



**Tycoons Group Enterprise Company Limited**

**2025 Annual General Meeting  
Meeting Handbook**

**9.00 a.m., May 28, 2025**  
**No. 79-1, Xinle St., Gangshan Dist., Kaohsiung City 820, Taiwan (R.O.C.)**  
**(meeting room of the Company)**

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# **Tycoons Group Enterprise Company Limited**

## Meeting Procedure for 2025 Annual General Shareholders' Meeting

- I.** Call Meeting to Order (when the attending shareholders representing the number of attending voting rights has met the regulatory cut-off requirement)
- II.** Chairperson's Address
- III.** Report Items
- IV.** Ratification Items
- V.** Discussion Items
- VI.** Election matters
- VII.** Other Proposals
- VIII.** Extraordinary Motions
- IX.** Adjournment

# Tycoons Group Enterprise Company Limited

## Agenda of 2025 Annual General Shareholders' Meeting

Meeting type: Physical shareholders meeting.

Time: May 28, 2025 (Wednesday), 9.00 a.m.

Venue: No. 79-1, Xinle St., Gangshan Dist., Kaohsiung City 820, Taiwan (R.O.C.)  
(meeting room of the Company)

### Chairperson Remarks

#### **One.** Report Items:

- I. Business Report for 2024.
- II. Audit Committee's Review Report of Audited Financial Statements for 2024.
- III. Report on Remunerations of Directors for 2024.

#### **Two.** Ratification Items:

- I. Ratification for Business Report and Financial Statements for 2024.
- II. Ratification for Accumulated Losses Offsetting Proposal for 2024.

#### **Three.** Discussion Items

- I. Discussion of amendments to the Company's "Articles of Incorporation"

#### **Four.** Election matters

- I. Re-elections of every director and independent director of the board.

#### **Five.** Other Proposals

- I. Discussion to approve the lifting of non-competition restrictions for new directors and their corporate representatives.

#### **Six.** Extraordinary Motions

#### **Seven.** Adjournment

## One. [Report Items]

### I. Business Report for 2024.

#### (I) Implementation Status of Business Plans

The 2024 individual operating revenue of the Tycoons Group was NT\$1,421 million, increasing by NT\$903 million and 57% year-to-year, and the consolidated operating revenue was NT\$8,004 million, decreasing by NT\$8,420 million and 5% year-to-year. The net loss after tax was NT\$165 million, and the net loss after tax per share was NT\$0.49.

As the domestic economy began to recover, demand for inventory replenishment from downstream vendors increased, driving the Company's revenue growth in 2024 compared to the previous period. However, low-priced imports from China continued to disrupt the market, causing fluctuations in steel prices and intensifying price competition. Due to the weak international steel market, the Company's recognized loss from subsidiaries increased compared to the previous year, negatively impacting profitability for the year.

The global macro economy is still affected by uncertainties such as the US-China trade war, geopolitical tensions, and high-interest environment. In the short term, the steel market is dominated by a wait-and-see sentiment. In the wire rod market, prices of coal and iron ore have remained relatively stable. With improvements in supply and demand dynamics and support from raw material costs, the overall steel market still maintains stable operations and is expected to improve gradually on a quarterly basis.

Unit: NTD thousand

Profit or Loss Item	2024	%	2023	%	Increase/ Decrease	%
Operating Revenues	1,420,769	100	903,411	100	517,358	57
Operating Cost	(1,409,974)	(99)	(873,932)	(97)	536,042	61
Gross Profit	10,795	1	29,479	3	(18,684)	(63)
Unrealized Loss from Sales	(2,176)	(0)	(15,734)	(2)	(13,558)	(86)
Realized Gain from Sales	10,090	1	11,032	1	(942)	(9)
Gross (Loss) Profit - Net	18,709	1	24,777	3	(6,068)	(24)
Operating Expenses	(104,011)	(7)	(104,711)	(12)	(700)	(1)
Loss from Operations	(85,302)	(6)	(79,934)	(9)	5,368	7
Non-operating Income and Expenses	(68,998)	(5)	154,628	17	(223,626)	(145)
Profit (Loss) before Income Tax	(154,300)	(11)	74,694	8	(228,994)	(307)
Net Profit (Loss) for the Year	(165,301)	(12)	80,877	9	(246,178)	(304)
Earning (Loss) per share	(0.49)		0.24			

## (II) Financial Income and Loss

Unit: NTD thousand

Item	2024	2023	Increase /decrease
Net cash generated from (used in) operating activities	(192,316)	110,620	(302,936)
Net cash generated from (used in) investing activities	(138,872)	19,456	(158,328)
Net cash generated from (used in) financing activities	94,283	(62,976)	157,259

1. The net cash outflow from operating activities increased compared to the previous period, mainly due to the increase in loss before tax for the current period.
2. The increase in net cash outflow from investing activities from the previous period was mainly due to the increase in acquisition of investments accounted for using the equity method, property, plant and equipment.
3. Net cash inflow in financing activities increased compared to the previous period, mainly due to the increase in current borrowings for the current year.

### (III) Profitability Analysis

Item	2024	2023
Return on assets (%0	-4.36	2.17
Return on equity (%)	-4.73	2.28
Net margin (%)	-11.63	8.95

In 2024, the Company saw a net loss. As such the profitability ratios for the year are all negative.

### (IV) Research and development:

Due to the change in business environment, the Company shall continue to improve its production processes and develop new products.

### (V) Future business strategy and important production and marketing policies:

1. In the wire rod market, order intake remains strong. With the significant increase in production capacity following the expansion of the pickling line, the Company is well positioned to fully meet customer demand while also expanding its customer base and increasing wire rod shipments.
2. Following the replacement of outdated heat treatment furnaces, production capacity has significantly increased. With a rebound in market demand for screws, the Company is actively securing orders.
3. Driven by ongoing construction in the tech industry, urban renewal projects, and factory-office developments, domestic demand for shear studs is expected to remain stable in the short to medium term.

### (VI) Execution of budget: Not applicable.

## (VII) Future prospects

As inflationary pressure in Europe and the U.S. eased, a gradual shift toward interest rate cuts is underway, diminishing the suppressive effect of high interest rates on economic activity. Additionally, recent reports indicating that China may implement new production cuts, which, combined with a positive global economic outlook, creates upward potential for steel prices. The Company actively improves its equipment to reduce production costs and increase market competitiveness, creating new opportunities for the Company's operations. Although market conditions remain uncertain, positive news for the steel market is emerging, creating upward potential for steel prices. The outlook is optimistic.

In the future, we shall deepen product planning and pursue cost reduction to maintain our core competitive advantages in the steel industry. By upholding the philosophy of self-surpassing, the Company pursues product diversification and enhancement of operating efficiency to cater to the rapid changing market and create more profit for the shareholders.

Tycoons Group Enterprise Company Limited

Chairwoman: Huang, Wen-Sung  
President: Lu, Yen-Chuan  
Finance Director: Chou, Pi-Wan

## **II. Audit Committee's Review Report of Audited Financial Statements for 2024.**

### **Audit Committee's Review Report**

The Board of Directors have passed the business report, financial statements, and accumulated losses offsetting proposal for the year 2024, among which the financial statements have been audited and reviewed by Chen Cheng-Chu and Lee Fang-Wen, who are both certified accountants from the CPA firm of Ernst & Young and they have issued an audit report. The above mentioned business report, financial statements, and accumulated losses offsetting proposal were reviewed by the Audit Committee and considered that there was no discrepancy. The above mentioned reports are presented as required by Securities and Exchange Act and Company Act, for further inspection.

To:

2025 Annual General Shareholders' Meeting of Tycoons Group Enterprise Company Limited

Convener of Audit Committee: Wei, Gong-Ao

March 10, 2025

### **III. Report on Remunerations of Directors for 2024.**

- (I) The correlation between policies, standards, and portfolios for the Company's payment of remuneration to directors (including independent directors), the procedures for determining remuneration, and business performance and future risks:

The director remuneration is determined in accordance with the Articles of Incorporation and management procedures. Apart from appropriating not more than 1% of the net profit for the period as director remuneration, the Company also disburses a fixed monthly salary and travel expense reimbursement to the directors. For the director remuneration, the Remuneration Committee refers to the industrial standard or remuneration of similar industries, and the Company's performance, as well as the level of participation in the management of the Company and individual contributions by the directors. The committee shall review the reasonableness of the remuneration on a regular basis and forward its recommendation to the board for resolution.

- (II) Report on remunerations of directors for 2024, please refer to page 13 of the Meeting Handbook, Attachment 1.

## Two. [Ratification Items]

Proposal 1 (Proposed by the Board of Directors)

Proposal: Ratification for business report and financial statements for 2024.

Description: The financial statements for 2024 had been reviewed by the Audit Committee and resolved by the Board of Directors. Furthermore, certified public accountants, Chen Cheng-Chu and Lee Fang-Wen from Ernst & Young had conducted an audit and issued an independent auditor's report for the financial statements (see pages 14-34 of the Meeting Handbook, Attachment 2). The Audit Committee had also reviewed the business report (see pages 3-6 of the Meeting Handbook) and issued a report.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Proposal: Ratification for Accumulated Losses Offsetting Proposal for 2024.

Description: The accumulated losses offsetting proposal for 2024 is as follows.

