

Stock Number: 2905

Mercuries & Associates Holding, Ltd.

2026 Annual Shareholders' Meeting

Meeting Agenda  
(Translation)

June 18, 2026

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# Mercuries & Associates Holding, Ltd.

## 2026 Annual Shareholders' Meeting Agenda

Convening Shareholders' Meeting by Means of: Physical shareholders' meeting

Time: 9:00 a.m., Thursday, June 18, 2026

Place: 20F, No. 145, Section 2, Jianguo North Road, Taipei City

### I. Announcing the Meeting

### II. Chairman's Address

### III. Reported matters:

- (1) The 2025 business report.
- (2) Audit Committee's review the 2025 business report and financial statements.
- (3) The 2025 distribution for the employee bonus and directors' remuneration.
- (4) The 2025 remuneration for directors.
- (5) The 2025 material transactions with related parties.
- (6) The 2025 Endorsement Guarantee handling situation.
- (7) Execution situation of issue the first time domestic unsecured convertible corporate bonds.
- (8) Report on the implementation status of the Company's eighth treasury share repurchase.
- (9) Report on the disposal of all shares held by the Company in Mercuries Life Insurance Co., Ltd. and the acquisition of newly issued common shares of E.Sun Financial Holding Company, Ltd.
- (10) Amendments of "Sustainable Development Best Practice Principles".

### IV. Acknowledged matters:

- (1) Ratification of the 2025 business report and financial statements.
- (2) Ratification of the 2025 proposal for the distribution.

### V. Matters for Discussion:

- (1) Cash distributed from capital surplus to shareholders.
- (2) Amendments of "Regulations Governing the Acquisition and Disposal of Assets".
- (3) To release the prohibition on directors from participation in competitive business.

### VI. Extraordinary Motions

### VII. Meeting Adjourned

## Reported matters

1. The 2025 business report. (Proposed by the Board of Directors)

Description: Please refer to Attachment 1 on Pages 9 to 15 of the Handbook for the 2025 business report.

2. Audit Committee's review the 2025 business report and financial statements. (Proposed by the Board of Directors)

Description: Please refer to Attachment 2 on Page 16 of the Handbook for the 2025 Audit Committee's review report.

3. The 2025 distribution for the employee bonus and directors' remuneration. (Proposed by the Board of Directors)

Description: (1) In accordance with the Company's Articles of Incorporation, if the Company reports earnings for the fiscal year, it shall allocate no less than 1% of such earnings for employee compensation. Of this amount, no less than 45% shall be distributed as compensation to entry-level employees, the recipients of which may include employees of subsidiary companies who meet specific criteria. For the fiscal year 2025, the Company has allocated NT\$8,000,000 as employee compensation, all of which will be distributed in cash. The proportion of compensation distributed to entry-level employees exceeds 45% of the total employee compensation, which is in full compliance with the Company's Articles of Incorporation.

(2) According to the Company's Articles of Incorporation, if the Company records a profit for the year, no more than 1% may be allocated as remuneration for directors. For the fiscal year 2025, the Company has allocated NT\$7,500,000 as directors' remuneration, all of which will be distributed in cash.

(3) The employee compensation and directors' remuneration for fiscal year 2025 were approved by a resolution of the Board of Directors on March 13, 2026.

4. The 2025 remuneration for directors. (Proposed by the Board of Directors)

Description: In accordance with the Company's "Corporate Governance Best Practice Principles," please refer to Attachment 3 on page 17 to 18 of this handbook for information regarding the remuneration for directors for fiscal year 2025.

5. The 2025 material transactions with related parties. (Proposed by the Board of Directors)

Description: According to the Company's "Corporate Governance Best Practice Principles" and "Rules Governing Financial and Business Matters Between this Corporation and its Related Parties", please refer to Attachment 4 on page 19 to 20 of the Handbook for the significant transactions between the Company, its subsidiaries, and related parties in 2025.

6. The 2025 Endorsement Guarantee handling situation. (Proposed by the Board of Directors)

Description:

(1) As of December 31, 2025, the Company and its subsidiaries endorsement/guarantee balance was NT\$990,000 thousand.

Unit: NT\$1,000

No.	Company Name of Endorser/ Guarantor	Endorsed/ Guaranteed Party		Limitation on Endorsements and Guarantees for a Single Enterprise	Maximum Balance for the Period	Endorsement or Guarantee Balance at the End of Current Period	Actual Expenditure	Amount of Endorsement / Guarantee with Security on Property	Percentage of Accumulated Amount of Endorsement/Guarantee to Net Equity of Most Recent Financial Statements	Endorsement / Guarantee Ceiling
		Company Name	Relationship (Note 1)							
0	Mercuries & Associates Holding, Ltd.	Sanyou Drugstores, Ltd.	2	2,364,780	100,000	100,000	8,000	-	0.63%	4,729,559
0	Mercuries & Associates Holding, Ltd.	Framosa Co., Ltd.	6	2,364,780	240,000	240,000	188,299	-	1.52%	4,729,559
1	SCI Phamtech, Inc.	Framosa Co., Ltd.	6	539,448	400,000	400,000	313,831	-	7.41%	2,157,793
2	Simple Mart Retail Co., Ltd.	Simple Mart Plus Co., Ltd.	2	298,976	250,000	250,000	-	-	12.55%	597,952
2	Simple Mart Retail Co., Ltd.	Pet Wonderland Co., Ltd.	2	298,976	50,000	0	-	-	-	597,952

Note 1: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories:

- (1) Business transaction.
- (2) The endorser/guarantor parent company directly or indirectly holds more than 50% of the voting shares of the endorsed/guaranteed company.
- (3) The endorser/guarantor parent company is directly or indirectly held by the endorsed/guaranteed company through ownership of more than 50% of its voting shares.
- (4) The endorser/guarantor parent company directly and indirectly holds 90% or more of the voting shares between the endorsed/guaranteed company.
- (5) The endorser/guarantor parent company and endorsed/guaranteed company in the same industry or co-developers provide mutual guarantees in accordance with contractual requirements due to project contracting needs.
- (6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) The endorser/guarantor parent company and endorsed/guaranteed company in the same industry provide joint guarantees for the performance of pre-sale housing contracts as stipulated by the Consumer Protection Act.

