\$ 24,619</u>	<u>4</u>	<u>(\$ 68,682)</u>	<u>(10)</u>
	Other comprehensive income (net)					
	Items that may not be reclassified to profit or loss					
8316	Unrealized valuation gains and losses from investment in equity instrument measured at fair value through other comprehensive income	6(3)	(\$ 95)	-	\$ 593	-
8310	Total amount of components that will not be reclassified to profit or loss		(95)	-	593	-
	Components that may be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements		16,173	3	(4,497)	-
8360	Total amount of components that may be reclassified to profit or loss		16,173	3	(4,497)	-
8300	Other comprehensive income (net)		<u>\$ 16,078</u>	<u>3</u>	<u>(\$ 3,904)</u>	<u>-</u>
8500	Current total comprehensive income		<u>\$ 40,697</u>	<u>7</u>	<u>(\$ 72,586)</u>	<u>(10)</u>
	Current net profit (loss) attributable to:					
8610	Owners of the parent company		<u>\$ 24,619</u>	<u>4</u>	<u>(\$ 68,682)</u>	<u>(10)</u>
	Total comprehensive profit (loss) attributable to:					
8710	Owners of the parent company		<u>\$ 40,697</u>	<u>7</u>	<u>(\$ 72,586)</u>	<u>(10)</u>
	Basis (deficit) per share					
9750	Net income (loss) for the period	6(29)	<u>\$</u>	<u>0.21</u>	<u>(\$)</u>	<u>0.58</u>
9850	Diluted earnings (deficit) per share	6(29)	<u>\$</u>	<u>0.21</u>	<u>(\$)</u>	<u>0.58</u>

Chairman: Chang, Cheng-Wen

President: Chang, Cheng-Wen

Accounting Manager: Lin, Fang-Yen

KUEN CHAANG UPPELTECH CORP. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 31, 2024 and 2023

Unit: NTD Thousand (Except earnings (deficit) per share in NTD)

2023									
Balance at January 1, 2023	\$ 1,181,722	\$ 313,679	\$ 10,771	\$ 36,480	\$ 82,939	\$ 1,134	\$	1,385,619	
Current net loss	-	-	-	(68,682 )	-	-	(	68,682	
Other comprehensive profit (loss) for this period	-	-	-	-	(4,497)	593	(	3,904	
Total comprehensive profit (loss) for this period	-	-	-	(68,682)	(4,497)	593	(	72,586	
Balance as of December 31, 2024	\$ 1,181,722	\$ 313,679	\$ 10,771	\$ 105,162	\$ 87,436	\$ 541	\$	1,313,033	
2024									
Balance as of January 1, 2024	\$ 1,181,722	\$ 313,679	\$ 10,771	\$ 105,162	\$ 87,436	\$ 541	\$	1,313,033	
Net profit for the period	-	-	-	24,619	-	-	-	24,619	
Other comprehensive profit (loss) for this period	-	-	-	-	16,173	(95)		16,078	
Total comprehensive profit (loss) for this period	-	-	-	24,619	16,173	(95)		40,697	
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	12	-	(12)		-	
Balance as of December 31, 2024	\$ 1,181,722	\$ 313,679	\$ 10,771	\$ 80,531	\$ 71,263	\$ 648	\$	1,353,730	

Chairman: Chang, Cheng-Wen

President: Chang, Cheng-Wen

Accounting Manager: Lin, Fang-Yen

KUEN CHAANG UPPERTECH CORP. AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

For the year ended December 31, 2024 and 2023

Unit: NTD Thousand

	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
<u>Cash flows from operating activities</u>			
Net income (loss) before tax for the period		\$ 40,616	(\$ 79,781
Adjustment item			
Revenue and expense items			
Property, plant and equipment depreciation expense	6(26)	3,742	4,149
Right-of-use asset depreciation expense	6(26)	1,448	1,911
Investment property depreciation expense	6(24)	9,635	9,502
Expected credit impairment (gains) losses	12(2)	(44)	14
Net loss (gain) on financial assets at fair value through profit or loss	6(24)	(10,423)	(3,364
Intangible asset amortization expense	6(26)	485	872
Interest expense	6(25)	1,531	655
Dividend revenue	6(23)	(2,696)	(73
Interest revenue	6(22)	(30,043)	(21,970
Gain on disposal of property, plant and equipment	6(24)	(58)	(44
Changes in operating assets/liabilities			
Net changes in liabilities related to operating activities			
Financial assets at fair value through profit or loss – current		-	(15,558
Net accounts receivable		88,035	29,968
Other receivables		1,418	4,579
Inventories		104,004	259,086
Prepayments		4,680	10,609
Other current assets		(66)	-
Other non-current assets – others		(617)	(618
Net changes in assets related to operating activities			
Accounts payable		(8,323)	(4,639
Other payables		3,171	(1,158
Other current liabilities		(46,167)	(219
Cash flows from operating activities		160,328	193,921
Interest income		29,276	22,882
Dividends received		2,696	73
Interest paid		(1,531)	(655
Income tax paid		(7,008)	(4,973
Net cash inflow from operating activities		183,761	211,248

(continued on next page)

KUEN CHAANG UPPERTECH CORP. AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

For the year ended December 31, 2024 and 2023

			Unit: NTD Thousand
	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
<u>Cash flows from investing activities</u>			
Proceeds from disposal or redemption of Financial assets measured at fair value through other comprehensive income		\$ 20	\$ -
Acquisition of financial assets at amortized cost		(210,062)	(143,336)
Disposal of financial assets measured at amortized cost		132,277	286,137
Acquisitions of financial assets at fair value through other comprehensive income	6(30)	(720,929)	-
Proceeds from disposal or redemption of financial assets at fair value through other comprehensive income		758,412	-
Acquisition of property, plant, and equipment	6(8)	(2,404)	-
Proceeds from disposal or redemption of property, plant and equipment		58	(44)
Acquisition of intangible assets		(315)	-
Increase in prepayment for purchases of equipment		(500)	-
Decrease in refundable deposits		148	-
Net cash inflow (outflow) from investing activities		(43,295)	142,757
<u>Cash flows from financing activities</u>			
Increase in short-term loans	6(31)	340,000	535,000
(Decrease in) short-term loans	6(31)	(325,000)	(480,000)
Repayment of the principal portion of lease liabilities	6(31)	(1,455)	(1,871)
Increase in guarantee deposits received	6(31)	363	857
(Decrease in) guarantee deposits received	6(31)	(806)	(933)
Net cash inflow from financing activities		13,102	53,053
Effect of exchange rate changes		7,888	(63)
Increase in cash and cash equivalents for the current period		161,456	406,995
Beginning cash and cash equivalent balance		561,084	154,089
Ending cash and cash equivalents balance		\$ 722,540	\$ 561,084