Tycoons Group Enterprise Company Limited  
Deficit Compensation Statement  
2024

Item	Unit: NTD \$ Amount
Beginning balance of undistributed earnings	\$ 5,734,661
Net loss after tax for the period	( 165,300,724 )
Actuarial gains and losses on defined benefit plan	662,917
Deficit yet to be compensated at the end of the period	<u>( \$ 158,903,146 )</u>

Chairwoman: Huang, Wen-Sung

President: Lu, Yen-Chuan

Finance Director: Chou, Pi-Wan

Resolution:

### Three. [Discussion Items]

Proposal 1 (Proposed by the Board of Directors)

Proposal: Discussion of amendments to the Company's "Articles of Incorporation"

Description: Pursuant to the amendments on the law and regulations, it is proposed to make amendments to the partial articles of the "Articles of Incorporation". For the comparison table for the amendments, please see pages 35-36 of the Meeting Handbook, Attachment 3.

Resolution:

### Four. [Election matters]

Proposal 1 (Proposed by the Board of Directors)

Proposal: Re-election of every Directors and Independent Directors of the board.

Description:

1. The tenure of the Board of Directors expires on May 25, 2025. Re-election is proposed to be held at the current Annual Shareholders' Meeting.
2. According to the Articles of Incorporation, five Directors (including three Independent Directors) shall be elected. The tenure of the new Board of Directors is three years, starting from the date of the Shareholders' Meeting holding the re-election, from May 28, 2025, to May 27, 2028. Directors shall be elected by adopting the candidate nomination system.
3. For the list of candidates for Directors (including Independent Directors), please see pages 37 of the Meeting Handbook, Attachment 4.
4. The re-election is conducted in accordance with the Regulations for Elections of Directors (see pages 43 of the Meeting Handbook, Attachment 6). Nominations are welcome.

Election results:

## Five. [Other Proposals]

### Proposal 1 (Proposed by the Board of Directors)

Proposal: Discussion to approve the lifting of non-competition restrictions for new directors and their corporate representatives.

#### Description:

1. In accordance with the Article 209 of the Company Act, a director who does anything for themselves or on behalf of another person within the scope of the company's business shall explain to Shareholders' Meeting the essential content of such conduct and secure its approval.
2. To utilize the expertise and relevant experience of the Directors, the Company shall hold the re-election of Directors (including Independent Directors) at the current Annual Shareholders' Meeting. Without harming the interest of the Company, in accordance with the Article 209 of the Company Act, the non-competition restrictions shall be lifted for new Directors to hold positions in enterprises whose investment or operation shares or bears similarity in terms of business scope with the Company. The same is applicable for re-elected Directors.
3. The concurrent positions in other enterprises held by Directors (including Independent Directors) are as follows.

Position	Name	Concurrent positions in other enterprises
Director	Bo Tian Investment Co., Ltd. Representative: Huang, Wen-Sung	- Chairperson of Tycoons Worldwide Group (Thailand) Public Co., Ltd. - Director of Huang Hua Jujin Hardware Products Co., Ltd. - Director of Chin Fong Hsing Enterprising Co., Ltd.
Director	Ju Yuan Investment Co., Ltd. Representative: Lu, Yen-Chuan	- Director of Tycoons Worldwide Group (Thailand) Public Co., Ltd.
Independent Director	Huang, Chun-Kai	- President of Kuan Ta Construction Co., Ltd.

#### Resolution:

Six. [Extraordinary Motions]

Seven. [Adjournment]

**TYCOONS GROUP ENTERPRISE CO., LTD.**  
**Report on Remunerations of Directors for 2024**

Unit: NTS; %

Position	Name	Remuneration of directors								Sum of A, B, C and D as a percentage of net income after tax		Compensation to directors also serving as employees								Sum of A, B, C, D, E, F and G as a percentage of net income after tax		Compensation from affiliates other than subsidiaries or parent company
		Remunerations (A)		Pensions (B)		Director earnings distribution (C)		Business expenses (D)				Salary, bonuses, and special allowance (E)		Pensions (F)		Employee earnings distribution (G)						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements			
Director	Huang, Wen-Sung	600,000	1,145,173	0	0	0	0	30,000	38,916	-0.38%	-0.72%	2,756,992	5,890,696	0	0	0	0	0	0	-2.05%	-4.28%	960.000
Director	Lu, Yen-Chuan	360,000	794,773	0	0	0	0	15,000	23,916	-0.23%	-0.50%	4,012,781	6,593,197	0	0	0	0	0	0	-2.65%	-4.48%	None
Independent Director	Wei, Kung-Ao	360,000	360,000	0	0	0	0	30,000	30,000	-0.24%	-0.24%	0	0	0	0	0	0	0	0	-0.24%	-0.24%	None
Independent Director	Wu, Chung-Hsin	360,000	360,000	0	0	0	0	30,000	30,000	-0.24%	-0.24%	0	0	0	0	0	0	0	0	-0.24%	-0.24%	None
Independent Director	Huang, Chun-Kai	360,000	360,000	0	0	0	0	30,000	30,000	-0.24%	-0.24%	0	0	0	0	0	0	0	0	-0.24%	-0.24%	None

**Independent Auditors' Report**

To TYCOONS GROUP ENTERPRISE CO., LTD.

**Opinion**

We have audited the accompanying parent company only balance sheets of TYCOONS GROUP ENTERPRISE CO., LTD. (the "Company") as of December 31, 2024, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024, and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only financial statements").

In our opinion, based on our audits, the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024, and the parent company only financial performance and cash flows for the years ended December 31, 2024, in conformity with the requirements of 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 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 Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Inventory Valuation

As of December 31, 2024, the Company's net inventories, sold wire rod and spheroidized wire, amounted to NT\$138,333 thousand, representing 4% of the total assets, which is significant for the financial statements. Since the raw materials of inventories are significantly affected by the price of the international market and the speed of change of the respective industries. Evaluation involves management's significant accounting estimation and judgement; Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policy of inventories evaluation; evaluating and testing the internal controls established by management for inventory write-downs, including conducting walkthrough tests to verify the design and operational effectiveness of control points; obtaining and sampling the allowance for inventory write-down calculation reports to verify the accuracy of the net realizable value amounts adopted by management; reviewing original documents related to inventory movements to confirm the accuracy of aging classifications; analyzing market value information of inventory items, such as steel raw materials, to assess the reasonableness of obsolescence, evaluating the provision rate for slow-moving inventories, and recalculating the accuracy of the inventory write-down allowance; understanding the warehouse management process, reviewing the annual stocktaking plan, and participating in the annual physical inventory count to assess the effectiveness of management's classification and control of slow-moving inventories. Please refer to Notes 5 and 6 to the Company's parent company only financial statements.

## Revenue Recognition

The Company primarily generate revenue from the sale of goods. Revenue is recognized upon the completion of sales and fulfillment of performance obligations in accordance with the terms of the contracts. Since the timing of fulfilling performance obligations varies depending on contractual agreements. Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the design and effectiveness of internal controls established by management for revenue recognition; conducting substantive tests by sampling sales revenue details, reviewing related transaction documents such as contracts, customer orders, and shipping documents, and verifying key contract or order terms to identify performance obligations, price allocation, and the timing of fulfillment, ensuring the accuracy of revenue recognition timing. Additionally, a sample of sales transactions within a specified period before and after the balance sheet date is selected and matched with relevant supporting documents to confirm the proper cut-off of revenue recognition. Analytical procedures are performed on the top ten customers of the current and prior periods to identify new transaction partners or patterns, and for newly added transaction partners, transaction verification tests are conducted to check supporting documents and confirm the appropriateness of revenue recognition timing. Please refer to Notes 4 and 6 to the Company's parent company only financial statements.

## **Other Matters - Making reference to the audits of component auditors**

We did not audit the financial statements of certain subsidiaries, associates and joint ventures accounted for under the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion expressed herein are based solely on the reports of other auditors. The subsidiaries, associates and joint ventures accounted for under the equity method amounted to NT\$484,134 thousand, representing 13% of total assets as of December 31, 2024. And the related share of profit from the subsidiaries, associates and joint ventures accounted for under the equity method amounted to NT\$(21,504) thousand, representing 14% of the other comprehensive income for the year ended December 31, 2024.

### **Other Matters**

The parent company only financial statements of the Company for the year ended December 31, 2023, were audited by another independent accountant, who issued an unqualified opinion on March 13, 2024.

### **Responsibilities of Management and Those Charged with Governance for the Parent company only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, Interpretations developed by the IFRIC or the former SIC as endorsed by Financial Supervisory Commission of the Republic of China 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 ability to continue as a going concern of the Company, 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 Audit Committee, are responsible for overseeing the financial reporting process of the Company.