Note 2: The amount of the Company's endorsement and guarantee for a single enterprise, which engages in endorsement and guarantee due to business relationships, cannot exceed 30% of the business transaction amount between the guaranteed company and the Company in the recent year or cannot exceed 120% of the business transaction amount in the last three months, whichever is higher and cannot exceed 15% of the Company's net assets. Those who engage in endorsement guarantees with the Company in a parent-subsidiary relationship cannot exceed 15% of the Company's net asset. In addition, for mutual guarantees between peers required for contracting projects according to contractual provisions, or for joint investment relationships where each investing shareholder endorses a guarantee for the invested company based on their shareholding ratio, the amount cannot exceed 15% of the Company's net asset.

Note 3: The total amount of SCI endorsement and guarantee cannot exceed 40% of SCI net asset, and the limit of guarantee for a single enterprise is 10% of SCI net asset. In addition, the total endorsement and guarantee of SCI and its subsidiaries' endorsement guarantee cannot exceed 40% of the net asset of SCI, and the limit of guarantee for a single enterprise is 10% of the net asset of SCI.

Note 4: The total amount of endorsements and guarantees provided by the subsidiary, Simple Mart Retail Co., Ltd., shall not exceed 30% of its net asset as stated in its most recent audited or reviewed financial statements. Furthermore, the limit for endorsements and guarantees provided to a single enterprise shall not exceed 15% of the said subsidiary's net asset.

(2) The proposal has been reported to the Shareholders Meeting according to the Company's procedures on handling endorsement/guarantee.

7. Execution situation of issue the first time domestic unsecured convertible corporate bonds.

(Proposed by the Board of Directors)

Description: The first time domestic unsecured convertible corporate bonds issued by the Company matured on January 25, 2026, and were subsequently delisted on January 26, 2026.

8. Report on the implementation status of the Company's eighth treasury share repurchase.

(Proposed by the Board of Directors)

Description: The execution status of the Company's 8th share buyback is as follows:

Buyback Batch	8th Batch
Date of Board Resolution	April 9, 2025
Purpose of Buyback	To maintain the Company's credit and shareholders' equity
Actual Buyback Period	April 10, 2025, to June 5, 2025
Actual Number of Shares Repurchased	12,124,000 shares
Total Buyback Amount	NT\$ 161,315,026
Average Buyback Price per Share	NT\$ 13.31
Remarks	On September 11, 2025, the Company received approval from the MOEA Ching-Shou-Shang-Tzu Document NO.11430148230 to register a change in capital regarding the retirement of 12,124,000 treasury shares. Following the capital reduction, the Company's paid-in capital is NT\$ 11,103,717,030.

9. Report on the disposal of all shares held by the Company in Mercuries Life Insurance Co., Ltd. (“MLI”) in exchange for newly issued common shares of E.SUN Financial Holding Co., Ltd. (“E.SUN FHC”).

(Proposed by the Board of Directors)

Description: (1) The proposal for the Company to dispose of all its shares in MLI and acquire newly issued common shares of E.SUN FHC was duly approved by resolutions of the Audit Committee and the Board of Directors on November 5, 2025. Subsequently, MLI held an extraordinary shareholders' meeting on January 23, 2026, where it approved a share swap agreement with E.SUN FHC. Under the agreement, every 1 share of MLI common stock will be exchanged for 0.2486 shares of E.SUN FHC common stock. Upon completion of the transaction, MLI will become a wholly-owned (100%) subsidiary of E.SUN FHC.

- (2) As of March 31, 2026, the Company held a total of 1,836,519,880 common shares of MLI. Based on the exchange ratio of 0.2486 E.SUN FHC shares per MLI share, the Company is expected to receive 456,558,842 common shares of E.SUN FHC on the share swap record date. Any fractional shares resulting from the calculation (e.g., 0.168 shares) will be paid in cash by E.SUN FHC. This cash payment will be calculated proportionally based on the closing price of E.SUN FHC common shares on the last trading day prior to the share swap record date (rounded to the nearest New Taiwan Dollar). For the avoidance of doubt, the final number of E.SUN FHC common shares to be received by the Company shall be adjusted in accordance with the share swap agreement's provisions regarding ratio adjustments, and will be finalized based on the actual adjusted ratio on the share swap record date.

10. Amendments of ” Sustainable Development Best Practice Principles”.

(Proposed by the Board of Directors)

Description: (1) The Company proposed to amend the ” Sustainable Development Best Practice Principles” according to the amendments to the laws and practices.

- (2) Please refer to Attachment 5 on Pages 21 to 22 of the Handbook for the comparison table for the ” Sustainable Development Best Practice Principles” before and after the amendment.

## Acknowledged matters

Proposal 1

(Proposed by the Board of Directors)

Ratification of the 2025 business report and financial statements.

Description:

- (1) The Company's 2025 financial statements (including standalone financial statements) have been approved by the Board of Directors and reviewed by the Audit Committee.
- (2) Please refer to Attachment 1 on Pages 9 to 15 and Attachment 6 on Pages 23 to 40 of the Handbook for the 2025 business report, CPA audit report (including CPA audit report of standalone financial statements) and financial statements (including standalone financial statements).
- (3) Please proceed to ratify the proposal.

Resolution:

Proposal 2

(Proposed by the Board of Directors)

Ratification of the 2025 proposal for the distribution.

Description:

- (1) The Company's net income after tax for the year 2025 was NT\$755,071,305. After adding the beginning balance of undistributed earnings of NT\$0 and NT\$166,594 from the disposal of financial instruments measured at fair value through other comprehensive income (FVOCI), and deducting NT\$34,902,424 for the retirement of treasury shares, NT\$18,608,311 for changes in undistributed earnings of investees, NT\$70,172,716 for the provision of legal reserve in accordance with the law, and NT\$631,554,448 for the provision of special reserve, the ending balance of undistributed earnings is NT\$0.
- (2) Please refer to Attachment 7 on Page 41 of the Handbook for the table of 2025 earnings distribution.
- (3) Please proceed to ratify the proposal.

