

Stock Code: 3294



Megaforce Company Limited

Advancement, Accessibility, and Sustainability

2025 Annual General Shareholders' Meeting
Handbook
(Translation)

Meeting Format : Physical meeting

Time : 9:30 AM, June 5, 2025

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

Table of Contents

<u>Meeting Procedure</u>	1
<u>Meeting Agenda</u>	2
I Report Items	3
II Proposed Resolutions	4
III Discussion Items	5
IV Other Matters	6
V Adjournment	6
<u>Annexes</u>	7
Annex I Business Report	7
Annex II Audit Committee’s Review Report	9
Annex III Comparison Table of the Amendments to the “Ethical Management”	10
Annex IV Comparison Table of the Amendments to the “Procedures for Ethical Management and Guidelines for Conduct”	11
Annex V Auditor’s Report and Financial Statements	13
Annex VI Earnings Distribution Table	29
Annex VII Comparison Table of the Amendments to the “Articles of Incorporation”	30
<u>Appendix</u>	32
Appendix I Articles of Incorporation (Pre-Revision)	32
Appendix II Rules Governing the Procedures for Shareholders’ Meeting	37
Appendix III Shareholding of Directors	45

Megaforce Company Limited
2025 Annual General Shareholders' Meeting Procedure

- I. Call to Order
- II. Chairman's Remarks
- III. Report Items
- IV. Proposed Resolutions
- V. Discussion Items
- VI. Other Matters
- VII. Adjournment

Megaforce Company Limited
2025 Annual General Shareholders' Meeting Agenda

Time : 9:30 AM, June 5, 2025

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

Attendance : All Shareholders and Proxy Holders

Chairman : Chairman, Wen-Lin, Hsu

- I. Call Meeting to Order
- II. Chairman's Remarks
- III. Report Items
 - (I) 2024 Business Report
 - (II) Audit Committee's Review Report
 - (III) 2024 Employee and Director Distribution Report
 - (IV) 2024 Cash Dividend Distribution Report
 - (V) Revision of the "Ethical Management" Report
 - (VI) Revision of the "Procedures for Ethical Management and Guidelines for Conduct" Report
- IV. Proposed Resolutions
 - (I) 2024 Business Report and Financial Statements
 - (II) 2024 Earnings Distribution ProposalVoting on each Proposed Resolutions
- V. Discussion Items
 - (I) Revise the Articles of IncorporationVoting on each Discussion Item
- VI. Other Matters
- VII. Adjournment

Report Items

I. 2024 Business Report.

Explanation : Please refer to Annex I for the 2024 business report in details.

II. Audit Committee's Review Report.

Explanation : The 2024 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. 2024 Employee and Director Distribution Report.

Explanation : On March 14, 2025, the Board of Directors of the Company resolved to distribute NT\$4,000,000 as employee compensation and NT\$2,700,000 as director compensation, all to be paid in cash. There is no discrepancy between the aforementioned allocation amount and the estimated fiscal year of expense recognition.

IV. 2024 Cash Dividend Distribution Report.

Explanation :

- (1) According to the Articles of Incorporation, the Board of Directors is authorized to resolve the distribution of cash dividends and report to the shareholders' meeting.
- (2) The distribution of the Company's earnings for the year 2024 was approved by the Board of Directors on March 14, 2025. The cash dividends of NT\$50,166,050 will be distributed in cash on May 7, 2025, with NT\$0.38 per common share.

V. Revision of the "Ethical Management" Report.

Explanation : In compliance with the relevant provisions of the "Ethical Corporate Integrity Management Best Practice Principles for TWSE/TPEX Listed Companies" and with reference to the "RBA Code of Conduct", the Company has amended certain articles of the "Ethical Management". Please refer to Annex III for the comparison table of the amended provisions.

VI. Revision of the "Procedures for Ethical Management and Guidelines for Conduct" Report.

Explanation : In compliance with the relevant provisions of the "Ethical Corporate Integrity Management Best Practice Principles for TWSE/TPEX Listed Companies" and with reference to the "RBA Code of Conduct", the Company has amended certain articles of the "Procedures for Ethical Management and Guidelines for Conduct". Please refer to Annex IV for the comparison table of the amended provisions.

Proposed Resolutions

I. 2024 Business Report and Financial Statements.

Explanation : The Company's 2024 parent company only financial statements and consolidated financial statements have been audited and attested by CPA Yen-Ta, Su and CPA Tzu-Chieh, Tang 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 V for details.

Resolutions :

II. 2024 Earnings Distribution Proposal.

Explanation :

- (1) The earnings distribution table for the year 2024 has been reviewed and verified by the Audit Committee, which has issued an audit report. The table was subsequently approved by the Board of Directors. Please refer to Annex VI.
- (2) Net income after tax for the year 2024 was NT\$75,622,797. After adding the actuarial gains and losses from the defined benefit plan in the amount of NT\$5,231,200 and deducting retained earnings adjustments of NT\$43,126 due to equity method investments, and after allocating NT\$8,081,087 to the legal reserve, the total distributable earnings amount to NT\$72,729,784. The cash dividends of NT\$50,166,050 will be distributed to common shareholders, equivalent to NT\$0.38 per share.

Resolutions :

Discussion Items

I. Revise the Articles of Incorporation.

Explanation :

- (1) In line with the adjustments to business activities made by the Ministry of Economic Affairs, the Company intends to amend part of the content in Article 2 of the Articles of Incorporation regarding the Company's business items.
- (2) In accordance with Article 14, Paragraph 6 of the Securities and Exchange Act and the letter No. 1130385442 issued by the Financial Supervisory Commission on November 8, 2024, it is proposed to amend Article 31 of the Articles of Incorporation to include the ratio for distributing compensation to grassroots employees.
- (3) Please refer to Annex VII for the comparison table of the amended provisions.

