



Megaforce Company Limited

Advancement, Accessibility, and Sustainability

2024 Annual General Shareholders' Meeting

Handbook

(Translation)

Meeting type : Physical meeting

Time : 9:30 a.m., June 7, 2024

Place : No. 631, Zhongzheng Road, Zhonghe District, New Taipei City (East Hall, 3rd Floor, Longshanlin RSL Hotel Taipei Zhonghe)

Note :

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 version shall prevail.

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Megaforce Company Limited

2024 Annual General Shareholders' Meeting Procedure

- I. Call Meeting to Order
- II. Chairman's Remarks
- III. Report Items
- IV. Proposed Resolutions
- V. Discussion Items
- VI. Election Matters
- VII. Other Matters
- VIII. Special Motions
- IX. Meeting Adjourned

Megaforce Company Limited
2024 Annual General Shareholders' Meeting Agenda

Time : 9:30 a.m., June 7, 2024

Place : No. 631, Zhongzheng Road, Zhonghe District, New Taipei City
(East Hall, 3rd Floor, Longshanlin RSL Hotel Taipei Zhonghe)

Attendance : All Shareholders and their Proxy Holders

Chairman : Wen-Lin, Hsu, Chairman of the Board of Directors

- I. Call Meeting to Order
- II. Chairman's Remarks
- III. Report Items
 - (I) 2023 Business Report
 - (II) Audit Committee's Review Report
 - (III) Report on employee compensation and director compensation in 2023
 - (IV) Other Report
- IV. Proposed Resolutions
 - (I) The 2023 Business Report and Financial Statements
 - (II) The 2023 Deficit Offsetting ProposalVoting for each proposed resolution
- V. Discussion Items
 - (I) Amend the Articles of Incorporation
 - (II) Amend the Rules of procedures for Shareholders' MeetingVoting for each discussion item
- VI. Election matters
To elect all directors (including independent directors)
Voting for election matters
- VII. Other matters
To lift non-competition restrictions on new directors
Voting on other motions
- VIII. Special Motions
- IX. Meeting Adjourned

Report Items

I. 2023 business report (Proposed by the Board of Directors)

Explanation : Please refer to Annex I for the 2023 business report in details.

II. Audit Committee's Review Report (Proposed by the Board of Directors)

Explanation : The 2023 financial reports have been reviewed by the Audit Committee members with a report issued. Please refer to Annex II for the Audit Committee's Review Report in details.

III. Report on employee compensation and director compensation (Proposed by the Board of Directors)

Explanation : The company didn't generate profits in the fiscal year 2023, therefore no employee compensation or director compensation was distributed.

IV. Other reporting matters

Explanation : None.

Proposed Resolutions

- I. Adoption of the 2023 business report and financial statements (Proposed by the Board of Directors)

Explanation : The Company's 2023 parent company only financial statements and consolidated financial statements have been audited and attested by CPA Yen-Ta, Su and CPA Mei-Yan, Chen of KPMG in Taiwan. The business report and the parent company only financial statements and consolidated financial statements have been reviewed by the Audit Committee members with an Audit Committee's Review Report issued, which is resolved and approved by the Board of Directors accordingly. Please refer to Annex I and III for details.

Resolutions :

- II. Adoption of the 2023 deficit offsetting proposal (Proposed by the Board of Directors)

Explanation : The Company's 2023 final account is without any earnings resulted; therefore, common stock dividends and cash dividends, as well as employee compensation and director compensation was not be distributed. The Company's 2023 deficit offsetting proposal has been reviewed by the Audit Committee and approved by the Board of Directors. Please refer to Annex IV for details.

Resolutions :

Discussion Items

- I. Discussion of the amendments to “The Articles of Incorporation ”. (Proposed by the Board of Directors)

Explanation : Approval for amending Article 2 of the Company’s Articles of Incorporation to accommodate the Company’s operational development needs and adding more business items. Please refer to Attachment V for the comparison table of the amended Articles.

Resolutions :

- II. Discussion of the amendments to the Rules of Procedures for Shareholders' Meeting (Proposed by the Board of Directors)

Explanation : In order to allow public companies to convene shareholders’ meetings via video conference, and to accommodate the announcement of the FSC on March 6, 2023 to amend the reference sample of the "Rules of Shareholders’ Meetings for Shareholders’ Meetings Limited by Shareholders", it is proposed to amend the relevant provisions of the Company’s "Rules of Shareholders’ Meetings". Compare the amended provisions Please refer to Attachment VI for the table.

Resolutions :

Election Matters

- I. Cause of motion: Election of Directors (including Independent Directors) (Proposed by the Board of Directors)

Explanation :

- (I) The term of office of the incumbent directors of the Company expired on July 26, 2024, and re-election is required in accordance with the regulations. Election of directors (including independent directors) in accordance with the Company Act, the Securities and Exchange Act, and the Company’s Articles of Incorporation.
- (II) Nine directors to be elected (three independent directors included). The term of office of the newly elected directors in this term is three years from June 7, 2024 to June 6, 2027.
- (III) Pursuant to Article 192-1 of the Company Act, the Company adopts a candidate nomination system for the election of directors. Shareholders shall elect directors from a list of candidates. Please refer to Attachment VII for the list of candidates.

Election Results :

Other Matters

I. Discussion on lifting non-compete restrictions (Proposed by the Board of Directors)

Explanation :

- (I) Pursuant to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the shareholders' meeting the essential contents of such an act and obtain its approval.
- (II) In order to recruit more professionals to serve as directors of the Company, it is proposed to seek the approval of the shareholders' meeting to lift the non-competition restriction on new directors without prejudice to the interests of the Company. Please refer to Attachment VII for the job positions held in other companies by the directors (including independent directors) concurrently

Resolutions :

Special Motions

Meeting Adjourned

Megaforce Company Limited 2023 Business Report

Operating strategy

- Use the core value to establish a trending industry
- Solicit international customers continuously to increase market share
- Provide comprehensive services to strategic customers
- Enhance resource integration and support for strategic products
- Improve competitiveness with innovative approaches and thinking, and develop niche businesses with industry advantages
- Disperse operational risks with regional production by establishing new factories and duplicating and improving the management model
- Activate assets to maximize the efficiency of the group resources
- Promote smart mold processes to improve efficiency and reduce cost
- Refine technology to promote industrial value-added operation
- Promote cross-industry cooperation to expand the industrial ecosystem
- Emphasize the importance of talent retention and cultivation, and enhance competitiveness
- Construct system integration and technology development capability to help the Group transform from a component manufacturer to a system integration solution provider in order to enhance value-added services and create revenue and profits

Operating results and financial condition

The Company's 2023 consolidated operating revenue was NT 4,138 million, A decrease of 14.41% compared with 2022 , the annual consolidated net loss was NT\$129 million , Compared with the loss in 2022, the loss decreased by 27million and the earnings per share (EPS) was NT-0.995.

Analysis items		2023	2022
Financial structure	Ratio of debt to assets (%)	60.69	56.37
	Ratio of long-term fund to property, plant and equipment (%)	384.95	284.18
Solvency	Current ratio (%)	205.39	160.36
	Quick ratio (%)	182.25	136.07
Profitability	Return on assets (%)	(2.04)	(2.45)
	Return on shareholders' equity (%)	(5.94)	(6.74)
	Ratio of net income before tax to paid-in capital (%)	(0.56)	(1.12)
	Profit ratio (%)	(3.21)	(3.35)
	Earnings per share (NTD)	(0.995)	(1.198)

Research and development status

◎R&D achievements

- Class 10,000 SurgiBubble and Smart control module surgical platform development
- 8 mm/10 mm/12 mm/15 mm endobag surgical disposable product
- Vein finder medical imaging facility development
- Medical AR imaging system development completed
- Medical FIR therapeutic module
- Implementation of the plan for smart machining and transformation in mold manufacturing applications
- Development and production of smart parking column mechanisms
- Development of smart health wearable devices
- Development of smart home devices (water sterilization)
- Successful development of halogen-free ultraviolet-curable dual-cure acrylic adhesive
- Fluororubber surface coating methods and low-shrinkage epoxy structural adhesive
- EzARGO 720P & 1080P MP
- AR LBS Trigger6.0 shipping
- Complete 1st LBS HOE sample
- Shipping 3.8CC compact LCOS AR glasses sample
- Single color LBS shipping

◎ Future research and development plans

- Submission of generic product to Canadian and FDA regulatory bodies
- Actuator semi-automation
- Scented pacifier for baby market (customized silicone material for LSR)
- Vein finder medical imaging facility production
- Medical AR imaging system production
- Electrophysiotherapy device home use
- Assembly and testing of the entire intelligent overhead vehicle identification system
- Assembly and testing of smart parking columns and charging piles.
- Smart manufacturing - scientific injection mold temperature monitoring.
- Research and development of new materials - low-shrinkage conductive PEEK material, thermal conductive PA material, high-rigidity wear-resistant PPS/PTFE material.
- Complete Compact LCOS 1.5 CC OE for AR Glasses sample
- MP compact LCOS 3.8CC optical engine for AR Glasses
- Complete LBS 720p samples
- Develop Retinal Imaging Display device and MP

Outlook

The year 2023 marks the beginning of the post-pandemic recovery. However, the global economy continues to be subject to the impact of inflation and geopolitics. The central banks of major economies are still raising interest rates, the overall economic slowdown, the political and economic competition between the U.S. and China, and changes in the supply chain have affected the Company's operations. Still have a significant impact. With the hard work of every employee of the Ingenious Group, although the Company eventually made a loss, there has been significant improvement compared to the previous year, and the Company is confident to look forward to the future.