Resolution:

## Matters for Discussion

### Proposal 1

(Proposed by the Board of Directors)

Proposal: Cash distributed from capital surplus to shareholders.

#### Description:

- (1) The Company intends to allocate a total of NT\$333,111,511 from the capital surplus, distributing cash of NT\$0.3 per share according to the shareholding proportions recorded in the shareholder register on the distribution record date.
- (2) The distribution of cash from this capital surplus will be calculated up to the nearest yuan (with fractions below one yuan disregarded). Any fractional amounts less than one yuan will be transferred to the company's employee welfare committee.
- (3) After the approval of this shareholders' meeting, the Board of Directors is authorized to set a new distribution record date. If, subsequently, there are changes in the number of outstanding shares due to share buybacks, transfers of treasury shares, conversions, cancellations, or conversions of corporate bonds according to the issuance and conversion procedures, resulting in changes to the dividend payout ratio for shareholders, the Board of Directors will seek full authorization from the shareholders' meeting to handle these matters.
- (4) Please proceed to resolve on the proposal.

#### Resolution:

### Proposal 2

(Proposed by the Board of Directors)

Proposal: Amendments of "Regulations Governing the Acquisition and Disposal of Assets".

#### Description:

- (1) The Company proposed to amend the "Procedures for the Acquisition and Disposal of Assets" according to the amendments to the laws and practices.
- (2) For a comparison of amended articles, please refer to Attachment 8 on page 42 of the Handbook.
- (3) Please proceed to resolve on the proposal.

#### Resolution:

Proposal 3

(Proposed by the Board of Directors)

Proposal: To release the prohibition on directors from participation in competitive business.

Description:(1) In accordance with Article 209 of the Company Act, a director who conducts business for themselves or on behalf of others that falls within the scope of the company's business shall explain the essential contents of such conduct to the shareholders' meeting and obtain its approval.

(2) Certain directors of the Company have invested in or managed other companies with a business scope similar to that of the Company and serve as directors therein. To meet actual business needs, and provided that the Company's interests are not compromised, it is proposed that the shareholders' meeting grant approval to lift the non-competition restrictions for these directors during their tenure, in accordance with the law.

(3) Details of the concurrent positions held by newly appointed directors for which the waiver is requested are as follows:

Title	Name	Concurrent Positions in Other Companies
Director	Wong, Cuei-Jyun	Chairman, ShuJung Co., Ltd. Director, Shuren Investment Co., Ltd. Director, ShuFong Investment Co., Ltd.

(4) Please proceed to resolve on the proposal.

Resolution:

Extraordinary Motions

Meeting Adjourned

## Attachment 1

# Mercuries & Associates Holding, Ltd. 2025 Business Report

Mercuries & Associates Holding, Ltd. (hereinafter "the Company") is an industrial investment holding company primarily engaged in investments in life insurance, daily necessities and catering retail, pharmaceuticals, and information services. Its long-term development strategy focuses on optimizing the operations of its invested businesses, adapting to changing market demands, and striving for a diversified, multi-market business model to achieve professional division of labor and economies of scale, thereby enhancing operational performance.

### I. 2025 Business Report

#### (I) Outcomes of Business Plan

The Company duly executed its investment strategies after prudent evaluation while aptly utilizing the Group's resources to form joint ventures and strategic partnerships with local and overseas business partners on an ongoing basis. The outcomes of the Company's 2025 business plan for its principal investments are detailed as follows:

##### 1. Daily commodities and F&B retailing

In the daily necessities retail segment, the Company has leveraged retail synergies and reduced operating risks through a diversification strategy. It continues to optimize its franchise model; the franchise ratio of Simple Mart had reached 36.95% by the end of 2025. By installing electronic shelf labels and leveraging their real-time price updates, it has reduced labor burden, progressively implementing dynamic pricing and precision marketing through the integration with the promotion and inventory systems. This enabled immediate responses to market changes and the issuance of price adjustments, shifting its operational decision-making from experience-driven to data-driven. The Company continues to adjust its product structures to increase sales of differentiated products such as private-label and self-imported products, thereby establishing proprietary competitive barriers. Although retail revenue for daily necessities grew by 3% in 2025, profit declined by approximately 9% due to a decrease in the gross profit margin on footwear sales and higher expenses.

In the catering retail segment, the total number of stores reached 449 by the end of 2025. The Company continues to optimize store environment and equipment, standardizing in-store food preparation procedures to improve the dining environment and meal quality. By expanding the implementation of digital services such as QR-code ordering, it has improved the efficiency of meal preparation. The central kitchen has increased in-house production, raising the self-production and conversion rates. In addition to existing channels and supermarkets, frozen takeaway and ambient-temperature prepared foods were introduced into retail channels through convenience stores' proprietary e-commerce platforms. Although revenue grew by 3.3% in 2025, operating profit declined by 53% due to increases in raw material prices, labor costs, and operating expenses.

Compared to 2024, the Company added 26 new outlets to its existing retail stores, thus bringing the total number to 1,542.

##### 2. Life insurance

Mercuries Life Insurance is influenced by shifts in the global economic environment, the implementation of the IFRS 17 accounting standard and the new Taiwan Insurance Solvency (TIS) regime, and fluctuations in interest and exchange rates. Meanwhile, hedging costs remained high. In 2025, the Company continued to promote the sale of protection-oriented

and investment-oriented products, securing stable fee income, mitigating interest rate-related risks, and emphasizing the essence of insurance protection to meet customer needs. In 2025, premiums income from new insurance policies reached NT\$35.67 billion, and the total premiums income amounted to NT\$110.236 billion, ranking seventh in total.

