Stock Code：8940

新天地
NEW PALACE INTERNATIONAL CO.,LTD.

New Palace International Co., Ltd.

2026 Annual Meeting of Shareholders

Handbook

Type of meeting: Physical Meeting
Meeting time: 22 MAY 2026
Location: No. 345, Chongde 5th Rd., Beitun Dist., Taichung City, Taiwan (R.O.C.)

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New Palace International Co., Ltd.
2026 Annual Meeting of Shareholders

MEETING AGENDA

Type of meeting: Physical Meeting

Meeting Time: 9:00 a.m., 22 MAY 2026 (Friday)

Location: No. 345, Chongde 5th Rd., Beitun Dist., Taichung City, Taiwan (R.O.C.)

Chairman Remarks

I. Management Presentation:

(I) 2025 Business Report

(II) Audit Committee's Review of 2025 Audited Financial Statements

II. Proposed Resolutions:

(I) Adoption of the 2025 Business Report and Financial Statements

(II) Adoption of the 2025 Deficit Compensation

III. Discussions:

(I) Amendment to certain articles of the Company's "Procedures for Acquisition or Disposal of Assets."

(II) Amendment to certain articles of the Company's "Rules for Election of Directors."

IV. Elections:

(I) Election of 7 Directors (including 3 Independent Directors) of the Company.

V. Other Matters:

(I) Proposal to lift the non-competition restrictions on newly elected Directors of the Company.

VI. Questions and motions:

VII. Adjournment

Management Presentation:

Report No. 1:2025 Business Report

Explanation:

For the Company’s 2025 Business Report, please refer to Attachment I (P.5- P.7)

Report No. 2: Audit Committee’s Review of 2025 Audited Financial Statements

Explanation:

For the Company’s 2025 Audit Committee’s Review, please refer to Attachment II (P. 8)

Proposed Resolutions

Report No. 1: Adoption of the 2025 Business Report and Financial Statements

Proposed by the board

Explanation:

The Company’s 2025 Financial Statements, including the Balance Sheet, Statements of Comprehensive Income, Statement of Changes in Equity and Cash Flow Chart have been approved by the Board of Directors and have been reviewed by the CPAs of Ernst & Young, Huang, Yu-Ting and Huang, Tzu- Ping, who have issued the independent auditors’ report. The Company’s Business Report and Financial Statements for 2025 had been reviewed by the Company’s Audit Committee and proposed for recognition. Please refer to Attachment I-III (P.5-27) for the aforementioned documents.

Resolution:

Report No. 2: Adoption of the 2025 Deficit Compensation

Proposed by the board

Explanation:

(1) According to Article 29-1 of the Company's Articles of Incorporation, if there are net profits after tax in the annual final accounts, accumulated losses shall be offset first, and 10% of the profits shall be set aside as legal reserve according to the law. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. The appropriation or reversal of special reserves shall be in line with the laws or competent authorities. The retained earnings, together with the undistributed earnings at the beginning of the period, shall be proposed by the Board of Directors to formulate a profit distribution plan and submit it to the shareholders' meeting for resolution to distribute dividends to shareholders.

(2) At the beginning of the period, the Company’s accumulated deficit amounted to NT$77,842,964. For the period, net income after tax was NT$37,282,280, and remeasurement gains under the defined benefit plan amounted to NT$443,274. Accordingly, the accumulated deficit at the end of the period was NT$40,117,410.

(3) Please refer to Attachment IV (P.28) for 2025 Deficit Compensation Statements.

Resolution:

Discussions:

Report No. 1: Amendment to certain articles of the Company's "Procedures for Acquisition or Disposal of Assets."

Proposed by the Board

Explanation:

To align with operational requirements, the Company proposes to amend its Procedures for Acquisition or Disposal of Assets. Please proceed to discuss. For the comparison table, please refer to Attachment V (P.29-39).

Resolution

Report No. 2: Amendments to certain articles of the Company's "Rules for Election of Directors."

Proposed by the Board

Explanation:

To align with operational requirements, the Company proposes to amend its Rules for Election of Directors. Please proceed to discuss. For the comparison table, please refer to Attachment VI (P.40).

Resolution

Elections:

Report No. 1: Election of 7 Directors (including 3 Independent Directors) of the Company.

Proposed by the Board

Explanation:

(1) The Company proposes to elect 7 Directors, including 3 Independent Directors, through the candidate nomination system. The list of director (including independent director) candidates, along with their educational background, professional experience, and other relevant information, has been approved by the Board of Directors. Please refer to Attachment VII (P. 41) for details.

(2) The newly elected Directors (including the three Independent Directors) will assume office immediately after the election at this Shareholders' Meeting, and their term of office will run from 22 May 2026 to 21 May 2029.

Election results

Other Matters:

Report No. 1: Proposal to lift the non-competition restrictions on the newly elected Directors of the Company.

Proposed by the Board

Explanation:

In accordance with Article 209 of the Company Act, "If a Director engages in conduct either for oneself or on behalf of another within the scope of the Company's business, the Director shall explain the essential aspects of such conduct to the Shareholders' Meeting and obtain its approval." Therefore, approval is hereby requested to lift the non-competition restrictions for the newly elected Directors. The details are as follows:

Title	Name	Concurrent Position(s) Held in Other Companies
Director	Ou, Cheng Hung	Chairman, Light Wedding Co., Ltd.
Director	Ou, Yang-Wei	Director, Light Wedding Co., Ltd.

Resolution

Questions and Motions

Adjournment

Business Report

Attachment I

I. 2025 Business Report

(1) The Outcome of Business Plan Implementation

NT$ (in thousands)

Item \ Year	2025	2024	Increase (decrease) amount
Operating revenue, net	1,587,911	1,696,776	(108,865)
Operating cost	808,032	830,863	(22,831)
Gross profit	779,879	865,913	(86,034)
Operating expense	712,095	717,802	(5,707)
Operating income	67,784	148,111	(80,327)
Non-operating income and expense	(11,575)	17,647	(29,222)
Net income before tax	56,209	165,758	(109,549)
Tax expense	11,364	141,288	(129,924)
Net profit for the period	44,845	24,470	20,375
Net income attributable to owners of parent	37,282	8,273	29,009
Net income attributable to non-controlling interests	7,563	16,197	(8,634)

The Company's consolidated revenue for 2025 amounted to NT$1,587,911 thousand, representing a 6.42% decrease compared with the previous year. Net income after tax was NT$37,282 thousand, and earnings per share were NT$0.55.

The Company operates in the food and beverage service industry, with the end consumer being our target market for transactions. The business cycle of the Company's operations, from procurement and production to sales, is fast-paced and research and development is integrated into our operational activities, making it difficult to separate the two. As the Company did not disclose its financial forecasts for 2025, there is no need to disclose the budget execution status.

(2) Financial Analysis

Item		2025		2024	
		Parent Only	Consolidated	Parent Only	Consolidated
Financial Structure (%)	Debt to Assets Ratio	54.86	60.23	57.28	63.01
	Long-Term Capital to Property, Plant and Equipment Ratio	212.09	178.11	208.15	172.16
Solvency (%)	Current Ratio	85.99	90.24	86.21	89.85
	Quick Ratio	63.03	69.23	62.86	68.84

The Company's financial operations are conservative and robust. All financial institutions with which the Company engages have outstanding reputations.

II. Business Plan Summary for 2026

The Company's operational strategy for 2026 will focus on steady transformation, continuing the two objectives established during the 2025 investors' conference, namely maintaining stable brand operations and achieving sustained revenue growth. The Group recognizes the structural impact that declining birth rates have imposed on the traditional wedding banquet market, and will shift its expansion focus toward refined dining chain brands as a means to diversify operational risks. In pursuing brand diversification, the Group will strengthen its presence in key commercial districts by expanding its restaurant portfolio, including brands such as "Le Goût Teppanyaki," while advancing the new brand development plans announced in 2025. In addition, in response to the market trend toward smaller and more customized wedding banquets, the Group will emphasize enhancements in customized services and product differentiation. Through the introduction of new product offerings and service packages, particularly those tailored for outdoor events, small scale banquets, and highly customized arrangements, the Group aims to enhance service value and reinforce its overall market competitiveness.

The Company's food and beverage offerings are diverse and varied, making it challenging to list specific main items. Therefore, there are no clear quantifiable standards for calculating sales quantities.

III. The Effect of External Competition, the Legal Environment, and the Overall Business Environment.

The Group’s operations in 2026 will be influenced by multiple external factors. In terms of market competition, the food and beverage industry is experiencing a growing demand for refined dining, which aligns with the development direction of the Group’s premium dining brands but also indicates a more competitive environment. The wedding banquet business is facing pressure from structural changes in the market as well as intensified competition within the industry. Declining birth rates have resulted in a continued decrease in the number of banquet tables, and the Group must rely on a diversified brand portfolio to maintain a balanced revenue structure. At the same time, competitors such as tourist hotels are actively promoting one stop wedding packages and a range of promotional offers for 2026, which in turn has intensified competition for market share.

Chairman: Wang, Yu-Yun Manager: Ou, Ming Hsiung Accounting Manager: Chen, Ming- Huei

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2025 Business Report, Financial Statements, and proposal for distribution of profit. The CPA firm of Ernst & Young, represented by CPA Huang, Yu-ting and Huang, Tzu-Ping, was retained to audit the Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and proposal for distribution of profit have been reviewed and determined to be correct and accurate by the Audit Committee members. According to relevant requirements of Article 14.4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Sincerely,
New Palace International Co., Ltd.

2026 Annual Shareholders' Meeting

Chairman of the Audit Committee: Hsiao, Teng-Yao

10 February 2026

Independent Auditors' Report

To New Palace International Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of New Palace International Co., Ltd. (the "Company") and its subsidiary as of 31 December 2025 and 2024 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2025 and 2024, and notes to the consolidated financial statements, including the summary of material accounting policies (together "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiary as of 31 December 2025 and 2024, and their consolidated financial performance and cash flows for the years ended 31 December 2025 and 2024, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

For the year ended December 31, 2025, the Group recognized operating revenue in the amount of NT$1,587,911 thousand, which was material to the consolidated financial statements due to the large number of transactions and sales amount. Therefore, we determined the revenue recognition as a key audit matter.

The audit procedures we performed included but not limited to: understanding and testing the effectiveness of internal controls relating to revenue recognition in the sales cycle; selecting samples to perform test of details of transactions and review the revenue recognition requirements of orders against relevant certificates to confirm that performance obligations are met; performing cut-off tests and checking samples of client bills and invoices to verify whether they were consistent with the accounting books to determine the appropriate point in time for revenue recognition.