Clayton Christensen, associate professor at Harvard Business School, once said: "Faced with the never-ending technological revolution, it is like climbing a hill in the mud, but you have to stay on top of it forever. As long as you stop and take a breath, you may overturn instantly. "We

are about to face the challenges of integration in East China and customers' continuous requirements for technological innovation. The Company will strive to face these difficulties through strengthening communication, improving corporate quality and resource integration. This is the only way for transformation and growth.

Looking forward to the new year, we look forward to the maintenance of existing businesses, and the significant growth of new businesses, such as AI applications and biomedicine, and other niche products, which are also expected to be the keys to the Company's breakthrough. The chairman will lead all employees of Ying Ji to continue their struggles and overcome various challenges together, and look forward to enjoying the fruits of growth together in the future.

Chairman : Wen-Lin, Hsu

General Manager : Tung-Hui, Chiang

Accounting Supervisor : Jia-Zheng, Zhang

[Annex II]

Megaforce Company Limited

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report, the Parent Company Only Financial Statements and Consolidated Financial Statements, and Deficit Offsetting Proposal. The Parent Company Only Financial Statements and Consolidated Financial Statements have been audited and attested by CPA Mei-Yan, Chen and CPA Yu-Feng, Hsu of KPMG in Taiwan. The aforementioned documents have been reviewed by the Audit Committee members in accordance with the relevant provisions of the Securities and Exchange Act and the Company Act and with a report prepared and presented for your reference.

Convener of the Audit Committee
Hai-Pang, Chiang

March 15, 2024

Independent Auditors' Report

To the Board of Directors

Megaforce Company Limited:

Opinion

We have audited the parent-company-only financial statements of Megaforce Company Limited (“the Company”), which comprise the parent-company-only balance sheets as of December 31, 2023 and 2022, the parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent-company-only financial statements for the year 2023. These matters were addressed in the context of our audit of the parent-company-only financial statements taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters that should be communicated in our report.

1. Inventory valuation of subsidiaries

The accounting policy on inventory valuation of subsidiaries is same with the Company, please refer to note (4)(g) “Inventories”, note (5)(a) for the uncertainties in accounting estimates and assumptions regarding the inventory valuation of subsidiaries, and the related disclosures of the inventory valuation of subsidiaries, please refer to note (6)(f) “Investment accounted for using the equity method”.

Description of key audit matter:

Inventories of subsidiaries measured at the lower of costs and net realizable values. Due to fierce market competition or change in customer's demands, sales of related products might fluctuate significantly, which could possibly result in an obsolescence of products or no longer meet the market demand, and a significant fluctuation in the sales of the related products, wherein the carrying value of the inventories may exceed its net realizable value. Due to the valuation of inventories of subsidiaries might affect the Company's adoption of equity method to recognize its shares of profit and loss of subsidiaries, therefore, the adoption of the equity method to recognize the share of profit or loss of subsidiaries was considered one of the key audit matters in our audit of the Company's parent-company-only financial statements..

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included reviewing the lower of inventory and net realizable value assessments and inventory aging schedules provided by subsidiaries; analyzing the fluctuation of inventory aging; evaluating the most recent sales prices used by the management and reviewing subsequent inventory liquidation to assess the reasonableness of the net value of the subsidiaries' inventories to verify the accuracy of the management's estimate of the inventory allowance for losses and adequacy of the disclosure.

2. Assessment on impairment of subsidiaries' long-term non-financial assets (including goodwill)

Please refer to notes (4)(l) "Impairment of non-financial assets" of the accompanying parent-company-only financial statements for the accounting policies concerning the assessment on impairment of subsidiaries' long-term non-financial assets (including goodwill), note (5)(b) for relevant accounting estimates and assumption uncertainty, and note (6)(f) "Investment accounted for using the equity method" for details on the impairment assessment of subsidiaries' long-term non-financial assets (including goodwill).

Description of key audit matter:

The industry in which the subsidiaries operate is sensitive to market environment and the assessment on impairment of subsidiaries' long-term non-financial assets (including goodwill) is based on management's estimates of recoverable amount. As the assumptions of relevant assessments involve judgement of the management, the assessment on impairment of subsidiaries' long-term non-financial assets (including goodwill) was considered one of the key audit matters in our audit of the parent-company-only financial statements.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included assessing whether there are impairment indications for the identified cash-generating units of the Company and its related assets; assessing the reasonableness of assumptions adopted by the management in calculating the recoverable amount, including the main parameters such as cash flow projections and discount rates; comparing the future cash flows projected in the past with the actual results to examine the accuracy of estimates made by the management and conducted sensitivity analysis on key assumptions; reviewing the adequacy of disclosures concerning the assessment on impairment of long-term non-financial assets (including goodwill); and making inquiries with management to ensure that matters having significant influence on impairment assessment did not occur after the reporting date.

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

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities

Issuers and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yen-Ta Su and Mei-Yen Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 15, 2024

Notes to Readers

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

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

(English Translation of Parent-Company-Only Financial statements Originally Issued in Chinese)
MEGA FORCE COMPANY LIMITED
 Parent-Company-Only Balance Sheets
 December 31, 2023 and 2022
 (Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022			December 31, 2023		December 31, 2022	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (note (6)(a))	\$ 337,636	8	380,342	7	2100 Short-term borrowings (note (6)(j))	\$ 690,000	17	1,020,000	23
1110 Financial assets at fair value through profit or loss—current (note (6)(b))	598	-	-	-	2110 Short-term notes and bills payable (note (6)(i))	100,000	2	-	-
1170 Accounts receivable, net (notes (6)(c) and (r))	402,656	10	312,457	7	2120 Financial liabilities at fair value through profit or loss—current (notes (6)(b) and (i))	-	-	285	-
1180 Receivables from related parties (notes (6)(c), (r) and (7))	11,188	1	26,380	1	2130 Contract liabilities—current (note (6)(c))	29,792	1	28,563	1
1210 Other receivables from related parties (notes (6)(d) and (7))	35,605	-	9,214	-	2170 Notes and accounts payable	108,294	3	35,937	1
130X Inventories (note (6)(e))	152,181	4	112,334	2	2180 Payables to related parties (note (7))	337,466	8	420,318	9
1476 Other financial assets—current (note (6)(d))	6,413	-	1,661	-	2200 Other payables (notes (7))	132,680	3	128,052	3
1479 Other current assets (note (7))	15,427	-	17,461	-	2230 Current income tax liabilities	720	-	415	-
Total current assets	961,704	23	787,849	17	2280 Lease liabilities—current (notes (6)(m) and (7))	7,841	-	741	-
Non-current assets:					2321 Current portion of bonds payable (note (6)(l))	-	-	28,907	1
1517 Financial assets at fair value through other comprehensive income — non-current (note (6)(b))	21,460	1	21,460	1	2322 Current portion of long-term debt (notes (6)(k) and (8))	39,764	1	114,764	2
1550 Investments accounted for using equity method (note (6)(f))	2,679,884	64	3,177,408	71	2360 Net defined benefit liability—current (note (6)(n))	6,250	-	6,000	-
1600 Property, plant and equipment (notes (6)(g), (7) and (8))	431,107	10	460,553	10	2399 Other current liabilities—other	2,262	-	2,430	-
1755 Right-of-use assets (note (6)(h))	18,804	-	927	-	Total current liabilities	1,455,069	35	1,786,412	40
1780 Intangible assets	1,404	-	2,761	-	Non-current liabilities:				
1840 Deferred income tax assets (note (6)(o))	44,789	1	50,770	1	2540 Long-term debt (notes (6)(k) and (8))	439,236	10	363,236	8
1990 Other non-current assets	19,132	1	456	-	2570 Deferred income tax liabilities (note (6)(o))	112,906	3	73,744	2
Total non-current assets	3,216,580	77	3,714,335	83	2580 Lease liabilities—non-current (note (6)(m) and (7))	11,120	-	199	-
					2640 Net defined benefit liability—non-current (note (6)(n))	41,366	1	45,055	1
					2650 Credit balance of investments accounted for using equity method (notes (6)(f))	26,343	1	-	-
					2670 Other non-current liabilities	6	-	6	-
					Total non-current liabilities	630,977	15	482,240	11
					Total liabilities	2,086,046	50	2,268,652	51
					Equity (notes (6)(b)(i) and (p)):				
					3100 Common stock	1,320,159	25	1,320,159	29
					3200 Capital surplus	830,473	20	830,582	19
					3300 Retained earnings/Accumulated deficits	(31,036)	(1)	107,321	2
					3400 Other equity	17,547	-	20,375	-
					3500 Treasury shares	(44,905)	(1)	(44,905)	(1)
					Total equity	2,092,238	50	2,233,532	49
					Total liabilities and equity	\$ 4,178,284	100	\$ 4,502,184	100

See accompanying notes to parent-company-only financial statements.