As of the end of 2025, Mercuries Life Insurance's total assets reached NT\$1.66 trillion, an increase of approximately 2.1% compared to the end of 2024. The owners' equity stood at NT\$40.35 billion, down NT\$1.076 billion from the previous year. Net profit after tax for the period reached NT\$1.178 billion, a decrease of NT\$0.997 billion compared to 2024, and earnings per share after tax of NT\$0.20.

3. Pharmaceuticals

SCI Pharmtech Inc. has essentially restored its plant facilities and various hardware and software to pre-disaster condition, successfully passing a rigorous US FDA inspection. In 2025, the revenue from its primary products declined across the board, reflecting intense competition in the generic drug market, which exerted continued downward pressure on the selling prices of certain products and caused customer orders to fall short of expectations. Although CDMO business performed well, with the lack of the insurance claim income and foreign-exchange contributions from the previous year, combined with the expanded operating losses from its reinvestment companies, profits for the period amounted to NT\$107 million, an 80% decline compared to 2024.

4. Information services

Consolidated revenue for 2025 was NT\$6.528 billion, an increase of approximately 33.95% compared to 2024. However, costs for certain project-specific products rose due to exchange rate fluctuations, resulting in a lower gross profit margin than the previous year. Nonetheless, with prudent expense control and stable maintenance income and margins, profit for 2025 increased by 6.68% compared to 2024.

(II) Budget Implementation, Income and Expenditure, and Profitability Analysis

In 2025, the Company posted a consolidated operating revenue of NT\$160.4 billion, a decline of approximately 21% compared with 2024, primarily attributable to lower revenue in the life insurance business, with a budget achievement rate of approximately 94%. In terms of profit, the Company recorded NT\$755 million in profit attributable to the parent company and NT\$0.71 in profit after tax per share. As reported in the parent company only financial statements, the Company's return on assets and return on equity were 3.62% and 4.66% respectively.

(III) Research and Development

1. Daily commodities and F&B retailing

Faced with a highly volatile business environment and consumer demand and rising operating costs in the intensely competitive daily commodities and F&B retailing market, the Company incessantly adjusts its product lineup and marketing strategies based on market trends and demand while constantly optimizing its digitalization efforts and bolstering management, manufacturing, logistics, and marketing using big data. In addition, the Company develops differentiated marketing campaigns for individual stores to enhance the competitiveness of each outlet and increase customer stickiness. The Company also expands into niche markets to enhance its regional competitive advantage, thereby improving its brand image as a whole.

2. Life insurance

Mercuries Life Insurance's development strategy focuses primarily on developing protection-oriented and investment-oriented products, particularly high-CSM products

such as health and accident insurance. The Company launched its first spillover U.S. dollar interest-sensitive product (medical-examination type) and a new health insurance product with return-of-premium, increasing the sale of U.S. dollar products, addressing shortfalls in health insurance sales, meeting policyholders' needs at each life stage, and expanding both new and existing customer segments. It has also launched insurance technology services such as "Policy Administration/Claims Alliance Chain," "Claims Medical Connect," "Multi-Identity Verification," and "Intelligent Customer Service." Additionally, through an app system upgrade project, it optimized the user interface and operational processes to address user pain points. In the future, the Company will continue to treat customers fairly, strengthen service quality, and try to surpass customer expectations regarding four indicators, i.e., convenience, accuracy, promptness, and satisfaction.

### 3. Pharmaceuticals

The Company continues to invest in the development of CDMO and in-house products, accumulating transformation momentum and demonstrating increasingly mature process development capabilities. The immunotherapy drug intermediate, Project A, was put into commercial production, and the narcolepsy drug candidate, Project X, and the oncology drug intermediate, Project N, progressed on schedule. For proprietary products, with the isotope drug Project B successfully overcoming technical barriers, the Company is pursuing a global patent portfolio by using an exclusive production process to avoid patent barriers. It has also strengthened cost competitiveness by optimizing the production processes of Adenine and BISO-FA. The newly introduced Iron Sucrose and the ADHD medication were expected to begin validation in Q1 2026. Through technological upgrades, operational resilience was strengthened, returning the company to a growth trajectory.

### 4. Information services

Mercuries Data Systems Ltd. (MDS) continues to turn its R&D achievements into patents to protect intellectual property, enabling the Company to actively accumulate competitive advantage while raising the competitive threshold as well.

## II. Overview of 2026 Business Plan

### (I) Operating Objectives

By focusing on core operations, strengthening capital structure, prioritizing regulatory compliance, and managing risks, we regularly identify and mitigate risk indicators. Diversified operations reduce investment risks, while integrating the operational expertise of our business units and extending collaboration with domestic and international partners allows us to prudently assess investment strategies, aiming to expand our business footprint and enhance company value.

### (II) Key Production and Distribution Policies

#### 1. Daily commodities and F&B retailing

Beyond opening new stores to achieve economies of scale, reduce procurement costs, and sustain growth momentum, we also periodically closed underperforming outlets. We are refining our product mix by phasing out low-performing items, increasing inventory turnover, and introducing higher-margin imported goods and private-label products to differentiate in the market. Increasing franchise ratios helps reduce labor and rental costs, while enhancing staff professionalism and approachability creates a premium consumer environment. Building on the optimization of SAP, RPA, and BI systems, we have installed electronic shelf labels, shifting operational decision-making from experience-driven to data-driven, reducing paper waste, contributing to the sustainability,

simplifying store operations and enabling flexible promotional and pricing strategy and pricing. In the catering sector, we continue to pursue stable multi-brand development strategy and actively open new stores to expand market share, improving single-store operational efficiency and optimizing product structure as well as brand characteristics to address challenges. We have collaborated closely with convenience stores and retail channels to develop a wider variety of takeaway products, and revenues are expected to continue to grow. By combining the in-house production capacity of the central kitchen, we have improved management efficiency and profitability, continually refining our quality and service to gain consumer recognition and trust. Through a diverse brand portfolio and product diversity, we attract customers via various marketing media. Our cross-industry product projects and collaborations with films, mobile games, sporting events, and other industries have brought attention to our brands and products. We have also promoted charitable collaborations such as the suspended meal program and cooking volunteering in remote areas, helping disadvantaged groups, giving back to society, and fulfilling Corporate Social Responsibility. To achieve sustained revenue growth, we continue to advance local agricultural cooperation to enhance regional revitalization efficiency, brand image, and penetration rate.