We also assessed the adequacy of the disclosure related to revenue in Notes 4 and 6 to the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiary.

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 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 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 internal control of the Company and its subsidiary.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiary. 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 Company and its subsidiary to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiary 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 2025 consolidated financial statements 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.

Other

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended December 31, 2025 and 2024.

Huang, Yu-Ting

Huang, Tzu-Ping

Ernst & Young, Taiwan
10 February 2026

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures, and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.
Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

New Palace International Co., Ltd.
CONSOLIDATED BALANCE SHEETS
31 December 2025 and 31 December 2024
(Expressed in Thousands of New Taiwan Dollars)

		As of	
Assets	Notes	31 Dec 2025	31 Dec 2024
Current assets			
Cash and cash equivalents	4, 6(1)	$264,348	$305,708
Financial assets at fair value through profit or loss, current	4, 6(2), 13	44,839	1,964
Notes receivable, net	4, 6(12)	155	140
Accounts receivable, net	4, 6(4), 6(12)	51,519	60,156
Other receiviables	4	581	2,160
Current tax assets	4	880	3
Inventories	4, 6(5)	102,301	107,476
Other current assets		7,644	5,475
Total current assets		472,267	483,082
Non-current assets			
Financial assets measured at amortized cost, non-current	4, 6(3), 13	6,377	6,655
Property, plant and equipment	4, 6(6), 8	917,464	987,265
Right-of-use assets	4, 6(13)	674,578	668,215
Goodwill	4	2,145	2,145
Deferred tax assets	4, 6(17)	7,571	6,226
Refundable deposits		22,056	18,567
Net defined benefit assets	4, 6(9)	17,454	15,728
Other non-current assets	8	37,556	49,464
Total non-current assets		1,685,201	1,754,265
Total assets		$2,157,468	$2,237,347

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

(continued)

New Palace International Co., Ltd.
CONSOLIDATED BALANCE SHEETS
31 December 2025 and 31 December 2024
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of 31 Dec 2025	As of 31 Dec 2024
Current liabilities			
Contract liabilities, current	4, 6(11)	$139,213	$150,800
Accounts payable		126,588	124,572
Other payables	6(7)	143,577	138,281
Current tax liabilities		1,085	20,657
Provisions, current		9,000	-
Lease liabilities, current	4, 6(13)	59,095	51,462
Current portion of long-term loans	4, 6(8)	39,801	47,859
Other current liabilities		5,000	4,007
Total current liabilities		523,359	537,638
Non-current liabilities			
Long-term loans	4, 6(8)	116,118	216,390
Provisions, non-current	4	37,904	44,236
Deferred tax liabilities	4, 6(17)	3,278	3,146
Lease liabilities, non-current	4, 6(13)	618,677	608,515
Guarantee deposits		8	8
Total non-current liabilities		775,985	872,295
Total liabilities		1,299,344	1,409,933
Equity attributable to shareholder of the parent	4, 6(10)		
Capital			
Common stock		674,910	674,910
Capital surplus		127,463	127,463
Retained earnings			
Accumulated deficits		(40,118)	(77,843)
Equity attributable to shareholder of the parent		762,255	724,530
Non-controlling interests		95,869	102,884
Total equity		858,124	827,414
Total liabilities and equity		$2,157,468	$2,237,347

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

New Palace International Co., Ltd.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended 31 December 2025 and 2024

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

	Notes	For the Years Ended 31 December 2025	2024
Operating revenues	4, 6(11), 7	$1,587,911	$1,696,776
Operating costs	6(5), 6(14)	(808,032)	(830,863)
Gross profit		779,879	865,913
Operating expenses	6(9), 6(14), 7		
Sales and marketing expenses		(625,403)	(631,719)
General and administrative expenses		(86,888)	(86,083)
Reversal of expected credit gains	6(12)	196	-
Total operating expenses		(712,095)	(717,802)
Operating income		67,784	148,111
Non-operating income and expenses	4, 6(15)		
Interest income		3,555	2,014
Other income	7	3,096	28,143
Other gains and losses		(560)	2,169
Financial costs		(16,211)	(14,679)
Expected credit losses	6(12)	(1,455)	-
Total non-operating income and expenses		(11,575)	17,647
Income from continuing operations before income tax		56,209	165,758
Income tax expense	4, 5, 6(17)	(11,364)	(141,288)
Income from continuing operations, net of tax		44,845	24,470
Other comprehensive income (loss)	4, 6(16)		
Items that may not to be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		554	13,480
Income tax related to items that may not to be reclassified subsequently to profit or loss		(111)	(2,696)
Total other comprehensive income, net of tax		443	10,784
Total comprehensive income		$45,288	$35,254
Net income attributable to:			
Stockholders of the parent		$37,282	$8,273
Non-controlling interests		7,563	16,197
		$44,845	$24,470
Comprehensive income attributable to:			
Stockholder of the parent		$37,725	$19,057
Non-controlling interests		7,563	16,197
		$45,288	$35,254
Earnings per share (NTD)	6(18)		
Earnings per share-basic		$0.55	$0.12
Earnings per share-diluted		$0.55	$0.12

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

New Palace International Co., Ltd.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	Equity Attributable to shareholder of the parent				Non-Controlling Interests	Total Equity
		Capital	Capital Surplus	Accumulated deficits	Total		
Balance as of 1 January 2024	6(10)	$674,910	$127,463	$(96,900)	$705,473	$95,391	$800,864
Net income in 2024				8,273	8,273	16,197	24,470
Other comprehensive income, net of tax in 2024				10,784	10,784	-	10,784
Total comprehensive income		-	-	19,057	19,057	16,197	35,254
Distribution of cash dividends to non-controlling interests						(8,704)	(8,704)
Balance as of 31 December 2024	6(10)	$674,910	$127,463	($77,843)	$724,530	$102,884	$827,414
Balance as of 1 January 2025	6(10)	$674,910	$127,463	$(77,843)	$724,530	$102,884	$827,414
Net income in 2025				37,282	37,282	7,563	44,845
Other comprehensive income, net of tax in 2025				443	443	-	443
Total comprehensive income		-	-	37,725	37,725	7,563	45,288
Distribution of cash dividends to non-controlling interests						(14,578)	(14,578)
Balance as of 31 December 2025	6(10)	$674,910	$127,463	$(40,118)	$762,255	$95,869	$858,124

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

New Palace International Co., Ltd.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended 31 December 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	For the Years Ended 31 December	
	2025	2024
Cash flows from operating activities:		
Net income before tax	$56,209	$165,758
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Depreciation	191,682	201,279
Amortization	22,390	18,594
Expected credit losses	1,259	-
Net gains of financial assets at fair value through profit or loss	(25)	(16)
Interest expense	16,211	14,679
Interest income	(3,555)	(2,014)
Loss on disposal of property, plant and equipment	-	27
Loss on decline in value and obsolescence of inventories	540	281
Unrealized foreign exchange losses on financial assets measured at amortized cost	278	-
Changes in operating assets and liabilities:		
(Increase) decrease in notes receivable	(15)	400
Decrease in accounts receivable	8,833	7,905
Decrease (increase) in other receivables	120	(1,283)
Decrease in inventories	4,635	10,303
(Increase) decrease in other current assets	(2,169)	3,620
Increase in other non-current assets	(10,482)	(21,742)
Decrease in contract liabilities	(11,587)	(25,689)
Increase in accounts payable	2,016	2,820
Increase (decrease) in other payables	6,170	(895)
Increase in other current liabilities	993	266
Decrease in defined benefit obligation	(1,172)	(941)
Cash generatied from operations	282,331	373,352
Interest received	3,559	1,846
Interest paid	(15,445)	(14,024)
Income tax paid	(33,137)	(10,027)
Net cash generated by operating activities	237,308	351,147
Cash flows from investing activities:		
Acquisition of financial assets measured at amortized cost	-	(6,655)
Acquisition of financial assets at fair value through profit or loss	(47,000)	(2,012)
Disposal of financial assets at fair value through profit or loss	4,150	2,058
Acquisition of property, plant and equipment	(57,466)	(122,737)
Disposal of property, plant and equipment	-	301
Increase in refundable deposits	(3,489)	(908)
Net cash used in investing activities	(103,805)	(129,953)
Cash flows from financing activities:		
Increase in short-term loans	90,000	80,000
Decrease in short-term loans	(90,000)	(80,000)
Increase in short-term notes and bills payable	40,000	80,000
Decrease in short-term notes and bills payable	(40,000)	(80,000)
Increase in long-term loans	100,000	340,000
Decrease in long-term loans	(208,330)	(441,226)
Decrease in guarantee deposits	-	(100)
Repayments of the principal portion of lease liabilities	(51,955)	(52,841)
Distribution of cash dividends to non-controlling interests	(14,578)	(8,704)
Net cash used in financing activities	(174,863)	(162,871)
Net (decrease) increase in cash and cash equivalents	(41,360)	58,323
Cash and cash equivalents at the beginning of period	305,708	247,385
Cash and cash equivalents at the end of period	$264,348	$305,708

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

Independent Auditors' Report

To New Palace International Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of New Palace International Co., Ltd. (the "Company") as of 31 December 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2025 and 2024, and notes to the parent company only financial statements, including the summary of material accounting policies (together "the financial statements").

In our opinion, the accompanying parent company only financial statements referred to above present fairly, in all material respects, the financial position of the parent company as of 31 December 2025 and 2024, and its parent company only financial performance and cash flows for the years ended 31 December 2025 and 2024, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2025 the parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

For the year ended December 31, 2025, the Company recognized operating revenue in the amount of NT$1,206,732 thousand, which was material to the parent company only financial statements due to the large number of transactions and sales amount. Therefore, we determined the revenue recognition as a key audit matter.

The audit procedures we performed included but not limited to: understanding and testing the effectiveness of internal controls relating to revenue recognition in the sales cycle; selecting samples to perform test of details of transactions and review the revenue recognition requirements of orders against relevant certificates to confirm that performance obligations are met; performing cut-off tests and checking samples of client bills and invoices to verify whether they were consistent with the accounting books to determine the appropriate point in time for revenue recognition.

We also assessed the adequacy of the disclosure related to revenue in Notes 4 and 6 to the parent company only financial statements.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of the parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 the parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2025 the parent company only financial statements 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.