MEGAFORCE COMPANY LIMITED**Parent-Company-Only Statements of Comprehensive Income****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)**

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenues (notes (6)(r) and (7))	\$ 1,140,199	100	1,019,369	100
5000	Operating costs (notes (6)(e), (f), (g), (h), (m), (n), (7) and (12))	1,022,602	90	941,139	92
	Gross profit	117,588	10	78,230	8
5910	Less: Unrealized profit from sales	902	-	-	-
	Realized gross profit	116,686	10	78,230	8
	Operating expenses (notes (6)(c), (d), (f), (g), (h), (m), (n), (7) and (12)):				
6100	Selling expenses	23,716	2	22,920	2
6200	Administrative expenses	169,205	15	176,761	17
6300	Research and development expenses	88,471	8	77,540	8
6450	Recognized (reversal of) expected credit losses	(1,535)	-	1,541	-
	Total operating expenses	279,857	25	278,762	27
	Net operating loss	(163,171)	(15)	(200,532)	(19)
	Non-operating income and expenses (notes (6)(h), (l), (m), (t) and (7)):				
7100	Interest income	7,559	1	2,612	-
7020	Other gains and losses, net	(29,024)	(3)	(2,505)	-
7050	Finance costs	(25,308)	(2)	(24,720)	(2)
7070	Share of profit of subsidiaries and associates accounted for using equity method	163,373	15	187,960	18
	Total non-operating income and expenses	118,600	11	163,347	16
7900	Loss before tax	(44,571)	(4)	(37,185)	(3)
7950	Less: Income tax expenses (note (6)(o))	84,823	7	119,382	12
	Net loss	(129,394)	(11)	(156,567)	(3)
8300	Other comprehensive income (loss):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans (note (6)(n))	(1,823)	-	15,217	1
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (notes (6)(p) and (u))	4,800	-	(1,139)	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss (note (6)(o))	(364)	-	3,043	-
	Items that will not be reclassified subsequently to profit or loss	3,341	-	11,035	1
8360	Items that will be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations (note (6)(p))	(15,020)	(1)	85,187	8
8399	Income tax related to items that will be reclassified subsequently to profit or loss	-	-	-	-
	Items that will be reclassified subsequently to profit or loss	(15,020)	(1)	85,187	8
8300	Other comprehensive income (loss), net	(11,679)	(1)	96,222	9
8500	Total comprehensive income (loss)	\$ (141,073)	(12)	(60,345)	(6)
	Earnings per share (in New Taiwan dollars) (note (6)(q))				
9750	Basic earnings (loss) per share	\$ (0.995)		(1.198)	
9850	Diluted earnings (loss) per share	\$ (0.995)		(1.198)	

(English Translation of Parent-Company-Only Financial statements Originally Issued in Chinese)
MEGAFORCE COMPANY LIMITED

Parent-Company-Only Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity		
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income
Balance at January 1, 2022	\$ 1,320,159	830,637	55,622	45,952	183,144	284,718	(52,620)	(11,053)
Net loss	-	-	-	-	(156,567)	(156,567)	-	-
Other comprehensive income	-	-	-	-	12,174	12,174	85,187	(1,139)
Total comprehensive income	-	-	-	-	(144,393)	(144,393)	85,187	(1,139)
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	1,684	-	(1,684)	-	-	-
Special reserve appropriated	-	-	-	17,721	(17,721)	-	-	-
Cash dividends to shareholders	-	-	-	-	(33,004)	(33,004)	-	-
Purchase of treasury share	-	-	-	-	-	-	-	(44,905)
Change in ownership interest in subsidiaries	-	(55)	-	-	-	-	-	(55)
Balance at December 31, 2022	1,320,159	830,582	57,306	63,673	(13,658)	107,321	32,567	(12,192)
Net loss	-	-	-	-	(129,394)	(129,394)	-	-
Other comprehensive income	-	-	-	-	(1,459)	(1,459)	(15,020)	4,800
Total comprehensive income	-	-	-	-	(130,853)	(130,853)	(15,020)	4,800
Appropriation and distribution of retained earnings:								
Reversal special reserve	-	-	-	(63,673)	63,673	-	-	-
Change in ownership interest in subsidiaries	-	(109)	-	-	(112)	(112)	-	-
Disposal of equity investments measured at fair value through other comprehensive income	-	-	-	-	(7,392)	(7,392)	-	7,392
Balance at December 31, 2023	\$ 1,320,159	830,473	57,306	-	(88,342)	(31,036)	17,547	-
							(44,905)	2,092,238

See accompanying notes to parent-company-only financial statements.

MEGAFORCE COMPANY LIMITED

Parent-Company-Only Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
Loss before income tax	\$ (44,571)	(37,185)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	43,223	43,223
Amortization expense	1,577	2,719
Recognized (reversal of) expected credit loss	(1,535)	1,541
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(80)	14,307
Interest expense	25,308	24,720
Interest income	(7,559)	(2,612)
Share of profit of subsidiaries accounted for using equity method	(165,373)	(187,960)
Gain on disposal of property, plant and equipment	(470)	(7)
Impairment loss on non-financial assets	25,495	-
Unrealized profit from sales	902	-
Loss on redemption of convertible bonds	749	-
Total adjustments to reconcile profit (loss)	(78,763)	(104,069)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts receivable	(90,176)	41,972
Receivables from related parties	16,703	(13,259)
Other receivables from related parties	(6,313)	5,585
Inventories	(39,847)	31,195
Other current assets	2,684	(7,459)
Other financial assets – current	(4,670)	203
Net changes in operating assets	(121,619)	58,237
Changes in operating liabilities:		
Contract liabilities	1,229	12,244
Notes and accounts payable	72,357	(43,137)
Payables to related parties	(82,852)	6,294
Other payables	4,579	(21,186)
Other current liabilities	(168)	242
Net defined benefit liability	(5,262)	(10,014)
Net changes in operating liabilities	(10,117)	(55,557)
Total changes in operating assets and liabilities	(131,736)	2,680
Total adjustments	(210,499)	(101,389)
Cash inflow (outflow) generated from operations	(255,070)	(138,574)
Income taxes paid	(2,924)	(13,019)
Net cash flows used in operating activities	(257,994)	(141,593)
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(15,480)
Proceeds from disposal of financial assets at fair value through other comprehensive income	4,800	-
Acquisition of financial assets at fair value through profit or loss	(734)	-
Proceeds from disposal of financial assets designated at fair value through profit or loss	-	30,000
Acquisition of investments accounted for using equity method	(42,755)	(50,000)
Proceeds from capital reduction of investments accounted for using equity method	322,991	-
Acquisition of property, plant and equipment	(23,919)	(31,536)
Proceeds from disposal of property, plant and equipment	525	153
Increase in other receivables from related parties	(20,000)	-
Acquisition of intangible assets	(220)	(1,716)
Decrease in other non-current assets	80	11
Interest received	7,399	2,589
Dividends received	330,630	837,170
Net cash flows from investing activities	578,797	771,191
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	3,649,000	6,895,000
Repayments of short-term borrowings	(3,979,000)	(6,995,000)
Increase in short-term notes and bills payable	190,000	-
Decrease in short-term notes and bills payable	(90,000)	-
Repayments of bonds	(30,000)	-
Increase in long-term debt	100,000	180,000
Repayments of long-term debt	(99,000)	(321,571)
Payments of lease liabilities	(7,488)	(7,094)
Increase in other non-current liabilities	-	6
Cash dividends paid	-	(33,004)
Payments to acquire treasury shares	-	(44,905)
Interest paid	(25,021)	(23,818)
Net cash flows from (used in) financing activities	(291,509)	(350,386)
Net increase (decrease) in cash and cash equivalents	29,294	279,212
Cash and cash equivalents at beginning of period	308,342	29,130
Cash and cash equivalents at end of period	\$ 337,636	308,342

Independent Auditors' Report

To the Board of Directors of
Megaforce Company Limited:

Opinion

We have audited the consolidated financial statements of Megaforce Company Limited and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year 2023. These matters were addressed in the context of our audit of the consolidated financial statements taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters that should be communicated in our report.

3. Inventory valuation

Please refer to notes (4)(h) to the consolidated financial statements for the accounting policies on the valuation of inventories, note (5)(a) for the uncertainties in accounting estimates and assumptions regarding the valuation of inventories, and note (6)(e) for the provision for losses on decline in value of inventories.

Description of key audit matter:

Inventories are measured at the lower of costs and net realizable values. Due to fierce market competition or change in customer's demands, sales of related products might fluctuate significantly, which could possibly result in an obsolescence of products or no longer meet the market demand, and a significant fluctuation in the sales of the related products, wherein the carrying value of the inventories may exceed its net realizable value. Therefore, the valuation of inventories has been identified as key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included reviewing the lower of inventory and net realizable value assessments and inventory aging schedules provided by the Group; analyzing the fluctuation of inventory aging; evaluating the most recent sales prices used by the management and reviewing subsequent inventory liquidation to assess the reasonableness of the net value of the Group's inventories to verify the accuracy of the management's estimate of the inventory allowance for losses and adequacy of the disclosure.

4. Assessment on impairment of long-term non-financial assets (including goodwill)

Please refer to notes (4)(k) "Impairment of non-financial assets" of the consolidated financial statements for the accounting policies concerning the assessment on impairment of long-term non-financial assets (including goodwill), note (5)(b) for relevant accounting estimates and assumption uncertainty, and note (6)(f)(g)(h) for details on the impairment assessment of long-term non-financial assets (including goodwill).

Description of key audit matter:

The industry in which the Group operates is sensitive to market environment and the assessment on impairment of long-term non-financial assets (including goodwill) is based on management's estimates of recoverable amount. As the assumptions of relevant assessments involve judgement of the management, the assessment on impairment of long-term non-financial assets (including goodwill) has been identified as one of the key audit matters in our audit of the Group's consolidated financial statements.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included assessing whether there are impairment indications for the identified cash-generating units of the Group and its related assets; assessing the reasonableness of assumptions adopted by the management in calculating the recoverable amount, including the main parameters such as cash flow projections and discount rates; comparing the future cash flows projected in the past with the actual results to examine the accuracy of estimates made by the management and conducted sensitivity analysis on key assumptions; reviewing the adequacy of disclosures concerning the assessment on impairment of long-term non-financial assets (including goodwill); and making inquiries with management to ensure that matters having significant influence on impairment assessment did not occur after the reporting date.