## 2. Life insurance

Faced with the operational challenges and opportunities arising from the alignment with IFRS 17 accounting standards and the new Taiwan Insurance Solvency (TIS) regime, we shifted toward “value-oriented” and “capital-oriented” production and sales strategy. For finance, we will implement rigorous Asset-Liability Management (ALM), enrich our capital, strengthen our risk and solvency capacity, and adjust our investment allocation to reduce the impact of market volatility on net assets. As for products, we will actively promote protection-oriented and investment-oriented products with high-CSM, strengthen stable revenue sources such as mortality gains and loading surplus, and combine digital transformation and differentiated services to enhance market competitiveness. To reinforce operational resilience and create long-term operating value for shareholders, we will continue to optimize our profit structure, shifting the emphasis from scale growth to long-term quality-driven profitability. Moreover, we are actively advancing ESG initiatives, implementing responsible investment, strengthening climate risk management, and promoting net-zero transformation. Talent development is integrated into our sustainable business strategy, with internal training and digital skill enhancement ensuring our competitive edge in the market.

On January 23, 2026, the special shareholders meeting of Mercuries Life Insurance approved a share swap to become a wholly-owned subsidiary of E.SUN Financial Holding Co. The deal was expected to fill Mercuries Life Insurance's capital shortfall and introduce additional resources, enabling continued expansion of its business scale and increasing profitability. The Company also expected that, upon completion of the share swap, shares in Mercuries Life Insurance will be converted into shares of E.SUN Financial Holding Co (2884), contributing to the Company's profit stability and cash flows in the long term.

## 3. Pharmaceuticals

The operating objectives for the Company’s pharmaceutical business are listed as follows:

- (1) Maintain a close relationship with customers and establish business relationships with original medicine developers.

- (2) Diversify production sites, maintain operational flexibility, and develop the contract development and manufacturing company (CDMO) business model.
- (3) Promote circular economy, prioritizing energy conservation and waste reduction to contribute to global sustainability.

The Company's product-specific and client-specific policies on production and distribution are presented as follows:

- (1) Active pharmaceutical ingredients (APIs): Priority will be given to APIs produced by original developers in the medicine supply. Popular products should be avoided, while existing APIs with higher safety criteria, stable sales, new uses or new dosage forms, that are involved in the R&D of new drugs, or that can be used as starting materials for new drugs will be included in the lineup.
- (2) Intermediates: In principle, intermediates produced by original developers in the medicine supply will first be chosen, followed by intermediates for controlled medicines with high barriers to entry, key intermediates which are subject to strict regulations or quality management procedures, intermediates related to SCI Pharmtech's core technologies, intermediates from the Company's strategic partners, and intermediates involved in the R&D of new drugs. The aforementioned types of intermediates can help effectively segregate SCI Pharmtech from market competition and avoid price wars.
- (3) Specialty chemicals: SCI Pharmtech produces and distributes electronic specialty chemicals that are of high standards in the pharmaceutical industry. It develops the production process for specialty chemicals, as well as customizes and mass-produces them according to customer requirements.

#### 4. Information services

Adopting a customer-oriented approach, MDS carefully selects and undertakes large-scale public construction projects that generate substantial revenue from high-margin maintenance services and create related business opportunities subsequently. Furthermore, MDS continuously expands into new businesses to create differentiation value, and improves its software development capabilities, thus demonstrating its commitment to product development while increasing its competitiveness in the market.

### III. Effects of External Competition, the Regulatory Environment, and the Economic Environment

#### (I) Effect of External Competition

With the widespread adoption of the internet and artificial intelligence, management, marketing, manufacturing, logistics, sales, payment systems, and R&D across industries are profoundly impacted by digitalization and cybersecurity. Across sectors like insurance, pharmaceuticals, consumer goods, food retail, and IT services, companies must offer differentiated products and high-quality, rapid services to meet rapidly changing industry structures. Facing dynamic market competition, labor shortages, inflationary pressures, and shifting consumer behaviors, we must identify and assess risks that could affect operations. Beyond implementing effective countermeasures to minimize adverse impacts, we aim to seize opportunities, expand business prospects, and mitigate the effects of external competitive pressures.

For insurance market performance, total premiums income showed steady growth. Benefitting from the bullish trend in the global financial market, investment-oriented products maintained strong momentum. Protection-oriented products, amid population ageing and rising risk awareness, became the primary product for companies to optimize CSM (Contractual Service Margin). Interest-sensitive products, in response to the global

interest rate environment entering a new cycle, saw life insurers actively adjust declared interest rates and optimize asset allocation to maintain product competitiveness in the market. In pharmaceutical industry, after years of large-scale capital investment and capacity expansion, Chinese pharmaceutical companies faced a severe problem of excess capacity, which forced them to channel surplus capacity into the international market, placing substantial downward pressure on the prices of global active pharmaceutical ingredient and intermediate. In 2025, the selling prices of certain products in turn suffered an adverse impact. This irrational competition mode prompted vigilance and countermeasures from various countries; the United States, for example, passed the BIOSECURE Act that explicitly restricted federal funding for collaborations with certain Chinese biotech companies. SCI Pharmtech Inc., through high-valued CDMO business, effectively created market segmentation to address this excessive competition.

## (II) Effect of the Regulatory Environment

The subjects of increasing corporate social responsibility, raising employee awareness, environmental protection, food safety, and corporate governance have become more and more important in today's rapidly developing and ever-changing society. In 2026, with the IFRS 17 accounting standard taking effect, financial reporting standards require adjustments and internal systems are strengthened to comply with the new requirements. At the same time, Financial Supervisory Commission released the new TIS regime, requiring improvements in capital adequacy and risk management capabilities in tandem, prompting business operators to optimize assets allocation and product structures. In sustainable finance, the "Green and Transition Finance Action Plan 4.0" and the IFRS S1 and S2 disclosure standards were implemented successively, requiring the finance and insurance industry to internalize ESG strategy as the core of investment decision-making and information disclosure, strengthen climate risk management, and enhance communication of sustainability performance in order to address supervisory trends and opportunities arising from market transformation.

