

【Translation】

Stock Code: 5530

Lungyen Life Service Corporation

Handbook for the 2025 Annual Meeting of

Shareholders

May 26, 2025

Time: 9:30 am, May 26, 2025 (Monday)

Method: physical shareholders' meeting

Place: No.111, Dongshi St., Xizhi Dist., New Taipei City, Taiwan (The Company's auditorium)

Note to Readers: If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language version shall prevail.

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Lungyen Life Service Corp.
Procedure for
2025 Annual Meeting of Shareholders

- I. Commencement of the Meeting (Reporting the quorum present)
- II. Message from the Chairman
- III. Matters to Report
- IV. Matters for Ratification
- V. Matters for Discussion
- VI. Extempore motions
- VII. Adjournment

Lungyen Life Service Corp.

Agenda for 2025 Annual Meeting of Shareholders

Time: 9:30 a.m., Friday, May 26, 2025

Location: No.111, Dongshi St., Xizhi Dist., New Taipei City, Taiwan (The Company's auditorium)

1. Commencement of the Meeting (Reporting the quorum present)
2. Message from the Chairman
3. Matters to Report
 - (1) Report on the 2024 operation results
 - (2) Report on the 2024 business report, financial statements and profit apportionment audited by the Audit Committee is presented for approval
 - (3) Report on the apportionment of Directors' and employees' compensation of the year 2024
 - (4) Report on 2024 Cash Dividend Distribution
 - (5) Report on the Formulation of the Company's "Sustainable Development Practice Principles"
4. Matters for Ratification
 - (1) Ratification for the 2024 business report and financial statements
 - (2) Ratification for the 2024 profit apportionment
5. Matters for Discussion
 - (1) Discussion on the revision of the Company's "Articles of Incorporation"
6. Extempore motions
7. Adjournment

Matters to Report

Case 1

Summary: Report on the 2024 operation results is presented for approval

Remarks: For the business report for the year of 2024, please refer to Appendix 1 (Page 11~15) of the Handbook

Case 2

Summary: Report on the 2024 business report, financial statements and profit apportionment audited by the Audit Committee is presented for approval

Remarks: For the business report, financial statements and profit apportionment audited by the Audit Committee for the year of 2024, please refer to Appendix 2 (Page 16~17) of the Handbook

Case 3

Summary: Report on the apportionment of directors' and employees' compensation of the year 2024 is presented for approval

Remarks:

1. The Company's income before tax with deductions from directors' and employees' compensation for 2024 was NT\$1,857,673,860. It is proposed to apportion NT\$37,153,477 as employees' compensation and NT\$37,153,477 as directors' compensation. All payment will be made in cash.
2. There is no difference between the above-mentioned compensation to employees and directors to be allotted and the amount listed in the financial report of 2024.

Case 4

Summary: Report on 2024 Cash Dividend Distribution

Remarks:

1. This case is handled in accordance with the provisions of Article 28-1 of the Company's Articles of Incorporation.
2. Considering the Company's overall future business development and capital planning, the Board of Directors resolved on April 10, 2025 to retain the full amount of distributable surplus for this year and not distribute cash dividends.

Case 5

Summary: Report on the Formulation of the Company's “Sustainable Development Practice Principles”

Remarks: In order to practice corporate social responsibility and promote economic, environmental and social progress to achieve the goal of sustainable development, the Company has formulated the “Sustainable Development Practice Principles” for compliance. Please refer to Appendix 3 (Page 18~25) of the Handbook.

Matters for Ratification

Case 1

(Proposed by the Board of Directors)

Summary: Ratification for the 2024 business report and financial statements is proposed for approval

Remarks: 1. For the Company's 2024 business report and financial report (including the consolidated balance sheet, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, as well as the balance sheet, statement of comprehensive income, statement of changes in equity, and statement of cash flows.), please refer to Appendix 4 (page 26~35) and Appendix 5 (page 36~45) of the Handbook.

2. Above mentioned financial reports have been audited by KPMG's accountants, Mr. Chih, Shih-Chin and Mr. Tseng, Kuo-Yang. (The complete version of the Company's financial report can be downloaded from MOPS website: <https://mops.twse.com.tw/>)

Resolutions:

Case 2

(Proposed by the Board of Directors)

Summary: Ratification for the 2024 profit apportionment is proposed for approval

Remarks: 1. The Company's net income for 2024 was NT\$1,607,391,242. After setting aside the legal reserve and adding other equity adjustments, distributable surplus was NT\$1,481,823,073, with addition of beginning retained earnings, the unappropriated retained earnings as of December 31, 2024 were NT\$14,123,578,766. For the Company's profit distribution table, please refer to Appendix 6 (Page 46) of the Handbook.

2. Hereby apply for approval.

Resolutions:

Matters for Discussion

Case 1

Summary: Discussion on the revision of the Company's "Articles of Incorporation".

Remarks: 1. Pursuant to Article 14, Paragraph 6 of the Securities and Exchange Act, some provisions of the Company's "Articles of Incorporation" have been amended. For a comparison table of provisions before and after the revision, please refer to Appendix 7 (page 47~49) of the Handbook.

2. Hereby apply for discussion.

Resolutions:

Extemporaneous Motions

Adjournment

APPENDIX

2024 Business Report

In 2024, Taiwan's economy performed steadily, with domestic consumption continuing to grow and private investment also rebounding along with export expansion. In particular, exports of information and communications technology products performed well, driving overall export growth. However, exports of non-ICT products were relatively weak due to competition from China and the depreciation of the Japanese yen. Overall, Taiwan's economy shows a pattern of stable domestic demand and differentiated external demand, and the annual economic growth rate is expected to exceed 4%.

Looking ahead to 2025, the economic growth rate is expected to remain stable. The main reason is the booming semiconductor and AI industries. The demand for new products continues to drive business operations and create more employment opportunities. In addition, corporate profits have increased significantly, and investment willingness has increased, driving private investment. At the same time, inflationary pressure has eased and consumer willingness has increased, supporting the domestic demand market. As for inflation, since service prices are more likely to rise than to fall, coupled with a stable economy, inflation is expected to cool down slowly. Along with the high uncertainty of Trump's economic and trade policies, the Taiwan Central Bank tends to be conservative in its interest rate decision-making.

Facing the uncertainty of economic and political situation, the Company's management team and all employees still adhere to the spirit of the Company, focusing on the improvement of product and service quality, deepening brand value, and continuously pursuing steady growth. Here is the report on the business results for 2024 and the business plan for 2025 as follows:

I. Operating results for 2024

1. Results of last year's business plan implementation

Since its establishment, Lungyen has continuously adhered to high quality and high standards. In early 2024, it cooperated with Chung-Lu Construction Co. Ltd., 100%-invested by the Japanese century-old construction company, Kajima Construction Co., Ltd. to build the "Memorial Hall, The Gateway of Light". It introduced world-class innovative technologies and construction methods. In addition to hoping to provide customers with a better service experience, it is also moving towards the goal of a silver-level green building. In addition, we continue to take customer needs as the starting point and have launched a series of products and services based on traditional innovation, such as Lungyen Butler, Paper Sculpture Lotus, Modern Funeral Clothes, and Smoke-free Funeral Venues. The usage of various life science and technology funeral services such as digital ceremony halls, electronic obituaries, cemetery online malls, online signing systems, etc. has also gradually increased, further toward the goal of net zero carbon emissions. In 2024, the Company launched the first "License for Elderly Care Consultants" in Taiwan to cultivate elderly care talents to meet the needs of the aging trend. All aspects are centered on the implementation of ESG concepts, and are gradually moving towards the goal of sustainable operations.

2. Budget execution status

The Company does not disclose financial forecasts, so there is no need to disclose budget execution status.

3. Financial revenue and expenditure and profitability analysis

The net profit for the period was NT\$1.611 billion, of which the net profit attributable to the owners of the parent company was NT\$1.607 billion. The net profit for the current period increased by 28.91% compared with the previous year, the after-tax net profit rate was 38.74%, and the earnings per share was NT\$3.83.

As of December 31, 2024, the total consolidated asset was NT\$73.32 billion, increased by 5.18% compared to the previous year; the total liability was NT\$47.07 billion and debt ratio was 64.20%. It includes contract liabilities of NT\$41.99 billion. These contract liabilities are the nature of advance receipts and booked as unrealized income, and will be recognized as operating income once the funeral service is delivered or the permanent right of columbarium and cemetery is transferred to the client upon completion. The debt ratio was 16.21% if the company deducted the contract liabilities and relative asset amounts.

4. Research and development status

The Company belongs to the funeral service industry and mainly provides funeral services and cemetery and columbarium products. The research and development is not applicable to the Company.

II. Summary of business plan for 2025

1. Operations guidelines:

- (1) Carry out business plan to achieve business target
- (2) Optimize capital allocation to improve financial performance
- (3) Strengthen risk management to solidify business fundamentals
- (4) Improve operations management to enhance corporate value
- (5) Take ESG as the core concept, moving towards the goal of sustainable operation

2. Expected sales volume and estimation basis and important production and marketing policies:

- (1) Carry out business plan to achieve business target

With the opening of the Realm of the Light Service Center in Sanzhi, New Taipei City and the “Memorial Hall, The Gateway of Light” in Kaohsiung, as well as the continuous innovation of various ceremonial services, both hardware and software are more in line with customer needs, providing a better customer service experience, towards the goal of net zero carbon emissions. Utilizing the advantages of high-standard facilities in the North, Central and South Cemetery, combined with the unified good quality of the funeral service and cemetery team throughout Taiwan, we integrate customer needs, channels and product diversification, and strengthen sales momentum. Our primary goal is to increase market share. At the same time,

we continue to promote life technology and digital transformation, leading the industry to upgrade again.