Other Matter

Megaforce Company Limited has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

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

misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yen-Ta Su and Mei-Yen Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 15, 2024

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
MEGAFORCE COMPANY LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022		Liabilities and Equity	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Current liabilities:				
Current assets:					Short-term borrowings (note (6)(j))	\$ 690,000	13	\$ 1,020,000	20
1100 Cash and cash equivalents (note (6)(a))					Short-term notes and bills payable (note (6)(i))	100,000	2	-	-
1110 Financial assets at fair value through profit or loss—current (note (6)(b))	598	-	-	-	Financial liabilities at fair value through profit or loss—current (notes (6)(b) and (l))	-	-	285	-
1170 Notes and accounts receivable, net (notes (6)(c), (t) and (7))	1,282,712	24	1,387,041	27	Contract liabilities—current (note (6)(r))	54,076	1	59,229	1
130X Inventories (note (6)(e))	395,498	8	496,691	10	Notes and accounts payable	526,261	10	450,232	9
1476 Other financial assets—current (note (6)(a) (d) and (7))	235,208	4	4,868	-	Other payables (notes (7))	481,390	9	539,041	11
1479 Other current assets	70,372	1	66,435	1	Current income tax liabilities	22,581	-	21,697	-
Total current assets	4,117,921	77	3,711,614	72	Lease liabilities—current (note (6)(m))	44,709	1	52,448	1
Non-current assets:					Current portion of bonds payable (note (6)(l))	-	-	28,907	1
1517 Financial assets at fair value through other comprehensive income—non-current (note (6)(b))	21,460	1	21,460	1	Current portion of long-term debt (notes (6)(k) and (8))	44,097	1	114,764	2
1600 Property, plant and equipment (notes (6)(f) and (8))	871,598	16	999,601	19	Net defined benefit liability—current (note (6)(n))	6,250	-	6,000	-
1755 Right-of-use assets (note (6)(g))	143,946	3	193,271	4	Other current liabilities—other	35,527	1	21,964	-
1780 Intangible assets (notes (6)(h))	367,27	1	62,338	1	Total current liabilities	2,004,891	38	2,314,567	45
1840 Deferred income tax assets (note (6)(o))	130,516	3	141,778	3	Non-current liabilities:				
1980 Other financial assets—non-current	15,562	-	16,955	-	Long-term debt (notes (6)(k) and (8))	460,903	9	363,236	7
1990 Other non-current assets	22,358	-	8,259	-	Deferred income tax liabilities (note (6)(o))	114,682	2	75,190	1
Total non-current assets	1,242,167	23	1,443,662	28	Lease liabilities—non-current (note (6)(m))	68,075	1	107,408	2
					Net defined benefit liability—non-current (note (6)(n))	41,366	1	45,055	1
					Other non-current liabilities (notes (9))	563,050	10	402	-
					Total non-current liabilities	1,248,076	23	591,291	11
					Total liabilities	3,252,967	61	2,905,858	66
					Equity attributable to owners of parent (notes (6)(l) and (p)):				
					Common stock	1,320,159	25	1,320,159	26
					Capital surplus	830,473	16	830,582	16
					Retained earnings(Accumulated deficits)	(31,036)	(1)	107,321	2
					Other equity	17,547	-	20,375	1
					Treasury shares	(44,905)	(1)	(44,905)	(1)
					Total equity attributable to owners of parent	2,092,538	39	2,233,532	44
					Non-controlling interests	14,883	-	15,886	-
					Total equity	2,107,421	39	2,249,418	44
					Total liabilities and equity	\$ 5,360,088	100	\$ 5,155,276	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
MEGA FORCE COMPANY LIMITED AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenues (notes (6)(r) and (7))	\$ 4,138,158	100	4,834,937	100
5000	Operating costs (notes (6)(e), (f), (g), (h), (m), (n), (7) and (12))	3,580,213	87	4,351,713	90
	Gross profit	557,945	13	483,224	10
	Operating expenses (notes (6)(c), (d), (f), (g), (h), (m), (n), (7) and (12)):				
6100	Selling expenses	102,646	2	95,179	2
6200	Administrative expenses	321,330	8	331,772	7
6300	Research and development expenses	180,975	4	139,819	3
6450	Recognized (reversal of) expected credit losses	(554)	-	1,336	-
	Total operating expenses	604,397	14	568,106	12
	Net operating loss	(46,452)	(1)	(84,882)	(2)
	Non-operating income and expenses (notes (6)(h), (l), (m), (t) and (7)):				
7100	Interest income	29,047	1	17,686	1
7020	Other gains and losses, net	38,060	1	80,282	2
7510	Interest expense	(28,029)	(1)	(27,937)	(1)
	Total non-operating income and expenses	39,078	1	70,031	2
7900	Loss before tax	(7,374)	-	(14,851)	-
7950	Less: Income tax expenses (note (6)(o))	125,662	3	146,957	3
	Net loss	(133,036)	(3)	(161,808)	(3)
8300	Other comprehensive income (loss):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans (note (6)(n))	(1,823)	-	15,217	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (notes (6)(p) and (u))	4,800	-	(1,139)	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss (note (6)(o))	(364)	-	3,043	-
	Items that will not be reclassified subsequently to profit or loss	3,341	-	11,035	-
8360	Items that will be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations (note (6)(p))	(12,602)	-	85,039	2
8399	Income tax related to items that will be reclassified subsequently to profit or loss	-	-	-	-
	Items that will be reclassified subsequently to profit or loss	(12,602)	-	85,039	2
8300	Other comprehensive income (loss), net	(9,261)	-	96,074	2
8500	Total comprehensive income (loss)	\$ (142,297)	(3)	\$ (65,734)	(1)
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	\$ (129,394)	(3)	(156,567)	(3)
8620	Profit (loss), attributable to non—controlling interests	(3,642)	-	(5,241)	-
	Net loss	\$ (133,036)	(3)	(161,808)	(3)
	Comprehensive loss attributable to:				
8710	Comprehensive loss, attributable to owners of parent	\$ (141,073)	(3)	(60,345)	(1)
8720	Comprehensive loss, attributable to non—controlling interests	(1,224)	-	(5,389)	-
	Total comprehensive loss	\$ (142,297)	(3)	(65,734)	(1)
	Earnings per share (in New Taiwan dollars) (note (6)(q))				
9750	Basic earnings (loss) per share	\$ (0.995)		(1.198)	
9850	Diluted earnings (loss) per share	\$ (0.995)		(1.198)	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
MEGA FORCE COMPANY LIMITED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
	Retained earnings					Other equity interest				
	Common Stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity attributable to owners of parent
Balance at January 1, 2022	\$ 1,320,159	830,637	55,622	45,952	183,144	284,718	(52,620)	(11,053)	-	2,371,841
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	1,684	-	(1,684)	-	-	-	-	-
Special reserve appropriated	-	-	-	17,721	(17,721)	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(33,004)	(33,004)	-	-	-	(33,004)
Net loss	-	-	-	-	(156,567)	(156,567)	-	-	-	(156,567)
Other comprehensive income	-	-	-	-	12,174	12,174	85,187	(1,139)	-	96,222
Total comprehensive income	-	-	-	-	(144,393)	(144,393)	85,187	(1,139)	-	(60,345)
Purchase of treasury share	-	-	-	-	-	-	-	-	(44,905)	(44,905)
Change in ownership interest in subsidiaries	-	(55)	-	-	-	-	-	-	-	(55)
Balance at December 31, 2022	1,320,159	830,582	57,306	63,673	(13,658)	107,321	32,567	(12,192)	(44,905)	2,233,532
Appropriation and distribution of retained earnings:										
Reversal special reserve	-	-	-	(63,673)	63,673	-	-	-	-	-
Net loss	-	-	-	-	(129,394)	(129,394)	-	-	-	(129,394)
Other comprehensive income	-	-	-	-	(1,459)	(1,459)	(15,020)	4,800	-	(11,679)
Total comprehensive income	-	-	-	-	(130,853)	(130,853)	(15,020)	4,800	-	(141,073)
Change in ownership interest in subsidiaries	-	(109)	-	-	(112)	(112)	-	-	-	(221)
Disposal of equity investments measured at fair value through other comprehensive income	-	-	-	-	(7,392)	(7,392)	-	7,392	-	-
Balance at December 31, 2023	\$ 1,320,159	830,473	57,306	-	(88,342)	(31,036)	17,547	-	(44,905)	2,092,238
										14,883
										2,107,121