INDEPENDENT AUDITORS' REPORT

(114) Financial Audit Report No. 24004487

To Kuen Chaang Uppertech Corp.,

Audit Opinion

We have audited the accompanying parent company only balance sheets of Kuen Chaang Uppertech Corp. (the "Company") for the years ended December 31, 2024 and 2023 and the relevant parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the "parent company only financial statements").

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

Basis for Opinions

"The accountants conducted the audit in accordance with the Regulations Governing the Auditing and Certification of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. The accountants' responsibilities under those standards will be further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters refer to the most vital matters in our audit of the parent company only financial statements of the Company for the year ended December 31, 2024, 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.

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

Assessment of an allowance for losses on accounts receivable

Event description

Regarding the accounting policies for recognition of accounts receivable and assessment of allowance for loss, please refer to Notes 4(9) and 4(10) to the parent company only financial statements, respectively; for accounting estimates and uncertainty of assumptions for assessment of allowance for loss on accounts receivable, please refer to Note 5(2) to the parent company only financial statements; for description of the accounting item of accounts receivable, please refer to Note 6(5) to the parent company only financial statements; for disclosure of relevant credit risk information, please refer to Note 12(2) to the parent company only financial statements.

The Company manages the collection of receivables and overdue receivables from clients and assumes relevant credit risks. Management regularly assesses its clients' credit quality and the collection situation and adjusts its credit policy for clients in a timely manner. In addition, its assessment of an allowance for losses on accounts receivable is based on the expected credit loss estimated in accordance with the relevant provisions of the IFRS 9 Financial Instruments. Management sets an expected loss ratio based on many factors that may affect each client's ability to pay on the balance sheet date and in history, such as the number of days for which the client's receivable is past due, the client's financial position, and economic situation, as well as future forward-looking information.

As the Company's amount of accounts receivable was relatively large, and the assessment process for an allowance for losses involved management's judgment, we listed the assessment of an allowance for losses on accounts receivable as one of the key audit matters.

Corresponding audit procedures

Our corresponding procedures for the above key audit matter are summarized as follows:

1. Understood the Company's client credit status, credit quality, and policy for provision of an allowance for losses on accounts receivable.

2. Tested the changes in the age of the accounts receivable, checked the relevant supporting documents of the accounts receivable dates, and confirmed the classification during the aging period.
3. Obtained and reviewed the relevant information provided by management and evaluated the percentage used for the provision of an allowance for losses on accounts receivable with reference to the loss occurrence rate in history and future forward-looking information.
4. Recalculated the allowance for losses that should be provided at the percentage of the provision for the allowance for losses.

Management's and those charged with governance responsibilities for the parent company only financial statements

The responsibilities of management are to prepare parent company only financial statements that present fairly in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Company or cease the operations without other viable alternatives.

The Company's governing bodies (including its Audit Committee) are responsible for supervising the financial reporting process.

The Responsibilities of Auditors for the Audit of Financial Statements

The purpose of our audit of the parent company only financial statements is 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 auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If misstatements, either individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements, they are considered material.

In accordance with the auditing standards generally accepted in the Republic of China, the CPA exercises professional judgment and maintains professional skepticism throughout the audit. The CPA also performs the following tasks:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error; design and implement appropriate responses to those assessed risks; and obtain sufficient and appropriate audit evidence to provide a basis for our audit 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. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the parent company only financial statements (including relevant Notes), and whether the parent company only financial statements fairly present relevant transactions and items.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within the Company, to express an opinion on the parent company only financial statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion about the Company.

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 provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Company's parent company only financial statements for the year ended December 31, 2024. 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.

PwC Taiwan

Tu, Chan-Yuan

CPA

Huang, Shih-Chun

Financial Supervisory Commission approved license
number: FSC Securities Examination No. 1120348565
FSC Securities Examination No. 1050029449

March 07, 2025

Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

KUEN CHAANG UPPERTECH CORP.
PARENT COMPANY ONLY BALANCE SHEETS

December, 2024 and 2023

Unit: NTD Thousand

Assets		Note	Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 549,317	36	\$ 533,489	35
1110	Financial assets at fair value through profit or loss – current	6(2)	100,822	7	18,876	1
1136	Financial assets at amortized cost – current	6(4), 8	198,061	13	101,326	7
1170	Net accounts receivable	6(5)	113,460	7	201,438	13
1200	Other receivables		5,179	-	5,886	-
1210	Other receivables – related parties	7(2)	114,748	8	-	-
1220	Current tax assets	6(28)	4,242	-	2,118	-
130X	Inventories	6(6)	129,685	9	235,774	15
1410	Prepayments		18,668	1	24,090	2
1470	Other current assets		285	-	204	-
11XX	Total current assets		<u>1,234,467</u>	<u>81</u>	<u>1,123,201</u>	<u>73</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income – non-current	6(3)	1,596	-	1,711	-
1550	Investments accounted for using equity method	6(7)	179,641	12	278,777	18
1600	Property, plant, and equipment	6(8)	73,234	5	73,356	5
1755	Right-of-use assets	6(9), 7(2)	-	-	4,352	-
1760	Net amount of investment property	6(11)	13,086	1	13,306	1
1780	Intangible assets		359	-	293	-
1840	Deferred income tax assets	6(28)	7,846	-	17,234	1
1915	Prepayment for purchases of equipment		500	-	-	-
1920	Refundable deposits		31	-	179	-
1990	Other non-current assets – others	6(12)(16)	22,149	1	21,532	2
15XX	Total non-current assets		<u>298,442</u>	<u>19</u>	<u>410,740</u>	<u>27</u>
1XXX	Total assets		<u>\$ 1,532,909</u>	<u>100</u>	<u>\$ 1,533,941</u>	<u>100</u>