(2) Optimize capital allocation to improve financial performance

Closely watch the capital market for appropriate opportunities to plan for suitable funding so as to elevate financial performance. Provide sound operational management procedures in accordance with the latest regulations so as to strengthen operational efficiency. And continuously review and adjust asset allocation, activate asset effectiveness to support the growth of the core business and increase investment income, and continue to create group's profits.

(3) Strengthen risk management to solidify business fundamentals

Strengthen the functions of internal audit and internal control, substantiate corporate governance, review and modify the risk management regulations and update the internal control operating procedures in a timely manner in order to enhance risk management capability.

(4) Improve operational management to enhance corporate value

Promote human resources exchanges and talents incubation plan within the Group to develop the cross-industry management talent needed, enhance manpower capital, and strengthen competitiveness. Utilize information technology for integrating workflow and service innovation to ensure competitive advantage. Exercise the bargaining power of procurement, effectively reduce operating costs and maintain the Group's long-term stability of profit growth.

(5) Take ESG as the core concept, moving towards the goal of sustainable operation

Communicate business philosophy through the combination of core business advantages and ESG sustainability issues, to exercise the synergy of business operations, to continuously improve corporate governance, protect the environment, give back to the society, serve the citizens, and take into account the interests of our customers, employees, shareholders and other stakeholders.

(6) Expected sales volume and estimation basis for 2025:

The Company does not disclose financial forecasts, so the expected sales volume and estimation basis are not applicable. The Company's sales volume in the coming year is based on changes in the industrial environment and market demand, and sets internal targets based on the Company's operating conditions.

III. The Company's development strategy

The Company has always put great emphasis on the sustainable development of the enterprise, incorporating the implementation of ESG into the Company's strategy and linking it with the core business. In addition to continuously promoting life service education, cultivating an equal and

friendly workplace, and caring for the disadvantaged groups in society, in terms of environmental protection, in the development and maintenance of cemetery parks and innovation of funeral services, the Company has introduced environmentally sustainable and green strategies and measures, striving to reduce the generation of waste, and advocates the industry jointly promote the issue of environmental sustainability, hoping to make concrete contributions to reducing the risk of global climate change. The Chairman takes the new generation of thinking and international outlook combined with the general manager's information technology talents, jointly led the management team to accelerate digital transformation and industrial upgrading, and launch a number of innovative services successively, which are closer to customer needs and widen the gap with peers.

Our 2025 development strategy will still focus on the planning and design of the cemetery and columbarium in Taiwan and integrate the needs of the pre-need funeral service contract. With the combination of product sales, it is expected to provide customers with a full range of life services. In addition, we will continue to strengthen service quality improvement, actively promote digital transformation to provide customers with more technological life services, implement energy saving and carbon reduction, and drive the industrial chain to jointly pursue sustainable development.

As Taiwan moves towards an aging society, and the problem of lower fertility rate becomes more serious, the importance of being “prepared” for the last journey of life becomes increasingly apparent. In addition to the life service business as the foundation, the Company will gradually expand its operation into related businesses in the life service industry with a steady spirit.

IV. Impact of external competitive environment, regulatory environment and the macro business environment

Over the years, the Company has been committed to reform the funeral business, and to improve the overall industrial quality as a priority, to arouse the importance of consumer rights protection. The funeral business is being perfected under the relevant regulations by the domestic authorities, which will help improve the efficiency of industrial management, prevent unscrupulous operators from depriving consumers of their rights and interests, and further protect Lungyen’s long-term philosophy of integrity management. The Company has been committed to incorporating ESG into its operating strategy and pursuing sustainable development. It has been rated as one of the top 5% of OTC Trading companies in corporate governance assessments for many consecutive years. In 2024, it was once again awarded the “Sustainable Citizenship Award Little Giant Award”. It was also selected as one of the "Healthy 99 Enterprise Little Giant Group" by Health Magazine, and one of the "DEI Top 100 Companies of the Young Generation" by Business Weekly and 104 Job Bank. In 2024, Lungyen was invited to participate in the largest funeral exhibition in Asia, AFE 2024, and won the "Industry Leadership Award". These all demonstrate that Lungyen has continued to achieve multiple achievements and profit growth under a healthy and stable governance foundation, while taking into account the interests of stakeholders.

To meet the Company's future development needs, the background of the board members covers different professional fields such as financial accounting, operation management and investment,

corporate governance, talent cultivation, etc. The nationality and age distribution of directors are also diversified. All of the above are to inject a more comprehensive thinking into the operation of the board of directors and improve the performance of the management team. The board of directors also supervises the implementation of legal compliance, internal control and the strategies. We hope that the board of directors and various functional committees can play the four roles as leadership, supervision, partners, and mentors, and take international best practices as a benchmark to supervise the management team to achieve the goal of equal excellence in governance and operating performance.

The funeral business is a necessity for the people's livelihood; therefore, the sales performance is less affected by the economy. The aging population and the trend of declining birth rate are also the sales momentum of the funeral industry. In perspective, we will continue to uphold the business philosophy of professionalism, integrity and compassion to strengthen operating performance, solid operating foundation, generate outstanding business performance, create greater shareholders' equity, contribute to the prosperity of society and set the record again for national economic development.

Thanks to our shareholders for the support over the past year and we do look forward to the continuing to give us guidance and encouragement in the future. Thank you!

Chairman: KELLY LEE President: Wang Frank Chun Chung Chief Accountant: Wan, Hsin-Wen

2024 Audit Committee's Review Report

The Board of Directors has prepared the Company's 2024 Business Report, individual and consolidated financial reports, of which the individual and consolidated financial reports have been audited by CPA Chih, Shih-Chin and CPA Tseng, Kuo-Yang of KPMG. An audit report for above financial reports has been issued as well.

The business report, individual and consolidated financial reports mentioned above have been audited and concluded to comply with related regulations by the Audit Committee. Hereby we submit this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law.

To

Lungyen Life Service Corp. 2025 Annual Meeting of Shareholders

Convener of the Audit Committee: Chen, Ming-Te

February 25, 2025

2024 Audit Committee's Review Report

The Board of Directors has prepared the Company's 2024 proposal for profit apportionment, which has been audited and concluded being complied with related regulations by the Audit Committee. Hereby we submit this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law.

To

Lungyen Life Service Corp. 2025 Annual Meeting of Shareholders

Convener of the Audit Committee: Chen, Ming-Te

April 10, 2025

Lungyen Life Service Corp.

Sustainable Development Practice Principles

Chapter 1 General Principles

Article 1

Lungyen Life Service Corp. (hereinafter referred to as the Company) has established the Company's Sustainable Development Practice Principles (hereinafter referred to as the Principles) to fulfill its corporate social responsibility initiatives and promote economic, environmental, and social advancement for purposes of sustainable development.

Article 2

The Principles apply to the entire operations of the Company and its business group.

The Company shall actively fulfill sustainable development in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on sustainable development.

Article 3

In promoting sustainable development initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.

The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.

Article 4

To implement sustainable development initiatives, the Company shall follow the principles below:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of corporate sustainable development information.

Article 5

The Company shall take into consideration the correlation between the development of domestic and international sustainable development issues and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs, which shall be approved by the board of directors and then reported to the shareholders meeting.

When a shareholder proposes a motion involving sustainable development, the Company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

Chapter 2 Exercising Corporate Governance

Article 6

The Company shall follow the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the Code of Ethical Conduct for TWSE/TPEX Listed Companies to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 7

The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies.

The board of directors of the Company is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's furtherance of its sustainable development objectives:

1. Identifying the Company's sustainable development mission or vision, and declaring its sustainable development policy, systems or relevant management guidelines;
2. Making sustainable development the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives; and
3. Enhancing the timeliness and accuracy of the disclosure of sustainable development information.

The board of directors of the Company shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8

The Company shall, on a regular basis, organize education and training on the promotion of sustainable development initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 9

For the purpose of managing sustainable development initiatives, the Company shall create a governance structure for promotion of sustainable development, and establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

The Company shall adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.

It is advised that the employee performance evaluation system be combined with sustainable development policies, and that a clear and effective incentive and discipline system be established.

Article 10

The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section for stakeholders on the Company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important sustainable development issues which they are concerned about.

Chapter 3 Fostering a Sustainable Environment

Article 11

The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12

The Company shall endeavor to utilize energy more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 13

The Company shall establish proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.

Article 14

The Company shall establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for its managerial officers and other employees on a periodic basis.

Article 15

The Company shall take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:

1. Reduce resource and energy consumption of their products and services.
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services.

Article 16

To improve water use efficiency, the Company shall properly and sustainably use water resources and

establish relevant management measures.

The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17

The Company shall assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt related measures.

The Company shall adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.
2. Indirect greenhouse gas emissions: emissions resulting from the utilization of energy such as imported electricity, heating, or steam.
3. Other indirect emissions: emissions resulting from corporate activities that are not indirect emissions from energy, but are from other sources of emissions owned or controlled by the Company.

The Company shall compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes to minimize the impact of their business operations on climate change.

Chapter 4 Preserving Public Welfare

Article 18

The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

To fulfill its responsibility to protect human rights, the Company shall adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of the Company's business operations and internal management on human rights, and adopting corresponding handling processes.
3. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
4. In the event of any infringement of human rights, the Company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training,

evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The company shall respond to any employee's grievance in an appropriate manner.

Article 19

The Company shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

Article 20

The Company shall provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

The Company shall organize training on safety and health for their employees on a regular basis.

Article 21

The Company shall create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.

The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 22

The Company shall establish a platform to facilitate regular two- way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions.

The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives.

The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 22-1

The Company shall treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. The Company shall also develop the relevant strategies and specific measures for implementation.