The pharmaceutical industry has been confronted with the implementation of carbon taxes or fees, which has constituted the most significant regulatory impact. In 2025, the Taiwanese government implemented a carbon fee system, requiring high-emission industries to disclose their greenhouse gas inventories and pay for the corresponding carbon prices. The European Union also implemented the Carbon Border Adjustment Mechanism (CBAM) in 2026, imposing a carbon price on certain products exported to the European Union. The aforementioned regulations imposed higher requirements on energy consumption in production process, carbon management, and supply chain transparency. SCI Pharmtech Inc. continues to monitor relevant regulatory developments as an important reference for optimizing operation and production process, and planning carbon reduction strategy. As for retail of daily commodities and food, besides regulations concerning the familiar food sanitation and safety or workplace fire safety inspections getting more stringent, matters relating to workplace sanitation and safety, consumer health and safety, site waste and wastewater disposal, greenhouse gas emission, and energy conservation and carbon reduction have also become important topics for businesses. All businesses of the Company have retained personnel knowledgeable in the pertinent areas of the laws. In addition to the routine handling of legal affairs and monitoring compliance with regulations, our legal affairs personnel also continually pay close attention to changes in government policies or regulations which might potentially affect the Company's finance or operations. We also

regularly consult external legal professionals and reinforce compliance with governing legal standards through OTJ training to continue to enhance total quality management.

### (III) Effect of the Macroeconomic Environment

Looking back at 2025, the International Monetary Fund's "World Economic Outlook" report estimated global economic growth at 3.3%. It also highlighted that the global economy has demonstrated unexpected resilience. Despite trade tensions and geopolitical turmoil, overall performance remained "steady." On the one hand, surging investment related to Artificial Intelligence (AI) and the boom in technology sectors provided a strong boost to the economy, particularly in North America and Asia. On the other hand, shifting trade policies and geopolitical tensions constituted significant headwinds. Although the effects of trade disruptions in 2025 had gradually been offset, risks remained tilted to the "downside," continuing to pose uncertainties for future economic development. According to the February 2026 statistics from the Directorate-General of Budget, Accounting and Statistics, Taiwan's preliminary estimated economic growth rate for 2025 was 8.68%, higher than the 5.27% in 2024. According to statistics from the Ministry of Economic Affairs indicated that the growth rates for retail sales of general merchandise and the food & beverage retail in 2025 were 3% and 2.86%, respectively.

Looking ahead to 2026, the International Monetary Fund's January 2026 forecast projects global economy growth at 3.3%, essentially unchanged from the 3.3% estimated for 2025. The Directorate-General of Budget, Accounting and Statistics' February 2026 forecast estimates Taiwan's economic growth for 2026 at 7.71%, lower than the preliminary 8.68% for 2025.

### IV. Future Development Strategies

The Company has grown its principal businesses for more than 30 years. To grow its businesses steadily, the Company has actively adopted an innovative mindset and implemented innovative approaches to reduce operating risks. With a highly professional management team at the helm, the Company not only provides a wide array of services that meet the needs of society in relation to food, clothing, housing, transportation, education, and entertainment, but also endeavors to enhance the value of our brand as the provider of an enjoyable consumption environment for the population at large.

In that spirit, the Company will continue to integrate resources within the Group, uphold the core value of carefully evaluating investment strategies, as well as pursue investment opportunities under cross-industry partnerships and any possibilities for novel investment projects. At the same time, the Company strives to expand its businesses through vertical integration and diversification while assisting its subsidiaries in resource integration, so as to achieve business synergy, scale up its business operations, and maximize shareholder wealth. In addition, the Company will carry on fulfilling corporate social responsibility and realizing corporate sustainability in a proactive manner. Last but not least, the Company would like to express its utmost appreciation to all shareholders for their unwavering care and support.

Chairman and General Manager: Chen, Shiang-Li

Chief Accountant: Chen, Te-Kai

## **Attachment 2**

# **Mercuries & Associates Holding, Ltd. Audit Committee's Review Report**

The 2025 business report, financial statements, and earnings distribution proposal have been prepared by the Board of the Directors. The financial statements have been audited by the CPAs Kun-His Hsu and Shu-Chen Chang of BDO Taiwan Union & Co. and an audit report has been submitted. The aforesaid business report, financial statements, and earnings distribution proposal have been reviewed by the Audit Committee and no misstatement was found. Therefore, we have prepared the review report for your review and ratification in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

2026 Annual Shareholders' Meeting

Convener of the Audit Committee: Li Mao

March 13, 2026

### Attachment 3

## Mercuries & Associates Holding, Ltd. The Information of Directors' Remuneration for the year 2025

The remuneration payment policy for directors of the Company is based on Article 22 of the "Articles of Incorporation". According to this policy, regardless of the company's profitability, directors are entitled to receive transportation allowances. Independent directors are also entitled to receive remuneration regardless of the company's profitability. The authorization of remuneration for independent directors is determined by the Board of Directors based on each director's level of involvement and contribution to the company's operations, taking into account industry norms. Additionally, if the company is profitable for the fiscal year, in accordance with Article 25 of the "Articles of Incorporation", the Board of Directors may allocate remuneration not exceeding one percent for director compensation.