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
MEGA FORCE COMPANY LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
Profit (loss) before tax	\$ (7,374)	(14,851)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	226,450	246,827
Amortization expense	3,670	3,846
Recognized (reversal of) expected credit loss	(554)	1,336
Net gain on financial assets or liabilities at fair value through profit or loss	(3,792)	(5,110)
Interest expense	28,029	27,937
Interest income	(29,047)	(17,686)
Gain on disposal of property, plant and equipment	(5,158)	(915)
Property, plant and equipment reclassified to expenses	3,740	-
Lease modification gains	(485)	-
Impairment loss on non-financial assets	25,495	-
Loss on redemption of convertible bonds	749	-
Total adjustments to reconcile profit (loss)	249,097	256,235
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	89,467	272,896
Inventories	99,542	173,167
Other current assets	669	4,758
Other financial assets	(5,762)	487
Other non-current assets	(319)	(541)
Net changes in operating assets	183,597	450,767
Changes in operating liabilities:		
Contract liabilities	(5,563)	(6,319)
Notes and accounts payable	82,118	(95,849)
Other payables	(55,117)	(108,023)
Other current liabilities	14,629	(10,309)
Net defined benefit liability	(5,262)	(10,014)
Net changes in operating liabilities	30,805	(230,514)
Total changes in operating assets and liabilities	214,402	220,253
Total adjustments	463,499	476,488
Cash inflow generated from operations	456,125	461,637
Income taxes paid	(75,838)	(137,148)
Net cash flows from operating activities	380,287	324,489
Cash flows from (used in) investing activities:		
Proceeds from disposals of financial assets at fair value through other comprehensive income	4,800	-
Acquisition of financial assets at fair value through other comprehensive income	-	(15,480)
Proceeds from disposal of financial assets designated at fair value through profit or loss	-	30,000
Acquisition of financial assets at fair value through profit or loss	(625,176)	(2,560,274)
Proceeds from disposal of financial assets at fair value through profit or loss	625,778	2,594,301
Acquisition of property, plant and equipment	(47,577)	(75,704)
Proceeds from disposal of property, plant and equipment	10,027	1,578
Acquisition of intangible assets	(3,577)	(2,671)
Increase in other financial assets	(216,928)	(1,857)
Received in advance due to disposal of assets	562,540	-
Interest received	22,907	16,778
Net cash flows used in investing activities	332,794	(13,329)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	3,649,000	6,895,000
Repayments of short-term borrowings	(3,979,000)	(6,995,000)
Increase in short-term notes and bills payable	190,000	-
Decrease in short-term notes and bills payable	(90,000)	-
Repayments of bonds	(30,000)	-
Increase in long-term debt	126,000	180,000
Repayments of long-term debt	(99,000)	(321,571)
Payments of lease liabilities	(59,447)	(78,715)
Increase (decrease) in other non-current liabilities	115	6
Cash dividends paid	-	(33,004)
Payments to acquire treasury shares	-	(44,905)
Interest paid	(25,360)	(23,818)
Net cash flows used in financing activities	(317,692)	(422,007)
Effect of exchange rate changes on cash and cash equivalents	(18,435)	25,569
Net increase (decrease) in cash and cash equivalents	376,954	(85,278)
Cash and cash equivalents at beginning of period	1,756,579	1,841,857
Cash and cash equivalents at end of period	\$ 2,133,533	1,756,579

[Annex IV]

Megaforce Company Limited
Deficit Offsetting Table
2023

Unit : NTD

Item	Amount
Retained earnings in the beginning of 2023	50,015,072
Add (subtract) :	
Net loss for the year 2023	(129,393,682)
Changes in remeasurements of defined benefit plans	(1,458,400)
Change in ownership interest in subsidiaries	(111,913)
Disposal of fair value through other comprehensive income—equity investment	(7,392,942)
The sum of the net loss plus the items other than the net loss included in the undistributed earnings of the current year	(138,356,937)
Earnings available for distribution for the current period	(88,341,865)
Distribution items :	
Shareholder dividends	0
Items of accumulated deficit :	
Legal reserve	57,305,526
Capital surplus	31,036,339
Ending balance of accumulated deficit	0

Note : There is without any earnings resulted this year; therefore, no common stock dividends and cash dividends, as well as employee remuneration and director remuneration was distributed.

Chairman : Wen-Lin, Hsu General Manager : Tung-Hui, Chiang Accounting Supervisor : Jia-Zheng, Zhang

[Annex V]

Comparison Table of the Amendments to the “Articles of Incorporation” before and after

After amendment	Before amendment	Explanations
<p>Article 2</p> <p>The Company’s business scope is as follows :</p> <ol style="list-style-type: none"> 1. C805050 Industrial Plastic Products Manufacturing 2. F213080 Industrial Plastic Products Manufacturing ° 3. CQ01010 Mold and Die Manufacturing 4. F206030 Retail Sale of Molds 5. F401010 International Trade 6. CC01050 Reproduction and Equipment Manufacturing 7. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing 8. F113020 Wholesale of Electrical Appliances 9. F213010 Retail Sale of Electrical Appliances 10. CC01070 Wireless Communication Mechanical Equipment Manufacturing 11. CC01080 Electronics Components Manufacturing 12. I301010 Information Software Services 13. CF01011 Medical Devices Manufacturing 14. F108031 Wholesale of Medical Devices 15. F208031 Retail Sale of Medical Apparatus <u>16. CE01030 Optical Instruments Manufacturing</u> <u>17. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval</u> 	<p>Article 2</p> <p>The Company’s business scope is as follows :</p> <ol style="list-style-type: none"> 1. C805050 Industrial Plastic Products Manufacturing 2. F213080 Industrial Plastic Products Manufacturing ° 3. CQ01010 Mold and Die Manufacturing 4. F206030 Retail Sale of Molds 5. F401010 International Trade 6. CC01050 Reproduction and Equipment Manufacturing 7. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing 8. F113020 Wholesale of Electrical Appliances 9. F213010 Retail Sale of Electrical Appliances 10. CC01070 Wireless Communication Mechanical Equipment Manufacturing 11. CC01080 Electronics Components Manufacturing 12. I301010 Information Software Services 13. CF01011 Medical Devices Manufacturing 14. F108031 Wholesale of Medical Devices 15. F208031 Retail Sale of Medical Apparatus 16. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval 	<p>Add new business items for company operation and development.</p>

After amendment	Before amendment	Explanations
<p>Article 36</p> <p>The Article of Incorporation was formulated on October 11, 1991</p> <p>The 1st amendment was approved on July 19, 1997</p> <p>The 2nd amendment was approved on October 1, 2002</p> <p>The 3rd amendment was approved on May 23, 2003</p> <p>The 4th amendment was approved on December 18, 2003</p> <p>The 5th amendment was approved on June 29, 2004</p> <p>The 6th amendment was approved on June 30, 2005</p> <p>The 7th amendment was approved on June 16, 2006</p> <p>The 8th amendment was approved on June 28, 2007</p> <p>The 9th amendment was approved on June 11, 2008</p> <p>The 10th amendment was approved on June 4, 2009</p> <p>The 11th amendment was approved on June 15, 2010</p> <p>The 12th amendment was approved on June 19, 2012</p> <p>The 13th amendment was approved on June 23, 2015</p> <p>The 14th amendment was approved on June 21, 2016</p> <p>The 15th amendment was approved on June 8, 2018</p> <p>The 16th amendment was approved on June 27, 2019</p> <p>The 17th amendment was approved on June 8, 2022</p> <p><u>The 18th amendment was approved on June 7, 2024</u></p>	<p>Article 36</p> <p>The Article of Incorporation was formulated on October 11, 1991</p> <p>The 1st amendment was approved on July 19, 1997</p> <p>The 2nd amendment was approved on October 1, 2002</p> <p>The 3rd amendment was approved on May 23, 2003</p> <p>The 4th amendment was approved on December 18, 2003</p> <p>The 5th amendment was approved on June 29, 2004</p> <p>The 6th amendment was approved on June 30, 2005</p> <p>The 7th amendment was approved on June 16, 2006</p> <p>The 8th amendment was approved on June 28, 2007</p> <p>The 9th amendment was approved on June 11, 2008</p> <p>The 10th amendment was approved on June 4, 2009</p> <p>The 11th amendment was approved on June 15, 2010</p> <p>The 12th amendment was approved on June 19, 2012</p> <p>The 13th amendment was approved on June 23, 2015</p> <p>The 14th amendment was approved on June 21, 2016</p> <p>The 15th amendment was approved on June 8, 2018</p> <p>The 16th amendment was approved on June 27, 2019</p> <p>The 17th amendment was approved on June 8, 2022</p>	<p>Update revision date.</p>

[Annex VI]

Comparison Table of the Amendments to the “Rules of Procedure for Shareholders’ Meeting” before and after

After amendment	Before amendment	Explanations
Article 3 Unless otherwise provided by law and regulation, the Company's shareholders' meetings shall be convened by the board of directors. <u>Unless otherwise provided in these Regulations, a company that will convene a shareholders' meeting with video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its board of directors. Furthermore, convening of a virtual-only shareholders' meeting shall require a resolution adopted by a majority vote at a meeting of the board of directors attended by at least two-thirds of the total number of directors.</u> Changes to how the Company convenes the shareholders' meeting shall be resolved by the board of directors, and shall be made no later than the mailing of the shareholders' meeting notice. (omitted below)	Article 3 Unless otherwise provided by law and regulation, the Company's shareholders' meetings shall be convened by the board of directors. (add the new item) Changes to how the Company convenes the shareholders' meeting shall be resolved by the board of directors, and shall be made no later than the mailing of the shareholders' meeting notice. (omitted below)	The company holds virtual shareholder meetings, where shareholders can participate remotely. To safeguard shareholder rights, we have added content to the second item.
Article 6-1 To convene a virtual shareholders' meeting, the Company shall include the following particulars in the shareholders' meeting notice : (omitted I & II) III.To convene a virtual-only	Article 6-1 To convene a virtual shareholders' meeting, the Company shall include the following particulars in the shareholders' meeting notice : (omitted I & II) III.To convene a virtual-only	1. Considering the convening of virtual shareholder meetings, where shareholders can only participate via video conferencing, appropriate alternative measures are provided to assist

After amendment	Before amendment	Explanations
shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified. <u>Except in the circumstances set out in Article 44-9, paragraph 6, it shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the company and other related matters requiring attention.</u>	shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.	shareholders in participating using connected devices. Therefore, the content has been added to the third item. 2. In exceptional circumstances, when a publicly traded company faces natural disasters, emergencies, or other unforeseeable events, the Ministry of Economic Affairs may allow the company to hold shareholder meetings via video conferencing, even if not explicitly stated in the company's bylaws. Necessary measures must be provided based on the specific context at the time, as outlined in the newly added exception clause.
Article 22 When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a "virtual shareholders' meeting" online. <u>Except in the circumstances set out in Article 44-9, paragraph 6, it shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the company and other related matters requiring attention.</u>	Article 22 When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a "virtual shareholders' meeting" online. (add the new item)	The reason for the amendment is the same as Article 6-1.