(continued on next page)

KUEN CHAANG UPPERTECH CORP.
PARENT COMPANY ONLY BALANCE SHEETS

December, 2024 and 2023

Unit: NTD Thousand

Liabilities and equity		Note	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term loans	6(13)	\$ 100,000	7	\$ 85,000	6
2170	Accounts payable	6(14)	41,897	3	50,625	3
2200	Other payables		6,381	-	5,514	1
2230	Current income tax liabilities	6(28)	2,033	-	4,880	-
2280	Lease liabilities – current	7(2)	-	-	1,900	-
2300	Other current liabilities	6(15)	20,702	1	66,910	4
21XX	Total current liabilities		<u>171,013</u>	<u>11</u>	<u>214,829</u>	<u>14</u>
Non-current liabilities						
2560	Current tax liabilities non-current	6(28)	-	-	2,033	-
2570	Deferred income tax liabilities	6(28)	7,986	1	1,367	-
2580	Lease liabilities – non-current	7(2)	-	-	2,499	-
2645	Guarantee deposits received		180	-	180	-
25XX	Total non-current liabilities		<u>8,166</u>	<u>1</u>	<u>6,079</u>	<u>-</u>
2XXX	Total liabilities		<u>179,179</u>	<u>12</u>	<u>220,908</u>	<u>14</u>
Equity						
Capital stock						
3110	Capital stock – common shares	6(17)	1,181,722	77	1,181,722	77
	Capital surplus	6(128)				
3200	Capital surplus		313,679	20	313,679	21
	Retained earnings	6(19)				
3320	Special reserve		10,771	1	10,771	1
3350	Deficit to be offset		(80,531)	(5)	(105,162)	(7)
	Other equity interest	6(20)				
3400	Other equity interest		(71,911)	(5)	(87,977)	(6)
3XXX	Total Equity		<u>1,353,730</u>	<u>88</u>	<u>1,313,033</u>	<u>86</u>
Significant Contingent Liabilities and Unrecognized Contractual Commitments		9				
Significant Events After the Balance Sheet Date		11				
3X2X	Total Liabilities and Equity		<u>\$ 1,532,909</u>	<u>100</u>	<u>\$ 1,533,941</u>	<u>100</u>

The notes to the parent company only financial statements are an integral part of these parent company only financial reports. Please refer to them together.

Chairman: Chang, Cheng-Wen

President: Chang, Cheng-Wen

Accounting Manager: Lin, Fang-Yen

KUEN CHAANG UPPERTECH CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 31, 2024 and 2023

Unit: NTD Thousand
(Except earnings (deficit) per share in NTD)

	Item	Note	2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	6(21)	\$ 556,372	100	\$ 698,939	100
5000	Operating costs	6(6)	(526,683)	(95)	(752,491)	(108)
5900	Gross operating profit (loss)		29,689	5	(53,552)	(8)
5920	Realized profit on sales	6(7)	-	-	6,573	1
5950	Gross operating profit (loss) net		29,689	5	(46,979)	(7)
	Operating expenses	6(26)(27), 7(2)				
6100	Selling and marketing expense		(10,449)	(2)	(11,662)	(2)
6200	Administrative expenses		(39,193)	(7)	(35,595)	(5)
6450	Expected credit impairment gains (losses)	12(2)	44	-	(14)	-
6000	Total operating expenses		(49,598)	(9)	(47,271)	(7)
6900	Operating loss		(19,909)	(4)	(94,250)	(14)
	Non-operating income and expenses					
7100	Interest revenue	6(22)	29,578	5	21,530	3
7010	Other revenue	6(23), 7(2)	4,319	1	5,410	1
7020	Other gains and losses	6(24)	52,799	9	(568)	-
7050	Financial costs	6(25), 7(2)	(1,531)	-	(655)	-
7070	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	6(7)	(24,640)	(4)	(11,248)	(2)
7000	Total non-operating income and expenses		60,525	11	14,469	2
7900	Net income (Net loss) before tax		40,616	7	(79,781)	(12)
7950	Income tax benefits (expenses)	6(28)	(15,997)	(3)	11,099	2
8200	Net income (loss) for the period		<u>\$ 24,619</u>	<u>4</u>	<u>(\$ 68,682)</u>	<u>(10)</u>
	Items that may not be reclassified to profit or loss					
8316	Unrealized valuation gains and losses from investment in equity instrument measured at fair value through other comprehensive income	6(3)	(\$ 95)	-	\$ 593	-
8310	Total amount of components that will not be reclassified to profit or loss		(95)	-	593	-
	Components that may be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements		16,173	3	(4,497)	-
8360	Total amount of components that may be reclassified to profit or loss		16,173	3	(4,497)	-
8300	Other comprehensive income (net)		<u>\$ 16,078</u>	<u>3</u>	<u>(\$ 3,904)</u>	<u>-</u>
8500	Current total comprehensive income		<u>\$ 40,697</u>	<u>7</u>	<u>(\$ 72,586)</u>	<u>(10)</u>
	Basis (deficit) per share					
9750	Net income (loss) for the period	6(29)	<u>\$</u>	<u>0.21</u>	<u>(\$</u>	<u>0.58)</u>
9850	Diluted earnings (deficit) per share					
9850	Net income (loss) for the period	6(29)	<u>\$</u>	<u>0.21</u>	<u>(\$</u>	<u>0.58)</u>

The notes to the parent company only financial statements are an integral part of these parent company only financial reports.
Please refer to them together.