Resolutions :

Other Matters

Adjournment

◎Annex

[Annex I]

Megaforce Company Limited 2024 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 costs.
- 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 2024 consolidated operating revenue was NT\$4,312,502 thousand, reflecting a 4.21% increase compared to the year 2023, the annual consolidated net profit was NT\$75,623 thousand, marking a significant improvement from the previous year's loss and turning profitable, the earnings per share was NT 0.575.

Analysis items		2024	2023
Financial structure	Ratio of debt to assets (%)	53.74	60.69
	Ratio of long-term fund to property, plant and equipment (%)	446.87	384.95
Solvency	Current ratio (%)	243.55	205.39
	Quick ratio (%)	219.26	182.25
Profitability	Return on assets (%)	1.83	(2.04)
	Return on shareholders' equity (%)	3.41	(5.94)
	Ratio of net income before tax to paid-in capital (%)	11.12	(0.56)
	Profit ratio (%)	1.70	(3.21)
	Earnings per share (NTD)	0.575	(0.995)

Research and development status

◎R&D achievements

- Development of a method to improve the surface energy of PCR materials 、 Research on antibacterial tactile coating 、 Development of a high toughness PC/ABS alloy material and its preparation method
- Assembly and Testing The Parking management solution for parking lot
- Assembly Roadside Automated license plate recognition bollard
- Assembly Underground Automatic number-plate recognition
- Tooling Advanced Manufacturing Transformation Plan - Smart Parking System and Electric Vehicle Charging Module Integration project
- Badge LBS Mass Production
- Portable LBS Device Mass Production
- LD LCOS AR HUD Design and Development Completed
- Complete 3D sensing module

- complete LBS AR-HUD development
 - Design, development, and prototyping of a cervical physical therapy device.
 - Design, development, and prototyping of products for gynecological inflammation and infection control.
 - Completion of assembly and shipment of robotic tactile sensors.
 - Design, development, and prototyping of a brainwave resonance stress-relief phototherapy module system.
 - Design, development, and prototyping of non-invasive brain stimulation therapeutic devices.
- ◎ Future research and development plans
- Development of an anti-static, high dimensional stability PPO material 、Development of a lightweight, wind-resistant damping PA material 、Research on a high toughness PPS material
 - Development Passive bone implant sensing
 - Development Tooth plaque detection indicator
 - Development Tongue depressor Technology
 - AI Solution for Company 、AI Meeting Assistant 、Medical AI
 - AI Projector + Mobile APP
 - AR HUD
 - Unmanned Aircraft System AI image recognize system development
 - AR autorefractor glasses developemnt 、autorefractor device ddevelopment
 - Retina glasses development
 - Design, development, and production of blood purification devices.
 - Assembly and testing of dental laser treatment devices.
 - Design, development, and production of surgical instruments.
 - Design, development, and production of medical imaging OCT (Optical Coherence Tomography) products.
 - Assembly and performance testing of urinalysis equipment.

Outlook

In 2024, the global economy continued to be affected by inflation and geopolitics. As inflation slowed down, starting in the second half of 2024, led by the United States, major economies began to decrease interest rates, and the global economy slowly recovered. The political and economic competition between China and the United States and supply chain changes are still ongoing, which continues to bring challenges to the company's overall operations. Faced with the pressure of declining revenue and rising costs, all units of the group actively integrated resources, optimized operations, successfully turned losses into profits, and achieved good results.

Looking ahead to 2025, the political and economic trends of "Trump 2.0" in the United States may become the biggest black swan of the year, and the problem of supply chain differentiation is expected to continue. In order to effectively disperse operational risks, MEGAFORCE continues its 2024 strategy and continues to implement "upgrading Taiwan", "southing to Malaysia", "optimizing China's layout", "leveraging Mexico" and "construct North American business". The group's various production bases continue to integrate and upgrade to meet high-end market needs and accelerate technology realization. In the fields of optoelectronics and AI intelligence, a number of projects have been launched, covering medical, industrial and consumer fields, which are expected to drive business growth. In addition, the biomedical business continues to develop high-end products and has successfully entered the supply chain of leading global pharmaceutical companies, with promising future development.

While promoting business growth, MEGAFORCE also actively implements ESG and is committed to building a more sustainable corporate structure. In terms of environmental protection, the company continues to optimize production processes, improve energy efficiency, and reduce carbon emissions; In terms of social responsibility, it actively participates in local community development, promotes employee diversity and inclusion and talent training programs; In terms of corporate governance, it strengthens internal risk management mechanisms and improves information transparency to ensure the stable operation of the company.

In an environment where global changes are accelerating, we will respond calmly, act and collaborate with an attitude of "integration, inclusiveness, and sharing", manage in a lean manner, make good use of resources and seize opportunities, and jointly create a new situation for Megaforce.