Huang, Yu-Ting

Huang, Tzu-Ping

Ernst & Young, Taiwan
10 February 2026

Notice to Readers

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

Accordingly, the accompanying parent company only financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

New Palace International Co., Ltd.
PARENT COMPANY ONLY BALANCE SHEETS
31 December 2025 and 31 December 2024
(Expressed in Thousands of New Taiwan Dollars)

		As of	
Assets	Notes	31 Dec 2025	31 Dec 2024
Current assets			
Cash and cash equivalents	4, 6(1)	$179,585	$213,942
Financial assets at fair value through profit or loss, current	4, 6(2), 13	44,839	1,964
Notes receivable, net	4, 6(13)	155	140
Accounts receivable, net	4, 6(4), 6(13)	31,066	32,388
Accounts receivable from related parties, net	4, 6(4), 6(13), 7	147	880
Other receivables	4	565	2,071
Current tax assets	4	-	-
Inventories	4, 6(5)	86,925	90,030
Other current assets		6,430	3,341
Total current assets		349,712	344,756
Non-current assets			
Financial assets measured at amortized cost, non-current	4, 6(3), 13	6,377	6,655
Investments accounted for using the equity method	4, 6(6)	223,694	240,061
Property, plant and equipment	4, 6(7), 8	604,348	622,735
Right-of-use assets	4, 6(14),7	428,547	408,153
Goodwill	4	2,145	2,145
Deferred tax assets	4, 6(18)	5,741	4,599
Refundable deposits		18,936	15,561
Net defined benefit assets	4, 6(10)	17,454	15,728
Other non-current assets	8	31,506	35,711
Total non-current assets		1,338,748	1,351,348
Total assets		$1,688,460	$1,696,104

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

New Palace International Co., Ltd.
PARENT COMPANY ONLY BALANCE SHEETS
31 December 2025 and 31 December 2024
(Expressed in Thousands of New Taiwan Dollars)

		As of	
Liabilities and Equity	Notes	31 Dec 2025	31 Dec 2024
Current liabilities			
Contract liabilities, current	4, 6(12)	$95,078	$109,398
Accounts payable		99,349	93,513
Other payables	6(8), 7	112,484	98,778
Current tax liabilities	4	1,085	9,419
Provisions, current		9,000	-
Lease liabilities, current	4, 6(14), 7	46,819	39,937
Current portion of long-term loans	4, 6(9)	39,801	46,400
Other current liabilities		3,080	2,433
Total current liabilities		406,696	399,878
Non-current liabilities			
Long-term loans	4, 6(9)	116,118	182,849
Provisions, non-current	4	17,638	24,387
Deferred tax liabilities	4, 6(18)	3,278	3,146
Lease liabilities, non-current	4, 6(14), 7	382,467	361,306
Guarantee deposits		8	8
Total non-current liabilities		519,509	571,696
Total liabilities		926,205	971,574
Equity attributable to shareholder of the parent	4, 6(11)		
Capital			
Common stock		674,910	674,910
Capital surplus		127,463	127,463
Retained earnings			
Accumulated deficits		(40,118)	(77,843)
Total equity		762,255	724,530
Total liabilities and equity		$1,688,460	$1,696,104

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

New Palace International Co., Ltd.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended 31 December 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

		For the Years Ended 31 December	
	Notes	2025	2024
Operating revenues	4, 6(12), 7	$1,206,732	$1,234,762
Operating costs	6(5), 6(15), 7	(651,784)	(654,947)
Gross profit		554,948	579,815
Operating expenses	6(10), 6(15), 7		
Sales and marketing expenses		(452,018)	(431,021)
General and administrative expenses		(75,725)	(75,082)
Reversal of expected credit gains	6(13)	196	-
Total operating expenses		(527,547)	(506,103)
Operating income		27,401	73,712
Non-operating income and expenses			
Interest income	4, 6(16)	2,659	1,722
Other income	4, 6(16), 7	7,862	29,635
Other gains and losses	4, 6(16)	(253)	2,531
Share of profit of subsidiaries, associates, and joint ventures	4, 6(6)	17,646	37,793
Financial costs	4, 6(16)	(11,596)	(9,235)
Expected credit losses	6(13)	(1,455)	-
Total non-operating income and expenses		14,863	62,446
Income from continuing operations before income tax		42,264	136,158
Income tax expense	4, 5, 6(18)	(4,982)	(127,885)
Income from continuing operations, net of tax		37,282	8,273
Other comprehensive income (loss)	4, 6(17)		
Items that may not to be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		554	13,480
Income tax related to items that may not to be reclassified subsequently to profit or loss		(111)	(2,696)
Total other comprehensive income, net of tax		443	10,784
Total comprehensive income		$37,725	$19,057
Earnings per share (NTD)	6(19)		
Earnings per share-basic		$0.55	$0.12
Earnings per share-diluted		$0.55	$0.12

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

New Palace International Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	Capital	Capital Surplus	Accumulated deficits	Total Equity
Balance as of 1 January 2024	6(11)	$674,910	$127,463	$(96,900)	$705,473
Net income in 2024				8,273	8,273
Other comprehensive income, net of tax in 2024				10,784	10,784
Total comprehensive income		-	-	19,057	19,057
Balance as of 31 December 2024	6(11)	$674,910	$127,463	$(77,843)	$724,530
Balance as of 1 January 2025	6(11)	$674,910	$127,463	$(77,843)	$724,530
Net income in 2025				37,282	37,282
Other comprehensive income, net of tax in 2025				443	443
Total comprehensive income		-	-	37,725	37,725
Balance as of 31 December 2025	6(11)	$674,910	$127,463	$(40,118)	$762,255

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

New Palace International Co., Ltd.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the Years Ended 31 December 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	For the Years Ended 31 December	
	2025	2024
Cash flows from operating activities:		
Net income before tax	$42,264	$136,158
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Depreciation	119,763	118,730
Amortization	12,741	9,835
Expected credit losses	1,259	-
Net gains of financial assets at fair value through profit or loss	(25)	(16)
Interest expense	11,596	9,235
Interest income	(2,659)	(1,722)
Share of profit of subsidiaries,associates,and joint ventures	(17,646)	(37,793)
Loss on decline in value and obsolescence of inventories	380	281
Unrealized foreign exchange losses on financial assets measured at amortized cost	278	-
Changes in operating assets and liabilities:		
(Increase) decrease in notes receivable	(15)	400
Decrease in accounts receivable	2,251	5,097
Decrease (increase) in other receivables	45	(1,174)
Decrease in inventories	2,725	14,997
(Increase) decrease in other current assets	(3,089)	4,291
Increase in other non-current assets	(8,536)	(17,596)
Decrease in contract liabilities	(14,320)	(5,106)
Increase (decrease) in accounts payable	5,836	(620)
Increase (decrease) in other payables	13,012	(5,444)
Increase (decrease) in other current liabilities	647	(669)
Decrease in defined benefit obligation	(1,172)	(941)
Decrease in guarantee deposits	-	(100)
Cash generated from operations	165,335	227,843
Interest received	2,665	1,566
Interest paid	(11,242)	(8,907)
Income tax paid	(14,437)	101
Net cash generated by operating activities	142,321	220,603

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

(Continued)

New Palace International Co., Ltd.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the Years Ended 31 December 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	For the Years Ended 31 December	
	2025	2024
(Continued)		
Cash flows from investing activities:		
Acquisition of financial assets measured at amortised cost	-	(6,655)
Acquisition of financial assets at fair value through profit or loss	(47,000)	(2,012)
Disposal of financial assets at fair value through profit or loss	4,150	2,058
Acquisition of property, plant and equipment	(50,761)	(115,627)
Increase in refundable deposits	(3,375)	(884)
Receive dividends from subsidiary	34,013	20,310
Net cash used in investing activities	(62,973)	(102,810)
Cash flows from financing activities:		
Increase in short-term loans	90,000	80,000
Decrease in short-term loans	(90,000)	(80,000)
Increase in short-term notes and bills payable	40,000	80,000
Decrease in short-term notes and bills payable	(40,000)	(80,000)
Increase in long-term loans	100,000	300,000
Decrease in long-term loans	(173,330)	(362,788)
Repayments of the principal portion of lease liabilities	(40,375)	(41,644)
Net cash used in financing activities	(113,705)	(104,432)
Net (decrease) increase in cash and cash equivalents	(34,357)	13,361
Cash and cash equivalents at the beginning of period	213,942	200,581
Cash and cash equivalents at the end of period	$179,585	$213,942

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

Attachment IV

New Palace International Co., LTD.
2025 Deficit Compensation Statements

Unit: NT$

Accumulated deficit – at the beginning of 2025	(77,842,964)
Net income after tax	37,282,280
The net income after tax, plus items other than the net income after tax included in the undistributed earnings for the year	(40,560,684)
Recognize the remeasurements of defined benefit plans in retained earnings	443,274
Accumulated deficit – at the end of 2025	(40,117,410)

Comparison Table of Amendments to the Procedures for Acquisition or Disposal of Assets

After Amendment	Before Amendment	Explanation
Article 4: Limits on Investments in Non-operating Real Property, Right-of-use Assets, and Marketable Securities The limits for the acquisition of the above assets by the Company and each of its subsidiaries are set as follows: 1. The total amount of non-operating real property or right-of-use assets may not exceed 100 percent of net worth. 2. The total amount of investments in marketable securities may not exceed 100 percent of net worth. However, for investments in marketable securities related to restaurant operations and industry holding businesses, the total amount may not exceed 200 percent of paid-in capital. 3. The amount invested in any individual marketable security may not exceed 50 percent of net worth. However, for investments in marketable securities related to restaurant operations and industry holding businesses, the amount may not exceed 100 percent of paid-in capital.	Article 4: Limits on Investments in Non-operating Real Property, Right-of-use Assets, and Marketable Securities The limits for the acquisition of the above assets by the Company and each of its subsidiaries are set as follows: 1. The total amount of non-operating real property or right-of-use assets may not exceed 30 percent of net worth. 2. The total amount of investments in marketable securities may not exceed 20 percent of net worth. However, for investments in marketable securities related to restaurant operations and industry holding businesses, the total amount may not exceed 200 percent of paid-in capital. 3. The amount invested in any individual marketable security may not exceed 10 percent of net worth. However, for investments in marketable securities related to restaurant operations and industry holding businesses, the amount may not exceed 100 percent of paid-in capital.	This amendment is made to adjust the limits under this Article in order to meet the operational needs of the Company.