### **Auditor's 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's 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 accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only

financial statements. We are responsible for the direction, supervision and performance of the 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 2024 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Chen, Cheng-Chu

Lee, Fang-Wen

Ernst & Young, Taiwan

March 10, 2025

#### **Notice to Readers**

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese  
TYCOONS GROUP ENTERPRISE CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2024	%	December 31, 2023	%
Current assets					
Cash and cash equivalents	4,6.(1)	\$250,375	7	\$487,280	13
Financial assets at fair value through profit or loss, current	4,6.(2)	10,243	0	11,559	0
Notes receivable, net	4,6.(4)	35,329	1	9,627	0
Accounts receivable, net	4,6.(5)	90,239	2	33,507	1
Accounts receivable - related parties, net	4,6.(5),7	3,704	0	14,757	0
Other receivables	13	60,446	2	93,338	3
Current tax assets	4,6.(18)	848	0	645	0
Inventories	4,6.(6)	138,333	4	180,988	5
Prepayments		101,599	3	16,030	0
Other current assets		12,630	0	5,801	0
Total current assets		703,746	19	853,532	22
Non-current assets					
Financial assets at fair value through other comprehensive income, non-current	4,6.(3)	41,410	0	41,767	1
Investments accounted for using the equity method	4,6.(7)	2,174,712	59	2,257,968	60
Property, plant and equipment	4,6.(8),8	615,518	17	604,636	16
Right-of-use assets	4,7	18,426	1	8,765	0
Deferred tax asset	4,6.(18)	144	0	11,077	0
Refundable deposits	12	3,427	0	3,027	0
Other non-current assets, other	4	115,654	4	29,693	1
Total non-current assets		2,969,291	81	2,956,933	78
Total Assets		\$3,673,037	100	\$3,810,465	100

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese  
TYCOONS GROUP ENTERPRISE CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	December 31, 2024	%	December 31, 2023	%
<b>Current liabilities</b>					
Short-term borrowings	4,6.(9)	\$167,802	5	\$-	-
Contract liabilities, current	4,6.(12)	-	-	78,140	2
Notes payable		40,275	1	48,174	1
Accounts payable		26,224	1	22,999	1
Other payables		31,267	1	27,169	1
Lease liabilities, current	4,6.(14)	6,488	0	5,640	0
Other current liabilities, other		128	0	298	0
Total current liabilities		272,184	8	182,420	5
<b>Non-current liabilities</b>					
Deferred tax liabilities	4,6.(18)	10,902	0	8,500	0
Lease liabilities, non-current	4,6.(14)	12,025	0	3,322	0
Guarantee deposits	12	1,294	0	104	0
Other non-current liabilities		2	0	-	-
Total non-current liabilities		24,223	0	11,926	0
<b>Total liabilities</b>		296,407	8	194,346	5
<b>Equity attributable to the parent company</b>					
Share capital					
Common stock	6.(11)	3,371,682	92	3,371,682	89
Capital surplus		112,693	3	129,054	3
Retained earnings					
Legal reserve		8,130	0	-	-
(Accumulated deficit) Unappropriated earnings		(158,904)	(4)	81,298	2
Other components of equity		43,029	1	34,085	1
<b>Total equity</b>		3,376,630	92	3,616,119	95
<b>Total liabilities and equity</b>		\$3,673,037	100	\$3,810,465	100

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese  
TYCOONS GROUP ENTERPRISE CO., LTD.

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)

Accounting	Notes	For the years ended December 31			
		2024	%	2023	%
Operating revenues	4,6.(12),7	\$1,420,769	100	\$903,411	100
Operating costs	4,6.(6)(20)	(1,409,974)	(99)	(873,932)	(97)
Gross profit		10,795	1	29,479	3
Unrealized loss from sales		(2,176)	(0)	(15,734)	(2)
Realized profit on from sales		10,090	1	11,032	1
Gross profit from operations		18,709	1	24,777	(1)
Operating expenses	6.(10)(15)				
Sales and marketing expenses		(27,616)	(2)	(24,853)	(3)
Administrative expenses		(76,395)	(5)	(79,858)	(9)
Total operating expense		(104,011)	(7)	(104,711)	(12)
Operating (loss)		(85,302)	(6)	(79,934)	(9)
Non-operating income and (expenses)	4,6.(16)				
Interest income		4,885	0	7,825	1
Other income		1,368	0	3,911	0
Other gains and (losses)		79,436	6	(2,530)	(0)
Finance costs		(2,767)	(0)	(741)	(0)
Share of (loss) profit of associates accounted for using the equity method	4,6.(7)	(151,920)	(11)	146,163	16
Total non-operating income and expense		(68,998)	(5)	154,628	17
(Loss) Gain from continuing operations before income tax		(154,300)	(11)	74,694	8
Income tax (benefit) expense	4,6.(23)	(11,001)	(1)	6,183	1
Net (loss) income		(165,301)	(12)	80,877	9
Other comprehensive income (loss)	4,6.(22)				
Items that will not be reclassified to profit or loss					
Unrealized (losses) gains from investment in equity instruments measured at fair value through other comprehensive income		(357)	(0)	2,370	0
Share of other comprehensive income of associates, and joint ventures accounted for using the equity method		625	0	(394)	(0)
Items that will be reclassified to profit or loss					
Exchange differences on translation of foreign financial statements, net after tax		11,672	1	(44,537)	(5)
Income tax (expense) benefit related to items that may be reclassified subsequently to profit or loss		(2,334)	(0)	8,907	1
Total other comprehensive income, net of tax		9,606	1	(33,654)	(4)
Total comprehensive (loss) income		(\$155,695)	(10)	\$47,223	5
(Loss) earnings per share (NTD)	6.(19)				
(Loss)earnings per share - Basic		(\$0.49)		\$0.24	
(Loss)earnings per share - Diluted		(\$0.49)		\$0.24	

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese  
TYCOONS GROUP ENTERPRISE CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
For the years ended December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

Accounting	Equity attributable to the parent company						Total equity
	Common stock	Capital surplus	Retained earnings		Other components of equity		
			Legal reserve	Undistributed earnings (Accumulated deficit)	Exchange differences on translation of foreign financial statements	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	
Balance as of January 1, 2023	\$4,797,520	\$30,629	\$16,248	(\$1,442,086)	\$69,628	(\$1,468)	\$3,470,471
Net income in 2023	-	-	-	80,877	-	-	80,877
Other comprehensive income (loss) in 2023	-	-	-	421	(35,630)	1,555	(33,654)
Total comprehensive income (loss)	-	-	-	81,298	(35,630)	1,555	47,223
Capital reduction to offset losses	(1,425,838)	-	(16,248)	1,442,086	-	-	-
The differences between the fair value of the consideration paid or received from acquiring or disposing of subsidiaries and the carrying amounts of subsidiaries	-	33,122	-	-	-	-	33,122
Restructuring	-	65,303	-	-	-	-	65,303
Balance as of December 31, 2024	\$3,371,682	\$129,054	\$-	\$81,298	\$33,998	\$87	\$3,616,119
Balance as of January 1, 2024	\$3,371,682	\$129,054	\$-	\$81,298	\$33,998	\$87	\$3,616,119
Legal reserve	-	-	8,130	(8,130)	-	-	-
Cash dividends	-	-	-	(67,433)	-	-	(67,433)
Net (loss) in 2024	-	-	-	(165,301)	-	-	(165,301)
Other comprehensive income (loss) in 2024	-	-	-	662	9,338	(394)	9,606
Total comprehensive income (loss)	-	-	-	(164,639)	9,338	(394)	(155,695)
The differences between the fair value of the consideration paid or received from acquiring or disposing of subsidiaries and the carrying amounts of subsidiaries	-	(16,361)	-	-	-	-	(16,361)
Balance as of December 31, 2024	\$3,371,682	\$112,693	\$8,130	(\$158,904)	\$43,336	(\$307)	\$3,376,630

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese  
TYCOONS GROUP ENTERPRISE CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
For the years ended December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

Accounting	For the years ended December 31	
	2024	2023
<b>Cash flows from operating activities:</b>		
(Loss) Profit before income tax	(\$154,300)	\$74,694
Adjustments for:		
Depreciation	52,361	47,811
Net (gain) on financial assets and liabilities at fair value through profit or loss	-	(1,424)
Interest expense	2,767	741
Interest income	(4,885)	(7,825)
Dividend income	(66)	(33)
Share of loss (profit) of associates accounted for using the equity method	151,920	(146,163)
Loss (Gain) on disposal of property, plant and equipment	726	(48)
(Gain) on disposal of investments	(7,934)	-
(Gain) on disposal of investments accounted for using the equity method	(88,911)	-
Loss on impairment of financial assets	27,242	-
Realized (loss) gain on the transactions with subsidiaries and associates	(7,914)	4,702
Others	(15,404)	-
Subtotal	<u>109,902</u>	<u>(102,239)</u>
<b>Changes in operating assets and liabilities:</b>		
(Increase) in financial assets mandatorily measured at fair value through profit or loss	(340)	-
(Increase) Decrease in notes receivable	(25,702)	18,279
(Increase) Decrease in accounts receivable	(56,732)	29,353
Decrease in accounts receivable - related parties	11,053	59,625
Decrease (Increase) in other receivables	32,243	(90,318)
Decrease in inventories	55,110	56,080
(Increase) Decrease in prepayments	(85,569)	10,992
(Increase) Decrease in other current assets	(3,993)	3,768
(Decrease) Increase in contract liabilities	(78,140)	72,511
(Decrease) in notes payable	(7,899)	(8,279)
Increase (Decrease) in accounts payable	3,225	(17,376)
Increase (Decrease) in other payables	4,098	(311)
(Decrease) in other current liabilities	(170)	(291)
Subtotal	<u>(152,816)</u>	<u>134,033</u>
Cash (used in) provided by operations	<u>(197,214)</u>	<u>106,488</u>
Interest received	5,534	8,588
Interest paid	(2,767)	(741)
Income tax paid (returned)	2,131	(3,715)
Net cash (used in) provided by operating activities	<u>(192,316)</u>	<u>110,620</u>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets measured at amortized cost	(8,152)	(4,204)
Disposal of financial assets measured at amortized cost	10,432	-
Acquisition of investments accounted for using the equity method	(66,285)	(31,522)
Disposal of investments accounted for using the equity method	57,600	-
Proceeds from capital reduction of investments accounted for under the equity method	-	68,663
Acquisition of property, plant and equipment	(57,224)	(24,505)
Disposal of property, plant and equipment	80	48
(Increase) in refundable deposits	(400)	-
Decrease in refundable deposits	-	77
(Increase) Decrease in other financial assets	(2,836)	16,698
(Increase) in other non-current assets	(85,961)	(14,582)
Dividends received	13,874	8,783
Net cash (used in) provided by investing activities	<u>(138,872)</u>	<u>19,456</u>
<b>Cash flows from financing activities:</b>		
Increased in short-term borrowings	167,802	-
Increase in guarantee deposits received	1,190	-
(Decrease) in guarantee deposits received	-	(937)
Payment of lease liabilities	(7,278)	(6,886)
Increase in non-current liabilities	2	-
Cash dividends paid	(67,433)	-
(Decrease) in long-term accounts payables	-	(55,153)
Net cash provided (used in) by financing activities	<u>94,283</u>	<u>(62,976)</u>
Net (decrease) increase in cash and cash equivalents	<u>(236,905)</u>	<u>67,100</u>
Cash and cash equivalents at beginning of period	487,280	420,180
Cash and cash equivalents at end of period	<u>\$250,375</u>	<u>\$487,280</u>