[Annex VII]

The list of 6 candidates nominated by the Board of Directors is as follows :

No.	shareholder	Name	Education	Experience	Current position	Represented government / Legal entity
1	2	Wen-Lin, Hsu	Department of Mechanical Engineering, Lunghwa Junior college of Technology	Chairman, Techron Company Limited CEO, Megaforce Group	CEO, Megaforce Group Co., Ltd. Chairman, Megaforce Group Co.,Ltd. Chairman, Megaforce International Co.,Ltd. Chairman, Newforce Global Ltd. Chairman, Megaforce SDN. BHD. Director, Barintec Co., Ltd. Chairman, Shanghai Yingji Electronic Plastic Co., Ltd. Chairman, Shanghai Shanghua Painting Co.,Ltd Chairman, Shanghai AB Megaforce Co., Ltd. Chairman, Suzhou Intentech Co.,Ltd. Chairman, Dongguan Megaforce Electronic Technology Co., Ltd. Chairman, Megachamp Investment Co., Ltd Chairman, Mega1 Co., Ltd Chairman, Ying Fan Investment Co., Ltd. Director, Anguil Technology Co., Ltd. President, Yu Jin Ltd.	None
2	5	Tung-Hui, Chiang	Department of Mechanical Engineering, National Taiwan University	Manager, Techron Company Limited. GM, Megaforce Company Limited.	GM, Megaforce Co., Ltd. Group Operation Resources president and chief information security officer, Megaforce International Co.,Ltd. Director, Shanghai Yingji Electronic Plastic Co., Ltd. Director, Shanghai Shanghua Painting Co.,Ltd. Director, Suzhou Intentech Co.,Ltd. Director, Dongguan Megaforce Electronic Technology Co., Ltd. Director, Mega1 Co., Ltd. Director, Ying Fan Investment Co., Ltd.	None
3	61	Wan-Sheng, Hsu	Stanford University SCPM (Stanford Certified Project Manager) University of Queensland, Master of Commerce (Applied Finance)	Audit Department, KPMG Taiwan	Executive Assistant ,CEO's Office, Megaforce Co., Ltd. Director, Megaforce International Corporation Director, Super Bravo Bio Co., Ltd. Director, Worldwide applied biomedicine Co., Ltd. Supervisor, Super Good Bio Co., Ltd. Director, Barintec Co., Ltd.	None
4	337	Le-Li, Lu	MBA-Controllershship, St. John's University	CFO, Green Point Enterprise Co., Ltd. Vice President, Fengyao group	Director, APOGÉE Handcraft Co., Ltd.	Ying Fan Investment Co., Ltd.

				Co.,Ltd. CFO, Megaforce Group Co.,Ltd.		
5	337	Chia-Cheng, Chang	Department of Accounting, National Chung Hsing University	Senior Manager, PwC Taiwan	CFO&CGO, Megaforce Group Co.,Ltd. Supervisor, Mega1 Co.,Ltd. Supervisor, Shanghai AB Megaforce Co., Ltd. Supervisor, Shanghai Yingji Electronic Plastic Co., Ltd. Supervisor, Shanghai Shanghua Painting Co.,Ltd Supervisor, Suzhou Intentech Co.,Ltd. Supervisor, Dongguan Megaforce Electronic Technology Co., Ltd. Representative Director, Super Bravo Bio Co., Ltd. Independent Director, S&S healthcare Holding Ltd.	Ying Fan Investment Co., Ltd.
6	10517	Ming-Hsiung, Chu	Taipei Jingwen High School	Chairman, Gubang Co., Ltd. Chairman, Jih Feng Co., Ltd. Chairman, Charis Brother International Co., Ltd. Chairman, Gruba Construction Co., Ltd. Director, Megaforce Group Co.,Ltd.	Chairman, Charis Brother International Co., Ltd. Director, Ying Fan Investment Co., Ltd. Director, Worldwide applied biomedicine Co., Ltd. Director, Anguil Technology Co., Ltd Director, Super Bravo Bio Co., Ltd.	None

The list of 3 independent director candidates nominated by the Board of Directors is as follows:

No.	Name	Education	Experience	Current position	Represented government / Legal entity	Whether he/she has served as an independent director for three consecutive terms / reason
1	Hai-Pang, Chiang	Ph.D. National Taiwan University-Electrical Engineering	Director, Institute of Optoelectronic Sciences, National Taiwan Ocean University Professor, National Taiwan Ocean University-Optoelectronic and Materials Technology Supervisor, Taiwan Optical Engineering Society Adjunct Research Fellow, National Applied Research Laboratories Adjunct Research Fellow, Institute of Physics, Academia Sinica	Distinguished Professor, National Taiwan Ocean University-Optoelectronic and Materials Technology	None	Mr. Chiang's educational background provides valuable expertise and guidance for our company's core industries. His insights have significantly contributed to improving process efficiency and product quality, which is why he remains one of the candidates for an independent director position.
2	Wan-Hua, Hsieh	Master of Accounting and Taxation- Feng Chia University.	CPA, Wan-Shin CPA Firm Tax Law Instructor, San Min Learning center Tax Law Instructor, Zhiguang Group	CPA, Wan-Shin CPA Firm Tax Law Instructor, San Min Learning center Tax Law Instructor, Zhiguang Group	None	no such situation.
3	Wei-Chun, Chin	Ph.D. University of Washington	University of California, Merced Professor	University of California, Merced Professor	None	no such situation.

©Appendix

[Appendix I]

Megaforce Company Limited Articles of Incorporation

Approved by the shareholders' meeting on June 8, 2022

Chapter I General Provisions

Article 1 The Company is organized in accordance with the provisions of the Company Act and named "Megaforce Company Limited."

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

1. C805050 Industrial Plastic Products Manufacturing
2. F213080 Retail Sale of Machinery and Tools
3. CQ01010 Mold and Die Manufacturing
4. F206030 Retail Sale of Molds
5. F401010 International Trade
6. CC01050 Reproduction and Equipment Manufacturing
7. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
8. F113020 Wholesale of Electrical Appliances
9. F213010 Retail Sale of Electrical Appliances
10. CC01070 Wireless Communication Mechanical Equipment Manufacturing
11. CC01080 Electronics Components Manufacturing
12. I301010 Information Software Services
13. CF01011 Medical Devices Manufacturing
14. F108031 Wholesale of Medical Devices
15. F208031 Retail Sale of Medical Apparatus
16. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 The Company's head office is located in New Taipei City; also, branches may be setup in Taiwan and abroad with the resolution of the board of directors.

Article 4 The Company may provide external guarantees and reinvest in other businesses for business needs. The Company's total reinvestment amount is not subject to the restriction of Article 13 of the Company Act.

Chapter II Shares

Article 5 The total authorized capital stock of the Company is NT\$20 billion with 2 billion shares issued at NT\$10 par and with the board of directors authorized to make multiple issuances.

The Company may issue employee stock warrant and reserve 20,000,000 shares within the total number of shares stated in the preceding paragraph for the issuance of employee stock warrants.

The recipients include employees of the controlled or subordinate companies who meet the conditions set by the board of directors.

Article 6 When the Company applies for the issuance of employee stock warrant at a price lower than the closing price on the date of issuance, it is to be executed by obtaining the consent of at least two-thirds of the voting rights represented at a shareholders' meeting attended by shareholders representing a majority of the total issued shares. It is permitted to register multiple issues over a period of 1 year from the resolution date of the shareholders' meeting.

Article 7 The Company may implement the transfer of treasury shares to employees. The transfer of shares to employees at an average price lower than the actual repurchased shares must be resolved in the latest shareholders' meeting must be with a resolution adopted by two-third of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the Company.

The recipients include employees of the controlled or subordinate companies who meet the conditions set by the board of directors.

Article 8 According to Article 267 of the Company Act, the employees who subscribe to the Company's cash capital increase shares and the recipients of new restricted employee shares may include employees of the controlled or subordinate companies who meet the conditions set by the board of directors.

Article 9 The Company's stock shares are ordered and signed or stamped by the directors on behalf of the Company, and are issued after being certified by the bank that is competent to certify shares under the laws. The Company may be exempted from printing certificates for the shares issued, provided that the shares should be registered with a centralized securities depository institution.

Article 10 The entries in the shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the base date fixed by the Company for distribution of dividends, bonus, or other benefits.