Article 23

The Company shall take responsibility for their products and services, and take marketing ethics

seriously. In the process of research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of their products and services. They further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 24

The Company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries.

The Company shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 25

The Company shall evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.

The Company shall provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 26

The Company shall assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative.

The Company shall establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, The Company shall assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.

When the Company enter into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 27

The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

The Company shall, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education

to promote community development.

Article 27-1

The Company shall dedicate resources to cultural and art activities or the cultural and creative industry constantly through donations, sponsorships, investments, procurements, strategic cooperation, corporate volunteering of technical support, or other supporting means, to promote cultural development.

Chapter 5 Enhancing Disclosure of Sustainable Development Information

Article 28

The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/TPEX listed Companies and shall fully disclose relevant and reliable information relating to their sustainable development initiatives to improve information transparency.

Relevant information relating to sustainable development which the Company shall disclose includes:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the board of directors.
2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. Goals and measures for promoting the sustainable development initiatives established by the Company, and performance in implementation.
4. Major stakeholders and their concerns.
5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
6. Other information relating to sustainable development initiatives.

Article 29

The Company shall adopt internationally widely recognized standards or guidelines when producing sustainability reports, to disclose the status of their implementation of the sustainable development policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports shall include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
4. Future improvements and goals.

Chapter 6 Supplementary Provisions

Article 30

The Company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve their established sustainable development framework and to obtain better results from the promotion of the

sustainable development policy.

Article 31

This Principles shall be implemented upon approval by the Board of Directors and shall also be amended upon approval.

**2024 Independent Auditor's Audit Report
and
Consolidated Financial Statements**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Lungyen Life Service Corp.:

Opinion

We have audited the consolidated financial statements of Lungyen Life Service Corp. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2024 and 2023, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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.

1. Revenue recognition

For accounting policies on revenue recognition, please refer to Note (4)(p) "Revenue Recognition" ; for explanation of revenue recognition, please see Note (6) (r) Revenues.

Description of key audit matter:

The Group sells columbarium and cemetery products, and provides funeral services, for which prepayments are paid in cash or installments. Timing of revenue recognition is judged by the management team. Besides, as a listed entity, the Group may be affected by the expectation of external investors or creditors, and internal pressure to pursue revenue performance, all of which may bring risks to revenue recognition. Therefore, testing of revenue recognition has been identified as one of the key audit matters in our audit of the consolidated financial report.

How the matter was addressed in our audit:

Our principal audit procedures included:

- examining whether revenues were recognized based on internal control process;
- conducting selective examination of sales orders, contracts and collection records to ascertain whether revenues were recognized at a proper timing.

2. Goodwill and Trademark Impairment

For accounting policies on goodwill and trademark impairment, please refer to Note (4)(n) "Intangible Assets" ; for estimation and uncertainty of assumption of goodwill and goodwill impairment, please see Note (5)(b); for explanation of goodwill and trademark impairment, please refer to Note (6)(j) "Intangible Assets" of the consolidated financial report.

Description of key audit matter:

The Group' s goodwill and trademark resulted from corporate acquisition; receivable amounts related to goodwill and trademark were estimated based on managers' subjective judgment with high uncertainty, which may lead to material risks of inaccurate expression. For this reason, testing of goodwill and trademark impairment has been determined to be one of the key audit matters in our audit of the Group' s consolidated financial reports.

How the matter was addressed in our audit:

Our principal audit procedures included:

- accessing the rationality of evaluation method adopted by management to evaluate receivable amounts; accessing the accuracy of previous forecasts made by management; examining calculation and accounting records of receivable amounts of cash unit evaluated by management; accessing parameters used to estimate cash flow and receivable amounts (eg. sales growth rate); examining weighted-average cost of capital and parameters used (eg. stock price) in the impairment tests.

Other Matter

We did not audit the financial statements of some the Group' s equity-accounted investees. These statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amount included for some of the Group' s equity-accounted investees, is based solely on the report of another auditor. The recognized investment in some equity-accounted investees constituted 1.19% and 1.24% of the total consolidated assets as of December 31, 2024 and 2023, and the recognized share of profit or loss accounted for using the equity method constituted (1.39)% and (1.05)% of profit before tax for the year ended December 31, 2024 and 2023.

Lungyen Life Service Corp. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion with other matters paragraph and an unmodified opinion, respectively.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chih, Shih-Chin and Tseng, Kuo-Yang.

KPMG

Taipei, Taiwan (Republic of China)

February 25, 2025

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
LUNGYEN LIFE SERVICE CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2022		Liabilities and Equity		12.31.2024		12.31.2023	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Current liabilities:					
Current assets:						2100	Short-term borrowings (Note 6(m))	\$ 570,000	1	-	1
1100	Cash and cash equivalents (Note 6(a))	\$ 430,783	1	502,218	1	2130	Current contract liabilities (Notes 6(s) and 9)	41,797,698	60	41,678,905	62
1110	Current financial assets at fair value through profit or loss (Notes 6(b) and 9)	3,883,931	6	3,039,700	4	2150	Notes payable	6,815	-	6,679	-
1150	Notes receivable, net (Notes 6(c) and (s))	764	-	699	-	2170	Accounts payable	757,756	1	844,853	1
1170	Accounts receivable, net (Notes 6(c) and (s))	8,045,512	12	8,911,426	13	2200	Other payables	1,380,094	2	1,231,844	2
1320	Inventories (Notes 6(d) and 8)	18,310,875	25	17,393,973	26	2230	Current tax liabilities	233,754	-	268,490	-
1410	Prepayments	222,388	-	218,813	-	2280	Current lease liabilities (Note 7)	40,822	-	39,778	-
1476	Other current financial assets (Notes 6(l), 8 and 9)	3,100,930	4	2,011,438	3	2310	Advance receipts (Note 9)	1,214,067	2	1,002,398	2
1479	Other current assets, others (Note 6(f))	2,595	-	75,823	-	2399	Other current liabilities, others	6,891	-	6,286	-
1480	Current assets recognised as incremental costs to obtain contract with customers (Note 9)							46,007,897	66	45,079,233	68
		8,714,914	13	8,499,037	14	Non-current liabilities:					
		42,712,692	61	40,653,127	61	2570	Deferred tax liabilities (Note 6(o))	3,665	-	23,346	-
Non-current assets:						2580	Non-current lease liabilities (Note 7)	128,301	-	92,190	-
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(b), 8 and 9)	8,848,504	13	8,112,384	13	2640	Net defined benefit liability, non-current (Note 6(n))	12,745	-	17,599	-
1535	Non-current financial assets at amortised cost (Notes 6(b) and 9)	2,795,872	4	2,850,375	4	2645	Guarantee deposits received	21,350	-	42,997	-
1550	Investments accounted for using equity method (Notes 6(e) and (f))	1,006,871	1	955,914	1	2670	Other non-current liabilities, others	2,981	-	2,981	-
1600	Property, plant and equipment (Notes 6(h), 8 and 9)	7,505,890	11	7,289,116	11			169,042	-	179,113	-
1755	Right-of-use assets (Notes 6(i) and 7)	133,012	-	171,324	-	Total liabilities		47,073,221	63	46,187,010	66
1760	Investment property, net (Notes 6(j), 8 and 9)	3,928,937	6	3,949,427	6	Equity attributable to owners of parent (Note 6(q))					
1780	Intangible assets (Note 6(k))	769,549	1	766,733	1	3100	Capital stock	4,200,842	6	4,200,842	6
1840	Deferred tax assets	761,404	1	800,458	1	3200	Capital surplus	2,914,851	4	2,909,867	4
1980	Other non-current financial assets (Note 7)	176,556	-	194,387	-		Retained earnings:				
1990	Other non-current assets, others	1,073,887	2	1,073,886	2	3310	Legal reserve	2,619,766	4	2,478,930	4
Non-current assets total		27,000,482	39	26,164,004	39	3320	Special reserve	-	-	394,751	1
						3350	Unappropriated retained earnings	14,288,225	20	12,387,839	18
								16,907,991	24	15,261,520	23
						3400	Other equity interest	2,129,401	3	1,039,145	1
							Total equity attributable to owners of parent:	26,153,085	37	23,411,374	34
						36xx	Non-controlling interests (Notes 6(f) and (p))	95,910	-	114,790	-
							Total equity	26,248,995	37	23,526,164	34
Total assets		\$ 69,713,174	100	66,817,131	100		Total liabilities and equity	\$ 73,322,216	100	69,713,174	100

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

LUNGYEN LIFE SERVICE CORP. 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 Common Share)