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

## **Independent Auditors' Report**

To TYCOONS GROUP ENTERPRISE CO., LTD.

### **Opinion**

We have audited the accompanying consolidated balance sheets of TYCOONS GROUP ENTERPRISE CO., LTD. (the "Company") and its subsidiaries as of December 31, 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, based on our audits, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2024, and their consolidated financial performance and cash flows for the years ended December 31, 2024, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by 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 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 Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Inventory Valuation

As of December 31, 2024, the Company's and its subsidiaries' net inventories, sold wire rod and spheroidized wire, amounted to NT\$2,678,539 thousand, representing 29% of the total consolidated assets, which is significant for the financial statements. Since the raw materials of inventories are significantly affected by the price of the international market and the speed of change of the respective industries. Evaluation involves management's significant accounting estimation and judgement; Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policy of inventories evaluation; evaluating and testing the internal controls established by management for inventory write-downs, including conducting walkthrough tests to verify the design and operational effectiveness of control points; obtaining and sampling the allowance for inventory write-down calculation reports to verify the accuracy of the net realizable value amounts adopted by management; reviewing original documents related to inventory movements to confirm the accuracy of aging classifications; analyzing market value information of inventory items ,such as steel raw materials, to assess the reasonableness of obsolescence, evaluating the provision rate for slow-moving inventories, and recalculating the accuracy of the inventory write-down allowance; understanding the warehouse management process, reviewing the annual stocktaking plan, and participating in the annual physical inventory count to assess the effectiveness of management's classification and control of slow-moving inventories. Please refer to Notes 5 and 6 to the Company's consolidated financial statements.

## Revenue Recognition

The Company and its subsidiaries primarily generate revenue from the sale of goods. Revenue is recognized upon the completion of sales and fulfillment of performance obligations in accordance with the terms of the contracts. Since the timing of fulfilling performance obligations varies depending on contractual agreements. Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the design and effectiveness of internal controls established by management for revenue recognition; conducting substantive tests by sampling sales revenue details, reviewing related transaction documents such as contracts, customer orders, and shipping documents, and verifying key contract or order terms to identify performance obligations, price allocation, and the timing of fulfillment, ensuring the accuracy of revenue recognition timing. Additionally, a sample of sales transactions within a specified period before and after the balance sheet date is selected and matched with relevant supporting documents to confirm the proper cut-off of revenue recognition. Analytical procedures are performed on the top ten customers of the current and

prior periods to identify new transaction partners or patterns, and for newly added transaction partners, transaction verification tests are conducted to check supporting documents and confirm the appropriateness of revenue recognition timing. Please refer to Notes 4 and 6 to the Company's consolidated financial statements.

### **Other Matters - Making reference to the audits of component auditors**

We did not audit the financial statements of certain consolidated subsidiaries of the Group. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements relative to these consolidated subsidiaries, was based solely on the reports of other auditors. The total assets of the subsidiaries amounted to NT\$1,238,439 thousand, representing 13.5% of total consolidated assets as of December 31, 2024. And the total revenues of the subsidiaries amounted to NT\$37,411 thousand, representing 0.5% of total consolidated revenues for the years ended December 31, 2024.

We did not audit the financial statements of certain subsidiaries, associates and joint ventures accounted for under the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion expressed herein are based solely on the reports of other auditors. The subsidiaries, associates and joint ventures accounted for under the equity method amounted to NT\$177,173 thousand, representing 2% of total consolidated assets as of December 31, 2024. And the related share of profit from the subsidiaries, associates and joint ventures accounted for under the equity method amounted to NT\$(158,884) thousand, representing 59% of the consolidated other comprehensive income for the year ended December 31, 2024.

### **Other Matters**

The consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2023, were audited by another independent accountant, who issued an unqualified opinion on March 13, 2024.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, Interpretations developed by the IFRIC or the former SIC as endorsed by 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 ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including Audit Committee, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

### **Auditor's 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
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 ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required

to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries 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 2024 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

## **Other**

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended December 31, 2024.

Chen, Cheng-Chu

Lee, Fang-Wen

Ernst & Young, Taiwan

March 10, 2025

## **Notice to Readers**

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
TYCOONS GROUP ENTERPRISE CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2024	%	December 31, 2023	%
<b>Current assets</b>					
Cash and cash equivalents	4,6.(1)	\$879,861	10	\$1,144,612	13
Financial assets at fair value through profit or loss, current	4,6.(2)	11,450	0	11,687	0
Notes receivable, net	4,6.(5)	106,970	1	36,704	0
Accounts receivable, net	4,6.(6)	713,620	8	534,533	6
Accounts receivable - related parties, net	4,6.(6),7,8	-	-	15,406	0
Other receivables	4,7	69,144	1	126,281	2
Current tax assets	4,6.(23)	2,167	0	2,171	0
Inventories	4,6.(7)	2,678,539	29	2,271,293	26
Prepayments		156,813	2	159,458	2
Non-current assets or disposal groups classified as held for sale	4,6.(8)	-	-	278,718	3
Other current assets		33,812	0	18,773	0
Other current financial assets	8	22,477	0	3,964	0
Total current assets		4,674,853	51	4,603,600	52
<b>Non-current assets</b>					
Financial assets at fair value through other comprehensive income, non-current	4,6.(2)	105,407	1	101,371	1
Financial assets at amortized cost, non-current	4,6.(4)	82,771	1	63,466	1
Investments accounted for using the equity method	4,6.(8)	177,173	2	444,725	5
Property, plant and equipment	4,6.(10),8	3,539,300	39	3,172,411	36
Right-of-use assets	4,6.(19)	39,000	0	28,599	0
Investment property	4,6.(11)	316,525	4	294,389	3
Intangible assets	4	16,895	0	12,203	0
Deferred tax asset	4,6.(23)	22,079	0	67,514	1
Refundable deposits		5,452	0	5,421	0
Other non-current assets, other		226,304	2	117,385	1
Total non-current assets		4,530,906	49	4,307,484	48
Total Assets		\$9,205,759	100	\$8,911,084	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
TYCOONS GROUP ENTERPRISE CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	December 31, 2024	%	December 31, 2023	%
<b>Current liabilities</b>					
Short-term borrowings	4,6.(12)	\$1,565,281	18	\$945,652	11
Financial liabilities at fair value through profit or loss, current	4,6.(13)	-	-	6,691	0
Contract liabilities, current	4,6.(17)	110,144	1	176,193	2
Notes payable		87,111	1	80,456	1
Accounts payable	7	220,971	2	168,597	2
Other payables	4,6.(23)	211,640	2	139,647	2
Current tax liabilities	4,6.(9)	-	-	4,687	0
Liabilities related to non-current assets or disposal groups classified as held for sale	4,6.(19)	-	-	120,005	1
Lease liabilities, current	4,6.(14)	6,488	0	5,639	0
Long-term loans payable due within one year		9,317	0	9,325	0
Other current liabilities, other		12,427	0	36,282	0
Total current liabilities		2,223,379	24	1,693,174	19
<b>Non-current liabilities</b>					
Long-term borrowings	4,6.(14)	205,274	3	214,687	3
Lease liabilities, non-current	4,6.(23)	37,200	0	36,130	0
Deferred tax liabilities	4,6.(19)	12,024	0	3,322	0
Net defined benefit liabilities, non-current		56,158	1	50,859	1
Guarantee deposits		1,585	0	8,149	0
Other non-current liabilities		2	0	-	-
Total non-current liabilities		312,243	4	313,147	4
Total liabilities		2,535,622	28	2,006,321	23
<b>Equity attributable to the parent company</b>					
Share capital					
Common stock	6.(16)	3,371,682	37	3,371,682	38
Capital surplus		112,693	1	129,054	1
Retained earnings					
Legal reserve		8,130	0	-	-
(Accumulated deficit) Unappropriated earnings		(158,904)	(2)	81,298	1
Total retained earnings		(150,774)	(2)	81,298	1
Other components of equity		43,029	0	34,085	0
Total equity attributable to the parent company		3,376,630	36	3,616,119	40
Non-controlling interests		3,293,507	36	3,288,644	37
Total equity		6,670,137	72	6,904,763	77
Total liabilities and equity		\$9,205,759	100	\$8,911,084	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
TYCOONS GROUP ENTERPRISE CO., LTD. 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)