Chairman : Wen-Lin,Hsu General Manager : Tung-Hui,Chiang Accounting Supervisor : Chia-Cheng, Chang

[Annex II]

Megaforce Company Limited

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2024 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 YEN-TA, SU and CPA Tzu-Chieh, Tang 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 14, 2025

[Annex III]

Comparison Table of the Amendments to the "Ethical Management"

After amendment	Before amendment	Explanations
<p>Article 1</p> <p>In order to establish a corporate culture of integrity and ensure sound development, this company has formulated these guidelines in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" <u>and with reference to the "RBA (Responsible Business Alliance) Code of Conduct."</u></p> <p>These guidelines specifically regulate the conduct of personnel within the company and other entities or corporate groups under its substantial control while performing their duties. Furthermore, the guidelines are disclosed on the Market Observation Post System to ensure transparency.</p>	<p>Article 1</p> <p>In order to establish a corporate culture of integrity and ensure sound development, the Company has formulated these Guidelines in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies." (add the new item)</p> <p>These Guidelines specifically regulate the conduct of personnel within the Company and other entities or corporate groups under its substantial control while performing their duties. Furthermore, the Guidelines are disclosed on the Market Observation Post System to ensure transparency.</p>	<p>Add relevant guidelines as a basis.</p>
<p>Article 7</p> <p>This Corporation shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.</p> <p>It is advisable for this Corporation to refer to prevailing domestic and foreign standards or guidelines in establishing the prevention programs, which shall at least include preventive measures against the following:</p> <ol style="list-style-type: none"> 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Engaging in unfair competitive practices. 7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services. 8. <u>Providing falsified records or making false statements to stakeholders with the intent to mislead their judgment.</u> 	<p>Article 7</p> <p>This Corporation shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.</p> <p>It is advisable for this Corporation to refer to prevailing domestic and foreign standards or guidelines in establishing the prevention programs, which shall at least include preventive measures against the following:</p> <ol style="list-style-type: none"> 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Engaging in unfair competitive practices. 7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services. 	<p>Add an eighth item</p>

[Annex IV]

Comparison Table of the Amendments to the “Procedures for Ethical Management and Guidelines for Conduct”

After amendment	Before amendment	Explanations
<p>Article 1</p> <p>This Corporation engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully i conduct mplement a policy of ethical management and actively prevent unethical, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and <u>Responsible Business Alliance (hereinafter, "RBA")</u> of the places where this Corporation and its business groups and organizations operate, with a view to providing all personnel and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by this Corporation(hereinafter," the company personnel") of this Corporation with clear directions for the performance of their duties.</p>	<p>Article 1</p> <p>This Corporation engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the applicable laws and regulations of the places where this Corporation and its business groups and organizations operate, with a view to providing all personnel and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by this Corporation(hereinafter," the company personnel") of this Corporation with clear directions for the performance of their duties.</p>	<p>Add RBA content and Internal.</p>
<p>Article 3</p> <p>For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of this Corporation, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits, <u>or provides falsified records, or misrepresentation,</u> or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits. The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.</p>	<p>Article 3</p> <p>For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of this Corporation, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.</p> <p>The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.</p>	<p>Add RBA content and Internal.</p>
<p>Article 23</p> <p><u>The responsible unit of this Corporation shall organize 1 awareness sessions each year</u> and arrange for the chairperson, general manager, or senior management to communicate the importance of ethics to its directors, employees, and mandataries. This Corporation shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints. If any personnel of this Corporation seriously violates ethical conduct, this Corporation shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of this Corporation.</p>	<p>Article 23</p> <p>This Corporation shall regular and arrange for the chairperson, general manager, or senior management to communicate the importance of ethics to its directors, employees, and mandataries. This Corporation shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints. If any personnel of this Corporation seriously violates ethical conduct, this Corporation shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of this Corporation. This Corporation shall disclose on its intranet information the name</p>	<p>Add Internal education and training at least once a year.</p>

After amendment	Before amendment	Explanations
This Corporation shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.	and title of the violator, the date and details of the violation, and the actions taken in response.	

[Annex V]

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, 2024 and 2023, 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, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing 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 for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent-company-only financial statements for the year 2024. 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. Valuation of subsidiaries' slow-moving inventories

The accounting policy on Valuation of subsidiaries' slow-moving inventories is same with the Company, please refer to note (4)(g) "Inventories", note (5)(a) for the accounting estimation and assumptions uncertainty of subsidiaries' inventory, 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 slow-moving 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 understanding the slow-moving inventory valuation policy and comparing the actual disposal of slow-moving inventory to assess the accuracy of past management estimates; reviewing the inventory aging report, analyzing fluctuations in inventory aging, and randomly selecting samples to check against inventory movement documents to verify the accuracy of the aging report; recalculating the allowance for slow-moving inventory based on the applicable provision rates for each inventory aging category; and evaluating the adequacy of the disclosure of the inventory allowance.

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

Please refer to notes (4)(l) 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 Tzu-Chieh Tang.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2025

Notes to Readers

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

The independent auditors' 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 Parent-Company-Only Financial statements Originally Issued in Chinese)
MEGAFORCE COMPANY LIMITED
 Parent-Company-Only Balance Sheets
 December 31, 2024 and 2023
 (Expressed in Thousands of New Taiwan Dollars)