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Notes (m), (r) and 7)	\$ 4,159,195	100	4,097,601	100
5000	Operating costs (Note 6(m))	1,658,395	40	1,509,727	37
	Gross profit	2,500,800	60	2,587,874	63
	Operating expenses (Notes 6(n), (s) and 7):				
6100	Selling expenses	712,168	17	715,826	18
6200	Administrative expenses	791,491	19	853,621	21
6450	Impairment (gain) loss determined in accordance with IFRS 9 (Note 6(c))	18,343	-	8,634	-
		1,522,002	36	1,578,081	39
6500	Net other income (expenses) (Note 6(t))	60,578	1	70,816	2
	Net operating income	1,039,376	25	1,080,609	26
	Non-operating income and expenses (Notes 6(b), (e), (u) and 7):				
7100	Interest income	234,961	6	186,507	5
7010	Other income	266,499	6	247,608	6
7020	Other gains and losses, net	316,483	8	(3,451)	-
7050	Finance costs, net	(17,747)	-	(3,886)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	(24,462)	(1)	(15,438)	-
		775,734	19	411,340	11
	Profit before tax from continuing operations	1,815,110	44	1,491,949	37
7950	Less: Income tax expenses (Note 6(o))	204,033	5	242,183	6
	Net income	1,611,077	39	1,249,766	31
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Gains on remeasurements of defined benefit plans (Note 6(n))	4,777	-	1,076	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,085,932	26	1,659,630	39
	Items that will not be reclassified subsequently to profit or loss	1,090,709	26	1,660,706	39
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	69,158	2	654	-
8367	Unrealized (losses) gains from investments in debt instruments measured at fair value through other comprehensive income (Note 6(y))	(5,144)	-	9,488	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(25,620)	(1)	(14,735)	-
	Items that may be reclassified subsequently to profit or loss	38,394	1	(4,593)	-
8300	Other comprehensive income, net of tax	1,129,103	27	1,656,113	39
	Total comprehensive income	\$ 2,740,180	66	2,905,879	70
	Profit attributable to:				
8610	Owners of parent	\$ 1,607,391	39	1,209,167	30
8620	Non-controlling interests	3,686	-	40,599	1
		\$ 1,611,077	39	1,249,766	31
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 2,736,727	66	2,853,897	69
8720	Non-controlling interests	3,453	-	51,982	1
		\$ 2,740,180	66	2,905,879	70
	Earnings per share (in dollar) (Note 6(q)):				
9750	Basic earnings per share (in New Taiwan Dollars)	\$ 3.83		2.88	
9850	Diluted earnings per share (in New Taiwan Dollars)	\$ 3.82		2.87	

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

LUNGYEN LIFE SERVICE CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Share capital						Total other equity interest					
	Retained earnings						Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity	
Balance at January 1, 2023	\$ 4,200,842	2,644,181	2,325,225	-	11,527,940	13,853,165	(42,118)	(352,633)	(394,751)	20,303,437	1,217,051	21,520,488
Profit for the year ended December 31, 2023	-	-	-	-	1,209,167	1,209,167	-	-	-	1,209,167	40,599	1,249,766
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	1,076	1,076	(14,081)	1,657,735	1,643,654	1,644,730	11,383	1,656,113
Comprehensive income for the year ended December 31, 2023	-	-	-	-	1,210,243	1,210,243	(14,081)	1,657,735	1,643,654	2,853,897	51,982	2,905,879
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	153,705	-	(153,705)	-	-	-	-	-	-	-
Special reserve	-	-	-	394,751	(394,751)	-	-	-	-	-	-	-
Other changes in capital surplus:												
Changes in equity of associates and joint ventures accounted for using equity method	-	265,686	-	-	-	-	-	-	-	265,686	(1,154,210)	(888,524)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(11,646)	(11,646)	-	-	-	(11,646)	-	(11,646)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	(33)	(33)
Changes in non-controlling interests	-	-	-	-	209,758	209,758	-	(209,758)	(209,758)	-	-	-
Balance at December 31, 2023	4,200,842	2,909,867	2,478,930	394,751	12,387,839	15,261,520	(56,199)	1,095,344	1,039,145	23,411,374	114,790	23,526,164
Profit for the year ended December 31, 2024	-	-	-	-	1,607,391	1,607,391	-	-	-	1,607,391	3,686	1,611,077
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	4,777	4,777	43,538	1,081,021	1,124,559	1,129,336	(233)	1,129,103
Comprehensive income for the year ended December 31, 2024	-	-	-	-	1,612,168	1,612,168	43,538	1,081,021	1,124,559	2,736,727	3,453	2,740,180
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	140,836	-	(140,836)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(394,751)	394,751	-	-	-	-	-	-	-
Other changes in capital surplus:												
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	4,984	-	-	-	-	-	-	-	4,984	(22,333)	(17,349)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	34,303	34,303	-	(34,303)	(34,303)	-	-	-
Balance at December 31, 2024	\$ 4,200,842	2,914,851	2,619,766	-	14,288,225	16,907,991	(12,661)	2,142,062	2,129,401	26,153,085	95,910	26,248,995

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

LUNGYEN LIFE SERVICE CORP. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	For the years ended December 31	
	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,815,110	1,491,949
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	251,100	209,540
Amortization expense	19,085	13,872
Impairment loss determined in accordance with IFRS 9	18,343	8,634
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(218,421)	6,452
Interest expense	17,747	3,886
Interest income	(309,044)	(275,397)
Dividend income	(150,183)	(150,713)
Share of loss of associates and joint ventures accounted for using equity method	24,462	15,438
(Gain) loss on disposal of property, plant and equipment	(15,880)	70
Proceeds from disposal of financial assets at fair value through other comprehensive income	9,789	(2,441)
Exchange profit on financial assets at fair value through other comprehensive income	(45,360)	(4,985)
Unfinished construction transferred to operating costs	-	7,695
Total adjustments to reconcile loss	(398,362)	(167,949)
Changes in operating assets and liabilities:		
Increase in financial assets at fair value through profit or loss	(587,654)	(849,461)
Decrease (increase) in notes receivable	168	(65)
Decrease in accounts receivable	980,499	860,929
Increase in inventories	(1,537,504)	(916,902)
Increase in other prepayments	(47,475)	(5,965)
Increase in other financial assets	(158,787)	(88,050)
Decrease in other current assets	140	27,166
Increase in assets recognized as incremental costs to obtain contract with customers	(83,211)	(54,447)
Total changes in operating assets	(1,433,824)	(1,026,795)
Increase in contract liabilities	196,722	118,793
Increase (decrease) in notes and accounts payable	206,643	(92,792)
Decrease in other payable	(1,727)	(7,171)
Increase in advance receipts	149,832	211,669
Increase in other current liabilities	2,535	605
(Decrease) increase in net defined benefit liability	(77)	166
Total changes in operating liabilities	553,928	231,270
Total changes in operating assets and liabilities	(879,896)	(795,525)
Total adjustments	(1,278,258)	(963,474)
Cash flows generated from operations	536,852	528,475
Interest received	307,594	272,009
Dividends received	150,183	153,631
Interest paid	(13,878)	(1,553)
Income taxes paid	(282,929)	(235,674)
Net cash flows from operating activities	697,822	716,888

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

LUNGYEN LIFE SERVICE CORP. AND SUBSIDIARIES**Consolidated Statements of Cash Flows (CONT' D)****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	For the years ended December 31	
	2024	2023
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(516,232)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	792,780	940,808
Acquisition of financial assets at amortized cost	-	(396,898)
Proceeds from disposal of financial assets at amortized cost	550,000	450,000
Acquisition of investments accounted for using equity method	-	(46,062)
Acquisition of property, plant and equipment	(182,679)	(368,391)
Proceeds from disposal of property, plant and equipment	52,005	44
Acquisition of investment properties	(2,810)	(2,208)
Acquisition of intangible assets	(10,693)	(6,581)
Increase in other financial assets	(1,558,948)	(1,007,158)
Decrease in other non-current financial assets	65,111	17,831
(Increase) decrease in other non-current assets	(5,547)	22
Net cash outflows from investing activities	(817,013)	(418,593)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	430,000	570,000
Decrease in guarantee deposits received	(21,647)	(222)
Payment of lease liabilities	(51,579)	(51,154)
Acquisition of ownership interests in subsidiaries	(17,349)	(888,524)
Changes of non-controlling interests	-	(33)
Net cash flows (outflows) used in financing activities	339,425	(369,933)
Effect of exchange rate changes on cash and cash equivalents	1,699	203
Increase(decrease) in cash and cash equivalents	221,933	(71,435)
Cash and cash equivalents at beginning of period	430,783	502,218
Cash and cash equivalents at end of period	\$ 652,716	430,783

**2024 Independent Auditor's Audit Report
and
Parent-company-only Financial Statements**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Lungyen Life Service Corp.:

Opinion

We have audited the financial statements of Lungyen Life Service Corp.(“the Company”), which comprise the balance sheet as of December 31, 2024 and 2023, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Company as of December 31, 2024 and 2023, and its non-consolidated financial performance and its non-consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the non-consolidated Financial Statements section of our report. We are independent of Lungyen Life Service Corp. in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the report of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Revenue recognition

For accounting policies on revenue recognition, please refer to Note (4)(o) “Revenue Recognition” ; for explanation of revenue recognition, please see Note (6)(q) Revenues.

Description of key audit matter:

The Company sells columbarium and cemetery products, and provides funeral services, for which prepayments are paid in cash or installments. Timing of revenue recognition is judged by the management team. Besides, as a listed entity, the Company may be affected by the expectation of external investors or creditors, and internal pressure to pursue revenue performance, all of which may bring risks to revenue recognition. Therefore, testing of revenue recognition has been identified as one of the key audit matters in our audit of the parent-company-only financial report.

How the matter was addressed in our audit:

Our principal audit procedures included:

- examining whether revenues were recognized based on internal control process;
- conducting selective examination of sales orders, contracts and collection records to ascertain whether revenues were recognized at a proper timing.

2. Goodwill and Trademark Impairment

For accounting policies on goodwill and trademark impairment, please refer to Note (4)(m) "Intangible Assets" ; for estimation and uncertainty of assumption of goodwill and goodwill impairment, please see Note (5)(b); for explanation of goodwill and trademark impairment, please refer to Note 6(i) "Intangible Assets" of the consolidated financial report.

Description of key audit matter:

The Company's goodwill and trademark resulted from corporate acquisition; receivable amounts related to goodwill and trademark were estimated based on managers' subjective judgment with high uncertainty, which may lead to material risks of inaccurate expression. For this reason, testing of goodwill and trademark impairment has been determined to be one of the key audit matters in our audit of the Company's non-consolidated financial reports.