Chairman: Chang, Cheng-Wen

President: Chang, Cheng-Wen

Accounting Manager: Lin, Fang-Yen

KUEN CHAANG UPPERTECH CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the year ended December 31, 2024 and 2023

Unit: NTD Thousand

	Note	Retained earnings		Other equity interest			Total equity	
		Capital stock – common shares	Capital surplus	Special reserve	Deficit to be offset	Exchange differences on translation of foreign financial statements		Unrealized gain (loss) on financial assets at fair value through other comprehensive income
2023								
Balance as of January 1, 2023		\$ 1,181,722	\$ 313,679	\$ 10,771	(\$ 36,480)	(\$ 82,939)	(\$ 1,134)	\$ 1,385,619
Current net loss		-	-	-	(68,682)	-	-	(68,682)
Other comprehensive profit (loss) for this period		-	-	-	-	(4,497)	593	(3,904)
Total comprehensive profit (loss) for this period		-	-	-	(68,682)	(4,497)	593	(72,586)
Balance as of December 31, 2024		<u>\$ 1,181,722</u>	<u>\$ 313,679</u>	<u>\$ 10,771</u>	<u>(\$ 105,162)</u>	<u>(\$ 87,436)</u>	<u>(\$ 541)</u>	<u>\$ 1,313,033</u>
2024								
Balance as of January 1, 2024		\$ 1,181,722	\$ 313,679	\$ 10,771	(\$ 105,162)	(\$ 87,436)	(\$ 541)	\$ 1,313,033
Net profit for the period		-	-	-	24,619	-	-	24,619
Other comprehensive profit (loss) for this period		-	-	-	-	16,173	(95)	16,078
Total comprehensive profit (loss) for this period		-	-	-	24,619	16,173	(95)	40,697
Disposal of equity instruments at fair value through other comprehensive income		-	-	-	12	-	(12)	-
Balance as of December 31, 2024		<u>\$ 1,181,722</u>	<u>\$ 313,679</u>	<u>\$ 10,771</u>	<u>(\$ 80,531)</u>	<u>(\$ 71,263)</u>	<u>(\$ 648)</u>	<u>\$ 1,353,730</u>

The notes to the parent company only financial statements are an integral part of these parent company only financial reports. Please refer to them together.

Chairman: Chang, Cheng-Wen

President: Chang, Cheng-Wen

Accounting Manager: Lin, Fang-Yen

KUEN CHAANG UPPERTECH CORP.
PARENT COMPANY ONLY STATEMENT OF CASH FLOWS
For the year ended December 31, 2024 and 2023

Unit: NTD Thousand

	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
<u>Cash flows from operating activities</u>			
Net income (loss) before tax for the period		\$ 40,616	(\$ 79,781)
Adjustment item			
Revenue and expense items			
Property, plant and equipment depreciation expense	6(26)	2,526	2,948
Right-of-use asset depreciation expense	6(26)	1,448	1,911
Investment property depreciation expense		220	218
Expected credit impairment (gains) losses	12(2)	(44)	14
Net loss (gain) on financial assets at fair value through profit or loss	6(24)	(9,018)	(1,237)
Intangible asset amortization expense	6(26)	249	637
Interest expense	6(25)	1,531	655
Interest revenue	6(22)	(29,578)	(21,530)
Dividend revenue	6(23)	(2,696)	(73)
Loss (gain) on investments accounted for using the equity method	6(7)	24,640	11,248
Realized profit on sales	6(7)	-	(6,573)
Changes in operating assets/liabilities			
Net changes in liabilities related to operating activities			
Financial assets at fair value through profit or loss – current		-	(15,558)
Net accounts receivable		88,022	30,014
Net accounts receivable – related parties		-	8,353
Inventories		106,089	254,513
Prepayments		5,422	10,614
Other receivables		1,495	5,686
Other current assets		(81)	(8)
Other non-current assets – others		(617)	(617)
Net changes in assets related to operating activities			
Accounts payable		(8,728)	(4,639)
Other payables		813	(1,551)
Other current liabilities		(46,208)	(162)
Cash flows from operating activities		176,101	195,082
Interest income		28,790	21,367
Dividends received		2,696	73
Interest paid		(1,531)	(655)
Income tax paid		(6,994)	(4,965)
Net cash inflow from operating activities		199,062	210,902

(continued on next page)

Cash flows from investing activities

Decrease in other receivables from related parties		\$	-	\$	4,123
Proceeds from disposal or redemption of Financial assets measured at fair value through other comprehensive income			20		-
Acquisition of financial assets at amortized cost		(	198,061 )	(	101,327)
Disposal of financial assets measured at amortized cost			101,326		223,119
Acquisitions of financial assets at fair value through other comprehensive income	6(30)	(	720,929)		-
Proceeds from disposal or redemption of financial assets at fair value through other comprehensive income			648,004		-
Acquisition of property, plant, and equipment	6(8)	(	2,404)		-
Decrease in refundable deposits			148		-
Acquisition of intangible assets		(	315)		-
Increase in prepayment for purchases of equipment		(	500)		-
Net cash inflow (outflow) from investing activities		(	172,711)		125,915
<u>Cash flows from financing activities</u>					
Increase in short-term loans	6(31)		340,000		535,000
(Decrease in) short-term loans	6(31)	(	325,000 )	(	480,000)
Repayment of the principal portion of lease liabilities	6(31)	(	1,455 )	(	1,871)
Acquisition of shares in subsidiaries	7(2)	(	20,000)		-
Net cash inflow (outflow) from financing activities		(	6,455)		53,129
Effect of exchange rate changes		(	4,068)		190
Increase in cash and cash equivalents for the current period			15,828		390,136
Beginning cash and cash equivalent balance			533,489		143,353
Ending cash and cash equivalents balance		\$	549,317	\$	533,489

Attachment 4. 2024 Deficit Compensation Statement

**2024 Deficit Compensation Statement of
Kuen Chaang Uppertech Corp.**

Unit: NT\$

Item	Amount
1. Amount of deficit to be offset	
(1). Beginning Retained Earnings	(105,162,697)
(2). Net profit after tax for the year	24,618,679
(3). Disposal through Other Comprehensive IncomeFair Value through Equity Instruments	<u>12,616</u>
Total deficit to be offset at the end of the period	(80,531,402)
2, Deficit to be offset	(80,531,402)
3, Accumulated deficit carryforward to next period	(80,531,402)