	December 31, 2024		December 31, 2023		Liabilities and Equity		December 31, 2024		December 31, 2023	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Assets										
Current assets:										
1100 Cash and cash equivalents (note (6)(a))	\$ 218,648	6	337,636	8	2100 Short-term borrowings (note (6)(j))	\$ 364,000	10	690,000	17	
1110 Financial assets at fair value through profit or loss—current (note (6)(b))	528	-	598	-	2110 Short-term notes and bills payable (note (6)(i))	-	-	100,000	2	
1170 Accounts receivable, net (notes (6)(c) and (r))	239,552	7	402,656	10	2130 Contract liabilities—current (note (6)(r))	18,790	1	29,792	1	
1180 Receivables from related parties (notes (6)(c), (r) and (7))	7,919	-	11,188	-	2170 Notes and accounts payable	25,518	1	108,294	3	
1210 Other receivables from related parties (notes (6)(d) and (7))	16,398	-	35,605	1	2180 Payables to related parties (note (7))	137,733	4	337,466	8	
130X Inventories (note (6)(e))	68,757	2	152,181	4	2200 Other payables (notes (6)(s) and (7))	126,491	3	132,680	3	
1476 Other financial assets—current (note (6)(d))	4,660	-	6,413	-	2230 Current income tax liabilities	620	-	720	-	
1479 Other current assets	8,686	-	15,427	-	2280 Lease liabilities—current (notes (6)(m) and (7))	10,032	-	7,841	-	
Total current assets	565,148	15	961,704	23	2322 Current portion of long-term debt (notes (6)(k) and (8))	142,917	4	39,764	1	
Non-current assets:					Net defined benefit liability—current (note (6)(n))	6,250	-	6,250	-	
1517 Financial assets at fair value through other comprehensive income — non-current (note (6)(b))	21,460	1	21,460	1	Other current liabilities—other	2,639	-	2,262	-	
1550 Investments accounted for using equity method (note (6)(f))	2,572,209	70	2,679,884	64	Total current liabilities	834,990	23	1,455,069	35	
1600 Property, plant and equipment (notes (6)(g), (7) and (8))	419,085	11	431,107	10	Non-current liabilities:					
1755 Right-of-use assets (note (6)(h))	17,715	1	18,804	-	Long-term debt (notes (6)(k) and (8))	320,319	9	439,236	10	
1780 Intangible assets	3,063	-	1,404	-	Deferred income tax liabilities (note (6)(o))	162,700	4	112,906	3	
1840 Deferred income tax assets (note (6)(o))	67,047	2	44,789	1	Lease liabilities—non-current (note (6)(m) and (7))	7,810	-	11,120	-	
1990 Other non-current assets	6,717	-	19,132	1	Net defined benefit liability—non-current (note (6)(n))	29,515	1	41,366	1	
Total non-current assets	3,107,296	85	3,216,580	77	Credit balance of investments accounted for using equity method (notes (6)(f))	-	-	26,343	1	
					Other non-current liabilities	38	-	6	-	
					Total non-current liabilities	520,382	14	630,977	15	
					Total liabilities	1,355,372	37	2,086,046	50	
					Equity (notes (6)(b)(l) and (p)):					
					Common stock	1,320,159	36	1,320,159	32	
					Capital surplus	840,798	23	830,473	20	
					Retained earnings/(Accumulated deficits)	80,811	2	(31,036)	(1)	
					Other equity	75,304	2	17,547	-	
					Treasury shares	-	-	(44,905)	(1)	
					Total equity	2,317,072	63	2,092,238	50	
Total Assets	\$ 3,672,444	100	4,178,284	100	Total liabilities and equity	\$ 3,672,444	100	4,178,284	100	

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
MEGAFORCE COMPANY LIMITED
Parent-Company-Only Statements of Comprehensive Income
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenues (notes (6)(r) and (7))	\$ 891,559	100	1,140,190	100
5000	Operating costs (notes (6)(e), (g), (h), (m), (n), (7) and (12))	807,218	91	1,022,602	90
	Gross profit	84,341	9	117,588	10
5910	Less: Unrealized profit from sales	(902)	-	902	-
	Realized gross profit	85,243	9	116,686	10
	Operating expenses (notes (6)(c), (d), (g), (h), (m), (n), (p), (s), (7) and (12)):				
6100	Selling expenses	26,337	3	23,716	2
6200	Administrative expenses	240,710	27	169,205	15
6300	Research and development expenses	92,090	10	88,471	8
6450	Recognized (reversal of) expected credit losses	43,507	5	(1,535)	-
	Total operating expenses	402,644	45	279,857	25
	Net operating loss	(317,401)	(36)	(163,171)	(15)
	Non-operating income and expenses (notes (6)(f), (l), (m), (t), (u) and (7)):				
7100	Interest income	12,276	1	7,559	1
7020	Other gains and losses, net	37,498	4	(29,024)	(3)
7050	Finance costs	(22,235)	(2)	(25,308)	(2)
7070	Share of profit of subsidiaries and associates accounted for using equity method	419,212	47	163,373	15
	Total non-operating income and expenses	446,751	50	118,600	11
7900	Income (loss) before tax	129,350	14	(44,571)	(4)
7950	Less: Income tax expenses (note (6)(o))	53,727	6	84,823	7
	Net income (loss)	75,623	8	(129,394)	(11)
8300	Other comprehensive income (loss) (notes (6)(n), (o), (p) and (u)):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans	6,539	1	(1,823)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	-	-	4,800	-
8349	Less: income tax related to items that will not be reclassified subsequently to profit or loss (note (6)(o))	1,308	-	(364)	-
	Items that will not be reclassified subsequently to profit or loss	5,231	1	3,341	-
8360	Items that will be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	57,757	6	(15,020)	(1)
8399	Less: income tax related to items that will be reclassified subsequently to profit or loss	-	-	-	-
	Items that will be reclassified subsequently to profit or loss	57,757	6	(15,020)	(1)
8300	Other comprehensive income (loss), net	62,988	7	(11,679)	(1)
8500	Total comprehensive income (loss)	\$ 138,611	15	(141,073)	(12)
	Earnings per share (in New Taiwan dollars) (note (6)(q))				
9750	Basic earnings (loss) per share	\$ 0.575		(0.995)	
9850	Diluted earnings (loss) per share	\$ 0.574		(0.995)	