How the matter was addressed in our audit:

Our principal audit procedures included:

- accessing the rationality of evaluation method adopted by management to evaluate receivable amounts; accessing the accuracy of previous forecasts made by management; examining calculation and accounting records of receivable amounts of cash unit evaluated by management; accessing parameters used to estimate cash flow and receivable amounts (eg. sales growth rate); examining weighted-average cost of capital and parameters used (eg. stock price) in the impairment tests.

Other Matter

We did not audit the financial statements of some the Company's equity-accounted investees. These statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amount included for some of the Company's equity-accounted investees, is based solely on the report of another auditor. The recognized investment in some equity-accounted investees constituted 1.21% and 1.26% of the total assets as of December 31, 2024 and 2023, and the recognized share of profit or loss accounted for using the equity method constituted (1.41)% and (1.09)% of profit before tax for the year ended December 31, 2024 and 2023.

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

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial non-consolidated statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Non-Consolidated Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in 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 non-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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Appendix 5: 2024 Independent Auditor's Audit Report
and Parent-company-only financial statements

5. Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the non-consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chih, Shih-Chin and Tseng, Kuo-Yang.

KPMG

Taipei, Taiwan (Republic of China)

February 25, 2025

(English Translation of Parent-company-only Financial Statements Originally Issued in Chinese)
LUNGYEN LIFE SERVICE CORP.

Non-Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Notes 6(a) and (u))	\$ 354,337	-	187,462	-	2102	Bank loan (Notes 6(k) and (u))	\$ 1,000,000	1	570,000	-
1110	Current financial assets at fair value through profit or loss (Notes 6(b), (u) and 9)	4,106,277	6	3,543,883	5	2130	Current contract liabilities (Notes 6(q) and 9)	41,144,451	57	41,187,142	60
1150	Notes receivable, net (Notes 6(c), (q) and (u))	596	-	764	-	2150	Notes payable (Note 6(u))	6,620	-	6,727	-
1170	Accounts receivable, net (Notes 6(c), (q) and (u))	6,390,950	9	7,321,077	11	2170	Accounts payable (Notes 6(u) and 7)	892,816	1	678,582	1
1320	Inventories (Notes 6(d) and 8)	16,986,162	25	15,480,689	22	2200	Other payables (Note 6(u))	1,133,414	2	1,137,434	2
1410	Prepayments (Note 7)	270,607	-	224,431	-	2230	Current tax liabilities	123,475	-	190,541	-
1476	Other current financial assets (Notes 6(j), (u), 7, 8 and 9)	4,058,229	6	2,541,852	4	2280	Current lease liabilities (Notes 6(u) and 7)	42,232	-	40,822	-
1479	Other current assets, others	2,354	-	2,491	-	2310	Advance receipts (Note 9)	1,187,839	2	1,065,705	2
1480	Current assets recognised as incremental costs to obtain contract with customers (Note 9)	8,597,149	12	8,577,527	13	2399	Other current liabilities, others (Note 7)	30,011	-	29,273	-
		40,766,661	58	37,880,176	55			45,560,858	63	44,906,226	65
Non-current assets:						Non-Current liabilities:					
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(b), (u), 8 and 9)	9,570,777	13	8,722,224	13	2570	Deferred tax liabilities (Note 6(n))	3,665	-	23,346	-
1535	Non-current financial assets at amortised cost (Notes 6(b), (u) and 9)	2,243,040	3	2,795,872	4	2580	Non-current lease liabilities (Notes 6(u) and 7)	65,610	-	92,190	-
1550	Investments accounted for using equity method (Notes 6(e) and 7)	5,270,250	7	5,003,485	7	2640	Net defined benefit liability, non-current (Note 6(m))	12,745	-	17,599	-
1600	Property, plant and equipment (Notes 6(f), 8 and 9)	7,374,493	10	7,395,869	11	2645	Guarantee deposits received (Note 6(u))	21,350	-	42,997	-
1755	Right-of-use assets (Notes 6(g) and 7)	107,842	-	133,012	-			103,370	-	176,132	-
1760	Investment property, net (Notes 6(h), 8 and 9)	3,898,336	5	3,922,102	6			45,664,228	63	45,082,358	65
1780	Intangible assets (Notes 6(i) and 9)	761,069	1	769,549	1						
1840	Deferred tax assets (Note 6(n))	659,437	1	695,590	1						
1980	Other non-current financial assets (Notes 6(u) and 7)	86,359	-	102,350	-						
1990	Other non-current assets, others (Note 7)	1,079,049	2	1,073,503	2						
		31,050,652	42	30,613,556	45						

(English Translation of Parent-company-only Financial Statements Originally Issued in Chinese)

LUNGYEN LIFE SERVICE CORP.

Non-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 Common Share)

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(l), (q) and 7)	\$ 3,810,866	100	3,663,309	100
5000	Operating costs (Note 6(l))	1,597,372	42	1,413,869	39
5900	Gross profit	2,213,494	58	2,249,440	61
	Operating expenses :				
6100	Selling expenses	651,938	17	638,816	17
6200	Administrative expenses (Notes 6(r) and 7)	738,986	19	777,136	21
6450	Impairment loss determined in accordance with IFRS 9 (Note 6(c))	7,024	-	7,526	-
		1,397,948	36	1,423,478	38
6500	Net other income (expenses) (Note 6(s))	53,837	1	63,917	2
6900	Net operating income	869,383	23	889,879	25
	Non-operating income and expenses:				
7100	Interest income (Notes 6(t) and 7)	222,433	6	176,930	5
7010	Other income (Notes 6(t) and 7)	301,199	8	284,217	8
7020	Other gains and losses, net (Notes 6(b), (e) and (t))	308,854	8	(7,462)	-
7050	Finance costs, net (Notes 6(t) and 7)	(17,609)	(1)	(3,420)	-
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Note 6(e))	99,107	3	75,754	1
		913,984	24	526,019	14
	Profit before tax from continuing operations	1,783,367	47	1,415,898	39
7950	Less: Income tax expenses (Note 6(n))	175,976	5	206,731	6
	Net income	1,607,391	42	1,209,167	33
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans (Note 6(m))	4,777	-	1,076	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,094,512	29	1,623,110	44
8330	Share of other comprehensive income of subsidiaries, associates, and joint ventures under equity method, components of other comprehensive income that will not be reclassified to profit or loss	(8,347)	-	25,137	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Items that will not be reclassified subsequently to profit or loss	1,090,942	29	1,649,323	44
8360	Items that may be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	69,158	2	654	-
8367	Unrealized (losses) gains from investments in debt instruments measured at fair value through other comprehensive income(Note 6(x))	(5,144)	-	9,488	-
8380	Share of other comprehensive income of subsidiaries, associates, and joint ventures under equity method, components of other comprehensive income that will be reclassified to profit or loss	(25,620)	(1)	(14,735)	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	-	-	-	-
	Items that may be reclassified subsequently to profit or loss	38,394	1	(4,593)	-
8300	Other comprehensive income net of tax	1,129,336	30	1,644,730	44
	Total comprehensive income net of tax	<u>\$ 2,736,727</u>	<u>72</u>	<u>2,853,897</u>	<u>77</u>
	Earnings per share (in dollar) (Note 6(p)):				
9750	Basic earnings per share (in New Taiwan dollars)	<u>\$ 3.83</u>		<u>2.88</u>	
9850	Diluted earnings per share (in New Taiwan Dollars)	<u>\$ 3.82</u>		<u>2.87</u>	

(English Translation of Parent-company-only Financial Statements Originally Issued in Chinese)

LUNGYEN LIFE SERVICE CORP.
Non-Consolidated Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Total other equity interest				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity
Balance on January 1, 2023	\$ 4,200,842	2,644,181	2,325,225	-	11,527,940	13,853,165	(42,118)	(352,633)	(394,751)	20,303,437
Profit for the year ended December 31, 2023	-	-	-	-	1,209,167	1,209,167	-	-	-	1,209,167
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	1,076	1,076	(14,081)	1,657,735	1,643,654	1,644,730
Comprehensive income for the year ended December 31, 2023	-	-	-	-	1,210,243	1,210,243	(14,081)	1,657,735	1,643,654	2,853,897
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	153,705	-	(153,705)	-	-	-	-	-
Special reserve	-	-	-	394,751	(394,751)	-	-	-	-	-
Other changes in capital surplus:										
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	265,686	-	-	-	-	-	-	-	265,686
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(11,646)	(11,646)	-	-	-	(11,646)
Disposal of subsidiaries in equity instruments at fair value through other comprehensive income	-	-	-	-	209,758	209,758	-	(209,758)	(209,758)	-
Balance on December 31, 2023	4,200,842	2,909,867	2,478,930	394,751	12,387,839	15,261,520	(56,199)	1,095,344	1,039,145	23,411,374
Profit for the year ended December 31, 2024	-	-	-	-	1,607,391	1,607,391	-	-	-	1,607,391
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	4,777	4,777	43,538	1,081,021	1,124,559	1,129,336
Comprehensive income for the year ended December 31, 2024	-	-	-	-	1,612,168	1,612,168	43,538	1,081,021	1,124,559	2,736,727
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	140,836	-	(140,836)	-	-	-	-	-
Reversal of special reserve	-	-	-	(394,751)	394,751	-	-	-	-	-
Other changes in capital surplus:										
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	4,984	-	-	-	-	-	-	-	4,984
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	34,303	34,303	-	(34,303)	(34,303)	-
Balance on December 31, 2024	\$ 4,200,842	2,914,851	2,619,766	-	14,288,225	16,907,991	(12,661)	2,142,062	2,129,401	26,153,085

Appendix 5: 2024 Independent Auditor's Audit Report
and Parent-company-only financial statements

(English Translation of Parent-company-only Financial Statements Originally Issued in Chinese)

LUNGYEN LIFE SERVICE CORP.