Chairman:
Chang, Cheng-Wen

President:
Chang, Cheng-Wen

Accounting Manager:
Lin, Fang-Yen

**Attachment 5. Comparison Table of "Articles of Incorporation"
Before and After
Amendment Kuen Chaang Uppertech Corp.**

**Comparison Table of "Articles of Incorporation"
Before and After Amendment
Kuen Chaang Uppertech Corp.**

Amended Articles	Original Articles	Description
<p>Article 2: The business to be operated by the Corporation is as follows: (Omitted beforehand) 24. C802041—Drugs and Medicines Manufacturing. (omitted) 34. F108021—Wholesale of Western Pharmaceutical. (omitted thereafter)</p>	<p>Article 2: The business to be operated by the Corporation is as follows: (Omitted beforehand) 24. C802041 Drugs and Medicines Manufacturing. (omitted) 34. F108021 Wholesale of Western Pharmaceutical. (omitted thereafter)</p>	Amendment to Business Scope
<p>Article 24: Article 24: The Corporation shall distribute not less than 1% of the profits for employees' compensation (40% of the total employee remuneration shall be allocated to non-management employees) and shall distribute at a maximum 10% of the profit as remuneration to directors, provided that the Corporation's accumulated losses shall have been covered in advance. Profit in the preceding paragraph refers to income before tax for the year before the distribution of employees' compensation and directors' remuneration. (omitted thereafter)</p>	<p>Article 24: The Corporation shall distribute not less than 1% of the profits for employees' compensation and shall distribute at a maximum 10% of the profit as remuneration to directors, provided that the Corporation's accumulated losses shall have been covered in advance. Profit in the preceding paragraph refers to income before tax for the year before the distribution of employees' compensation and directors' remuneration. (omitted thereafter)</p>	Compliance with the Legal Amendments
<p>Article 26: (Omitted beforehand) The 19th amendment was made on June 11, 2020. The 20th amendment was made on June 16, 2022. <u>The 20th amendment was made on June 19, 2025.</u></p>	<p>Article 26: (Omitted beforehand) The 19th amendment was made on June 11, 2020. The 20th amendment was made on June 16, 2022.</p>	Inclusion of the Charter Amendment Date

Appendix 1. Rules of Procedure for Shareholders' Meeting

Rules of Procedure for Shareholders' Meetings for Kuen Chaang Uppertech Corp.

Approved at the Annual Shareholders' Meeting on June 16, 2022

- Article 1 Unless otherwise prescribed in laws and ordinances concerned, the shareholders' meeting of the Corporation shall be duly convened in accordance with these Rules.
- Article 2 The term "shareholders" as set forth herein denotes the shareholders themselves and the proxies authorized by shareholders.
- Article 3 The shareholders' meeting shall be held by means of visual communication network or other methods promulgated by the central competent authority.

For the convention of an annual shareholders' meeting, meeting agenda book shall be prepared and notices shall be sent to all shareholders 30 days before the convention of the meeting, and for shareholders holding less than 1,000 registered shares, the announcement method of uploading onto the Market Observation Post System (MOPS) may be adopted 30 days before the convention of the meeting.

The Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:

1. For physical shareholders' meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.

Notices and public announcements shall specify the reasons for the meeting, and the meeting notices may, as an alternative, be given by means of electronic transmission, upon obtaining a prior consent from the recipients thereof.

Election or dismissal of directors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting.

Shareholders holding more than 1% of the total issued shares may submit proposals in writing for the Annual Shareholders' Meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

The Corporation shall, prior to the book closure date before convening the annual

shareholders' meeting, give a public notice announcing the place and period for shareholders to submit proposals; the period for receiving proposals shall not be less than 10 days.

The contents of each agenda item proposed by shareholders must not exceed 300 Chinese characters or the proposal shall not be accepted. Shareholders who have successfully proposed agenda items shall attend the annual shareholders' meeting in person or through proxy attendance and shall participate in the discussion.

Prior to the date for issuance of notice of a shareholders' meeting, the Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list the proposals that conform to the provisions of this article in the meeting notice. At the shareholders' meeting, the board of directors shall specify the reasons for excluding any shareholders' proposals from the meeting agenda.

Article 4 A shareholder (or proxy) attending a stockholders meeting shall be admitted to the meeting at least 30 minutes prior to the time the meeting commences. The Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or signed-in card and the virtual meeting platform. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.

Article 5 Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically. The shareholder who exercises their voting rights in writing or by electronic means as described in the preceding paragraph shall be deemed to have attended in person. However, regarding any incidental motions and amendments to original proposals at the shareholders' meeting, such shareholders shall be deemed to have waived their voting rights.

Article 6 The venue for a shareholders' meeting shall be the premises of the Corporation, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9:00 a.m. and no later than 3:00 p.m.

The restrictions on the place of the meeting shall not apply when the Corporation convenes a virtual-only shareholders' meeting. When the Corporation convenes a virtual-only shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 7 If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the directors shall select one person from among themselves to serve as the chair. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When a director serves as chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Corporation. The same shall be true for a representative of a juristic person director that serves as chair.

- Article 8 The Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
- Article 9 chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- Article 10 The Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation. Where a shareholders' meeting is held online, the Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. The information and audio and video recording in the preceding paragraph shall be properly kept by the Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.
- Article 11 The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, with the number of postponements limited to two and the total postponement time not exceeding one hour. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.
- Article 12 If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of 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 that is not the board of directors. After the meeting is adjourned, shareholders may not elect another chairperson at the original venue or another location to continue the meeting; however, if the chairperson violates the rules of procedure and declares the meeting adjourned, shareholders present who represent a majority of the voting rights may elect another person to serve as the chairperson and continue the meeting.
- Article 13 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually

speech shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder who has the floor; the chair shall stop any violation.

- Article 14 The shareholders attending the meeting are obligated to comply with the rules of the meeting, obey the rules, and maintain the order of the meeting.
- Article 15 Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
- Article 16 When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
- Article 17 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- Article 18 When the chair considers that a proposals and of amendments or extempore motions proposed by a shareholder has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.
- Article 19 Except as otherwise provided in the Company Act and in the Corporation's Articles of Incorporation, the adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. In the event of a vote, the vote shall be deemed to have been taken if there is no dissenting vote after consultation with the chair and shall have the same effect as a poll.
- Article 20 When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- Article 21 Vote monitoring and counting personnel for the voting on the proposals shall be appointed by the chair, provided that the monitoring personnel has shareholder status. Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on site at the meeting, and a record made of the vote.
- Article 22 When a meeting is in progress, the Chair may announce a based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed, or the meeting may be resumed without notice and announcement within five days by resolution of the shareholders' meeting.
- Article 23 The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Corporation, and the voting results shall be announced on site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of the unelected directors and supervisors and the numbers of votes with which they obtained. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody

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

Article 24 Any matters inadequately provided for herein shall be subject to provisions concerned set forth in the Company Act, Articles of Incorporation and relevant laws and regulations.