Accounting	Notes	For the years ended December 31			
		2024	%	2023	%
Operating revenues	4,6,(17),7	\$8,003,810	100	\$8,420,093	100
Operating costs	4,6,(7)(20),7	(7,340,970)	(92)	(7,232,718)	(86)
Gross profit		662,840	8	1,187,375	14
Operating expenses	6,(20),7				
Sales and marketing expenses		(533,582)	(7)	(516,505)	(6)
Administrative expenses		(290,711)	(4)	(288,004)	(3)
Research and development expenses		(10,132)	(0)	(11,868)	(0)
Gains on reversal of expected credit	4,6,(18)	1,415	0	32,774	0
Total operating expense		(833,010)	(11)	(783,603)	(9)
Operating (loss) income		(170,170)	(3)	403,772	5
Non-operating income and (expenses)	4,6,(21)				
Interest income		8,144	0	12,815	0
Other income		613	0	108,963	1
Other gains and (losses)		(28,913)	(0)	22,506	0
Finance costs		(95,222)	(1)	(80,811)	(1)
Share of profit (loss) of associates accounted for using the equity method	4,6,(8)	(163,481)	(2)	(96,506)	(1)
Total non-operating income and expense		(278,859)	(3)	(33,033)	(1)
(Loss) Gain from continuing operations before income tax		(449,029)	(6)	370,739	4
Income tax (benefit) expense	4,6,(23)	(44,955)	(1)	(27,655)	(0)
Profit (loss) from continuing operations		(493,984)	(7)	343,084	4
Loss from discontinued operations		-	-	(147,664)	(2)
Net (loss) income		(493,984)	(7)	195,420	2
Other comprehensive income (loss)	4,6,(22)				
Items that will not be reclassified to profit or loss					
Unrealized (losses) gains from investment in equity instruments measured at fair value through other comprehensive		(517)	(0)	870	0
Share of other comprehensive income of associates, and joint ventures accounted for using the equity method		662	0	1,078	0
Income tax benefit related to items that will not be reclassified subsequently to profit or loss		32	0	361	0
Items that will be reclassified to profit or loss					
Exchange differences on translation of foreign financial statements, net after tax		227,829	3	(23,461)	(0)
Equity related to non-current assets or disposal groups classified as held for sale		-	-	(3,383)	(0)
Income tax benefit (expense) related to items that may be reclassified subsequently to profit or loss		(2,324)	(0)	6,403	0
Total other comprehensive income (loss), net of tax		225,682	3	(18,132)	(0)
Total comprehensive (loss) income		(\$268,302)	(4)	\$177,288	2
Net (loss) income attributable to:					
(Loss) profit, attributable to the parent company		(\$165,301)	(2)	\$80,877	1
(Loss) profit, attributable to non-controlling interests		(328,683)	(4)	114,543	1
		(\$493,984)	(6)	\$195,420	2
Comprehensive (loss) income attributable to:					
Comprehensive (loss) income, attributable to the parent company		(\$155,695)	(2)	\$47,223	1
Comprehensive (loss) income, attributable to non-controlling interests		(112,607)	(2)	130,065	1
		(\$268,302)	(4)	\$177,288	2
(Loss) earnings per share (NTD)	6,(24)				
(Loss) earnings per share - Basic		(\$0.49)		\$0.24	
(Loss) earnings per share - Diluted		(\$0.49)		\$0.24	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
TYCOONS GROUP ENTERPRISE CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
For the years ended December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

Accounting	Equity attributable to the parent company							Total	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings		Other components of equity					
			Legal reserve	Undistributed earnings (Accumulated deficit)	Exchange differences on translation of foreign financial statements	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	Equity directly related to non-current assets held for sale			
Balance as of January 1, 2023	\$4,797,520	\$30,629	\$16,248	(\$1,442,086)	\$91,574	(\$1,468)	(\$21,946)	\$3,470,471	\$3,016,563	\$6,487,034
Net income in 2023	-	-	-	80,877	-	-	-	80,877	114,543	195,420
Other comprehensive income (loss) in 2023	-	-	-	421	(32,247)	1,555	(3,383)	(33,654)	15,522	(18,132)
Total comprehensive income (loss)	-	-	-	81,298	(32,247)	1,555	(3,383)	47,223	130,065	177,288
Capital reduction to offset losses	(1,425,838)	-	(16,248)	1,442,086	-	-	-	-	-	-
The differences between the fair value of the consideration paid or received from acquiring or disposing of subsidiaries and the carrying amounts of	-	33,122	-	-	-	-	-	33,122	1,332	34,454
Restructuring	-	65,303	-	-	-	-	-	65,303	-	65,303
Reclassified as discontinued operations	-	-	-	-	3,954	-	(3,954)	-	-	-
Decrease in non-controlling interest	-	-	-	-	-	-	-	-	140,684	140,684
Balance as of December 31, 2023	\$3,371,682	\$129,054	\$-	\$81,298	\$63,281	\$87	(\$29,283)	\$3,616,119	\$3,288,644	\$6,904,763
Balance as of January 1, 2024	\$3,371,682	\$129,054	\$-	\$81,298	\$63,281	\$87	(\$29,283)	\$3,616,119	\$3,288,644	6,904,763
Legal reserve	-	-	8,130	(8,130)	-	-	-	-	-	-
Cash dividends	-	-	-	(67,433)	-	-	-	(67,433)	-	(67,433)
Net (loss) in 2024	-	-	-	(165,301)	-	-	-	(165,301)	(328,683)	(493,984)
Other comprehensive income (loss) in 2024	-	-	-	662	(19,944)	(395)	29,283	9,606	216,076	225,682
Total comprehensive income (loss)	-	-	-	(164,639)	19,944	(395)	29,283	(155,695)	(112,607)	(268,302)
The differences between the fair value of the consideration paid or received from acquiring or disposing of subsidiaries and the carrying amounts of	-	(16,361)	-	-	-	-	-	(16,361)	20,155	3,794
Change in non-controlling interests	-	-	-	-	-	-	-	-	97,315	97,315
Balance as of December 31, 2024	\$3,371,682	\$112,693	\$8,130	(\$158,904)	\$43,337	(\$308)	\$-	\$3,376,630	\$3,293,507	\$6,670,137

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
TYCOONS GROUP ENTERPRISE CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

Accounting	For the years ended December 31	
	2024	2023
Cash flows from operating activities:		
(Loss) Profit before income tax from continuing operations	(\$449,029)	\$370,739
Loss before tax from discontinued operations	-	(146,666)
Adjustments for:		
Depreciation	271,935	288,532
Amortization	3,185	22,324
(Gains) on reversal expected credit	(1,415)	(32,774)
Net (gain) on financial assets and liabilities at fair value through profit or loss	(8,250)	(49,058)
Interest expense	95,418	83,319
Interest income	(8,144)	(12,880)
Dividend income	(613)	(571)
Share of loss of associates accounted for using the equity method	163,481	96,506
Loss on disposal of property, plant and equipment	21,078	41,095
Property, plant and equipment transferred to expenses	10,353	8,977
(Gains) on disposal of investments	(7,934)	-
Loss on impairment of financial assets	156,458	-
(Gain) loss on impairment of non-financial assets	(2,386)	7,582
Purchase of bargain gain	-	(106,228)
Subtotal	693,166	346,824
Changes in operating assets and liabilities:		
Decrease (Increase) in financial assets mandatorily measured at fair value through profit or loss	1,173	(3,701)
(Increase) Decrease in notes receivable	(70,266)	26,414
(Increase) Decrease in accounts receivable	(177,672)	286,085
Decrease in accounts receivable - related parties	15,406	-
Decrease (Increase) in other receivables	57,137	(31,827)
(Increase) Decrease in inventories	(407,246)	670,618
Decrease (Increase) in prepayments	2,645	(95,060)
(Increase) Decrease in other current assets	(15,039)	15,890
(Decrease) Increase in contract liabilities	(66,049)	62,167
(Decrease) in notes payable	-	(25,838)
Increase (Decrease) in accounts payable	59,029	(86,160)
Increase in other payables	75,556	98,142
(Decrease) in other current liabilities	(23,855)	(80,551)
Increase in net defined benefit liabilities, non-current	5,299	3,560
Subtotal	(543,882)	839,739
Cash (used in) provided by operations	(299,745)	1,410,636
Interest received	8,144	12,032
Interest paid	(95,222)	(70,044)
Income tax paid	(4,683)	(55,760)
Net cash (used in) provided by operating activities	(391,506)	1,296,864
Cash flows from investing activities:		
Acquisition of financial assets measured at amortized cost	(19,305)	(32,410)
Acquisition of investments accounted for using the equity method	122	-
Net cash flow from acquisition of subsidiaries	-	(249,424)
Disposal of holding shares in subsidiaries	20,175	-
Acquisition of property, plant and equipment	(500,662)	(375,505)
Disposal of property, plant and equipment	1,372	28,219
Increase in refundable deposits	(31)	(779)
Acquisition of intangible assets	(626)	(3,007)
Acquisition of right-of-use assets	-	(5,559)
Acquisition of investment properties	-	(91,433)
Increase (Decrease) in other financial assets	(18,513)	16,698
(Increase) in other non-current assets	(108,919)	(114,720)
Dividends received	613	9,321
Net cash (used in) investing activities	(625,774)	(818,599)
Cash flows from financing activities:		
Increased in short-term borrowings	4,936,758	-
Decreased in short-term borrowings	(4,114,962)	(489,424)
Repayments of long-term borrowings	(9,323)	54,398
(Decrease) in guarantee deposits received	(6,562)	(3,633)
Payment of lease liabilities	(8,042)	(6,888)
Cash dividends paid	(67,433)	-
Acquisition of holding shares in subsidiaries	-	(6,571)
Change in non-controlling interests	97,315	37,253
Net cash provided by (used in) financing activities	827,751	(414,865)
Impact of exchange differences on cash and cash equivalents	(75,222)	(115,539)
Net (decrease) in cash and cash equivalents	(264,751)	(52,139)
Cash and cash equivalents at beginning of period	1,144,612	1,206,169
Cash and cash equivalents at end of period	\$879,861	\$1,154,030
Reconciliation of the cash and cash equivalents at the end of the period		
Cash and cash equivalents on the consolidated balance sheets	\$897,861	\$1,144,612
Cash and cash equivalents included in non-current assets held for sale	-	9,418
Cash and cash equivalents at end of period	\$897,861	\$1,154,030