Non-Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,783,367	1,415,898
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	234,283	198,599
Amortization expense	19,085	13,872
Impairment loss determined in accordance with IFRS 9	7,024	7,526
Net (gain) loss profit from financial assets or liabilities at fair value through profit or loss	(210,788)	10,534
Interest expense	17,609	3,420
Interest income	(289,775)	(258,921)
Dividend income	(146,619)	(147,523)
Share of loss of subsidiaries and associates under the equity method	(99,107)	(75,754)
(Gain) loss on disposal of property, plan and equipment	(15,880)	12
Proceeds from Exchange loss on financial assets at fair value through other comprehensive income	(45,360)	(4,985)
From disposal of financial assets at fair value through other comprehensive income	9,789	(2,441)
Unfinished construction transferred to operating costs	-	7,695
Total adjustments to reconcile profit (loss)	(519,739)	(247,966)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in Financial assets or liabilities at fair value through profit or loss	(327,654)	(839,550)
Increase in notes and accounts receivable, net	923,578	772,558
Increase in Inventories	(1,505,473)	(939,713)
Increase in prepayments	(46,176)	(6,355)
Increase in other current financial assets	(134,786)	(54,815)
Decrease in other current assets	137	27,163
Increase in incremental costs of obtaining a contract	(26,266)	(17,725)
Total changes in operating assets	(1,116,640)	(1,058,437)
Changes in operating liabilities:		
Decrease in Contract liabilities	(42,691)	(12,579)
Increase (decrease) in notes and accounts receivable (including related parties)	214,127	(106,275)
Increase in other payables	3,131	11,467
Increase in advance receipts	122,134	139,779
Increase (decrease) in other current liabilities	740	(5,289)
(Decrease) increase in net defined benefit liabilities	(77)	166
Total changes in operating liabilities	297,364	27,269
Total changes in operating assets and liabilities	(819,276)	(1,031,168)
Total adjustments	(1,339,015)	(1,279,134)
Cash inflow generated from operations	444,352	136,764
Interest received	291,471	259,068
Dividends received	146,619	150,441
Interest paid	(13,740)	(1,088)
Income taxes paid	(226,570)	(195,550)
Net cash flows from operating activities	642,132	349,635

Appendix 5: 2024 Independent Auditor's Audit Report
and Parent-company-only financial statements

(English Translation of Parent-company-only Financial Statements Originally Issued in Chinese)

LUNGYEN LIFE SERVICE CORP.

Non-Consolidated Statements of Cash Flows (CONT' D)

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2024	2023
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(516,232)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	792,780	940,808
Acquisition of financial assets at amortised cost	-	(396,898)
Proceeds from disposal of financial assets at amortised cost	550,000	450,000
Acquisition of investments accounted for using equity method	(127,483)	(934,586)
Acquisition of property, plant and equipment	(174,664)	(361,549)
Proceeds from disposal of property, plant and equipment	52,005	-
Acquisition of intangible assets	(10,605)	(6,581)
Acquisition of investment properties	(2,810)	(2,208)
Increase in other current financial assets	(1,408,746)	(747,201)
Increase in other non-current financial assets	15,991	(40,588)
Increase in other non-current assets	(5,547)	-
Net cash flows from investing activities	(835,311)	(1,098,803)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	430,000	570,000
Decrease in guarantee deposits received	(21,647)	(222)
Payments of lease liabilities	(48,299)	(51,154)
Net cash flows used in financing activities	360,054	518,624
Net increase (decrease) in cash and cash equivalents	166,875	(230,544)
Cash and cash equivalents at beginning of period	187,462	418,006
Cash and cash equivalents at end of period	\$ 354,337	187,462

Lungyen Life Service Corp.

2024 Appropriation of Earnings

In NT\$

Item	Amount
Balance – January 1, 2024	12,641,755,693
Add(deduct) :	
Current net income	1,607,391,242
Current change of defined benefit plan actuarial gains and losses	4,776,932
Disposal of equity instrument investments measured at fair value through other comprehensive income, cumulative gains and losses transferred directly to retained earnings	34,301,907
Legal reserve (10% of total earnings)	(164,647,008)
Reversal of Special reserve	0
Earnings available for appropriation for 2024	14,123,578,766
Appropriation:	
Cash dividends	0
Balance – December 31, 2024	14,123,578,766

Chairman: KELLY LEE President: Wang Frank Chun Chung Chief Accountant: Wan, Hsin-Wen

Comparison Table for the “Articles of Incorporation”

Before and After Revision

Article	After the Revision	Before the Revision	Remarks
28	<p>The Company shall set aside not less than 1% of its annual profit, if any, as employee bonus <u>(including no less than 0.55% of the annual profit specifically for frontline employees)</u> and not more than 2% as compensation to Directors; provided, however, that the Company shall have reserved a sufficient amount to offset its accumulated losses, if any. Employ bonus may be distributed in the form of stocks or cash. The employees qualifying for such distribution may include qualified employees of subsidiaries of the Company; the certain conditions are set by the board of directors.</p> <p>The distribution of employee remuneration and directors’ remuneration shall be made by the board of directors with more than two-thirds of the directors present and a resolution approved by more than half of the directors present, and reported to the shareholders’ meeting.</p> <p>The above-mentioned resolution of the board of directors for the payment of remuneration to employees in the form of stocks may make the resolution in the same meeting to issue new shares or purchase the Company’s own shares.</p>	<p>The Company shall set aside not less than 1% of its annual profit, if any, as employee bonus and not more than 2% as compensation to Directors; provided, however, that the Company shall have reserved a sufficient amount to offset its accumulated losses, if any.</p> <p>Employ bonus may be distributed in the form of stocks or cash. The employees qualifying for such distribution may include qualified employees of subsidiaries of the Company; the certain conditions are set by the board of directors.</p> <p>The distribution of employee remuneration and directors’ remuneration shall be made by the board of directors with more than two-thirds of the directors present and a resolution approved by more than half of the directors present, and reported to the shareholders’ meeting.</p> <p>The above-mentioned resolution of the board of directors for the payment of remuneration to employees in the form of stocks may make the resolution in the same meeting to issue new shares or purchase the Company’s own shares.</p>	According to the amendment of Article 14, Paragraph 6 of the Securities and Exchange Act.
31	<p>These Articles of Incorporation were made on February 27, 1987 and amended on:</p> <p>The 1st amendment: March 20, 1987. The 2nd amendment: January 18, 1991. The 3rd amendment: September 2, 1992. The 4th amendment: December 31, 1993. The 5th amendment: March 1, 1995. The 6th amendment: July 15, 1996.</p>	<p>These Articles of Incorporation were made on February 27, 1987 and amended on:</p> <p>The 1st amendment: March 20, 1987. The 2nd amendment: January 18, 1991. The 3rd amendment: September 2, 1992. The 4th amendment: December 31, 1993. The 5th amendment: March 1, 1995. The 6th amendment: July 15, 1996.</p>	New amendment records added.

Appendix 7: Comparison Table for the
“Articles of Incorporation”

Article	After the Revision	Before the Revision	Remarks
	The 7 th amendment: March 19, 1997. The 8 th amendment: April 26, 1997. The 9 th amendment: October 24, 1997. The 10 th amendment: May 18, 1998. The 11 th amendment: December 4, 1998. The 12 th amendment: May 6, 1999. The 13 th amendment: June 22, 2001. The 14 th amendment: June 30, 2002. The 15 th amendment: February 8, 2006. The 16 th amendment: February 8, 2006. The 17 th amendment: June 15, 2007. The 18 th amendment: August 1, 2008. The 19 th amendment: June 10, 2009. The 20 th amendment: October 29, 2009. The 21 st amendment: October 12, 2010. The 22 nd amendment: June 28, 2011. The 23 rd amendment: June 6, 2012. The 24 th amendment: June 17, 2014. The 25 th amendment: June 18, 2016. The 26 th amendment: June 17, 2016. The 27 th amendment: June 20, 2018. The 28 th amendment: May 31, 2019. The 29 th amendment: June 24, 2022. The 30 th amendment: May 31, 2024. <u>The 31st amendment: May 26, 2025</u>	The 7 th amendment: March 19, 1997. The 8 th amendment: April 26, 1997. The 9 th amendment: October 24, 1997. The 10 th amendment: May 18, 1998. The 11 th amendment: December 4, 1998. The 12 th amendment: May 6, 1999. The 13 th amendment: June 22, 2001. The 14 th amendment: June 30, 2002. The 15 th amendment: February 8, 2006. The 16 th amendment: February 8, 2006. The 17 th amendment: June 15, 2007. The 18 th amendment: August 1, 2008. The 19 th amendment: June 10, 2009. The 20 th amendment: October 29, 2009. The 21 st amendment: October 12, 2010. The 22 nd amendment: June 28, 2011. The 23 rd amendment: June 6, 2012. The 24 th amendment: June 17, 2014. The 25 th amendment: June 18, 2016. The 26 th amendment: June 17, 2016. The 27 th amendment: June 20, 2018. The 28 th amendment: May 31, 2019. The 29 th amendment: June 24, 2022. The 30 th amendment: May 31, 2024.	

ANNEX

Lungyen Life Service Corp.

Articles of Incorporation

Section I – General Provisions

Article 1 The Company shall be incorporated, as a company limited by shares, under the Company Law, and its name shall be 龍巖股份有限公司 in the Chinese language, and “LUNGYEN LIFE SERVICE CORPORATION” in the English language.