Article 25 The Rules shall be implemented after having been approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 26 Revision Date

These Regulations were set up on June 27, 2002.

The first amendment was made on June 15, 2006.

The second amendment was made on June 15, 2007.

The third amendment was made on June 19, 2013.

The fourth amendment was made on August 27, 2021.

The fifth amendment was made on June 16, 2022.

Appendix 2. Articles of Incorporation

Kuen Chaang Uppertech Corp Articles of Incorporation

Chapter 1 Provisions

Article 1: The name of the Corporation is Kuen Chaang Uppertech Corp., which is incorporated pursuant to the Company Act.

Article 2: The business to be operated by the Corporation is as follows:

1. CC01080 Electronics Components Manufacturing.
2. E605010 Computer Equipment Installation.
3. CC01120 Data Storage Media Manufacturing and Duplicating.
4. I301010 Software Design Services.
5. I301020 Data Processing Services.
6. I301030 Electronic Information Supply Services.
7. F118010 Wholesale of Computer Software.
8. F119010 Wholesale of Electronic Materials.
9. F113050 Wholesale of Computers and Clerical Machinery Equipment.
10. F218010 Retail Sale of Computer Software.
11. F401010 International Trade.
12. F219010 Retail Sale of Electronic Materials.
13. F213030 Retail Sale of Computers and Clerical Machinery Equipment.
14. F108031 Wholesale of Drugs, Medical Goods.
15. F208031 Retail sale of Medical Equipments.
16. H701010 Housing and Building Development and Rental.
17. H703090 Real Estate Commerce.
18. C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food.
19. C104010 Manufacturing of Sugar Confectionery.
20. C109010 Manufacture of Seasoning.
21. C110010 Beverage Manufacturing.
22. C201010 Feed Manufacturing.
23. C801010 Basic Industrial Chemical Manufacturing.
24. C802041 Drugs and Medicines Manufacturing.
25. C802060 Veterinary Drug Manufacturing.
26. F101030 Wholesale of Fruits.
27. F102030 Wholesale of Tobacco Products and Alcoholic Beverages.
28. F102040 Wholesale of Nonalcoholic Beverages.
29. F102170 Wholesale of Foods and Groceries.
30. F103010 Wholesale of Animal Feeds.
31. F107030 Wholesale of Cleaning Supplies.
32. F107070 Wholesale of Veterinary Drugs.

33. F108011 Wholesale of Traditional Chinese Medicine.
34. F108021 Wholesale of Western Pharmaceutical.
35. F108040 Wholesale of Cosmetics.
36. F201010 Retail Sale of Agricultural Products.
37. F202010 Retail Sale of Feeds.
38. F203010 Retail sale of Food Products and Groceries.
39. F203020 Retail Sale of Tobacco and Alcohol.
40. F207030 Retail Sale of Cleaning Supplies.
41. F207070 Retail Sale of Veterinary Drugs.
42. F208011 Retail Sale of Chinese Medicine.
43. F208021 Retail Sale of Western Pharmaceutical.
44. F208040 Retail Sale of Cosmetics.
45. F208050 Retail Over-the-counter drugs class B.
46. H703100 Real Estate Leasing.
47. IZ99990 Other Industrial and Commercial Services. (Research and Development, Experimentation, and Evaluation of Western Medicine, Traditional Chinese Medicine, and Dietary Supplements).
48. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Corporation shall have its head office in New Taipei City, and may, pursuant to a resolution adopted at the meeting of the board of directors, establish branch offices domestically and internationally when deemed necessary.

Article 4: For business purposes, the Corporation's total amount of investments is not subject to the limit of 40% of its paid-in capital as imposed by Article 13 of the Company Act.

Article 5: The Corporation' is required to obtain external guarantees in respect of its business.

Article 6: Public announcements of the Corporation shall be made pursuant to relevant Articles 28 of the Company Act.

Chapter 2 Capital Stock

Article 7: The total capital of the Corporation shall be in the amount of two billion New Taiwan Dollars (NT\$ 2,000,000,000), divided into two hundred million (200,000,000) shares, with a par value of ten New Taiwan Dollars (NT\$ 10) each, and the board of directors is authorized to issue the shares in installments as necessary. In addition, NT\$ 100 million of the aforementioned capital stock was reserved for the issuance of employee stock warrants, totaling 10 million shares at NT\$ 10 per share, which may be issued in installments as resolved by the board of directors.

Article 8: The Corporation's share certificate is registered, which is issued after being signed or sealed by a director representing the Corporation and attested in accordance with laws. The Corporation shall, upon issuance of new shares, print certificates for the total number of shares issued, and upon issuance of other marketable securities, provided that the Corporation shall consult with a securities depository for safekeeping, and the Corporation may issue shares without printing certificates, provided that the Corporation shall register them with a securities depository. The Corporation's handling of stock affairs is handled in accordance with the

"Regulations Governing the Administration of Shareholder Services of Public Companies" approved and issued by the competent authority.

- Article 9: Changes in the register of shareholders shall be suspended within 60 days before the annual shareholders' meeting, 30 days before an extraordinary shareholders' meeting, or within 5 days before the day on which dividends, bonuses or other benefits is scheduled to be paid by the Corporation.