After Amendment	Before Amendment	Explanation
Article 6: Implementation and Amendment These Procedures shall be implemented after approval by the Audit Committee, they shall be submitted to the Board of Directors for approval and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting. When transactions involving the acquisition or disposal of assets are submitted to the Board of Directors for discussion in accordance with these Procedures, full consideration shall be given to the opinions of each independent director. If any independent director expresses an objection or reservation, such opinion shall be recorded in the minutes of the Board of Directors meeting. The terms "all audit committee members" in these Procedures and "all directors" shall be counted as the actual number of persons currently holding those positions.	Article 6: Implementation and Amendment These Procedures shall be implemented after approval by the Board of Directors, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor. Where the Company has appointed independent directors, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting. Where the Company has established an audit committee in accordance with the provisions of applicable laws, when the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the Board of Directors for a resolution. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting.	As the Company has established an audit committee in accordance with applicable laws, the relevant wording has been adjusted accordingly.

After Amendment	Before Amendment	Explanation
	The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.	
Article 7: Procedures for Resolutions on the Acquisition or Disposal of Assets The operational procedures related to the acquisition or disposal of assets shall, in addition to being handled in accordance with these Procedures, also comply with the relevant provisions of the Company's internal control system. Where the acquisition or disposal of assets is required under these Procedures or other applicable laws to be approved by the Board of Directors, shall be approved by one half or more of all audit committee members and shall be submitted to the Board of Directors for a resolution. Article 6 paragraphs 2 and 4 shall apply mutatis mutandis.	Article 7: Procedures for Resolutions on the Acquisition or Disposal of Assets The operational procedures related to the acquisition or disposal of assets shall, in addition to being handled in accordance with these Procedures, also comply with the relevant provisions of the Company's internal control system. Where the acquisition or disposal of assets is required under these Procedures or other applicable laws to be approved by the Board of Directors, and any director expresses dissent which is recorded or stated in writing, the Company shall submit the director's dissenting opinion to each supervisor. Where the Company has appointed independent directors, the Board of Directors shall give full consideration to the opinions of each independent director when transactions involving the acquisition or disposal of assets are submitted for discussion in accordance with the preceding paragraph. Any objection or reservation expressed by an independent director shall be recorded in the minutes of the Board of Directors meeting. Where the Company has established an audit committee in accordance	As the Company has established an audit committee in accordance with applicable laws, the relevant wording has been adjusted accordingly.

After Amendment	Before Amendment	Explanation
	with applicable laws, any major transaction involving assets or derivatives shall be approved by one half or more of all audit committee members and shall be submitted to the Board of Directors for a resolution. Article 6 paragraphs 4 and 5 shall apply mutatis mutandis.	
Article 8: Operational Procedures for Acquisition and Disposal of Real Property, Rights-of-Use Assets, and Other Fixed Assets 1. Operational Procedures The acquisition or disposal of real property, right-of-use assets, and other fixed assets by the Company shall be handled in accordance with the Company's "Regulations for Hierarchical Responsibility". After the assets are acquired, they shall be registered, managed, and used in accordance with the Company's Fixed Asset Management Regulations. 2. Appraisal Procedures (1) Acquisition or disposal of real property or right-of-use assets shall consider publicly announced current values, appraised values, and actual transaction prices of nearby properties shall be taken into consideration when determining the transaction terms and transaction price. An analysis report shall be prepared and submitted for approval level by level. (2) For the acquisition or disposal of equipment or right-of-use assets, one of the following methods -	Article 8: Operational Procedures for Acquisition and Disposal of Real Property, Rights-of-Use Assets, and Other Fixed Assets 1. Appraisal Procedures and Operational Procedures The acquisition or disposal of real property, equipment, or right-of-use assets by the Company shall be handled in accordance with the Company's Fixed Asset Management Regulations. 2. Procedures for Determining Transaction Terms and Authorization Limits (1) Acquisition or disposal of real property or right-of-use assets shall consider publicly announced current values, appraised values, and actual transaction prices of nearby properties shall be taken into consideration when determining the transaction terms and transaction price. An analysis report shall be prepared. For transactions with an amount of NT$100 million or less, approval shall be obtained level by level in accordance with the Company's Regulations for Hierarchical Responsibility, and the matter shall be reported to the next meeting of the Board of Directors;	As the Company has established an audit committee in accordance with applicable laws, the relevant wording has been adjusted accordingly.

After Amendment	Before Amendment	Explanation
inquiry, comparison, negotiation, or bidding - should be chosen. 3. <u>Authorization Levels</u> When the Company acquires or disposes of real property, equipment, or right-of-use assets, the matter shall be executed by <u>the responsible user department and the responsible authority</u> in the case of equipment or right-of-use assets. For transactions with an amount of NT$100 million or less, <u>the responsible authority is authorized to approve the matter</u>. For transactions with an amount exceeding NT$100 million, <u>the matter shall be approved by the audit committee and</u> subsequently submitted to the Board of Directors for approval before proceeding. 4. Appraisal Report (Omitted)	<u>for transactions with an amount exceeding NT$100 million, approval by the Board of Directors shall be obtained before proceeding.</u> (2) For the acquisition or disposal of equipment or right-of-use assets, one of the following methods - inquiry, comparison, negotiation, or bidding - should be chosen. <u>For transactions with an amount of NT$100 million or less, approval shall be obtained level by level in accordance with the Company's Regulations for Hierarchical Responsibility; for transactions with an amount exceeding NT$100 million, approval shall first be obtained from the Chairman, and the matter shall then be submitted to the Board of Directors for approval before proceeding.</u> 3. <u>Implementation Units</u> When the Company acquires or disposes of real property, equipment, or right-of-use assets, the matter shall, <u>after obtaining approval in accordance with the authorization levels described in the preceding paragraph</u>, be executed by the <u>Office of the President or the Administration Department in the case of real property or right-of-use assets, and by the user department or the Administration Department</u> in the case of equipment or right-of-use assets. 4. Appraisal Report (Omitted)	
Article 9: Procedures for the Acquisition or Disposal of Marketable Securities 1. Appraisal Procedures and Operational Procedures	Article 9: Procedures for the Acquisition or Disposal of Marketable Securities 1. Appraisal Procedures and Operational Procedures	As the Company has established an audit committee in accordance with applicable laws, the relevant wording has been adjusted

After Amendment	Before Amendment	Explanation
The acquisition or disposal of marketable securities by the Company shall be handled in accordance with the Company's "Regulations Governing Securities Trading on the Taipei Exchange." 2. Transaction Terms and Execution Procedures (1) Except for transactions involving the purchase or sale of domestic government bonds, bonds under repurchase or resale agreements, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company shall obtain the most recent financial statements of the target company, certified or reviewed by a certified public accountant, prior to the date of occurrence of the transaction as a reference for evaluating the transaction price. (2) The acquisition or disposal of marketable securities shall be determined by the responsible unit based on market conditions and with consideration of factors such as net asset value per share, profitability, and future development potential. After submitting the analysis report for approval level by level in accordance with the authorization levels described in the preceding subparagraph and completing execution, the responsible unit shall transfer the matter to the Finance and Accounting Department for management and subsequent valuation. 3. Authorization Levels Where the transaction amount for the acquisition or disposal of	The acquisition or disposal of marketable securities by the Company shall be handled in accordance with the Company's "Regulations Governing Securities Trading on the Taipei Exchange." 2. Procedures for Determining Transaction Terms and Authorization Limits (1) Except for transactions involving the purchase or sale of domestic government bonds, bonds under repurchase or resale agreements, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company shall obtain the most recent financial statements of the target company, certified or reviewed by a certified public accountant, prior to the date of occurrence of the transaction as a reference for evaluating the transaction price. (2) The acquisition or disposal of marketable securities shall be determined by the responsible unit based on market conditions and with consideration of factors such as net asset value per share, profitability, and future development potential. For transactions with an amount up to New Taiwan Dollars 10 million inclusive, approval shall be obtained from the General Manager. For transactions exceeding New Taiwan Dollars 10 million but not exceeding New Taiwan Dollars 100 million inclusive, approval shall be obtained from the Chairman. Both categories of transactions shall be submitted to the next meeting of the Board of Directors for reporting, together with an analysis report on unrealized	accordingly.

After Amendment	Before Amendment	Explanation
marketable securities is New Taiwan Dollars 10 million inclusive, approval shall be obtained from the General Manager. For transactions exceeding New Taiwan Dollars 10 million but not exceeding New Taiwan Dollars 100 million inclusive, approval shall be obtained from the Chairman. prior to execution. 4. Obtaining Expert Opinions (Omitted)	gains or losses for long-term and short-term marketable securities. For transactions exceeding New Taiwan Dollars 100 million, approval shall be obtained from the Board of Directors prior to execution. 3. Implementation Units After obtaining approval in accordance with the preceding paragraph, the acquisition or disposal of marketable securities shall be executed by the Finance and Accounting Department. 4. Obtaining Expert Opinions (Omitted)	
Article 10: Procedures for the Acquisition or Disposal of Intangible Assets, Right-of-use Assets, or Membership Rights 1. Appraisal Procedures and Operational Procedures When the Company acquires or disposes of intangible assets, right-of-use assets, or membership rights, the user unit shall conduct a feasibility assessment. Where necessary, experts may be engaged to provide a valuation report. An analysis report shall then be prepared, and the acquisition or disposal may proceed only after completing the required approval procedures. 2. Transaction Terms and Authorization Levels (1) For the acquisition or disposal of intangible assets, right-of-use assets, or membership rights, expert valuation reports or fair market prices shall be used as reference in	Article 10: Procedures for the Acquisition or Disposal of Intangible Assets, Right-of-use Assets, or Membership Rights 1. Appraisal Procedures and Operational Procedures When the Company acquires or disposes of intangible assets, right-of-use assets, or membership rights, an evaluation team shall be established by the implementation units to conduct a feasibility assessment. Where necessary, experts may be engaged to provide a valuation report. An analysis report shall then be prepared, and the acquisition or disposal may proceed only after completing the required approval procedures. 2. Procedures for Determining Transaction Terms and Authorization Limits (1) For the acquisition or disposal of membership rights, expert valuation reports or fair market prices shall be	As the Company has established an audit committee in accordance with applicable laws, the relevant wording has been adjusted accordingly.