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

Comparison Table for Amendments to the “Articles of Incorporation”

Attachment 3

Article	Before amendment	After amendment	Reason for amendment
11	<p>There are two types of shareholders’ meetings for the Company: (1) regular meeting and (2) special meeting. Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant laws, rules and regulations when necessary. At the shareholders’ meeting, the shareholders may cast their votes in written or electronic form. The voting shall be conducted in accordance with the law and regulations. <u>Meetings can also be held by means of visual communication network or other methods promulgated by the central competent authority.</u></p> <p>For shareholders' meeting convened by the Board of Directors, the Chairperson of the meeting shall preside over the meeting. In his or her absence, the meeting shall be convened in accordance with the provisions of Article 208 of the Company Act; for a shareholders' meeting convened by any other person having the convening right, the convener shall preside over the meeting. If there are two or more persons convening the meeting, the conveners shall elect a person among themselves to preside over the meeting.</p>	<p>There are two types of shareholders’ meetings for the Company: (1) regular meeting and (2) special meeting. Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant laws, rules and regulations when necessary. At the shareholders’ meeting, the shareholders may cast their votes in written or electronic form. The voting shall be conducted in accordance with the law and regulations. For shareholders' meeting convened by the Board of Directors, the Chairperson of the meeting shall preside over the meeting. In his or her absence, the meeting shall be convened in accordance with the provisions of Article 208 of the Company Act; for a shareholders' meeting convened by any other person having the convening right, the convener shall preside over the meeting. If there are two or more persons convening the meeting, the conveners shall elect a person among themselves to preside over the meeting.</p>	Amended in response to practical needs.
11-1	<p><u>For the shareholders’ meeting, a shareholder holding 1% or more of the total number of outstanding shares issued by the company may submit to the company in writing a proposal for discussion at a general shareholders' meeting, provided that only one matter shall be allowed in each proposal. In event of a proposal containing more than one matter, such proposal shall not be included in the agenda.</u></p>	<p>For the shareholders’ meeting, <u>a shareholder with voting rights</u> may propose to the Company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each proposal. In event of a proposal containing more than one matter, such proposal shall not be included in the agenda.</p>	Text revision.

Article	Before amendment	After amendment	Reason for amendment
12	<u>In the event the shareholder is unable to attend the shareholders' meeting in person, he or she may appoint a proxy to attend on his or her behalf by conferring a power of attorney printed by the Company to the proxy, which specifies the scope of power authorized to the proxy.</u> The use of a power of attorney shall be in accordance with the law and regulations stipulated by the competent authority.	In the event the shareholder is unable to attend the shareholders' meeting in person, he or she may appoint a proxy to attend on his or her behalf by conferring a power of attorney printed by the Company to the proxy. The use of a power of attorney shall be in accordance with the law and regulations stipulated by the competent authority.	Text revision.
15 Paragraph 1	The Company shall have five to nine Directors, of which the number of independent Directors shall not be less than three persons, or <u>one-third</u> of the total number of Directors. Directors shall be elected by adopting the candidates nomination system and from the candidate list during the shareholders' meeting. The term of office for Directors shall be three (3) years, and all Directors shall be eligible for re-election.	The Company shall have five to nine Directors, of which the number of independent Directors shall not be less than three persons, or <u>one-fifth</u> of the total number of Directors. Directors shall be elected by adopting the candidates nomination system and from the candidate list during the shareholders' meeting. The term of office for Directors shall be three (3) years, and all Directors shall be eligible for re-election.	Complied with the regulation revision.
23 Paragraph 1	For a profitable fiscal year (a profitable fiscal year refers to the annual profit before tax before deducting the remunerations of employees and Directors), the Company shall appropriate 2% to 5% of the profit as employee remuneration and not more than 1% as Director remuneration. <u>Of the aforementioned amount allocated for employee remuneration, at least 5% shall be designated for the remuneration of entry-level employees.</u> However, in the event of accumulated losses, the Company shall reserve a sufficient amount to offset the losses.	For a profitable fiscal year (a profitable fiscal year refers to the annual profit before tax before deducting the remunerations of employees and Directors), the Company shall appropriate 2% to 5% of the profit as employee remuneration and not more than 1% as Director remuneration. However, in the event of accumulated losses, the Company shall reserve a sufficient amount to offset the losses.	Complied with the regulation revision.
28	The above is omitted. <u>The 38th amendment was made on May 28, 2025.</u>	The above is omitted.	Amendment date added.

**List of candidates for directors (including independent directors)**

No.	Position	Nominee	Education	Work experience	Shares held
1	Director	Bo Tian Investment Co., Ltd. Representative: Huang, Wen-Sung	LIDE Senior Commercial and Industrial School	<ul style="list-style-type: none"> <li>- Chairperson of Tycoons Group Enterprise Co., Ltd.</li> <li>- Chairperson of Tycoons Worldwide Group (Thailand) Public Co., Ltd.</li> <li>- Director of Huang Hua Jujin Hardware Products Co., Ltd.</li> <li>- Representative of Kingford International Co., Ltd.</li> <li>- Chairperson of Hurco Automation, Ltd.</li> <li>- Director of Chin Fong Hsing Enterprising Co., Ltd.</li> </ul>	14,906,234
2	Director	Ju Yuan Investment Co., Ltd. Representative: Lu, Yen-Chuan	Ming Chuan College of Business	<ul style="list-style-type: none"> <li>- President of Tycoons Group Enterprise Co., Ltd.</li> <li>- Director of Tycoons Worldwide Group (Thailand) Public Co., Ltd.</li> <li>- Director of Huang Hua Jujin Hardware Products Co., Ltd.</li> <li>- Chairperson of Ju Yuan Investment Co., Ltd.</li> <li>- Supervisor of Hurco Automation, Ltd.</li> </ul>	9,330,384
3	Independent Director	Wei, Kung-Ao	Department of Nuclear Engineering, National Tsing Hua University	<ul style="list-style-type: none"> <li>- Vice President of Macsteel International (China) Ltd., Taiwan Office</li> <li>- Vice President of Li Chang Steel Co., Ltd.</li> <li>- President of Raydium Corp.</li> <li>- Representative of PT. Dinamika Suryainti in Taiwan</li> <li>- Independent Director of Tycoons Group Enterprise Co., Ltd.</li> </ul>	0
4	Independent Director	Liu, Jung-Chin	Department of Accounting, Chinese Culture University	<ul style="list-style-type: none"> <li>- CPA at Jiang Sheng &amp; Co. CPAs</li> <li>- Independent Director of Franbo Lines Corp.</li> <li>- Independent Director of Univacco Technology Inc.</li> </ul>	0
5	Independent Director	Huang, Chun-Kai	Department of Computer Science and Information Engineering, Southern Taiwan University of Science and Technology	<ul style="list-style-type: none"> <li>- Supervisor of Chia Tao Construction Engineering Co., Ltd.</li> <li>- President of Kuan Ta Construction Co., Ltd.</li> <li>- Independent Director of Tycoons Group Enterprise Co., Ltd.</li> </ul>	0
<p>(Note) Independent director candidate Wei, Kung-Ao has served as an independent director for three consecutive terms. Considering his business expertise and relevant work experience, which have significantly benefited the Company, he can utilize his skills and provide professional advice while performing his duties as an independent director. Therefore, he is nominated to continue serving as the Company's independent director in this election.</p>					

The qualifications of the aforementioned nominees were approved by the Company's Board of Directors on March 10, 2025.