(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, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity			Total 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, 2023	\$ 1,320,159	830,582	57,306	63,673	(13,658)	107,321	32,567	(12,192)	2,233,532
Net loss	-	-	-	-	(129,394)	(129,394)	-	-	(129,394)
Other comprehensive income (loss)	-	-	-	-	(1,459)	(1,459)	(15,020)	4,800	(11,679)
Total comprehensive income (loss)	-	-	-	-	(130,853)	(130,853)	(15,020)	4,800	(141,073)
Appropriation and distribution of retained earnings:									
Reversal special reserve	-	-	-	(63,673)	63,673	-	-	-	-
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	-	2,092,238
Net income	-	-	-	-	75,623	75,623	-	-	75,623
Other comprehensive income (loss)	-	-	-	-	5,231	5,231	57,757	-	62,988
Total comprehensive income (loss)	-	-	-	-	80,854	80,854	57,757	-	138,611
Appropriation and distribution of retained earnings:									
Legal reserve used to cover accumulated deficits	-	-	(57,306)	-	57,306	-	-	-	-
Capital surplus used to cover accumulated deficits	-	(31,036)	-	-	31,036	31,036	-	-	-
Treasury shares transferred to employees	-	41,361	-	-	-	-	-	-	86,266
Changes in ownership interests in subsidiaries	-	-	-	-	(431)	(431)	-	-	(431)
Balance at December 31, 2024	\$ 1,320,159	840,798	-	-	80,811	80,811	75,304	-	2,317,072

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

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

MEGAFORCE COMPANY LIMITED

Parent-Company-Only Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Profit (loss) before income tax	\$ 129,350	(44,571)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	44,277	43,223
Amortization expense	2,614	1,577
Recognized (reversal of) expected credit loss	43,507	(1,535)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	70	(80)
Interest expense	22,235	25,308
Interest income	(12,276)	(7,599)
Compensation cost arising from share-based payments	41,500	-
Share of profit of subsidiaries accounted for using equity method	(419,212)	(165,373)
Gain on disposal of property, plant and equipment	(332)	(470)
Lease modification gains	(149)	-
Impairment loss on non-financial assets	-	25,495
(Realized) Unrealized profit from sales	(902)	902
Loss on redemption of convertible bonds	-	749
Total adjustments to reconcile profit (loss)	(278,668)	(78,763)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts receivable	147,049	(90,176)
Receivables from related parties	3,269	16,703
Other receivables from related parties	1,701	(6,313)
Inventories	83,424	(39,847)
Other current assets	7,712	2,684
Other financial assets—current	(25,733)	(4,670)
Net changes in operating assets	217,422	(121,619)
Changes in operating liabilities:		
Contract liabilities	(11,002)	1,229
Notes and accounts payable	(82,776)	72,357
Payables to related parties	(199,733)	(82,852)
Other payables	(4,860)	4,579
Other current liabilities	377	(168)
Net defined benefit liability	(5,312)	(5,262)
Net changes in operating liabilities	(303,306)	(10,117)
Total changes in operating assets and liabilities	(85,884)	(131,736)
Total adjustments	(364,552)	(210,499)
Cash inflow (outflow) generated from operations	(235,202)	(255,070)
Income taxes paid	(3,574)	(2,924)
Net cash flows used in operating activities	(238,776)	(257,994)
Cash flows from (used in) investing activities:		
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)
Acquisition of investments accounted for using equity method	(175,286)	(42,755)
Proceeds from capital reduction of investments accounted for using equity method	484,475	322,991
Acquisition of property, plant and equipment	(9,012)	(23,919)
Proceeds from disposal of property, plant and equipment	481	525
Decrease (increase) in other receivables from related parties	20,000	(20,000)
Acquisition of intangible assets	(4,273)	(220)
Decrease (increase) in other non-current assets	(5,171)	80
Interest received	12,387	7,399
Dividends received	224,974	330,630
Net cash flows from investing activities	548,575	578,797
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	3,416,000	3,649,000
Repayments of short-term borrowings	(3,742,000)	(3,979,000)
Increase in short-term notes and bills payable	150,000	190,000
Decrease in short-term notes and bills payable	(250,000)	(90,000)
Repayments of bonds	-	(30,000)
Increase in long-term debt	24,000	100,000
Repayments of long-term debt	(39,764)	(99,000)
Payments of lease liabilities	(9,462)	(7,488)
Increase in other non-current liabilities	32	-
Treasury shares transferred to employees	44,766	-
Interest paid	(22,359)	(25,021)
Net cash flows from (used in) financing activities	(428,787)	(291,509)
Net increase (decrease) in cash and cash equivalents	(118,988)	29,294
Cash and cash equivalents at beginning of period	337,636	308,342
Cash and cash equivalents at end of period	\$ 218,648	337,636

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

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, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

1. Valuation of slow-moving inventories

Please refer to notes (4)(h) to the consolidated financial statements for the accounting policies on the valuation of slow-moving inventories, note (5)(a) for accounting estimation and assumptions uncertainty of inventory, and note (6)(e) for the disclosure of the valuation of inventory to the financial statements.

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 slow-moving 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 understanding the slow-moving inventory valuation policy and comparing the actual disposal of slow-moving inventory to assess the accuracy of past management estimates; reviewing the inventory aging report, analyzing fluctuations in inventory aging, and randomly selecting samples to check against inventory movement documents to verify the accuracy of the aging report; recalculating the allowance for slow-moving inventory based on the applicable provision rates for each inventory aging category; and evaluating the adequacy of the disclosure of the inventory allowance.