UNIT : NTD (In Thousands)

Title	Name	Director's remuneration								Total amount & Proportion of net income after summing items A, B, C, and D		Salaries, bonuses, and special expenses (E)						Total amount & Proportion of net income after summing items A, B, C, D, E, and F		Receives remuneration from other non-subsidiary companies that the Company has invested in or parent company		
		Remuneration (A) (Note 1)		Retirement pension (B)		Director's Remuneration (C)		Business execution fees (D)				Retirement allowance (E)		Employee remuneration (G)								
		The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report					
Chairman	Chen, Shiang-Li	-	-	-	-	1,250	3,678	70	144	1,320	3,822	10,901	10,901	-	-	500	-	500	-	12,721	15,223	-
										0.17%	0.51%									1.68%	2.02%	
Director	Shanglin Investment Chen, Shiang-Chung	-	-	-	-	625	3,225	60	130	685	3,355	-	9,748	-	108	-	-	210	-	685	13,421	-
										0.09%	0.44%									0.09%	1.78%	
Director	Shuren Investment Wong, Wei-Chyun	-	-	-	-	625	2,000	70	820	695	2,820	-	4,129	-	-	-	-	-	-	695	6,949	-
										0.09%	0.37%									0.09%	0.92%	
Director	Shuren Investment Cheng, I-teng (Note3)	-	-	-	-	1,250	1,250	70	70	1,320	1,320	-	-	-	-	-	-	-	-	1,320	1,320	-
										0.17%	0.17%									0.17%	0.17%	
Director	Shuren Investment Wong, Cuei-Jyun (Note3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director	Shanglin Investment Chen, Shiang-Feng	-	600	-	-	625	3,144	70	86	695	3,830	-	9,916	-	-	-	-	560	-	695	14,306	-
										0.09%	0.51%									0.09%	1.89%	
Director	Mega Prosper Investment Limited. Lee, Jiann-Hsiung	-	-	-	-	625	625	70	70	695	695	-	-	-	-	-	-	-	-	695	695	-
										0.09%	0.09%									0.09%	0.09%	

Title	Name	Director's remuneration								Total amount & Proportion of net income after summing items A, B, C, and D		Employee remuneration for other activities								Total amount & Proportion of net income after summing items A, B, C, D, E, and F		Receives remuneration from other non-subsidiary companies that the Company has invested in or parent company
		Remuneration (A) (Note 1)		Retirement pension (B)		Director's Remuneration (C)		Business execution fees (D)				Salaries, bonuses, and special expenses (E)		Retirement allowance (E)		Employee remuneration (G)						
		The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company		All companies listed in this Financial Report		The Company	All companies listed in this Financial Report			
Independent director	Lee, Mao	-	-	-	-	625	625	70	70	695	695	-	-	-	-	-	-	-	-	695	695	-
										0.09%	0.09%								0.09%	0.09%		
Independent director	Tzeng, Yu-Chiung	-	-	-	-	625	625	70	70	695	695	-	-	-	-	-	-	-	695	695	-	
										0.09%	0.09%								0.09%	0.09%		
Independent director	Liu, Po-Liang	-	-	-	-	625	625	70	70	695	695	-	-	-	-	-	-	-	695	695	-	
										0.09%	0.09%								0.09%	0.09%		
Independent director	Chao, Yuan-Chi	-	-	-	-	625	625	70	70	695	695	-	-	-	-	-	-	-	695	695	-	
										0.09%	0.09%								0.09%	0.09%		

\*Remuneration received in the most recent year by the directors of the Company for rendering services (such as serving as a non-employed consultant) to any company listed in the Financial Report: NT\$ 2,400,000. (Remuneration to the Remuneration Committee members of the Company).

Note 1 : The Independent Directors of the Company do not receive a fixed salary, but are entitled to attendance fees for board meetings and directors' remuneration distributed in accordance with the Articles of Incorporation and approved by the Board of Directors. Provided there are no significant differences in responsibilities, risks, and time commitments, the remuneration distributed to each Independent Director shall, in principle, be consistent.

Note 2 : Except for the disclosure in the table above, the Company's Directors did not receive remuneration for providing services for all companies listed in the financial report this year.

Note3 : Shu Ren Investment Co., Ltd. reappointed Weng Cui-Jun as its corporate representative on March 4, 2026, replacing the original representative, Cheng Yi-Teng.

## Attachment 4

### Mercuries & Associates Holding, Ltd. Significant Transactions with Related Parties in 2025

I. Loans to related parties for the year 2025 are as follows:

(1-1)

The company lending out funds	Simple Mart Retail Co., Ltd.
The recipient of the loaned funds	Sanyou Drugstores, Ltd.
Board approval date	2025/08/01
The amount of funds loaned	NT\$ 50 million
The actual disbursement amount	NT\$ 0 million
Reasons for the necessity of short-term financing	Business turnover

(1-2)

The company lending out funds	Simple Mart Retail Co., Ltd.
The recipient of the loaned funds	Simple Mart Plus Co., Ltd.
Board approval date	2025/08/01
The amount of funds loaned	NT\$ 150 million
The actual disbursement amount	NT\$ 0 million
Reasons for the necessity of short-term financing	Business turnover

(1-3)

The company lending out funds	Simple Mart Retail Co., Ltd.
The recipient of the loaned funds	Pet Wonderland Co., Ltd.
Board approval date	2025/08/01
The amount of funds loaned	NT\$ 30 million
The actual disbursement amount	NT\$ 0 million
Reasons for the necessity of short-term financing	Business turnover

(1-4)

The company lending out funds	Mercuries & Associates, Ltd.
The recipient of the loaned funds	Sanhui Co., Ltd
Board approval date	2025/10/17 , 2025/11/17
The amount of funds loaned	NT\$ 45 million
The actual disbursement amount	NT\$ 45 million
Reasons for the necessity of short-term financing	Business turnover

(1-5)

The company lending out funds	Mercuries F&B Co., Ltd.
The recipient of the loaned funds	Mercuries F&B Consulting Co., Ltd.
Board approval date	2025/12/03
The amount of funds loaned	NT\$ 7 million
The actual disbursement amount	NT\$ 0 million