## Articles of Incorporation of Tycoons Group Enterprise Company Limited (Before amendment)

### Section One - General Provisions

- Article 1: The Company shall be incorporated under the Company Act, and its name shall be 聚亨企業股份有限公司 in Chinese. (Tycoons Group Enterprise Company Limited in English).
- Article 2: The scope of business of the Company shall be as follows:
- I. Trading of screws, nuts, washers, bolts, and trading of mechanical hardware, hand tools, automobile materials and components.
  - II. Spheroidization heat treatment, casting, trading and fabrication of steel wire, screws, nuts and other related metal items.
  - III. Manufacturing, fabrication, trading and exportation of socket wrench components, torque wrenches, screwdrivers, wire rods, iron bars and chains.
  - IV. Manufacturing, fabrication, trading, exportation and leasing of machinery components, forming machines, tapping machines, heading machines, trimming machines, threading machines, packaging machinery, heat treatment equipment and components of the aforementioned machines.
  - V. Manufacturing, fabrication, trading and exportation of various types of metal modules.
  - VI. General import and export trading. (except those that are subject to special approval)
  - VII. H701020 Industrial Factory Development and Rental.
  - VIII. H701010 Housing and Building Development and Rental.
  - IX. C801010 Basic Chemical Industrial.
  - X. F107100 Wholesale of Chemical Materials.
  - XI. ZZ99999 All business items that are not prohibited or restricted by law, except those subject to special approval.
- Article 3: The Company shall establish its head office in Kaoshiung City. Where necessary, the Company shall establish subsidiaries or factories at appropriate locations within or outside the territory of the Republic of China in accordance with the resolution passed by the Board of Directors. The Board of Directors shall determine both establishment and termination of entities.
- Article 4: The Company may make reinvestment, in which the total amount of reinvestment shall not be subject to the restriction of not more than forty percent of the Company's paid-up capital as provided in Article 13 of the Company Act, and shall be determined by the Board of Directors.

### Section Two – Shareholdings

- Article 5: The total capital stock of the Company shall be in the amount of 7,000,000,000 New Taiwan Dollars, divided into 700,000,000 shares, at ten New Taiwan Dollars each. The Board of Directors is authorized to issue the unissued stocks in batches according to business needs.
- The employee stock options or new stocks shall be issued by the Company to eligible

employees who fulfill certain requirements. The Board of Directors is authorized to resolve the requirements for the purchase.

Article 6: Taiwan Securities Central Depository Company, Limited may request consolidation of existing issued shares into larger denomination share certificates.

Article 7: The Company's stocks are registered stocks and shall be issued after signed or stamped by Director representing the Company. Further, the Company shall be exempted from printing any share certificate for the shares issued.

Article 8: Registration for transfer of shares shall be suspended within sixty (60) days prior to a convening date of a regular shareholders' meeting, or within thirty (30) days prior to a convening date of a special shareholders' meeting, or within five (5) days prior to the record date scheduled by the Company for distribution of dividends, bonuses, or other benefits.

Article 9: The shareholders shall provide their names, residential addresses, seals and tax ID number to the Company for registration. Any changes made shall also be provided to the Company. Disbursement of dividend and bonus to the shareholders shall be made based on seals in the registration.

Article 10: Apart from the law and regulations, the Company shall conduct the stock matters in accordance with "Regulations Governing the Administration of Shareholder Services of Public Companies."

### **Section Three - Shareholders' Meetings**

Article 11: There are two types of shareholders' meetings for the Company: (1) regular meeting and (2) special meeting. Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant laws, rules and regulations when necessary. At the shareholders' meeting, the shareholders may cast their votes in written or electronic form. The voting shall be conducted in accordance with the law and regulations. For shareholders' meeting convened by the Board of Directors, the Chairperson of the meeting shall preside over the meeting. In his or her absence, the meeting shall be convened in accordance with the provisions of Article 208 of the Company Act; for a shareholders' meeting convened by any other person having the convening right, the convener shall preside over the meeting. If there are two or more persons convening the meeting, the conveners shall elect a person among themselves to preside over the meeting.

Article 11-1: For the shareholders' meeting, a shareholder with voting rights may propose to the Company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each proposal. In event of a proposal containing more than one matter, such proposal shall not be included in the agenda.

Article 12: In the event the shareholder is unable to attend the shareholders' meeting in person, he or she may appoint a proxy to attend on his or her behalf by conferring a power of attorney printed by the Company to the proxy. The use of a power of attorney shall be in accordance with the law and regulations stipulated by the competent authority.

Article 13: Except as otherwise stipulated by the law and regulations, a shareholder shall have one vote per share.

Article 14: Except as otherwise provided in the Company Act, shareholders' meeting may be held if attended by shareholders in person or by proxy representing more than one half of the total issued and outstanding capital stock of the Company, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present.

## **Section Four - Directors and Audit Committee**

- Article 15: The Company shall have five to nine Directors, of which the number of independent Directors shall not be less than three persons, or one-fifth of the total number of Directors. Directors shall be elected by adopting the candidates nomination system and from the candidate list during the shareholders' meeting. The term of office for Directors shall be three (3) years, and all Directors shall be eligible for re-election. Matters regarding the professional qualification, shareholdings, restrictions of concurrent positions held, nomination, election method and other compliances of the Independent Directors shall be conducted in accordance with relevant provisions stipulated by the competent authority. In accordance with the Securities and Exchange Act Article 14-4, the Company shall establish the Audit Committee to replace Supervisors. Matters regarding power and authority and other related matters pertaining to the Audit Committee shall be undertaken in accordance with the law and regulations and determined by the Board of Directors.
- Article 16: The Board of Directors shall be organized by Directors. The Chairperson shall be elected among the Board of Directors by a majority in a meeting attended by over two-thirds of the Directors. The Chairperson shall preside over the shareholders' meeting and the Board of Directors meeting internally and shall have the authority to represent the Company externally. When the Chairperson is unable to exercise his or her power and authority for causes, the designation of a representative shall be undertaken in accordance with the provisions of Article 208 of the Company Act.
- Article 16-1: The Company shall purchase liability insurance for the Directors to ensure the rights and interest of the Directors and lower the business risks of the Company.
- Article 16-2: To convene the Board of Directors meeting, the Company shall state the purpose of convening the meeting clearly and notify the Directors seven (7) days before the meeting. In case of emergency, the Company may convene the Board of Directors meeting at any time. The notification to the Directors for convening the Board of Directors meeting may be issued by written correspondences, e-mails or facsimile.
- Article 17: If a Director is unable to attend a Board meeting for causes, the designation of a proxy shall be undertaken in accordance with the provisions of Article 205 of the Company Act. Any Director attending the meeting via video conference shall be deemed attending the meeting in person.
- Article 18: Deleted.
- Article 19: Regardless of profit and loss, the Company shall disburse monthly remuneration to Directors. The Board of Directors shall be authorized to prescribe the Directors' remuneration after referring to the industrial standard.

## **Section Five – Managers**

- Article 20: The Company shall appoint managers, in which the appointment, termination and remuneration are undertaken in accordance with the provisions of Article 29 of the Company Act.

## **Section Six – Accounting**

- Article 21: The company's fiscal year shall be from January 1 to December 31 of the same year.
- Article 22: After the closing of each fiscal year, the following reports shall be prepared by the Board of Directors, and submitted to the Audit Committee for review before submitting to the regular shareholders' meeting for ratification in accordance with the law and regulations: 1. Business Report; 2. Financial Statements; 3. Proposals Concerning the Distribution of Earnings or Covering of Losses.
- Article 23: For a profitable fiscal year (a profitable fiscal year refers to the annual profit before tax before deducting the remunerations of employees and Directors), the Company shall appropriate 2% to 5% of the profit as employee remuneration and not more than 1% as Director remuneration. However, in the event of accumulated losses, the Company shall reserve a sufficient amount to offset the losses.
- The Company shall distribute the employee remuneration in the form of stocks or cash to eligible employees who fulfill certain requirements. The Board of Directors is authorized to resolve the requirements.
- The disbursement of the employee and Director remunerations shall be passed by the Board of Directors via a special resolution.
- Article 23-1: As the Company is undergoing a transformative stage, the consideration of dividend policy shall take into account the investment capital requirements, financial structure, earnings and other circumstances of the Company. The Board of Directors shall prepare the earning distribution proposal and submit it to the shareholders' meeting for a resolution.
- In the event of profit after tax, the Company shall appropriate the profit to offset the following:
- (I) tax payments.
  - (II) accumulated losses.
  - (III) legal capital reserve at 10% of the undistributed earnings other than profit after tax for the period.
  - (IV) special reserve required to be appropriated as stipulated by the law and regulations. The reversal of special reserve shall be integrated into undistributed earnings before distribution as stipulated by the law and regulations.
  - (V) After appropriated to the aforementioned items from (I) to (IV), for the remaining earnings of the fiscal year, together with any accumulated undistributed earnings of the previous year and the adjustment of undistributed earnings of the fiscal year, the Company shall appropriate at least 50% to 100% as the stock dividend. The remaining amount shall be reserved as the balance of undistributed earnings for the fiscal year. Further, the cash dividend appropriated shall not be less than 10% of the total shareholder dividend distributed for the fiscal year.
- For the aforementioned dividend distribution principles, the Company shall take into account the changes in the internal and external business environment. The Board of Directors shall prepare the distribution proposal and submit it to the shareholders' meeting for adjustment, and a resolution.
- Article 24: The regulations for the Board of Directors and other business units are established separately.

### **Section Seven - Supplementary Provisions**

- Article 25: Due to business needs, the Company shall provide endorsement and guarantee in accordance with the procedures for the provision of endorsement and guarantee of the Company.
- Article 26: The Company shall undertake matters not stipulated by the Articles in accordance with

the Company Act and other relevant law and regulations.

Article 27: The Articles shall be adopted after resolved by the shareholders' meeting. The same applies to the amendment of the Articles.

Article 28: The Articles were established on November 20, 1980.