2. 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, 2024 and 2023, 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 Tzu-Chieh Tang.

KPMG

Taipei, Taiwan (Republic of China)

March 14, 2025

Notes to Readers

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

The independent auditors' 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, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2024		December 31, 2023			December 31, 2024		December 31, 2023	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (note (6)(a))	\$ 1,487,239	29	2,133,533	40	2100 Short-term borrowings (note (6)(j))	\$ 364,000	7	690,000	13
1110 Financial assets at fair value through profit or loss—current (note (6)(b))	528	-	598	-	2110 Short-term notes and bills payable (note (6)(i))	-	-	100,000	2
1170 Notes and accounts receivable, net (notes (6)(c), (r) and (7))	1,256,241	25	1,282,712	24	2130 Contract liabilities—current (note (6)(r))	35,986	1	54,076	1
1300X Inventories (note (6)(g))	340,134	7	395,498	8	2170 Notes and accounts payable	346,413	7	526,261	10
1476 Other financial assets—current (note (6)(a), (d) and (7))	663,008	13	235,208	4	2200 Other payables (notes (6)(s), (7))	485,938	10	481,390	9
1479 Other current assets	40,535	1	70,372	1	2230 Current income tax liabilities	84,049	1	22,581	-
Total current assets	3,787,685	75	4,117,921	77	2280 Lease liabilities—current (note (6)(m))	51,376	1	44,709	1
Non-current assets:					2322 Current portion of long-term debt (notes (6)(k) and (8))	142,917	3	44,097	1
1517 Financial assets at fair value through other comprehensive income—non-current (note (6)(b))	21,460	-	21,460	-	2360 Net defined benefit liability—current (note (6)(n))	6,250	-	6,250	-
1600 Property, plant and equipment (notes (6)(f) and (8))	779,114	16	871,598	16	2399 Other current liabilities—other	38,274	1	35,527	1
1755 Right-of-use assets (note (6)(g))	128,206	3	143,946	3	Total current liabilities	1,553,203	31	2,004,891	38
1780 Intangible assets (notes (6)(h))	42,157	1	36,727	1	Non-current liabilities:				
1840 Deferred income tax assets (note (6)(o))	257,218	5	130,516	3	2540 Long-term debt (notes (6)(k) and (8))	320,319	6	460,903	9
1980 Other financial assets—non-current	15,877	-	15,562	-	2570 Deferred income tax liabilities (note (6)(o))	168,203	3	114,682	2
1990 Other non-current assets	5,113	-	22,358	-	2580 Lease liabilities—non-current (note (6)(m))	52,415	1	68,075	1
Total non-current assets	1,249,145	25	1,242,167	23	Net defined benefit liability—non-current (note (6)(n))	29,515	1	41,566	1
					Other non-current liabilities (notes (9)(c))	580,949	12	563,050	10
					Total non-current liabilities	1,151,401	23	1,248,076	23
					Total liabilities	2,706,604	54	3,252,967	61
					Equity attributable to owners of parent (notes (6)(b), (l) and (p)):				
					3100 Common stock	1,320,159	26	1,320,159	25
					3200 Capital surplus	840,798	17	830,473	16
					3300 Retained earnings (Accumulated deficits)	80,811	2	(31,036)	(1)
					3400 Other equity	75,304	1	17,547	-
					3500 Treasury shares	-	-	(44,905)	(1)
					Total equity attributable to owners of parent	2,317,072	46	2,092,238	39
					3600 Non-controlling interests	13,154	-	14,883	-
					Total equity	2,330,226	46	2,107,121	39
Total Assets	\$ 5,036,830	100	\$ 5,360,088	100	Total liabilities and equity	\$ 5,036,830	100	\$ 5,360,088	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

MEGAFORCE COMPANY LIMITED AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)**

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenues (notes (6)(r), (7) and (14))	\$ 4,312,502	100	4,138,158	100
5000	Operating costs (notes (6)(e), (f), (g), (h), (m), (n), (7) and (12))	3,642,837	85	3,580,213	87
	Gross profit	669,665	15	557,945	13
	Operating expenses (notes (6)(c), (d), (f), (g), (h), (m), (n), (p), (s), (7) and (12)):				
6100	Selling expenses	97,255	2	102,646	2
6200	Administrative expenses	383,815	9	321,330	8
6300	Research and development expenses	137,817	3	180,975	4
6450	Recognized (reversal of) expected credit losses	43,512	1	(554)	-
	Total operating expenses	662,399	15	604,397	14
	Net operating income (loss)	7,266	-	(46,452)	(1)
	Non-operating income and expenses (notes (6)(h), (l), (m), (t) and (7)):				
7100	Interest income	45,926	1	29,047	1
7020	Other gains and losses, net	118,007	3	38,060	1
7510	Interest expense	(24,352)	(1)	(28,029)	(1)
	Total non-operating income and expenses	139,581	3	39,078	1
7900	Profit (loss) before tax	146,847	3	(7,374)	-
7950	Less: Income tax expenses (note (6)(o))	73,420	1	125,662	3
	Net profit (loss)	73,427	2	(133,036)	(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))	6,539	-	(1,823)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (notes (6)(p) and (u))	-	-	4,800	-
8349	Less: Income tax related to items that will not be reclassified subsequently to profit or loss (note (6)(o))	1,308	-	(364)	-
	Items that will not be reclassified subsequently to profit or loss	5,231	-	3,341	-
8360	Items that will be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations (note (6)(p))	58,181	1	(12,602)	-
8399	Less: Income tax related to items that will be reclassified subsequently to profit or loss	-	-	-	-
	Items that will be reclassified subsequently to profit or loss	58,181	1	(12,602)	-
8300	Other comprehensive income (loss), net	63,412	1	(9,261)	-
8500	Total comprehensive income (loss)	\$ 136,839	3	(142,297)	(3)
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	75,623	2	(129,394)	(3)
8620	Profit (loss), attributable to non—controlling interests	(2,196)	-	(3,642)	-
	Net profit (loss)	\$ 73,427	2	(133,036)	(3)
	Comprehensive income (loss) attributable to:				
8710	Comprehensive income (loss), attributable to owners of parent	\$ 138,611	3	(141,073)	(3)
8720	Comprehensive loss, attributable to non—controlling interests	(1,772)	-	(1,224)	-
	Total comprehensive income (loss)	\$ 136,839	3	(142,297)	(3)
	Earnings per share (in New Taiwan dollars) (note (6)(q))				
9750	Basic earnings (loss) per share	\$ 0.575		(0.995)	
9850	Diluted earnings (loss) per share	\$ 0.574		(0.995)	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