Chapter 3 Shareholders' Meetings

- Article 10: Shareholders' meetings are of two types: annual meetings and extraordinary meetings. Annual meetings shall be convened by the board of directors once a year in accordance with the law and shall be held within six months after the end of each fiscal year. Extraordinary meetings may be duly convened according to relevant laws whenever Aurora deems necessary. The shareholders' meeting shall be held by means of visual communication network or other methods promulgated by the central competent authority.
- Article 11: When a shareholder is unable to attend the shareholders' meeting for some reason, they may issue a proxy form issued by the company stating the scope of authorization to appoint a proxy to attend the meeting. Except for trust enterprises or shareholder service agencies approved by the securities authorities, if one person is entrusted by two or more shareholders at the same time, the proxy's voting rights shall not exceed 3% of the total issued shares. Any excess shall not be counted. In respect to the method of shareholder proxy attendance, in addition to being in accordance with the Company Act, it is noted that it shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" as promulgated by the competent authorities.
- Article 12: When a shareholders' meeting is convened by the board of directors, the chairperson of the Board shall preside over the meeting. If the chairperson is unable to attend the meeting, he or she shall appoint one of the directors to act as chair. If no one has been appointed to act as chair, the directors shall elect one from among themselves to act in that capacity. When a shareholders' meeting is convened by any person with convening power other than the board of directors, that person shall act as the chair. If there are two or more persons having the convening power, they shall mutually select a chair from among themselves.
- Article 13: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed to be non-voting shares pursuant to Paragraph 2 of Article 179 of the Company Act.
- Article 14: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The distribution of the preceding meeting minutes shall be conducted in accordance with Article 183 of the Company Act.

Chapter 4 Directors and the Audit Committee

- Article 15: The Corporation shall have five to seven directors for a term of three years, who shall be elected by the shareholders' meeting from among the persons with disposing

capacity, and shall be eligible for re-election. The election of directors shall be based on the candidate nomination system under Article 192-1 of the Company Act. The Corporation shall have at least three independent directors and not less than one-fifth of the total number of directors. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the Competent Authority. The total registered shares owned by all directors are subject to Article 26 of the Securities and Exchange Act.

The Corporation has established the audit committee in accordance with paragraph 2 of Article 14-4 of the Securities and Exchange Act and related laws and regulations.

Article 16: The board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairman of the board. The chairman of the board of directors shall externally represent the Corporation.

Article 17: Unless otherwise provided for in the Company Act and related laws and regulations, resolutions of the board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. In the event that a director is unable to attend the board meeting, he/she shall appoint another director to attend a meeting of the board of directors in his/her behalf and issue a written proxy and state therein the scope of authority in accordance with the law, but only to the extent that he/she is appointed by one person. A director residing in a foreign country and who is unable to attend every board meeting in person, may appoint in writing a shareholder residing domestically as his/her proxy to attend the meetings of the board of directors on a regular basis. The appointment of the proxy the preceding paragraph, and any change thereto, shall be registered with the Ministry of Economic Affairs.

Article 17-1: The board of directors authorizes the Chairman to exercise the powers and functions of the board of directors with the following authority:

1. Approval of material contracts.
2. Approval of real estate mortgages and other loans.
3. Approval of the acquisition and disposition of general assets and properties of the Corporation.
4. Designation of directors and supervisors of the investee company.
5. Other items in accordance with the Corporation's approval authority table, management regulations, systems and other related regulations.

Article 17-2 The Corporation shall convene a meeting of the board of directors at any time in case of emergency and shall notify the Directors in writing, by e-mail or by facsimile.

Article 18: The Chairperson shall be the Chair of the board of directors. In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, the proxy shall act in accordance with Article 208 of the Company Act.

Article 19: In case a meeting of the board of directors is proceeded via visual communication

network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 20: Matters relating to the resolutions of a board of directors meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each director within 20 days after the conclusion of the meeting.

Article 21: The board of directors is authorized to determine the remuneration of all directors of the Corporation on an annual basis, regardless of profit or loss, with reference to industry standards. In case the Corporation has a surplus, the remuneration shall be distributed in accordance with Article 24.

Chapter 5 Managerial Officers

Article 22: The Corporation may appoint a President and Vice-Presidents, and their appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 23: The fiscal year of the Corporation shall commence on January 1 and end on December 31 of each year. At the end of each fiscal year, the board of directors shall prepare the following statements, which shall be audited and certified by the audit committee and then submitted to the shareholders' meeting for approval.

1. Business Report 2. Financial Statements 3. Proposals for earnings distribution or loss coverage.

Article 24: The Corporation shall distribute not less than 1% of the profits for employees' compensation and shall distribute at a maximum 10% of the profit as remuneration to directors, provided that the Corporation's accumulated losses shall have been covered in advance. Profit in the preceding paragraph refers to income before tax for the year before the distribution of employees' compensation and directors' remuneration. The employees' compensation and directors' remuneration shall be distributed by a resolution of the board of directors with at least two-thirds of the directors attending and more than half of the directors attended, and reported to the shareholders' meeting. Employees' compensation shall be paid in the form of stock or cash. Where the Corporation makes a profit for a fiscal year, the profit shall be first used for paying taxes, offsetting the cumulative deficit, providing 10% of the remaining balance as a legal reserve, providing or reversing a special reserve in accordance with the laws and regulations or the competent authority's regulations, and then any remaining balance, together with any undistributed retained earnings from the prior years, shall be adopted by the Corporation's board of directors as the basis for making a distribution proposal. When the dividends are to be paid out in stock, it shall then be submitted to the shareholders' meeting for resolution before the distribution of the dividends.

In accordance with paragraph 5 of Article 240 of the Company Act, the board of directors is authorized to distribute dividends and bonuses or all or part of the legal

reserve and capital surplus required by paragraph 1 of Article 241 of the Company Act in cash by a resolution of at least two-thirds of the directors attending and a majority of the directors attended, and to report such distribution to the shareholders' meeting.

Article 24-1: The Corporation is in the growth stage. The dividend distribution policy depends on the factors of the Corporation's current or future business strategies, capital needs, and capital budgets and based on shareholders' equity, dividend equalization, and the Corporation's long-term financial plan. The board of directors should draw up a distribution proposal per year as per law and submit it to the shareholders' meeting. Cash dividends to shareholders shall be paid at a rate of at least 30% of the total dividends. The distribution of earnings is prioritized based on the profit after tax of the current year. However, under the principle of stable dividends, undistributed earnings from previous years and capital surplus after taking into account legal restrictions shall also be distributed as a balanced dividend policy at the discretion of the Corporation.