After Amendment	Before Amendment	Explanation
determining the transaction terms and transaction price. An analysis report shall be prepared and submitted to <u>level by level for approval</u>. (2) For the acquisition or disposal of intangible assets, right-of-use assets, <u>or membership rights</u>, where the transaction amount is <u>NT$10 million or less, approval shall be obtained from the General Manager. Where the transaction amount exceeds NT$10 million but does not exceed NT$100 million, approval shall be obtained from the Chairman. Where the transaction amount exceeds NT$100 million, approval shall be obtained from the Board of Directors before proceeding.</u> 3. Implementation Units When the Company acquires or disposes of intangible assets, right-of-use assets, or membership rights, <u>the responsible unit shall coordinate with the administrative unit</u>. The matter shall be executed <u>after approval has been obtained in accordance with the authorization levels</u> described in the preceding paragraph. 4. Obtaining Expert Opinions (Omitted)	used as reference in determining the transaction terms and transaction price. An analysis report shall be prepared and submitted to the <u>General Manager</u>. <u>For transactions with an amount up to 1 percent of paid-in capital or NT$3 million inclusive, approval shall be obtained from the General Manager and the transaction shall be reported to the next Board of Directors meeting. For transactions exceeding NT$3 million, approval by the Board of Directors shall be obtained before proceeding.</u> (2) For the acquisition or disposal of intangible assets or right-of-use assets, the transaction terms and transaction price shall be determined with reference to an expert valuation report or fair market prices. An analysis report shall be prepared and submitted to the <u>Chairman</u>. For transactions with an amount up to <u>10 percent of paid-in capital or NT$20 million inclusive, approval shall be obtained from the Chairman and the transaction shall be reported to the next Board of Directors meeting. For transactions exceeding NT$20 million, approval by the Board of Directors shall be obtained before proceeding</u>. 3. Implementation Units After obtaining approval in accordance with the preceding paragraph, the acquisition or disposal of intangible assets, right-of-use assets, or membership rights shall be executed by the user department and the Finance and Accounting Department.	

After Amendment	Before Amendment	Explanation
	4. Obtaining Expert Opinions (Omitted)	
Article 12: Procedures for Transactions with Related Parties 1. Calculation of Transaction Amounts and General Principles (Omitted) 2. Appraisal Procedures and Operational Procedures For the Company’s acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been <u>submitted to the audit committee for approval and then to the Board of Directors for approvals</u>: (1)-(7) (Omitted) (8) The calculation of the transaction amounts referred to in the preceding and in subparagraph (12) shall be made in accordance with Article 15, paragraph 2 herein, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current	Article 12: Procedures for Transactions with Related Parties 1. Calculation of Transaction Amounts and General Principles (Omitted) 2. Appraisal Procedures and Operational Procedures For the Company’s acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been <u>approved by the Board of Directors and recognized by the supervisors</u>: (1)-(7) (Omitted) (8) The calculation of the transaction amounts referred to in the preceding and in subparagraph (12) shall be made in accordance with Article 15, paragraph 2 herein, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been	As the Company has established an audit committee in accordance with applicable laws, the relevant wording has been adjusted accordingly.

After Amendment	Before Amendment	Explanation
transaction. Items that have been approved by the shareholders meeting or Board of Directors need not be counted toward the transaction amount. (9) (Omitted) (10) The Company shall obtain the approval of one half or more of all audit committee members in accordance with applicable laws, and shall then submit the matter to the Board of Directors for a resolution. Article 6 paragraph <u>2</u> and paragraph <u>4</u> shall apply mutatis mutandis. (11) When the Company submits transactions involving the acquisition or disposal of assets to the Board of Directors for discussion in accordance with these Procedures, full consideration shall be given to the opinions of each independent director. If any independent director expresses an objection or reservation, such opinion shall be recorded in the minutes of the Board of Directors meeting. (12) (Omitted) 3. Evaluation of the Reasonableness of Transaction Costs (1)-(4) (Omitted) (5) Where Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted under subparagraphs (1) and (2) are uniformly lower than the transaction	approved by the shareholders meeting or Board of Directors <u>and recognized by the supervisors</u> need not be counted toward the transaction amount. (9) (Omitted) (10) Where the Company <u>has appointed independent directors</u>, when a matter is submitted for discussion by the Board of Directors, the Board of Directors shall take into full consideration. (11) Where the Company <u>has established an audit committee in accordance with applicable laws, the matters for which paragraph 1 requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members</u> and then submitted to the Board of Directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5. (12) (Omitted) 3. Evaluation of the Reasonableness of Transaction Costs (1)-(4) (Omitted) (5) Where Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted under subparagraphs (1) and (2) are uniformly lower than the transaction price, the following steps shall be taken: 1. (Omitted)	

<table>
<tr><th>After Amendment</th><th>Before Amendment</th><th>Explanation</th></tr>
<tr><td>price, the following steps shall be taken:

1. (Omitted)

2. <u>Independent directors serving on the audit committee</u> shall comply with Article 218 of the Company Act.

(6)-(7) (Omitted)</td><td>2. <u>Supervisors</u> shall comply with Article 218 of the Company Act. <u>Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.</u>

(6)-(7) (Omitted)</td><td></td></tr>
</table>

Comparison Table of Amendments to the Procedures for Acquisition or Disposal of Assets

After Amendment	Before Amendment	Explanation
Article 7 (deleted)	Article 7: <u>The Board of Directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.</u>	To align with operational practices, Article 7 has been deleted.
Article 8: A ballot is invalid under any of the following circumstances: (1) Failure to use the ballot prepared by the convener. (2) A blank ballot is placed in the ballot box. (3) The writing is unclear and indecipherable or has been altered. (4) The name written on the ballot does not match the list of director candidates upon verification. (5) Other words or marks are entered in addition to the number of voting rights allotted.	Article 8: A ballot is invalid under any of the following circumstances: (1) The ballot was not prepared by the Company. (2) A blank ballot is placed in the ballot box. (3) The writing is unclear and indecipherable or has been altered. (4) If the nominee is a shareholder, and their name, shareholder account number, or information does not match the shareholder register, it will be considered invalid; or if the nominee is not a shareholder, and their name or identification number does not match upon verification, it will be considered invalid. (5) Other words or marks are entered in addition to the number of voting rights allotted, nominee's name (or shareholder account number/ID number). (6) If the nominee's name is the same as that of another shareholder, and the shareholder account number or ID number, which can be used for identification, is not provided, it will be considered invalid.	To align with operational practices, Article 8 has been amended.

Nominee List for Independent Directors

No.	Name	ID Number	Education and Experience	Current Position	Shareholding
1	Ou, Tzung-Hsien	L123XXXXXX	Bachelor's degree in Tourism and Hospitality Management, Toronto Metropolitan University Chairman, FU-SHENG INVESTMENT LTD. Director, Light Wedding Co., Ltd. Chief Operating Officer, New Palace International Co., Ltd.	Director, Light Wedding Co., Ltd. Chief Operating Officer, New Palace International Co., Ltd.	1,733,000
2	Smart World Global Co., Ltd.	A125XXXXXX	Bachelor's degree in Management Information Systems, Queen's University, Canada Chairman, Light Wedding Co., Ltd. Chief Operating Officer, New Palace International Co., Ltd.	Chairman, Light Wedding Co., Ltd. Chief Operating Officer, New Palace International Co., Ltd.	5,999,962
	Representative: Ou, Cheng-Hung				1,718,754
3	Phoenix Global Co., Ltd.	L123XXXXXX	Bachelor's degree in Economics, University of Toronto Assistant Manager, New Palace International Co., Ltd.	Assistant Manager, New Palace International Co., Ltd.	5,619,086
	Representative: Ou, Yang-Wei				1,783,688
4	Smart World Global Co., Ltd.	B220XXXXXX	Ph.D. in Management Science, National Chiao Tung University Former Vice President, National Chung Hsing University Adjunct Professor, Department of Business Administration, National Chung Hsing University Independent Director, GREENYN BIOTECHNOLOGY CO., LTD. Independent Director, SECURITAG ASSEMBLY GROUP CO., LTD.	Adjunct Professor, Department of Business Administration, National Chung Hsing University Independent Director, GREENYN BIOTECHNOLOGY CO., LTD. Independent Director, SECURITAG ASSEMBLY GROUP CO., LTD.	5,619,086
	Representative: Wang, Ching-wen				0

No.	Name	ID Number	Education and Experience	Current Position	Shareholding
5	Rong, Ji-Ye (Independent Director)	E101XXXXXX	Bachelor's degree in History, Fu Jen Catholic University Ph.D. in American Studies, Tamkang University President, National Kaohsiung University of Hospitality and Tourism Chair Professor, Department of Hospitality Management, Tunghai University Chair Professor, Department of Hospitality Management, Hungkuang University Independent Director, LIAN HWA FOODS CORPORATION	Chair Professor, Department of Hospitality Management, Tunghai University Chair Professor, Department of Hospitality Management, Hungkuang University Independent Director, LIAN HWA FOODS CORPORATION	0
6	Wu, Ju (Independent Director)	Q221XXXXXX	Ph.D. in Human Resource Management, Department of Business Education, National Changhua University of Education Professor and Former Dean, College of Tourism and Leisure, National Penghu University of Science and Technology	President and Professor, Department of Hospitality Management, Yu Da University of Science and Technology	16,322
7	Liu, Pei-Yi (Independent Director)	B222XXXXXX	Ph.D. in Accounting, National Chengchi University Associate Professor, Tunghai University	Associate Professor, Tunghai University	0

Appendix I

New Palace International Co., Ltd.

Rules and Procedures of Shareholders' Meeting

1. Except as otherwise provided by law and regulation or Articles of Incorporation, the Company's rules of procedure for shareholders meetings shall as set out in these rules.
2. To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
3. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders or their proxies (collectively, "shareholders") may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.
4. The presence of shareholders in a shareholders meeting and their voting thereof shall be calculated in accordance with the number of shares.

   Unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, a company that will convene a shareholders' meeting with video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its Board of Directors. Furthermore, convening of a virtual-only shareholders' meeting shall require a resolution adopted by a majority vote at a meeting of the Board of Directors attended by at least two-thirds of the total number of directors.

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

   (1) For physical shareholders meetings, to be distributed on-site at the meeting.

   (2) For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.

   (3) For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

   A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the company no later than 5 days prior to the meeting date of the shareholders' meeting. In case two or more written proxies are received from one shareholder, the first one received by the company shall prevail; unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

   After the service of the power of attorney of a proxy to the company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission , a proxy rescission notice shall be filed with the company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

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

5-1. To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:

(1) How shareholders attend the virtual meeting and exercise their rights.

(2) Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:

(a) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.

(b) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.

(c) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

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

(3) To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the shareholders shall at least be provided with connection facilities and necessary assistance, and the period during which shareholders may apply to the company and other related matters requiring attention shall be specified.

6. If a shareholders meeting is convened by the Board of Directors, the meeting

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

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the Board of Directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with the power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

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

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

   The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

8. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

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

9. If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the Board of Directors.

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

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

10. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

    A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

    When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

11. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

12. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting. If a corporate shareholder designates two or more representatives to represent it at the shareholders' meeting, only one of the representatives so designated may speak on any one motion.

13. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

14. The shares held by shareholders having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a meeting of shareholders A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the interest of the company, shall not vote nor exercise the voting right on behalf of another shareholder.

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

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

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act. When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

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

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

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

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

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

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

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

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

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

15. The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.
16. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

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

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

    The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

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

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

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

19. When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

20. In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

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

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

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

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

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

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

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

21. When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online. Except in the circumstances set out in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the shareholders shall at least be provided with connection facilities and necessary assistance, and the period during which shareholders may apply to the company and other related matters requiring attention shall be specified.

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

    These Rules were stipulated on 24 January 2002.

    The first amendment to these Rules was on 17 May 2013.

    The second amendment to these Rules was on 28 May 2020.

    The third amendment to these Rules was on 24 May 2023.

    The fourth amendment to these Rules was on 24 May 2024.

Appendix II

New Palace International Co., LTD.

Articles of Incorporation

Chapter 1 General Provisions

Article 1: The Company shall be incorporated under the Company Act of the Republic of China, and its name shall be New Palace International Co., LTD.

Article 2: The business of the Company is as follows:

1. F203010 Retail sale of Food Products and Groceries
2. F201030 Retail Sale of Fishery Products
3. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
4. F206020 Retail Sale of daily commodities
5. F401010 International Trade
6. F501060 Restaurants
7. J901020 Regular Hotel
8. H703090 Real Estate Business
9. H703100 Real Estate Leasing
10. G202010 Parking area Operators
11. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: For business needs such as providing external guarantees and investing in other businesses, the total amount of investment may exceed 40% of the Company's paid-in capital.

Article 4: The Company shall have its head office in Taichung City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices in suitable locations when deemed necessary.

Chapter 2 Capital Stock

Article 5: The total capital stock of the Company shall be in the amount of NT$1,000,000,000, divided into 100,000,000 shares, at NT$10 each. The unissued shares were authorized to the Board of Directors to issue in installments.

Article 6: The Company transfers shares to employees at less than the average actual share repurchase price shall be submitted to the shareholders' meeting for approval. The shareholders' meeting shall be approved by two-thirds or more of the votes of the shareholders present at the shareholders meeting who represent a majority of the total number of issued shares.

Article 7: The stocks of the Company are generally registered, signed or stamped by the directors representing the Company, and issued after being certified by the competent authority or the registration institution approved by it. The shares issued by the Company may be exempted from printing any share certificate for the shares; nonetheless, the issued shares shall be registered with a centralized securities depositary enterprise.

Article 8: In handling the shareholding affairs and exercising all rights of the shareholders of the company shall follow the “Regulations Governing the Administration of Shareholder Services of Public Companies” unless specified otherwise by law and securities regulations.

Article 9: Registration for transfer of shares shall be suspended for a period of sixty days before the convening date of a regular shareholders meeting, thirty days before the convening date of a special shareholders meeting, or within five days before the date on which dividends, bonus, or other benefits are scheduled to be paid by the Company.

Chapter 3 Shareholders Meeting

Article 10: Shareholders meetings of the Company are of two kinds: (1) regular meeting and (2) special meeting. Regular meetings shall be convened at least once a year within six months after the close of each fiscal year. Special meetings shall be convened whenever necessary according to the laws and regulations. The notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. to convene a special meeting of shareholders. The meeting notice shall be given to each shareholder no later than 15 days prior to the scheduled meeting date. The date, location, and purpose of the meeting shall be notified to all shareholders in writing or electronically in accordance with legal regulations. For shareholders holding less than 1,000 shares, the notice may be given by announcement.

Article 11: While convening a shareholders meeting, the shareholder(s) holding one percent (1%) or more of the shares of the Company may, in accordance with Article 172-1 of the Company Act, submit proposals to the Company for inclusion in the meeting agenda. All the related operation is carried out in accordance with the Company Act and related regulations.

Article 12: Except unless otherwise provided by applicable laws and regulations, the shareholder of the Company shall have one voting power in respect of each share in his/her/its possession.

Article 13: The chairman shall preside over the shareholders' meeting, and if the chairman is on leave or absent, the chairman shall designate one of the directors, or where there is no director being designated, to act on his/her behalf. For a shareholders meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided.

Article 14: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the related regulations and laws, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. The resolution of the shareholders' meeting may be voted by written or electronic means in accordance with relevant laws and regulations to exercise the voting power.

Article 15: The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes shall be distributed to each shareholder in writing or electronic form.

Chapter 4 Board of Directors and Audit Committee

Article 16: The Company shall have a Board of Directors consisting of seven to nine members, who shall be nominated through a candidate nomination system and appointed by the shareholders meeting from among individuals with legal capacity. The term of office for each director is three years, and consecutive re-election is permitted. The total shareholding ratio of all directors shall comply with the regulations of the securities regulatory authority.

The minimum number of members of the board of the Company is three, and shall not be less than one-third of the seats in the board. The independent directors of the Company shall be elected with the non-independent directors elected at the same time, but in separately calculated numbers. The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the regulations prescribed by the competent authorities.

The Company has established an Audit Committee in accordance with the law, which is composed of all independent directors. The organization's regulations, powers, and other applicable matters that the committee should follow are conducted in accordance with relevant laws and the Company’s regulations.

Article 17: The Board of Directors, organized by the directors, shall elect one chairman of the board through mutual recommendation with the agreement of over two-thirds of the directors present and the majority of the attending directors. The chairman of the board shall represent the company externally.

Article 18: The powers of the Board of Directors are as follows:

(1) The company's operational plans

(2) The establishment, amendment, and approval of important regulations and contracts of the Company

(3) The establishment and dissolution of branch offices

(4) The approval of budgets and final accounts

(5) Other matters prescribed by laws and regulations

Article 19: Unless otherwise provided for in the Company Act, the meetings of the Board of Directors shall be convened by the chairman of the Board of Directors. In case the chairman of the Board of Directors is on leave or absent or cannot exercise his/her power and authority for any cause, the chairman of the Board of Directors shall designate one of the managing directors to act on his/her behalf. Where the chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair.

Article 20: Unless otherwise provided by the Company Act, the resolution of the Board of Directors shall require the attendance of all directors and shall be implemented with the approval of more than half of the attending directors.

Article 21: Where there a director for any reason unable to attend a meeting shall authorize another director to attend on his/her behalf. However, an authorized director's attendance at the board meeting may accept a proxy from one person only.

Article 22: The remuneration of directors shall be determined by the Board of Directors, taking into account their degree of participation in the operation of the Company and the value of their contributions, as well as the industry standard. During their term of office, directors shall be authorized to purchase liability insurance to cover the compensation responsibility they should assume for the performance of their business scope in accordance with the law.

Chapter 5 Supervisiors(Deleted)

Article 23: (Deleted)

Article 24: (Deleted)

Article 25: (Deleted)

Chapter 6 Managers

Article 26: The Company may appoint managers to manage all of its business operations in accordance with the policies determined by the Board of Directors. Among the managers, there shall be one general manager, whose appointment and removal shall be approved by a majority of the directors of the board.

Chapter 7 Accounting

Article 27: The Company's fiscal year was from 1 January to 31 December.

Article 28: After the close of each fiscal year, the following reports shall be prepared by the Board of Directors, and submitted to the regular shareholders’ meeting for acceptance:

1. Business Report;
2. Financial Statements;
3. Proposal Concerning the Distribution of Earnings or Covering of Losses.

Article 29: Where there are profits of the Company for the year, the Company shall allocate above 1% as employee remuneration of which at least 20 percent shall be distributed to non-managerial employees. For directors' remuneration, the Company shall allocate less than 5%. Nonetheless, if there are accumulated losses (including adjustment for undistributed earnings, the Company shall have reserved a sufficient amount to offset its accumulated losses before allocating employee remuneration and director remuneration.

Employee remuneration can be distributed in the form of stocks or cash, and the beneficiaries include employees of subsidiary companies who meet certain conditions. In addition, director remuneration shall be distributed in cash.

The preceding proposal shall be resolved by the Board of Directors and reported to the shareholders' meeting.

Article 29-1:Where there are net profits after tax in the annual final accounts, accumulated losses (including the amount of unappropriated earnings) shall be offset first, and 10% of the profits shall be set aside as legal reserve according to the law. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. Where provided by laws, regulations or competent authorities, special surplus reserves shall be allocated or reversed accordingly. The remaining earnings, together with undistributed earnings at the beginning of the period (including adjusted undistributed earnings), and subject to the retention of an appropriate amount for business needs. A dividend of no less than 10% of the distributable earnings for the current year shall be distributed to the shareholders, and the Board of Directors shall propose a profit distribution plan and submits it to the shareholders' meeting for the resolution to distribute dividends and bonuses to shareholders.

The Company's dividend policy is aligned with current and future development plans, considering the investment environment, capital requirements, and domestic and international competitive conditions. When distributing dividends, it is allowed to be distributed through cash and stocks. Dividends distributed to shareholders may be paid in cash, stock, or a combination of both. However, the total amount of dividends distributed to shareholders shall not be less than 10 percent of the net profit for the year after deducting the statutory appropriation of earnings to reserves (and may also deduct non-recurring non-operating gains). Of the total dividends distributed for the year, the cash portion shall not be less than 20 percent. The Board of Directors shall determine the allocation ratio between cash dividends and stock dividends based on the Company's actual cash position and financial condition and shall submit the earnings distribution proposal to the shareholders meeting for approval.

Chapter 8 Supplementary Provisions

Article 30: The Company's rules and detailed procedures of business shall be stipulated in other regulations operation shall be determined by the Board of Directors.

Article 31: In regard to all matters not provided for in these Articles of Incorporation, the Company Act of the Republic of China shall govern.

Article 32: The Articles of Incorporation is stipulated on 12 July 1993. The first amendment was made on 2 March 1996, the second amendment on 25 April 1998, the third amendment on 8 May 1998, the fourth amendment on 29 March 1999, the fifth amendment on 15 June 2000, the sixth amendment on 14 September 2000, the seventh amendment on 14 January 2002, the eighth amendment on 19 June 2002, the ninth amendment on 30 April 2004, the tenth amendment on 26 May 2006, the eleventh amendment on 7 June 2007, the twelfth amendment on 16 May 2008, the thirteenth amendment on 18 May 2011, the fourteenth amendment on 15 May 2012, the fifteenth amendment on 12 May 2015, the sixteenth amendment on 10 May 2016, the seventeenth amendment on 28 May 2020, the eighteenth amendment on 24 May 2023, and the nineteenth amendment on 26 May 2025.