MEGAFORCE COMPANY LIMITED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of parent												
	Retained earnings				Other equity interest							
	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	Non-controlling interests	Total equity
Balance at January 1, 2023												
Appropriation and distribution of retained earnings:												
	-	-	-	63,673	63,673	-	-	-	-	-	-	-
Reversal special reserve												
	-	-	-	-	(129,394)	(129,394)	-	-	-	(129,394)	(3,642)	(133,036)
Net loss												
	-	-	-	-	(1,459)	(1,459)	(15,020)	4,800	-	(11,679)	2,418	(9,261)
Other comprehensive income												
	-	-	-	-	(130,853)	(130,853)	(15,020)	4,800	-	(141,073)	(1,224)	(142,297)
Total comprehensive income												
	-	(109)	-	-	(112)	(112)	-	-	-	(221)	221	-
Change in ownership interest in subsidiaries												
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
Appropriation and distribution of retained earnings:												
	-	-	(57,306)	-	57,306	-	-	-	-	-	-	-
Legal reserve used to cover accumulated deficits												
	-	(31,036)	-	-	31,036	31,036	-	-	-	-	-	-
Capital surplus used to cover accumulated deficits												
	-	-	-	-	75,623	75,623	-	-	-	75,623	(2,196)	73,724
Net profit (loss)												
	-	-	-	-	5,231	5,231	57,757	-	-	62,988	424	73,724
Other comprehensive income												
	-	-	-	-	80,854	80,854	57,757	-	-	138,611	(1,772)	136,839
Total comprehensive income												
	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares transferred to employees												
	-	41,361	-	-	(43)	-	-	-	44,905	86,266	-	86,266
Changes in ownership interests in subsidiaries												
	-	-	-	-	(43)	(43)	-	-	-	(43)	43	-
Balance at December 31, 2024												
	1,320,159	840,798	-	-	80,811	80,811	75,304	-	-	2,317,072	13,154	2,330,226

(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, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Profit (loss) before tax	\$ 146,847	\$ (7,374)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	205,453	226,450
Amortization expense	3,891	3,670
Recognized (reversal of) expected credit loss	43,512	(554)
Net gain on financial assets or liabilities at fair value through profit or loss	(3,994)	(3,792)
Interest expense	24,352	28,029
Interest income	(45,926)	(29,047)
Compensation cost arising from share-based payments	41,500	-
Gain on disposal of property, plant and equipment	(4,762)	(5,158)
Property, plant and equipment reclassified to expenses	299	3,740
Lease modification gains	(2)	(485)
Impairment loss on non-financial assets	11,406	25,495
Loss on redemption of convertible bonds	-	749
Total adjustments to reconcile profit (loss)	275,729	249,097
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts receivable	36,482	89,467
Inventories	62,783	99,542
Other current assets	27,589	669
Other financial assets	(32,315)	(5,762)
Other non-current assets	(9,832)	(319)
Net changes in operating assets	84,707	183,597
Changes in operating liabilities:		
Contract liabilities	(19,228)	(5,563)
Notes and accounts payable	(191,518)	82,118
Other payables	(2,966)	(55,117)
Other current liabilities	1,668	14,629
Net defined benefit liability	(5,312)	(5,262)
Net changes in operating liabilities	(217,356)	30,805
Total changes in operating assets and liabilities	(132,649)	214,402
Total adjustments	143,080	463,499
Cash inflow generated from operations	289,927	456,125
Income taxes paid	(85,055)	(75,838)
Net cash flows from operating activities	204,872	380,287
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 profit or loss	(843,695)	(625,176)
Proceeds from disposal of financial assets at fair value through profit or loss	851,304	625,778
Acquisition of property, plant and equipment	(42,540)	(47,577)
Proceeds from disposal of property, plant and equipment	10,382	10,027
Acquisition of intangible assets	(9,293)	(3,577)
Increase in other financial assets	(410,212)	(216,928)
Received in advance due to disposal of assets	-	562,540
Interest received	33,593	22,907
Net cash flows used in investing activities	(410,461)	332,794
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	3,416,000	3,649,000
Repayments of short-term borrowings	(3,742,000)	(3,979,000)
Increase in short-term notes and bills payable	150,000	190,000
Decrease in short-term notes and bills payable	(250,000)	(90,000)
Repayments of bonds	-	(30,000)
Increase in long-term debt	24,000	126,000
Repayments of long-term debt	(65,764)	(99,000)
Payments of lease liabilities	(58,480)	(59,447)
Increase (decrease) in other non-current liabilities	(80)	115
Treasury shares transferred to employees	44,766	-
Interest paid	(22,978)	(25,360)
Net cash flows used in financing activities	(504,536)	(317,692)
Effect of exchange rate changes on cash and cash equivalents	63,831	(18,435)
Net increase (decrease) in cash and cash equivalents	(646,294)	376,954
Cash and cash equivalents at beginning of period	2,133,533	1,756,579
Cash and cash equivalents at end of period	\$ 1,487,239	\$ 2,133,533

See accompanying notes to consolidated financial statements.