- Article 11 The shareholders' meeting includes both regular shareholders' meeting that is to be held at least once a year within 6 months at the end of the fiscal year. A special shareholders' meeting is to be held when necessary.
The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.
- Article 12 The chairman of the board of directors shall internally preside the shareholders' meeting. In case the chairman of the board of directors is on leave, the vice chairman shall act on his behalf. In case the vice chairman is also on leave, the chairman of the board of directors shall designate one of the directors, or where there is not a director designated, one of the directors shall be elected to act on the chairman's behalf.
- Article 13 A shareholder shall be entitled to one vote for each share held. Also, shares with less than one voting right will be disregarded. However, shares shall have no voting power under any of the circumstances stated in Article 179 of the Company Act.
- Article 14 The Company should adopt the electronic transmission as one of the methods for shareholders to exercise their voting power in the shareholders' meeting. Shareholders may exercise their voting power in writing or by way of electronic transmission and then they will be regarded as attending the meeting in person. The method of exercising the voting power in writing or by way of electronic transmission should be described in the shareholders' meeting notice.
When the shareholders' meeting is proceeded via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.
- Article 15 Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.
- Article 16 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 shareholders' meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.
The meeting minutes as stated in the preceding paragraph may be prepared and distributed in accordance with Article 183 and Article 230 of the Company Act.

Chapter IV Directors

- Article 17 The Company's board of directors is with a quorum of 9–11 members. The candidate nomination system is adopted for the election of directors from the list of candidates in the shareholders' meeting for a 3-year term and eligible for re-election.
- One juristic person may not take up more than one-third of the director seats, and all juristic persons may not take up more than one-half of the director seats.
- The total shares held by all directors of the Company shall be handled in accordance with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies."
- Article 18 The election and job responsibilities of the chairman and vice chairman of the board of directors are handled in accordance with the provision of Article 208 of the Company Act.
- Article 19 According to the provision of Article 14-2 of the Securities and Exchange Act, there should be not less than two independent directors that accounted for one-fifth of the total number of directors on board; also, they are elected in accordance with the candidate nomination system as stated in Article 192-1 of the Company Act.
- Article 20 When the number of directors falls below quorum by one-third, the board of directors shall convene a special shareholders' meeting within 60 days from the date of occurrence lawfully to hold a by-election to fill the vacancies.
- Article 21 The board of directors is organized by all directors. 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 to represent the Company externally.
- Article 22 Unless otherwise stipulated by the Company Act, the Chairman of the board of directors shall convene and chair the board meeting. However, when the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the directors to act as chair, or, where the chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair.

If a board 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 there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 23 The Company may convene a special board meeting at any time in case of emergency.

The board meeting notice can be issued to the board directors in writing, by e-mail, or by fax.

Article 24 Resolutions reached by the Company's board of directors shall, unless otherwise provided by the Company Act, be adopted by a majority vote at a board meeting attended by more than one-half of the total number of directors.

In case a director appoints another director to attend the board meeting in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. A director may accept the appointment to act as the proxy referred to in the preceding paragraph of one other director only.

In case a board meeting 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 25 The duties and powers of the board of directors are as follows :

- 1.Decision of business policy and business plan.
- 2.Review of budget and final statements.
- 3.Planning of capital increase.
- 4.Proposal of earnings distribution.
- 5.Other functions and powers conferred by laws and shareholders' meetings

Article 26 The Company sets up an Audit Committee, which shall be composed of all independent directors that are not less than three members, and one of them shall act as the convener; also, at least one of them shall have accounting or financial expertise. The Audit Committee is responsible for implementing the functions and powers of supervisors stipulated in the Company Act, Securities and Exchange Act, and other laws and regulations.

Article 27 Unless otherwise approved by the competent authority, the majority of the Company's directors shall not have any of the following relationships.

I. Spouse

II. Relatives within the second degree of kinship.

- Article 28 The Company's board of directors is authorized to determine the remuneration of the Chairman and directors in accordance with the degree of participation in the Company's operations and the value of their contributions, and by referring to the industry standards.
- The Company may purchase liability insurance for directors.

Chapter 5 Management and Employees

- Article 29 The Company has several managerial officers appointed to serve, including the chief executive officer, vice executive officer, operation officer, etc., to operate businesses in accordance with the resolutions and instructions of the board and whose appointment, dismissal, and remuneration is to be approved by the majority of the board directors.

Chapter 6 Financial statement

- Article 30 The Company's fiscal year is from January 1 to December 31 each year. The board of directors shall prepare the following documents at the end of the fiscal year and then submit them to the regular shareholders' meeting for approval :
1. Business report
 2. Financial statements
 3. Proposal for the earnings distribution or deficit compensation
- Article 31 The Company should appropriate 1% or more of the earnings (that is, net income before tax without deducting the distribution of remuneration to employees and directors; and after reserving an amount equivalent to the cumulative loss), if any, as remuneration to employees and 5% or less as remuneration to directors.
- The remuneration to employee and directors shall be decided by a majority vote at a board meeting attended by two-thirds of the total number of directors, which should be reported to the shareholders' meeting.
- The remuneration to employees as stated in the preceding paragraph can be distributed in the form of shares or in cash. The employees of the controlled companies or subordinate companies that meet the qualification requirements set by the board of directors are entitled to receive the said shares or cash.
- Article 32 If there is surplus earning at the end of the fiscal year, the Company shall first pay off taxes, make up for the cumulative losses of the preceding years, and then set aside a legal reserve equivalent to 10% of the net income. However, when such legal reserve amount equals to the total paid-in capital of the Company, this provision shall not apply. The Company may appropriate or

reverse special reserve according to the laws and regulations. The remaining earnings, if any, together with the accumulated unappropriated retained earnings, are the distributable earnings. It is necessary to retain part of the earnings depending on the operating conditions. The dividend can be distributed in the form of cash or stock shares. However, the total cash dividends distributed in the aforementioned earnings distribution proposal may not be less than 30% of the total shareholder dividend distributed.

The Company may authorize the board of directors to have the distributable dividends and bonuses paid in cash after a resolution has been adopted by a majority vote at the board meeting attended by two-thirds of the total number of directors in accordance with the provision of Article 240 of the Company Act, or the legal reserve and paid-in capital in whole or in part in accordance with the provision of Article 241 of the Company Act; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. If it is implemented with new shares issued, it shall be distributed after the resolution of the shareholders' meeting.

Chapter 7 Supplementary Provisions

- Article 33 The Company's charter is stipulated by the board of directors separately.
- Article 34 The matters not fully addressed in the Articles of Incorporation shall be handled in accordance with the Company Act and other laws and regulations.
- Article 35 The establishment or amendment of the Articles of Incorporation has been implemented after it is submitted to the competent authority for approval and registration.
- Article 36 The Article of Incorporation was formulated on October 11, 1991
The 1st amendment was approved on July 19, 1997
The 2nd amendment was approved on October 1, 2002
The 3rd amendment was approved on May 23, 2003
The 4th amendment was approved on December 18, 2003
The 5th amendment was approved on June 29, 2004
The 6th amendment was approved on June 30, 2005
The 7th amendment was approved on June 16, 2006
The 8th amendment was approved on June 28, 2007
The 9th amendment was approved on June 11, 2008
The 10th amendment was approved on June 4, 2009
The 11th amendment was approved on June 15, 2010
The 12th amendment was approved on June 19, 2012
The 13th amendment was approved on June 23, 2015

The 14th amendment was approved on June 21, 2016

The 15th amendment was approved on June 8, 2018

The 16th amendment was approved on June 27, 2019

The 17th amendment was approved on June 8, 2022

[Appendix II]

Megaforce Company Limited
Rules of Procedure for Shareholders' Meeting

Approved by the shareholders' meeting on June 8, 2022

- Article 1 For the purpose of establishing a strong governance system, sound supervisory capability, and enhanced management mechanism of the Company's shareholders' meetings, the "Rules of Procedure for Shareholders' Meetings" (hereinafter referred to as the "Rules") is formulated pursuant to Article 5 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."
- Article 2 The rules of procedures for the Company's shareholders' meetings, unless otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in accordance with the "Rules."
- Article 3 Unless otherwise provided by law and regulation, the Company's shareholders' meetings shall be convened by the board of directors.
- Changes to how the Company convenes the shareholders' meeting shall be resolved by the board of directors, and shall be made no later than the mailing of the shareholders' meeting notice.
- The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the cause of action of and explanatory materials related to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the regular shareholders' meeting date or 15 days before the special shareholders' meeting date. The Company shall prepare electronic versions of the shareholders' meeting handbook and supplemental meeting materials and upload them to the MOPS 21 days before the regular shareholders' meeting date or 15 days before the special shareholders' meeting date. If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and mainland China shareholders reaches 30% or more as recorded in the shareholder register of the shareholders' meeting held in the immediately preceding year, transmission of these electronic files shall be made 30 days before the regular shareholders' meeting. The Company shall have prepared the shareholders' meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time 15 days before the shareholders' meeting date. The meeting agenda and supplemental materials shall also be displayed at

the Company and the professional shareholder services agent designated thereby.

The Company shall make the meeting handbook and supplemental meeting materials as stated in the preceding paragraph available to shareholders for review in the following manner on the shareholders' meeting date :

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

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. The meeting notice may be given in electronic form with the consent of the addressee.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion; also, the main content may be placed on the website designated by the securities authority or the Company with the website address specified in the meeting notice.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in the said meeting, such inauguration date may not be altered by any extraordinary motion or in any other manner.

A shareholder holding 1% or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular 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. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities to be discussed at the meeting. In addition, if a proposal proposed by a shareholder fall in any of the circumstances stated in Article 172-1, paragraph 4 of the Company Act, the board of directors may not include it as a proposal.

Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in

writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall attend in person or by proxy at the regular shareholders' meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article at the shareholders' meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company five days before the shareholders' meeting date. When duplicate proxy forms are delivered, the one received earliest shall prevail Unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders' meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

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

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders' meeting.

Article 6 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 attending the shareholders' meeting in person.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

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

Article 6-1 To convene a virtual shareholders' meeting, the Company shall include the following particulars in the shareholders' meeting notice :

- I. How shareholders attend the virtual meeting and exercise their rights.
- II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, which cover at least the following particulars :
 - (I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - (II) Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
 - (III) In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares

represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

(IV) Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out.

III. To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.

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 vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

It is advisable that shareholders' meetings convened by the board of directors be attended by a majority of the directors.

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 there are two or more such convening parties, they shall mutually select a chair from among themselves.

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

Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The recorded materials as stated in 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 Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast, and results of votes counted by the Company; also, continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording stated in the preceding paragraph shall be properly kept by the Company 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 9 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 chair shall call the meeting to order at the scheduled meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

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

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

Article 10 If a shareholders' meeting is convened by the board of directors, the meeting

agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). 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.

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

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal 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 11 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 before actually speaking. 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 speak 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.

A shareholder may not speak more than twice on the same proposal unless with the consent of the chair, 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.

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 that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or

direct relevant personnel to respond.

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting in session until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

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

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

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

The number of shares for which voting rights may not be exercised as stated in the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

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

Article 13 A shareholder is entitled to one vote for each share held, except when the shares are restricted shares or are deemed as non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholders' meeting, it shall exercise voting rights by electronic means and/or correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. But, has waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting;

A shareholder intending to exercise voting rights by correspondence or electronic means as stated in the preceding paragraph shall deliver a written declaration of intent to the Company two days before the shareholders' meeting

date. When duplicate declarations of intent are delivered, the one received earliest shall prevail. Unless, a declaration is made to cancel the earlier declaration of intent.

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

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a 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.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

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.

When the Company convenes a virtual shareholders' meeting, after the chair calls the meeting to order, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ended, otherwise will be deemed abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ended, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.

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

Article 14 The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately.

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 15 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 meeting minutes as stated in the preceding paragraph may be prepared and distributed in accordance with Article 183 and Article 230 of the Company Act.

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

Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event

of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents, or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholders' meeting, other than in compliance with the requirements stated in the preceding paragraph, the Company shall specify in the meeting minutes the alternative measures available to shareholders with difficulties in attending a virtual-only shareholders' meeting online

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

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

Article 17 Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

The 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."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 When a meeting is in progress, the chair may announce a break based on time considerations. If a *force majeure* event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the

circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continuing use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at the shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19 In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20 When the Company 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 21 In the event of a virtual shareholders' meeting, when the meeting is called to order by the chair, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the "Regulations Governing the Administration of Shareholder Services of Public Companies," if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed in the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights, and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders' meeting held

according to the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in the second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and no postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as stated in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the original shareholders' meeting date in accordance with the requirements listed under Article 44-20, paragraph 7 of the "Regulations Governing the Administration of Shareholder Services of Public Companies."

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies," and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the "Regulations Governing the Administration of Shareholder Services of Public Companies," the Company shall handle the matter based on the shareholders' meeting date that is postponed or resumed under the second paragraph.

Article 22 When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a "virtual shareholders' meeting" online.

Article 23 These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effective in the same manner.

[Appendix III]

Megaforce Company Limited

Procedures for Election of Directors

Approved by the shareholders' meeting on July 27, 2021

- Article 1 Except as otherwise provided by laws and regulations or the Articles of Incorporation, elections of directors of the Company shall be conducted in accordance with these Procedures.
- Article 2 The cumulative voting method shall be adopted for the election of directors of the Company at the shareholders' meeting. The shareholder account number or attendance card number printed on the election may be used instead of the name of the voter. The candidates entitled to vote for an equal number of candidates may be cast for a single candidate or may be split among multiple candidates.
- Article 3 (deleted)
- Article 4 The voting rights of independent directors and non-independent directors are calculated separately according to the number of directors specified in the Company's Articles of Incorporation. The candidate with the highest number of voting rights represented by the number of ballots received will be elected in descending order. In the event that two or more individuals have the same number of votes exceeding the specified quota, a draw will be conducted to determine the winner. The chairperson will conduct the draw on behalf of absentees.
- Article 5 The ballots shall be prepared and issued by the Board of Directors and shall be numbered according to the shareholder account number or attendance card number and filled in with the number of voting rights.
- Article 6 Before the election begins, the chair shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel.
- Article 7 The ballot boxes shall be prepared by the Board of Directors and publicly checked by the scrutineers before voting commences.
- Article 8 The overall composition of the board of directors shall be considered in the election of directors. The composition of the board of directors shall take diversity into account, and appropriate policies shall be adopted for diversity in terms of its own operation, business model and development needs. It should include but not be limited to the following two major standards:
1. Basic conditions and values: gender, age, nationality and culture, among others.
 2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills and industry experience.
- Members of the Board of Directors shall generally possess the necessary knowledge, skills, and attributes to perform their duties, and shall have the following abilities as a whole:
1. Operational judgment.
 2. Accounting and financial analysis ability.
 3. Operation and management ability.
 4. Crisis management capability.

5. Industry knowledge;
6. Knowledge of international markets.
7. Ability to lead.
8. Ability to make decisions.

More than half of the directors shall not be a spouse or a relative within the second degree of kinship.

Article 8-1 (deleted)

Article 8-2 The qualification and election of the Company's independent directors shall comply with the relevant provisions set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 24 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies".

Article 8-3 Directors of the Company shall comply with the following ethical code of conduct:

- I. Prevention of conflict of interest.
- II. Prevention of opportunities for personal gains
- III. Duty of confidentiality
- IV. Fair trading.
- V. Protection of and properly use of the Company's assets.
- VI. Compliance with laws and regulations.
- VII. Encouragement of the reporting of any act that is illegal or in violation of the Code of Ethical Conduct.

The Company formulated the "Employee Code of Ethics", which all directors are bound to comply with.

Article 9 A ballot is invalid under the following circumstances:

- I. The ballot was not prepared by a person with the right to convene.
- II. A blank ballot is placed in the ballot box.
- III. The writing is unclear and indecipherable or has been altered.
- IV. The candidate whose name is entered in the ballot does not conform to the director candidate list.
- V. Other words or marks are entered in addition to the number of voting rights allotted.

Article 10 Elections of directors of the Company shall be conducted in accordance with the candidate nomination system stipulated in Article 192-1 of the Company Act. If the number of directors is less than five after directors resign from office, the Company shall hold a by-election at the most recent shareholders' meeting. However, if the vacancy in the Board of Directors reaches one-third of the number specified in the Articles of Incorporation, the Company shall convene an extraordinary shareholders' meeting for by-election within 60 days from the date of occurrence of the fact. If the number of independent directors falls below that specified in the proviso of Paragraph 1, Article 14-2 of the Securities and Exchange Act, the Company shall hold a by-election at the most recent shareholders' meeting. When all independent

directors have been dismissed, an extraordinary shareholders' meeting shall be convened within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

- Article 11 Counting personnel shall watch over the ballots on the spot after the end of the poll. The results of the counting, including the list of directors elected and the number of votes they received, shall be announced by the chair.
The Company will send a notice of election to the elected directors after the conclusion of the shareholders' meeting.
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 12 Matters not provided for in these Procedures shall be handled in accordance with the Company Act and relevant regulations.
- Article 13 These Procedures, and the amendments hereto, shall be implemented after being passed by the Board of Directors and submitted to the shareholders' meeting for approval.

[Appendix IV]

Megaforce Company Limited
Shareholding of all directors
April 9, 2024

Position	Name	Elected date	Shareholding when elected			Current shareholding		
			Type	Shares	Ratio (%) to shares issued currently	Type	Shares	Ratio (%) to shares issued currently
Chairman	Wen-Lin, Hsu	July 27, 2021	Common stock	4,964,508	3.76	Common stock	4,991,508	3.78
Vice Chairman	Tung-Hui, Chiang	July 27, 2021	Common stock	1,312,956	0.99	Common stock	1,404,956	1.06
Director	Ying fan Investment Co., Ltd. Representative: Lee-Li, Lu	July 27, 2021	Common stock	38,483,802	29.15	Common stock	38,983,802	29.53
Director	Ying fan Investment Co., Ltd. Representative: Wan-Sheng, Hsu	July 27, 2021	Common stock	38,483,802	29.15	Common stock	38,983,802	29.53
Independent Director	Ching-Kong, Chao	July 27, 2021	Common stock	0	0.00	Common stock	0	0.00
Independent Director	Hai-Pang, Chiang	July 27, 2021	Common stock	0	0.00	Common stock	0	0.00
Independent Director	Wan-Hua, Hsieh	April 3, 2024	Common stock	0	0.00	Common stock	0	0.00
Total				44,761,266			45,380,266	

Note 1: Total shares issued on July 27, 2021: 132,015,919 shares;

Total shares issued on April 3, 2024: 132,015,919 shares;

Total shares issued on April 9, 2024: 132,015,919 shares.

Note 2: According to the provision of Article 26 of the Securities and Exchange Act and Article 2, paragraph 1, subparagraph 3 of the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,” the legally required number of shares held by all directors of the Company is 8,000,000 shares, 45,380,266 shares were held as of April 9, 2024.

Note 3: The Company has setup the Audit Committee; therefore, there is no statutory number of shares to be held by supervisors.