Article 2 The scope of business of the Company shall be as follow:

1. H701010 Residents and buildings development and rental business
2. H701040 Specific professional area development business
3. H701060 New towns and new community development business
4. F111090 Construction materials wholesale business
5. F205040 Furniture, beddings, kitchen utensils and appliances, and fixtures retail business
6. F211010 Construction materials retail business
7. I503010 Landscape and interior design business
8. H701050 Investments in the construction of public works business
9. H703090 Real estate trade business
10. H703100 Real estate rental business
11. H703110 Senior homes business
12. H701080 Urban renewal and reconstruction business
13. JZ99141 Funeral facilities operations business
14. JZ99151 Funeral and liturgical services business
15. J202010 Industrial incubation business
16. J901020 General hotel business
17. J701040 Recreational club business
18. J701070 Information and leisure business
19. JJ801030 Tournament and leisure stadium business
20. JZ99050 Agency services business
21. JZ99090 Festive general service business
22. F401010 International trade business
23. F206060 The ritual supplies retail business
24. F203010 Food, sundries and beverage retail business
25. F201070 Flower retail business
26. F201010 Agricultural products retail business

- 27. F399040 Non-store retail business
- 28. J101030 Waste collection business
- 29. J101040 Waste disposal business
- 30. JZ99990 Unclassified services business
- 31. H704031 Real estate brokerage business
- 32. H704041 Real estate marketing agency business
- 33. G801010 Warehousing
- 34. JZ99190 Pet Life Memorial Industry
- 35. In addition to the chartered business, the business not prohibited or restricted by law

Article 3 The Company may provide endorsement and guarantee and act as a guarantor.

Article 4 The Company may invest in other companies as a shareholder with limited liability and the total investment amount is not limited to the threshold of 40% of the paid-in capital.

Article 5 The Company shall have its headquarters located in Taipei City and if necessary, branches can be established domestically or overseas with the approval of the Board of Directors.

Article 6 Deleted

Section II – Capital Stock

Article 7 The Company's authorized capital stock amounts to NT\$6 billion with 600 million shares issued at a par value of NT\$10. The Board of Directors is authorized to have stock shares issued separately, in which, NT600 million divided into 60 million shares at a par value of NT\$10 shall be reserved for subscription when the stock option is exercised

Article 7-1 The Company's shares purchased in accordance with the Company Act, employee stock option certificates, new shares of restricted employees' rights, and new shares reserved for employees to subscribe for cash capital increase may include employees of affiliated companies who meet certain conditions; certain conditions are set by the board of directors.

Article 8 All shares certificates of the Company shall be issued in registered form and issued in accordance with the Company Act of the Republic of China and other relevant laws and regulations.

Article 8-1 The Company may issue stock without printing share certificates, provided that, any shares shall be recorded by a centralized securities custodian.

Article 9 All matters regarding the Company's shares shall be conducted in accordance with the "Criteria Governing Handling of Stock Affairs by Public Stock Companies"

and other relevant laws and regulations.

Section III – Shareholders’ Meeting

- Article 10 Shareholders’ meetings may be ordinary meetings and extraordinary shareholders’ meetings. Ordinary meetings shall be convened annually within six months after the end of each fiscal year. Extraordinary meetings shall be convened when necessary in accordance with applicable laws. A notice with purpose(s) for convening the meeting shall be sent to all shareholders at least thirty (30) days in advance for an ordinary meeting and fifteen (15) days in advance for an extraordinary meeting.
- Article 10-1 The Company’s shareholders’ meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.
- The Company shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters for the method of meeting in the preceding paragraph.
- Article 11 The shareholders’ meeting shall be chaired by Chairperson of the Board of Directors. In the event the Chairperson of the Board of Directors is absent, one director shall be designated to serve as Chair; in the absence of such a designation, the directors shall elect one among themselves to serve as Chair.
- Article 12 Each share shall be entitled to one vote, except those with restricted voting rights or no voting rights granted under Article 179 of the Company Act.
- Shareholders may execute their voting rights in writing or via an electronic voting system. The voting method shall be stated in the meeting notice for shareholders’ meeting.
- Article 13 A shareholder who is unable to attend the shareholders’ meeting in person may have a representative appointed to attend the meeting with a signed or sealed proxy letter issued in accordance with Article 177 of the Company Law and Article 25.1 of the Securities and Exchange Act.
- Article 14 The Company’s resolution shall only be reached when the meeting is attended by shareholders representing more than one half of the total issued shares and the resolution is approved by the majority of valid vote present at the meeting, unless otherwise provided for in the Company Act.
- Article 15 The resolutions reached in the shareholders’ meeting shall be documented in the minutes of the meeting in accordance with Article 183 of the Company Act

Section IV –Board of Directors and Audit Committee

- Article 16 The Company shall have 11 Directors who are competent individuals elected in the shareholders' meeting. The term of office for Directors shall be three year, and all Directors shall be eligible for re-election. The registered shares held by Directors are processed in accordance with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies."
- Article 16-1 For the number of Directors of the Company referred to above, the 3 to 5 Independent Directors are elected from the nominees who are nominated by the shareholders from the list of candidates in accordance with Article 192.1 of the Company Act.
The election of Independent Directors and Directors shall be held together; provided, however, the number of Independent Directors and Directors elected shall be calculated separately.
The professional qualifications, restrictions on shareholdings and concurrent positions held, method of nomination and election of Independent Directors shall be handled in accordance with Securities and Exchange Act and relevant regulations.
- Article 16-2 In compliance with Article 14-4 of the Securities and Exchange Act, the Company shall establish the Audit Committee, which shall be composed of the entire number of Independent Directors.
Scope of responsibilities and regulations for the Company's Audit Committee shall be governed by relevant laws and regulations.
- Article 16-3 Various functional committees may be set up under the board of directors of the Company, and these committees shall formulate rules for exercising their functions and powers, which shall be implemented after approval by the board of directors.
- Article 16-4 A notice of convening a Board meeting shall be given to each Director in writing, via electronic mail or fax before 7 days prior to the meeting date.
- Article 17 In the event that no new Directors can be elected immediately after the expiration of a term of office, the current Directors shall continue to perform their duties until the new Directors are elected and assume their office. However, the competent authority may demand the Company to elect new Directors within a certain time period or the current Board of Directors may be dismissed automatically on the expiration of the term of office.
- Article 18 The Board of Directors shall be organized by the Directors. The Chairperson of the Board of Directors shall be elected among Directors by a majority of the Directors present at a meeting attended by two-thirds of all Directors The

Chairperson of the Board of Directors shall be the authorized representative of the Company externally and execute all matters of the Company in accordance with relevant laws, regulations and resolutions of the Board meeting and Shareholders' internally.

Article 19 The Company's business policies and other important matters shall be resolved by the Board of Directors. Except for the first board meeting, each term shall be convened by the Board of Directors in accordance with Article 203 of the Company Act, the Chairperson of the Board of Directors shall convene and chair Board meetings thereafter. In the event that the Chairperson of the Board of Directors is unable to perform his/her duties, the Chairperson of the Board of Directors shall designate a representative to act on his/her behalf; however, in the absence of such a designation, a representative shall be elected from among the Directors.

Article 20 Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a Board meeting shall require the approval of a majority of the Directors in attendance at a Board of Directors meeting attended by a majority of all Directors. A Director unable to attend in person may issue a proxy stating the scope of authorization with respect to the reasons for convening the meeting to appoint another Director to attend the meeting. Any proxy may be appointed by one person only. Directors attending the Board meeting through a video conference will be deemed attendance in person.

Article 21 The resolutions of the Board meeting shall be documented in the meeting minutes and signed or sealed by the Chairperson, and distributed to Directors within 20 days after the meeting. The minutes shall record the essentials and results of the proceedings and preserved with the attendance book and proxy in the Company.

Article 22 Deleted

Article 23 The remuneration payable to the Chairperson of the Board of Directors, Directors and Independent Directors shall be decided at the Board meeting according to their contributions to the Company and also with reference to the industry payout standard. The Board of Directors may, depending on the actual needs, acquire liability insurance for all the Directors throughout the service term with the attendance of a majority of the directors and the consent of a majority of the directors present.

Section V – Management and Employees

Article 24 The Company may have a manager designated with the appointment, dismissal

and remuneration processed in accordance with the Company Act.

Article 25 Deleted

Section VI – Accounting

Article 26 The fiscal year for the Company shall be from January 1 of each year to December 31 of the same year.

Article 27 After the close of each fiscal year, the following reports shall be prepared by the Board of Directors, and submitted to the ordinary shareholders meeting for acceptance:

1. Business Report;
2. Financial Statements;
3. Proposal Concerning Appropriation of Earning or Covering of Losses

Article 28 The Company shall set aside not less than 1% of its annual profit, if any, as employee bonus and not more than 2% as compensation to Directors; provided, however, that the Company shall have reserved a sufficient amount to offset its accumulated losses, if any.

Employ bonus may be distributed in the form of stocks or cash. The employees qualifying for such distribution may include qualified employees of subsidiaries of the Company; the certain conditions are set by the board of directors.

The distribution of employee remuneration and directors' remuneration shall be made by the board of directors with more than two-thirds of the directors present and a resolution approved by more than half of the directors present, and reported to the shareholders' meeting.

The above-mentioned resolution of the board of directors for the payment of remuneration to employees in the form of stocks may make the resolution in the same meeting to issue new shares or purchase the Company's own shares.

Article 28-1 The Company shall not pay dividends when there are no earning for a certain fiscal year. Before paying dividends, the Company shall first pay out taxes, offset its losses in previous years and set aside a legal capital reserve at 10% of the earnings left over, until the accumulated legal capital reserve has equaled the total capital of the Company; and then set aside special capital reserve or reverse special capital reserve for the decrease in shareholders' equity of the year. The remainder earning after paying dividends shall be distributed according to an appropriation plan proposed by the Board of Directors. When dividends are distributed by way of issuing new shares, a resolution shall be submitted to the shareholders' meeting for distribution; when dividends are distributed by way of cash distribution, the distribution of dividends may be approved by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of

directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The Company's dividend policy was set up to protect shareholders' rights and fulfill the capital demand according to future capital plan. Dividends may be distributed in the form of stocks or cash, of which the cash dividends shall be considered first and not less than 10% of the total shareholders' bonus.