Appendix 3

New Palace International Co., Ltd.

Procedures for the Acquisition or Disposal of Assets

Article 1 Purpose and Legal Basis

These Procedures are adopted to strengthen the Company's asset management and to ensure adequate public disclosure. They are established in accordance with Article 36-1 of the Securities and Exchange Act and the Regulations Governing the Acquisition or Disposal of Assets by Public Companies. ("the Procedures.")

Article 2 Scope of Assets

1. Marketable securities: Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interests in funds, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
3. Memberships.
4. Intangible assets: Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

Article 3 Definitions

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.

3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
8. Securities exchange: “Domestic securities exchange” refers to the Taiwan Stock Exchange Corporation; “foreign securities exchange” refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
9. Over-the-counter venue (“OTC venue”, “OTC”): “Domestic OTC venue” refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; “foreign OTC venue” refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.
10. Ten percent of total assets: For purposes of calculating ten percent of total assets under these Procedures, the total assets stated in the most recent parent-company-only financial report or individual financial report prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

Article 4 Limits on Investments in Non-operating Real Property, Right-of-use Assets, and Marketable Securities

The limits for the acquisition of the above assets by the Company and each of its subsidiaries are set as follows:

1. The total amount of non-operating real property or right-of-use assets may not exceed 30 percent of net worth.
2. The total amount of investments in marketable securities may not exceed 20 percent of net worth. However, for investments in marketable securities related to restaurant operations and industry holding businesses, the total amount may not exceed 200 percent of paid-in capital.
3. The amount invested in any individual marketable security may not exceed 10 percent of net worth. However, for investments in marketable securities related to restaurant operations and industry holding businesses, the amount may not exceed 100 percent of paid-in capital.

Article 5 Appraisal Reports or Professional Opinions

When the Company obtains appraisal reports or opinions issued by certified public accountants, attorneys, or securities underwriters, the professional appraisers and their personnel, certified public accountants, attorneys, or securities underwriters shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal personnel may not be related parties or de facto related parties of one another.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
3. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.

Article 6 Implementation and Amendment

These Procedures shall be implemented after approval by the Board of Directors, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor.

Where the Company has appointed independent directors, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

Where the Company has established an audit committee in accordance with the provisions of applicable laws, when the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the Board of Directors for a resolution.

If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting.

The terms “all audit committee members” in paragraph 3 and “all directors” in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 7 Procedures for Resolutions on the Acquisition or Disposal of Assets

The operational procedures related to the acquisition or disposal of assets shall, in addition to being handled in accordance with these Procedures, also comply with the relevant provisions of the Company’s internal control system. Where the acquisition or disposal of assets is required under these Procedures or other applicable laws to be approved by the Board of Directors, and any director expresses dissent which is recorded or stated in writing, the Company shall submit the director’s dissenting opinion to each supervisor.

Where the Company has appointed independent directors, the Board of Directors shall give full consideration to the opinions of each independent director when transactions involving the acquisition or disposal of assets are submitted for discussion in accordance with the preceding paragraph. Any objection or reservation expressed by an independent director shall be recorded in the minutes of the Board of Directors meeting.

Where the Company has established an audit committee in accordance with applicable laws, any major transaction involving assets or derivatives shall be approved by one half or more of all audit committee members and shall be submitted to the Board of Directors for a resolution. Article 6 paragraphs 4 and 5 shall apply mutatis mutandis.

Article 8 Operational Procedures for Acquisition and Disposal of Real Property, Rights-of-Use Assets, and Other Fixed Assets

1. Appraisal Procedures and Operational Procedures

   The acquisition or disposal of real property, equipment, or right-of-use assets by the Company shall be handled in accordance with the Company’s Fixed Asset Management Regulations.

2. Procedures for Determining Transaction Terms and Authorization Limits
   (1) Acquisition or disposal of real property or right-of-use assets shall consider publicly announced current values, appraised values, and actual transaction prices of nearby properties shall be taken into consideration when determining the transaction terms and transaction price. An analysis report shall be prepared. For transactions with an amount of NT$100 million or less, approval shall be obtained level by level in accordance with the Company's Regulations for Hierarchical Responsibility, and the matter shall be reported to the next meeting of the Board of Directors; for transactions with an amount exceeding NT$100 million, approval by the Board of Directors shall be obtained before proceeding.
   (2) For the acquisition or disposal of equipment or right-of-use assets, one of the following methods - inquiry, comparison, negotiation, or bidding - should be chosen. For transactions with an amount of NT$100 million or less, approval shall be obtained level by level in accordance with the Company's Regulations for Hierarchical Responsibility; for transactions with an amount exceeding NT$100 million, approval shall first be obtained from the Chairman, and the matter shall then be submitted to the Board of Directors for approval before proceeding.
3. Implementation Units
   When the Company acquires or disposes of real property, equipment, or right-of-use assets, the matter shall, after obtaining approval in accordance with the authorization levels described in the preceding paragraph, be executed by the Office of the President or the Administration Department in the case of real property or right-of-use assets, and by the user department or the Administration Department in the case of equipment or right-of-use assets.
4. Appraisal Report
   In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:
   (1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
   (2) Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained.

(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

(4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Article 9 Procedures for the Acquisition or Disposal of Marketable Securities

1. Appraisal Procedures and Operational Procedures

The acquisition or disposal of marketable securities by the Company shall be handled in accordance with the Company’s “Regulations Governing Securities Trading on the Taipei Exchange.”

2. Procedures for Determining Transaction Terms and Authorization Limits

(1) Except for transactions involving the purchase or sale of domestic government bonds, bonds under repurchase or resale agreements, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company shall obtain the most recent financial statements of the target company, certified or reviewed by a certified public accountant, prior to the date of occurrence of the transaction as a reference for evaluating the transaction price.

(2) The acquisition or disposal of marketable securities shall be determined by the responsible unit based on market conditions and with consideration of factors such as net asset value per share, profitability, and future development potential. For transactions with an amount up to New Taiwan Dollars 10 million inclusive, approval shall be obtained from the General Manager. For transactions exceeding New Taiwan Dollars 10 million but not exceeding New Taiwan Dollars 100 million inclusive, approval shall be obtained from the Chairman. Both categories of transactions shall be submitted to the next meeting of the Board of Directors for reporting, together with an analysis report on unrealized gains or losses for long-term and short-term marketable securities. For transactions exceeding New Taiwan Dollars 100 million, approval shall be obtained from the Board of Directors prior to execution.

3. Implementation Units

   After obtaining approval in accordance with the preceding paragraph, the acquisition or disposal of marketable securities shall be executed by the Finance and Accounting Department.

4. Obtaining Expert Opinions

   Where the transaction amount for the acquisition or disposal of marketable securities reaches 20 percent of the Company's paid-in capital or New Taiwan Dollars 300 million or more, the Company shall obtain, prior to the date of occurrence of the event, an opinion from a certified public accountant regarding the reasonableness of the transaction price. However, this requirement does not apply where the securities have publicly quoted prices in an active market or where otherwise provided by the Financial Supervisory Commission ("FSC").

Article 10 Procedures for the Acquisition or Disposal of Intangible Assets, Right-of-use Assets, or Membership Rights

1. Appraisal Procedures and Operational Procedures

   When the Company acquires or disposes of intangible assets, right-of-use assets, or membership rights, an evaluation team shall be established by the implementation units to conduct a feasibility assessment. Where necessary, experts may be engaged to provide a valuation report. An analysis report shall then be prepared, and the acquisition or disposal may proceed only after completing the required approval procedures.

2. Procedures for Determining Transaction Terms and Authorization Limits

   (1) For the acquisition or disposal of membership rights, expert valuation reports or fair market prices shall be used as reference in determining the transaction terms and transaction price. An analysis report shall be prepared and submitted to the General Manager. For transactions with an amount up to 1 percent of paid-in capital or NT$3 million inclusive, approval shall be obtained from the General Manager and the transaction shall be reported to the next Board of Directors meeting. For transactions exceeding NT$3 million, approval by the Board of Directors shall be obtained before proceeding.

   (2) For the acquisition or disposal of intangible assets or right-of-use assets, the transaction terms and transaction price shall be determined with reference to an expert valuation report or fair market prices. An analysis report shall be prepared and submitted to the Chairman. For transactions with an amount up to 10 percent of paid-in capital or NT$20 million inclusive, approval shall be obtained from the Chairman and the transaction shall be reported to the next Board of Directors meeting. For transactions exceeding NT$20 million, approval by the Board of Directors shall be obtained before proceeding.

3. Implementation Units

   After obtaining approval in accordance with the preceding paragraph, the acquisition or disposal of intangible assets, right-of-use assets, or membership rights shall be executed by the user department and the Finance and Accounting Department.

4. Obtaining Expert Opinions

   Where the transaction amount for the acquisition or disposal of intangible assets, right-of-use assets, or membership rights reaches 20 percent of the Company's paid-in capital or New Taiwan Dollars 300 million or more, except where the transaction is conducted with a domestic government agency, the Company shall obtain, prior to the date of occurrence, an opinion from a certified public accountant regarding the reasonableness of the transaction price.

Article 11 Calculation of the Transaction Amount for the Acquisition or Disposal of Assets

The calculation of the transaction amount referred to in Articles 8, 9, and 10 of these Procedures shall be handled in accordance with Article 15 paragraph 2. The term "within one year" shall be calculated by counting backward one year from the date of occurrence of the current transaction. Items for which an appraisal report issued by a professional appraiser or an opinion from a certified public accountant has already been obtained in accordance with these Procedures shall be excluded from the calculation. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or the certified public accountant's opinion.

Article 12 Procedures for Transactions with Related Parties

1. Calculation of Transaction Amounts and General Principles

   (1) For the acquisition or disposal of assets between the Company and related parties, in addition to following the resolution procedures and the evaluation requirements for the reasonableness of transaction terms in Articles 8, 9, 10, and this Article, where the transaction amount reaches 20 percent of the Company's paid-in capital, NT$300 million or more, or 10 percent of total assets, the Company shall also obtain an appraisal report issued by a professional appraiser or an opinion from a certified public accountant in accordance with the regulations.

   (2) The calculation of the transaction amount referred to in the preceding subparagraph shall be based on the date of occurrence of the current transaction and shall be calculated by tracing back one year. Items for which an appraisal report issued by a professional appraiser or an opinion from a certified public accountant has already been obtained in accordance with these Procedures shall be excluded from the calculation.