The 1st amendment was made on December 25, 1981.

The 2nd amendment was made on June 2, 1984.

The 3rd amendment was made on May 27, 1985.

The 4th amendment was made on December 9, 1985.

The 5th amendment was made on January 6, 1987.

The 6th amendment was made on May 15, 1987.

The 7th amendment was made on January 3, 1988.

The 8th amendment was made on December 12, 1989.

The 9th amendment was made on May 24, 1990.

The 10th amendment was made on July 1, 1990.

The 11th amendment was made on May 22, 1991.

The 12th amendment was made on June 22, 1991.

The 13th amendment was made on August 24, 1991.

The 14th amendment was made on June 2, 1992.

The 15th amendment was made on November 24, 1992.

The 16th amendment was made on March 15, 1993.

The 17th amendment was made on September 17, 1993.

The 18th amendment was made on May 25, 1994.

The 19th amendment was made on March 10, 1995.

The 20th amendment was made on April 16, 1996.

The 21st amendment was made on December 5, 1996.

The 22nd amendment was made on June 24, 1997.

The 23rd amendment was made on November 28, 1997.

The 24th amendment was made on April 23, 1998.

The 25th amendment was made on June 23, 2000.

The 26th amendment was made on June 27, 2001.

The 27th amendment was made on June 25, 2002.

The 28th amendment was made on May 18, 2004.

The 29th amendment was made on June 16, 2005.

The 30th amendment was made on June 22, 2006.

The 31st amendment was made on May 26, 2010.

The 32nd amendment was made on June 12, 2012.

The 33rd amendment was made on June 23, 2015.

The 34th amendment was made on June 14, 2016.

The 35th amendment was made on January 31, 2019.

The 36th amendment was made on June 27, 2019.

The 37th amendment was made on May 28, 2020.

Tycoons Group Enterprise Company Limited  
Chairwoman: Huang, Wen-Sung

## Regulations for Elections of Directors

- Artical 1: The election of Directors shall be conducted in accordance with these Regulations.
- Artical 2: The cumulative voting method shall be used for the election of the Directors of the Company. Each share will have voting rights in number equal to the Directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Artical 3: During the voting, the chair shall appoint monitoring and counting personnel to perform various relevant duties.
- Artical 4: The election of the Directors of the Company shall adopt the candidate nomination system. In accordance with the number of board seats prescribed in the Articles of Incorporation, the votes of Directors and Independent Directors shall be calculated separately. Those receiving ballots representing the highest numbers of voting rights will be elected as Directors. When two or more persons receive the same number of votes and exceeding the stipulated number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any persons not in attendance.
- Artical 5: Deleted.
- Artical 6: The convener shall prepare separate ballots for Directors in numbers corresponding to the Directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the Shareholders' Meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Artical 7: Deleted.
- Artical 8: A ballot is invalid under any of the following circumstances:
- (1) The ballot not prepared by the convener.
  - (2) A blank ballot that is cast into the ballot box.
  - (3) The writing of the ballot is unclear and indecipherable or has been altered.
  - (4) The particulars of the candidate indicated on the ballot do not correspond to the Director candidate list.
  - (5) Other words or markings are written on the ballot in addition to the number of voting rights allotted.
  - (6) Two or more names of candidates are indicated.
- Artical 9: The voting rights shall be calculated on the spot immediately after the voting ends, and the results of the calculation shall be announced by the chair on the spot.
- Artical 10: The Board of Directors of the Company shall issue the notification of appointment to the persons elected as Directors.
- Artical 11: More than half of the Directors may not have one of the following relationships:
- (1) Spousal relationship.
  - (2) Familial relationship within the second degree of kinship.
- Artical 12: Not meeting the aforementioned provisions or receiving ballots representing the lower number of voting rights shall render the election of the nominee invalid.
- Artical 13: Matters not stipulated in these Regulations shall be handled in accordance with the Company Act, securities regulations and the Company's Articles of Incorporation.
- Artical 14: These Regulations and any amendments thereto shall be implemented after approval by a Shareholders' Meeting.

## **Tycoons Group Enterprise Company Limited Rules and Procedures for Shareholder Meetings**

- I. Unless stated otherwise as stipulated by the law and regulations, Shareholders' Meeting of the Company shall be conducted in accordance with these Rules and Procedures.
- II. At the Meeting, the shareholders may cast their votes in written or electronic form. The voting shall be conducted in accordance with the Company Act and other relevant regulations. The Company shall establish an attendance sheet for attending shareholders (or proxies) to sign in or collect attendance cards from the shareholders for attendance marking. The number of attending votes is calculated based on the attendance cards collected.  
The attendance cards collected represent the attendance of the shareholders or proxies. The Company shall not be liable to authenticate the identities of attendees.
- III. The attendance and voting at the Meeting shall be calculated based on shareholding.
- IV. The venue of the Meeting shall be convened at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to commence the meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.
- V. The Chairperson of the Board of Directors shall preside over the Meeting if the Meeting is convened by the Board of Directors. When the Chairperson is unable to do so, he or she shall designate one of the Directors to preside over the Meeting. If no Director is designated by the Chairperson, the Directors shall elect a person among themselves to preside over the Meeting. If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the Chairperson to preside over the Meeting.
- VI. The Company may appoint designated counsel, CPA or other related persons to attend the Meeting. Persons handling affairs of the Meeting shall wear identification cards or badges.
- VII. The Company shall make audio and video recordings on the process of the Meeting, and these recordings shall be preserved for not less than one year.
- VIII. The Chairperson shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has yet to constitute the quorum at the time scheduled for the Meeting, the Chairperson may postpone the meeting time. The postponements shall be limited to not more than two times and the total time postponed shall not be longer than one hour. If after two postponements, no quorum can yet be constituted but the shareholders present at the Meeting represent more than one third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Act.  
Before the Meeting is concluded, if the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the Chairperson may submit the tentative resolutions to the Meeting for approval in accordance with the Company Act.
- IX. The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, it shall proceed in

accordance with the agenda.

The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved at the Meeting, the Chairperson cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved.

The shareholders shall not designate any other person as Chairperson and continue the Meeting in the same or another place after the Meeting is adjourned.

X. Deleted.

XI. When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with a summary of the speech, the shareholder account number (or the serial number of the attendance card) and the name of the shareholder. The sequence of speeches made by the shareholders should be decided by the Chairperson.

If a shareholder present at the Meeting submits a Speech Note but does not speak, no speech shall be deemed to have been made by such shareholder. In the event of the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of the actual speech shall prevail. The Company shall not be liable to verify the restriction(s) placed upon the power or authority as documented in the power of attorney or other methods conferred to the agent(s) by shareholder(s). The content of actual speech and voting of the agent(s) shall prevail.

Unless otherwise permitted by the Chairperson and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders. Otherwise, the Chairperson shall stop such interruption.

XII. Unless otherwise permitted by the Chairperson, each shareholder shall not, for each discussion item, speak more than two times and each time not exceeding 5 minutes. If any shareholder's speech violates the above provision or exceeds the scope of the discussion item, the Chairperson may stop the speech of such shareholder.

XIII. Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting.

If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

XIV. The attendance and voting at the Meeting shall be calculated based on shareholding. As headcount is difficult to be performed, if a shareholder proposes to perform a headcount, the Chairperson may deny the proposal.

XV. After the speech of a shareholder, the Chairperson may respond in person or designate an appropriate person to respond.

XVI. The Chairperson may announce to end the discussion for any resolution and proceed to vote if the Chairperson deems the discussion adequate.

XVII. The person(s) to check and the person(s) to record the ballots for voting by casting ballots shall be appointed by the Chairperson. The person(s) checking the ballots shall be a shareholder(s).

The result of the voting shall be announced at the Meeting and documented on record.

- XVIII. During the Meeting, the Chairperson may, at his or her discretion, set a time for intermission. In event of one session of the Meeting is inadequate to complete the agenda, by resolution of the shareholders present at the Meeting, the Chairperson may resume the Meeting within five days without further notice or public announcement.
- XIX. Except otherwise specified in the Company Act, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the Chairperson.
- XX. If there is an amendment to or substitute for a discussion item, the Chairperson shall decide the voting sequence for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.
- XXI. The Chairperson may conduct the disciplinary officers or the security guard to assist in keeping the order of the Meeting venue. Such disciplinary officers or security guards shall wear badges marked "Disciplinary Officers" for identification purposes.
- XXII. The Company shall undertake matters not stipulated by the Rules in accordance with the Company Act and the Articles of Incorporation.
- XXIII. The Rules shall be adopted after resolved by the shareholders' meeting.

## Tycoons Group Enterprise Company Limited Shareholding of All Directors

1. The shareholding of all Directors as of the book closure date (March 30, 2025) before the annual general shareholders' meeting for 2025 is as indicated in Attachment.
2. The total number of issued shares amounted to 337,168,138 shares. In accordance with "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," Article 2, the Company is not subject to a minimum shareholding requirement for all directors.

Table:

Position	Name	Shareholding	Shares Ratio
Chairwoman	Botian Investment Co., Ltd. Representative: Huang, Wen-Sung	14,906,234	4.42%
Directors	Lu, Yen-Chuan	4,207,397	1.25%
Independent Director	Wei, Kung-Ao	-	-
Independent Director	Wu, Chung-Hsin	-	-
Independent Director	Huang, Chun-Kai	-	-
Total	Directors	19,113,631	5.67%