- Article 28-2 The Company may, in accordance with Article 241 of the Company Act, issue all or part of its legal reserve and capital reserve, in whole or in part, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash. In the case of cash distribution, it may be approved by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Section VII – Supplementary Provisions

- Article 29 The organizational rules and by-laws of the Company shall be prescribed by the Board of the Directors.
- Article 30 Any matters not provided for in these Articles of Incorporation shall be governed by the Company Act and other relevant laws and regulations.
- Article 31 These Articles of Incorporation were made on February 27, 1987 and amended on:
The 1st amendment: March 20, 1987.
The 2nd amendment: January 18, 1991.
The 3rd amendment: September 2, 1992.
The 4th amendment: December 31, 1993.
The 5th amendment: March 1, 1995.
The 6th amendment: July 15, 1996.
The 7th amendment: March 19, 1997.
The 8th amendment: April 26, 1997.
The 9th amendment: October 24, 1997.
The 10th amendment: May 18, 1998.
The 11th amendment: December 4, 1998.
The 12th amendment: May 6, 1999.
The 13th amendment: June 22, 2001.
The 14th amendment: June 30, 2002.
The 15th amendment: February 8, 2006.
The 16th amendment: February 8, 2006.
The 17th amendment: June 15, 2007.

The 18th amendment: August 1, 2008.
The 19th amendment: June 10, 2009.
The 20th amendment: October 29, 2009.
The 21st amendment: October 12, 2010.
The 22nd amendment: June 28, 2011.
The 23rd amendment: June 6, 2012.
The 24th amendment: June 17, 2014.
The 25th amendment: June 18, 2016.
The 26th amendment: June 17, 2016.
The 27th amendment: June 20, 2018.
The 28th amendment: May 31, 2019.
The 29th amendment: June 24, 2022
The 30th amendment was on May 31, 2024

Lungyen Life Service Corp.

Rules of Procedure for Shareholders Meetings

- Article 1 The Company's Shareholders' Meeting, unless otherwise provided by law, shall be handled in accordance with the Rules of Procedure for Shareholders' Meetings.
- Article 2 The attendance register should be made available at the shareholders' meeting for the attending shareholders to sign or the attending shareholders may have attendance cards presented instead.
The attendees' shareholding is calculated in accordance with the attendance register or the attendance cards collected.
- Article 3 The attendance and votes of the Shareholders' Meeting are counted by the number of shares.
- Article 4 The Shareholders' Meeting location must be at the Company's premises or where it is suitable and convenient for shareholders to attend. The shareholders' meeting time may not be earlier than 9:00am or later than 3:00pm
- Article 5 If the Shareholders' Meeting is convened by the Board of Directors, the Chairperson is to chair the meeting. The Chairperson who is on leave of absence or is unable to perform his/her duty is to be represented by the Vice Chairperson. If there is no Vice Chairperson or if the Vice Chairperson is also on leave of absence or is unable to perform his/her duty, the Chairperson is to appoint one general director to perform this duty. If there is no general director, the Chairperson is to appoint one director to perform this duty. If the Chairperson does not have a representative appointed to perform this duty, one of the general directors or directors is to be elected to perform this duty.
If Shareholders' Meeting is convened by another authorized individual, the authorized individual is the chairperson to chair the meeting.
- Article 6 The Company's CPAs, lawyers or other related personnel may be invited to attend the board meeting.
The service personnel for the shareholders' meeting shall wear identification badges or armbands.
- Article 7 The shareholders' meeting in session should be recorded or filmed and kept for at least one year.
- Article 8 The Chairperson shall declare the board meeting in session. However, the Chairperson may declare a postponement of the meeting at the meeting time when

the attending shareholders constitute less than a majority of shareholdings. The meeting is limited to two postponements for a total of less than 1 hour. A pseudo-resolution could be reached in accordance with Article 175 Section 1 of the Company Act if there are insufficient attendees to attend the meeting after two meeting postponements that represent more than one thirds of shareholders.

The Chairperson may have a pseudo-resolution reached if the attending shareholders constitute a majority of the shareholders before the end of the session and may have it presented again for resolution during the meeting in accordance with Article 174 of the Company Act.

Article 9 If the shareholders' meeting is convened by the board of directors, its agenda is set by the board of directors. The meeting is conducted in accordance with the agenda and it may not be changed without the resolutions reached in the shareholders' meeting. The provision referred to above is applicable even when the shareholders' meeting is convened by other than the board of directors.

The Chairperson may not announce the meeting is adjourned until a resolution is reached for the two procedures (including motions) referred to above.

The shareholders may not elect another chairperson to continue the meeting at the original meeting place or in a new location after the meeting is adjourned. If the Chairperson has announced the meeting adjourned in violation of the procedures, the shareholders present with a majority of voting rights may elect a chairperson to continue the meeting.

Article 10 The attending shareholders must fill out and submit the statement slip stating the purpose of the speech, the shareholder account number (or attendance card number) and account name for the Chairperson to determine the order of speakers.

The attending shareholders who present a statement slip but do not speak shall be deemed as not speaking. The content of the speech shall prevail if it is inconsistent with the statement slip.

The speech of the attending shareholders may not be interrupted by other shareholders, unless otherwise with the consent of the chairperson and the speaking shareholder. The chairperson must stop the offender from speaking.

Article 11 Each shareholder may not speak on the same proposal more than twice and for not more than 5 minutes each time unless otherwise permitted by the Chairperson. However, the Chairperson may stop the shareholder from speaking if the speech is in violation of the regulations referred to above or outside the scope of the motion.

Article 12 The legal person entrusted to attend the shareholders' meeting is entitled to appoint only one person.

If there is more than one proxy appointed by the institutional shareholder to attend

the shareholders' meeting, only one proxy can speak on the same motion.

- Article 13 The Chairperson may have the speech of the shareholder represented in person or by the designated personnel.
- Article 14 The Chairperson of the board meeting is to have the motion in discussion that is ready for balloting put to the vote.
- Article 15 The Chairperson is to appoint the controllers of ballot and tally clerks who are shareholders for the proposals to be put to vote, if any.
The balloting results should be announced immediately at the meeting and it should be documented for record.
- Article 16 The Chairperson at his/her discretion may announce the meeting in recess.
- Article 17 Unless otherwise provided in the Company Act and the Company's Articles of Incorporation, the motion is passed in the meeting by the shareholders representing a majority of the balloting rights.
The Chairperson is to consult the motion ready for balloting with the attendees at the meeting and it is deemed as having been passed if there are no objections raised.
- Article 18 For the motion with an amendment or alternative put to vote, the Chairperson is to have it prioritized for balloting with the original bill enclosed. If one of the motions is put on the ballot and passed, other motions shall be deemed as vetoed without the need for further balloting.
- Article 19 The Chairperson may command the marshals (or security guards) to assist with the maintenance of order. The marshals (or security guards) at the meeting venue assisting with maintenance of order shall wear armbands marked "Marshal."

Current Shareholdings of Directors

1. Shareholdings of all Directors recorded in the Register of Shareholders on the book closure date (March 28, 2025) of the Annual Meeting of Shareholders all listed below.

Position	Name	Shareholdings Recorded in the Register of Shareholders on the Book Closure Date	
		Shares	%
Chairman	Wish Giver Limited	63,000	0.01%
	Representative: KELLY LEE		
Director	Wish Giver Limited		
	Representative: Lin, Su-Chien		
Director	Wish Giver Limited		
	Representative: Liu, Chiang-Pao		
Director	ORIX Asia Capital Limited	21,000,000	5.00%
Independent Director	Yu, Ying-Chi	0	0.00%
Independent Director	Chen, Ming-Te	0	0.00%
Independent Director	JEFFREY REMOND WU	0	0.00%
Total		21,063,000	5.01%

2. The Company's paid-in capital is NT\$4,200,841,990 with issued outstanding shares totaling 420,084,199 shares. Minimum shareholding requirement for all Directors as a whole shall be 16,803,368 shares.
3. The Company established the Audit Committee thus no requirement on shareholding of Supervisor is applicable.
4. Shareholdings of the Company's Directors all conform to the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".
5. Wish Giver Limited is established under the laws of the British Virgin Islands. In addition to directly holding shares of the Company, it also holds the shares of the Company through a trustee account established by Fubon Securities Co., Ltd. (hereinafter referred to as "FINI investment account"). As of March 28, 2025, Wish Giver Limited held 139,855,000 shares of the Company's common stock (including 139,792,000 shares directly held and 63,000 shares held through FINI investment account), accounting for 33.29% of the issued shares of the Company.

Other Supplementary Explanation

1. Register of shareholders' proposal for 2025 Annual Meeting of Shareholders are listed below:
 - (1) In accordance with Article 172-1 of Company Act, shareholders holding 1% or more of the total number of outstanding shares of the Company may propose to the Company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed and the number of words of a proposal to be submitted by a shareholder shall be limited to not more than 300 words.
 - (2) The period the Company accepted shareholders' proposal for the 2025 Annual Meeting of Shareholders was from March 17 to March 27, 2025, which was also announced in the Market Observation Post System web site in accordance to relevant laws and regulations.
 - (3) During the above mentioned period, the Company received no proposal from shareholders.
2. The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate:

The Company did not distribute stock dividend for year 2024, so does not applicable.