   When determining whether the counterparty is a related party, in addition to considering legal formality, the substance of the relationship shall also be taken into consideration.

2. Appraisal Procedures and Operational Procedures

For the Company's acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the supervisors:

(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.

(2) The reason for choosing the related party as a transaction counterparty.

(3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with subparagraphs (1) and (4) of paragraph III of this Article.

(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.

(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.

(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.

(7) Restrictive covenants and other important stipulations associated with the transaction.

(8) The calculation of the transaction amounts referred to in the preceding and in subparagraph (12) shall be made in accordance with Article 15, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or Board of Directors and recognized by the supervisors need not be counted toward the transaction amount.

(9) With respect to the types of transactions between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's Board of Directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:

   i. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.

   ii. Acquisition or disposal of real property right-of-use assets held for business use.

(10) Where the Company has appointed independent directors, when a matter is submitted for discussion by the Board of Directors, the Board of Directors shall take into full consideration.

(11) Where the Company has established an audit committee in accordance with applicable laws, the matters for which paragraph 1 requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the Board of Directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.

(12) Where the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company s total assets, the public company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries or between its subsidiaries.

3. Evaluation of the Reasonableness of Transaction Costs

(1) Where the Company acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:

i. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. “Necessary interest on funding” is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.

ii. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

(2) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

(3) Where the Company acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a certified public accountant to check the appraisal and render a specific opinion.

(4) When the results of a public company's appraisal conducted in accordance with subparagraphs (1) and (2) of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with subparagraph (5) of this paragraph. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a certified public accountant have been obtained, this restriction shall not apply:

i. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:

(a) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The “Reasonable construction profit” shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

(b) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.

ii. Where the Company provides evidence that the terms of the transaction for acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

iii. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

(5) Where Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted under subparagraphs (1) and (2) are uniformly lower than the transaction price, the following steps shall be taken:
   (a) A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
   (b) Supervisors shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.
   (c) Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.
   (d) The special reserve set aside under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

(6) Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with subparagraphs (1), (2), and (3) of paragraph 3 do not apply:
   (a) The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
   (b) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
   (c) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
   (d) The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

(7) Where the Company acquires real property or right-of-use assets thereof from a related party, it shall also comply with subparagraph (5) of this paragraph if there is other evidence indicating that the acquisition was not an arms length transaction.

Article 13 Procedures for the Acquisition or Disposal of Claims of Financial Institutions and for Derivatives Transactions

The Company, in principle, does not engage in transactions involving the acquisition or disposal of claims of financial institutions or in derivatives transactions. If the Company subsequently intends to engage in transactions involving the acquisition or disposal of claims of financial institutions or derivatives transactions, such matters shall be submitted to the Board of Directors for approval, after which the relevant appraisal procedures and operational procedures shall be established.

Article 14 Procedures for Handling Mergers, Demergers, Acquisitions, or Transfer of Shares

1. Appraisal Procedures and Operational Procedures

(1) When the Company conducts a merger, demerger, acquisition, or transfer of shares, attorneys, certified public accountants, and securities underwriters shall be engaged to jointly review the statutory procedures and the expected timetable, and a project team shall be formed to carry out such procedures in accordance with applicable laws. Before submitting the proposal to the Board of Directors for a resolution, the Company shall engage a certified public accountant, attorney, or securities underwriter to provide an opinion on the reasonableness of the share exchange ratio, acquisition price, or the distribution of cash or other assets to shareholders, and such opinion shall be submitted to the Board of Directors for discussion and approval. However, where the Company merges a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, or where subsidiaries directly or indirectly held 100 percent by the Company merge with one another, obtaining the aforementioned expert opinion may be exempted.

(2) The Company shall prepare a public document describing important contractual terms and other matters related to the merger, demerger, or acquisition and shall deliver such document, together with the expert opinion described in subparagraph (1) above and the shareholders meeting notice, to the shareholders prior to the shareholders meeting as a reference for their decision on whether to approve the merger, demerger, or acquisition. However, where other laws exempt the Company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this requirement does not apply.

(3) If any company participating in a merger, demerger, or acquisition is unable to convene or pass a resolution at its shareholders meeting due to insufficient attendance, insufficient voting rights, or other legal restrictions, or if the proposal is rejected by the shareholders meeting, the participating companies shall immediately make a public announcement explaining the reason, the follow-up handling measures, and the anticipated date of the next shareholders meeting.

2. Other Matters Requiring Attention
   (1) Date of Board Meeting: A company participating in a merger, demerger, or acquisition shall convene a Board of Directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall call a Board of Directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.
   (2) Confidentiality Undertaking: Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
   (3) When participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
      (a) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
      (b) An action, such as a disposal of major assets, that affects the company's financial operations.
      (c) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
      (d) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
      (e) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
      (f) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
   (4) Required Contract Provisions: Contracts for participation in a merger, demerger, acquisition, or transfer of shares shall specify the rights and obligations of all participating companies and shall include the following:
      (a) Handling of breach of contract.

(b) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
(c) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
(d) The manner of handling changes in the number of participating entities or companies.
(e) Preliminary progress schedule for plan execution, and anticipated completion date.
(f) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

(5) Change in Number of Participating Companies: After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

(6) Record Retention: The Company shall prepare a full written record of the following information and retain it for 5 years for reference:
(a) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
(b) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.
(c) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.

(7) Reporting and Public Announcement Requirements: When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

(8) Where the any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs.

(9) Where the any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is not a publicly listed, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of subparagraphs (1) and (2) above and the preceding four subparagraphs.

Article 15 Procedures for Public Disclosure of Information

1. Items Required to Be Announced and Reported and the Standards for Announcement and Reporting

   (1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

   (2) Merger, demerger, acquisition, or transfer of shares.

   (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.

   (4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT$500 million.

   (5) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT$500 million.

   (6) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million; provided, this shall not apply to the following circumstances:

      (a) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.

(b) Where done by professional investors securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.

(c) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

2. The amount of transactions shall be calculated as follows:
   (1) The amount of any individual transaction.
   (2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
   (3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
   (4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.
   (5) "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.
3. Time Limits and Requirements for Announcement and Reporting
   (1) Where the Company acquires or disposes of assets that meet the announcement and reporting criteria under this Article, the Company shall publicly announce and report on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event.
   (2) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.
   (3) When a public company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

(4) The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, logbooks, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.

(5) Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with this Article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:

(a) Change, termination, or rescission of a contract signed in regard to the original transaction.

(b) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.

(c) Change to the originally publicly announced and reported information.

Article 16 Requirements Applicable to the Company's Subsidiaries:

1. Subsidiaries shall establish their own "Procedures for the Acquisition or Disposal of Assets" in accordance with the relevant provisions of the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies", and shall handle such matters in compliance with those procedures.
2. For subsidiaries that are not public companies, where the acquisition or disposal of assets reaches the announcement and reporting standards prescribed in the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies", the Company shall make the required announcements and reports on behalf of such subsidiaries.
3. With respect to the announcement and reporting standards applicable to subsidiaries, the terms "20 percent of paid-in capital" and "10 percent of total assets" shall be calculated based on the Company's paid-in capital or total assets.

Article 17 Penalties

Employees of the Company who handle matters regarding the acquisition or disposal of assets in violation of these Procedures shall be subject to evaluation and disciplinary action in accordance with the Company's personnel management regulations and employee handbook, and shall be punished based on the severity of the circumstances.

Article 18 Supplementary Provisions

Any matters not provided for in these Procedures shall be handled in accordance with applicable laws and regulations.

These Procedures were adopted on 15 June 2000.
The first amendment was made on 24 January 2002.
The second amendment was made on 2 May 2003.
The third amendment was made on 7 June 2007.
The fourth amendment was made on 8 May 2009.
The fifth amendment was made on 15 May 2012.
The sixth amendment was made on14 May 2014.
The seventh amendment was made on 11 May 2017.
The eighth amendment was made on 29 May 2019.
The ninth amendment was made on 26 May 2022.

Appendix 4

New Palace International Co., Ltd.

Rules for Election of Directors

Article 1 Except as otherwise provided by law and regulation or by the Company's Articles of Incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 2 Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

The overall composition of the Board of Directors shall be taken into consideration in the selection of the Company's directors. The composition of the Board of Directors shall be determined based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The election of independent directors of the Company shall comply with the Articles of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and shall be conducted in accordance with the Articles of the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies".

Article 3 The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates

Article 4 Before the election begins, the chair shall appoint a person with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

Article 5 The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 6 The Board of Directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 7 The Board of Directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8 A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the Company.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. If the nominee is a shareholder, and their name, shareholder account number, or information does not match the shareholder register, it will be considered invalid; or if the nominee is not a shareholder, and their name or identification number does not match upon verification, it will be considered invalid.
5. Other words or marks are entered in addition to the number of voting rights allotted, nominee's name (or shareholder account number/ID number).
6. If the nominee's name is the same as that of another shareholder, and the shareholder account number or ID number, which can be used for identification, is not provided, it will be considered invalid.

Article 9 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Other words or marks are entered in addition to the number of voting rights allotted.

Article 10 The Company shall issue notifications to the persons elected as director.

Article 11 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

These Procedures were stipulated on 24 January 2002.

The first amendment to these Procedures was on 26 May 2006.

The second amendment to these Procedures was on 16 May 2008.

The third amendment to these Procedures was on 28 May 2020.

Appendix V

New Palace International Co., Ltd.

Shareholdings and the Minimum Number of Shareholdings of Directors

1. The current share ownership prescribed by law and the number of shares of the directors of the Company are as follows:

   The number of shares issued for common stock is 67,491,032 shares.

   The number of share ownership prescribed by law that should be held by all directors is 5,399,282 shares.

   The total number of shares actually held by all directors (excluding independent directors) is 14,320,619 shares.

2. As of the book closure date (24 March 2026) of this shareholders meeting, the shareholdings of all the Company's directors recorded in the shareholders' roster is as follows:

Position	Name	Shareholding	Shareholding Ratio (%)
Chairman	Wang, Yu-Yun	1,363,693	2.02
Director	Ou, Cheng-Hung	1,718,754	2.55
Director	Smart World Global Co., Ltd. Representative: Ou, Tzung-Hsien	5,619,086	8.32
Director	Phoenix Global Co., Ltd. Representative: Ou, Yang-Wei	5,619,086	8.32
Independent Director	Hsiao, Teng-Yao	—	—
Independent Director	Rong, Ji-Ye	—	—
Independent Director	Wu, ju	16,322	0.02
Total		14,336,941	21.23