[Annex VI]

Megaforce Company Limited
Earnings Distribution Table
2024

		Unit : NTD
Item	Amount	
Beginning retained earnings		0
Add (subtract) :		
net profit after tax for the year 2024	75,622,797	
Other components of equity	5,231,200	
Profit sharing -unallocated surplus	(43,126)	
The sum of the net profit plus the items other than the net profit included in the undistributed earnings of the current year		<u>80,810,871</u>
Distributable items:		
legal reserve		(8,081,087)
Earnings available for distribution for the current period		<u>72,729,784</u>
Distribution items :		
Shareholder dividends(NTD\$0.38 per share)		(50,166,050)
Ending balance of accumulated deficit		<u><u>22,563,734</u></u>

Chairman : Wen-Lin, Hsu General Manager : Tung-Hui, Chiang Accounting Supervisor : Chia-Cheng, Chang

[Annex VII]

Comparison Table of the Amendments to the “Articles of Incorporation”

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. <u>CC01110 Computers and Peripheral Equipment Manufacturing</u> 7. <u>CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing</u> 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. CE01030 Optical Instruments Manufacturing 17. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval 	<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 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. CE01030 Optical Instruments Manufacturing 17. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval 	<p>In coordination with the revision of the code table of business item from Administration of Commerce, our company has amended business items No. 6 and 7.</p>
<p>Article 31</p> <p>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 (<u>The amount of employee compensation for this item shall not be less than 30% and should be allocated to grassroots employees</u>) and 5% or less as remuneration to directors.</p> <p>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.</p> <p>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.</p>	<p>Article 31</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>In accordance with Article 14, Paragraph 6 of the Securities and Exchange Act and the provisions of Letter No. 1130385442 issued by the Financial Supervisory Commission, the Articles of Incorporation shall specify that a certain percentage of annual profits be allocated as compensation for grassroots employees.</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>The 18th amendment was approved on June 7, 2024</p> <p><u>The 19th amendment was approved on June 5, 2025</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>The 18th amendment was approved on June 7, 2024</p>	<p>Update revision date.</p>

©Appendix

[Appendix I]

Megaforce Company Limited Articles of Incorporation

Approved by the shareholders' meeting on June 7, 2024

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
Wholesale of Electrical Appliances
8. F113020 Retail Sale of Electrical Appliances
9. F213010 Wireless Communication Mechanical Equipment Manufacturing Electronics
10. CC01070 Components Manufacturing
11. CC01080 Information Software Services
12. I301010 Medical Devices Manufacturing
13. CF01011 Wholesale of Medical Devices
14. F108031 Retail Sale of Medical Apparatus
15. F208031 Optical Instruments Manufacturing
16. CE01030 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
17. ZZ99999

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.

Chapter III Shareholders' Meetings

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
The 18th amendment was approved on June 7, 2024

Megaforce Company Limited
Rules of Procedure for Shareholders' Meeting

Approved by the shareholders' meeting on June 7, 2024

- 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.
- 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.
- 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. Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the shareholders shall at least be provided with connection facilities and necessary assistance, and the period during which shareholders may apply to the company and other related matters requiring attention 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. Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the shareholders shall at least be provided with connection facilities and necessary assistance, and the period during which shareholders may apply to the company and other related matters requiring attention shall be specified.

- 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
Shareholding of Directors
April 7, 2025

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	June 7, 2024	Common stock	4,991,508	3.78	Common stock	4,991,508	3.78
Vice Chairman	Tung-Hui, Chiang	June 7, 2024	Common stock	1,404,956	1.06	Common stock	1,421,356	1.08
Director	Ying Fan Investment Co., Ltd. Representative: Lee-Li, Lu	June 7, 2024	Common stock	38,983,802	29.53	Common stock	38,983,802	29.53
Director	Ying Fan Investment Co., Ltd. Representative: Chia-Cheng, Chang	June 7, 2024	Common stock	38,983,802	29.53	Common stock	38,983,802	29.53
Director	Wan-Sheng, Hsu	June 7, 2024	Common stock	1,523,640	1.15	Common stock	1,523,640	1.15
Director	Ming-Hsiung, Chu	June 7, 2024	Common stock	2,140,217	1.62	Common stock	2,140,217	1.62
Independent Director	Hai-Pang, Chiang	June 7, 2024	Common stock	0	0.00	Common stock	0	0.00
Independent Director	Wan-Hua, Hsieh	June 7, 2024	Common stock	0	0.00	Common stock	0	0.00
Independent Director	Chin, Wei-Chun	June 7, 2024	Common stock	0	0.00	Common stock	0	0.00
Total				49,044,123			49,060,523	

Note 1: Total shares issued on June 7, 2024: 132,015,919 shares;
Total shares issued on April 7, 2025: 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, 49,060,523 shares were held as of April 7, 2025.

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