Chapter 7 Addendum

Article 25: Any matters inadequately provided for herein shall be subject to provisions concerned set forth in the Company Act and relevant laws and regulations.

Article 26: These Articles were established on January 16, 1998.

The first amendment was made on February 5, 1998.

The second amendment was made on June 27, 2000.

The third amendment was made on May 14, 2001.

The fourth amendment was made on May 14, 2001.

The fifth amendment was made on June 27, 2002.

The sixth amendment was made on June 11, 2004.

The seventh amendment was made on June 10, 2005.

The eighth amendment was made on June 15, 2006.

The ninth amendment was made on February 8, 2007.

The 10th amendment was made on June 15, 2007.

The 11th amendment was made on June 13, 2008.

The 12th amendment was made on June 19, 2009.

The 13th amendment was made on June 17, 2010.

The 14th amendment was made on June 22, 2011.

The 15th amendment was made on June 15, 2012.

The 16th amendment was made on June 19, 2013.

The 17th amendment was made on June 16, 2016.

The 18th amendment was made on June 14, 2019.

The 19th amendment was made on June 11, 2020.

The 20th amendment was made on June 16, 2022.

Kuen Chaang Uppertech Corp. Rules for Election of Director

1. The election of directors of the Corporation shall be conducted in accordance with the Company's Articles of Incorporation and these Procedures.
2. In the election of the Corporation's directors, unless otherwise specified in the Articles of Incorporation, each share shall carry voting rights equal to the number of directors to be elected, which may be cast for a single candidate or distributed among multiple candidates.
3. The voter's identification shall be represented by the attendance certificate number printed on the ballot. The ballots shall be prepared by the Board of Directors, numbered according to the attendance certificate numbers, and marked with the number of voting rights.
4. The directors of the Corporation shall be elected according to the number of positions specified in the Articles of Incorporation, with candidates receiving the highest number of votes being elected. If two or more candidates receive the same number of votes, resulting in more candidates than the number of available positions, the winner shall be determined by drawing lots. For those who are not present, the Chairman shall draw lots on their behalf. The election of the Corporation's directors shall be conducted in accordance with the candidate nomination system procedures as stipulated in Article 192-1 of the Company Act. Shareholders shall elect directors from the list of director candidates.
5. At the beginning of the election, the Chairman shall appoint several persons to serve as ballot supervisors and ballot counters to perform the relevant tasks.
6. If the candidate is a shareholder, the voter must fill in the candidate's account name and shareholder account number on the ballot. If the candidate is not a shareholder, the voter should fill in the candidate's name and national ID number. However, when the government or a juristic person is a candidate, the ballot should indicate the name of the juristic person, or both the name of the juristic person and the name of its representative.
7. A ballot shall be deemed invalid under any of the following circumstances:
 - 7.1. If ballots not prescribed under these Rules are used.
 - 7.2. If a blank ballot is placed in the ballot box.
 - 7.3. If the writing is unclear and illegible.
 - 7.4. If the candidate is a shareholder, the account name and shareholder account number written do not match the shareholder registry; if the candidate is not a shareholder, the name and national ID number do not match upon verification.
 - 7.5. If the ballot contains any writing other than the candidate's name or shareholder account number, national ID number, and the allocated number of votes.

- 7.6. If the written name of the candidate is identical to that of another shareholder or natural person, and no shareholder account number or national ID number is provided for identification.
- 7.7. If the number of candidates filled in exceeds the required number of positions to be elected.
- 7.8. If two or more candidates are listed on the same ballot.
7. 8. Unless approved by the competent authority, more than half of the directors of the Corporation shall not have any of the following relationships:
- (1) Spouse relationship.
 - (2) Relatives within the second degree of kinship.
8. The Corporation shall issue separate notices of election to the elected directors. If there are questions regarding a ballot, the ballot supervisor shall verify whether it should be invalidated. Invalidated ballots should be placed separately, and after counting is completed, the number of ballots and voting rights shall be noted and handed to the ballot supervisor to mark as invalid and sign.
9. Ballot counting will be conducted immediately after voting is completed, and the chairperson shall announce the results on the spot, including the list of elected directors and their respective number of votes received.
10. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
11. For matters not addressed in these procedures, the Company Act, the Corporation's Articles of Incorporation, and other relevant laws and regulations shall apply.
12. These procedures shall be implemented after approval by the shareholders' meeting, and the same applies when amendments are made.
13. These procedures were established on June 15, 2007.

These operational procedures were amended on June 16, 2022.

Appendix 4. Directors and Supervisors' Shareholdings

Kuen Chaang Uppertech Corp. Directors and Supervisors' Shareholdings

Record Date: April 21, 2025

Title	Name	Date Elected	Number of Shares Held When Elected		Number of Shares Held Currently	
			Type	Number of Shares	Type	Number of Shares
Chairman	Jerry Corporation, Ltd. Representative: Chang, Cheng-Wen	2022.06.16	Ordinary Shares	22,321,446	Ordinary Shares	22,321,446
Director	Wu, Tai-Ju	2022.06.16	Ordinary Shares	0	Ordinary Shares	0
Director	Ho, Chieh-Hsiung	2023.06.30	Ordinary Shares	0	Ordinary Shares	0
Independent Director	Chen, Jun-Ho	2022.06.16	Ordinary Shares	0	Ordinary Shares	0
Independent Director	Chen, Chao-Liang	2022.06.16	Ordinary Shares	0	Ordinary Shares	0
Independent Director	Li, Chin-Ting	2022.06.16	Ordinary Shares	0	Ordinary Shares	0
Independent Director	Lien, Hai-Shan	2023.06.30	Ordinary Shares	8,011	Ordinary Shares	8,011
Total Shareholding of All Directors			Ordinary Shares	22,329,457	Ordinary Shares	22,329,457

Remark: Number of issued ordinary shares of the Corporation: 118,172,151 shares

The statutory shareholding required for all directors: 8,000,000 shares; the total shares held as of April 21, 2025: 22,321,446 shares. The Corporation has established an audit committee, so there is no applicable statutory requirement for the shareholding ratio of supervisors.

© Shares held by independent directors are excluded from the number of shares held by directors

**Thank you for attending the
shareholders' meeting!**

**We welcome your comments
and suggestions at any time!**