## II. The Company and Subsidiaries' Donations to Related Parties in 2025:

The recipients of the donations Item	Foundation for Chinese Dietary Culture	Criminal Investigation and Prevention Association R.O.C.	Chinese Taipei Amateur Softball Association	The Security Police Third Corps Police Club of the Police Friendship Association of the Republic of China.
The donating company	1. Mercuries & Associates, Ltd. 2. Mercuries Liquor & Food Co., Ltd.	1. Mercuries F&B Co., Ltd. 2. Mercuries & Associates, Ltd. 3. Mercuries Data Systems Ltd. 4. SCI Pharmtech, Inc.	1. Mercuries & Associates, Ltd. 2. Mercuries Liquor & Food Co., Ltd 3. Mercuries Data Systems Ltd.	1. Mercuries Data Systems Ltd.
Board approval date	1. 2025/02/027 2. 2025/07/30	1. 2025/05/07 2. 2025/06/13 3. 2025/05/13 4. 2025/06/05	1. 2025/12/12 2. 2025/06/13 3. 2025/11/12	1. 2025/05/13
The reason for the donation	Advancing the academic study of Chinese cuisine culture	Advancing academic research in criminal investigation	Promoting sports in Taiwan	Subsidizing the expenses for police officers' overseas study and inspection visit in 2025
The amount approved by the board	1. NT\$ 3 million 2. NT\$ 3.5 million	1. NT\$ 600,000 2. NT\$ 600,000 3. NT\$ 2 million 4. NT\$ 600,000	1. NT\$ 2 million 2. NT\$ 2 million 3. NT\$ 1 million	1. NT\$ 400,000
The actual donation amount	1. NT\$ 3 million 2. NT\$ 3.5 million	1. NT\$ 600,000 2. NT\$ 600,000 3. NT\$ 2 million 4. NT\$ 600,000	1. NT\$ 2 million 2. NT\$ 2 million 3. NT\$ 1 million	1. NT\$ 400,000

## Attachment 5

### Mercuries & Associates Holding, Ltd. Comparison Table for the Sustainable Development Best Practice Principles Before and After Amendment

After the Amendment	Before the Amendment	Description
<p>Article 1 (Paragraphs 1 is omitted.)</p> <p>These Principles apply to the entire operations of the Company and its subsidiaries <u>to manage economic, environmental, and social risks and impacts</u>. Provided that the subsidiaries have established their Sustainable Development Best Practice Principles, they shall be applied with priority.</p>	<p>Article 1 (Paragraphs 1 is omitted.)</p> <p>These Principles apply to the entire operations of the Company and its subsidiaries. Provided that the subsidiaries have established their Sustainable Development Best Practice Principles, they shall be applied with priority.</p>	<p>Amended in alignment with the 'Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies'.</p>
<p>Article 3</p> <p>When the Company is fulfilling its sustainable development, it shall pay attention to the rights and interests of <u>other</u> stakeholders. While pursuing sustainable development and profit, the Company shall focus on topics pertaining to the environment, society, and corporate governance and incorporates them into its management guidelines and operating activities.</p> <p>(Paragraphs 2 is omitted.)</p>	<p>Article 3</p> <p>When the Company is fulfilling its sustainable development, it shall pay attention to the rights and interests of stakeholders. While pursuing sustainable development and profit, the Company shall focus on topics pertaining to the environment, society, and corporate governance and incorporates them into its management guidelines and operating activities.</p> <p>(Paragraphs 2 is omitted.)</p>	<p>Amended in alignment with the 'Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies'.</p>
<p>Article 13</p> <p>The Company shall establish an appropriate environmental management system according to its industrial characteristics. The system all include the following items:</p> <ol style="list-style-type: none"> <li>1. Collect sufficient and real-time information to evaluate the impact of the Company's business operations on the natural environment.</li> <li>2. Establish measurable goals for environmental sustainability, and examining whether the development of such goals shall be maintained and whether it is still relevant on a regular basis.</li> <li>3. Adopt enforcement measures, such as concrete plans or action plans, and</li> </ol>	<p>Article 13</p> <p>The Company shall establish an appropriate environmental management system according to its industrial characteristics. The system all include the following items:</p> <ol style="list-style-type: none"> <li>1. Collect sufficient and real-time information to evaluate the impact of the Company's business operations on the natural environment.</li> <li>2. Establish measurable goals for environmental sustainability, and examining whether the development of such goals shall be maintained and whether it is still relevant on a regular basis.</li> <li>3. Adopt enforcement measures, such as concrete plans or action plans, and</li> </ol>	<p>Wording revision only; no substantive change.</p>

After the Amendment	Before the Amendment	Description
<p>examine the results of the implementation on a regular basis.</p>	<p>examine the results of the implementation on a regular basis.</p>	
<p>Article 15 The Company shall take into account the impact on the ecology and promote the concept of sustainable consumption while conducting research, procurement, production, operations, services, and other business activities based on the following principles to reduce the impact of the Company's operations on the natural environment, <u>biodiversity</u>, and human beings:</p> <p>(Subparagraph 1-6 are omitted.)</p> <p><u>7. Enhance the conservation of marine and terrestrial biodiversity and ecosystems, promote the sustainable use of resources, and ensure fair and equitable benefits.</u></p>	<p>Article 15 The Company shall take into account the impact on the ecology and promote the concept of sustainable consumption while conducting research, procurement, production, operations, services, and other business activities based on the following principles to reduce the impact of the Company's operations on the natural environment and human beings:</p> <p>(Subparagraph 1-6 are omitted.)</p>	<p>Amended in alignment with the 'Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies'.</p>
<p>Article 21 The Company shall create an environment conducive to the development of employees' careers and establish effective training programs to foster career skills.</p> <p><u>It is advisable for the Company to establish placement programs to cultivate future industry talents.</u></p> <p>The Company shall formulate and implement reasonable employee benefit measures (including remuneration, leave, and other benefits) and shall reflect operating performance or results in employee remuneration to ensure the recruitment and retention of and incentives to human resources so as to achieve the goal of sustainable operations.</p>	<p>Article 21 The Company shall create an environment conducive to the development of employees' careers and establish effective training programs to foster career skills.</p> <p>The Company shall formulate and implement reasonable employee benefit measures (including remuneration, leave, and other benefits) and shall reflect operating performance or results in employee remuneration to ensure the recruitment and retention of and incentives to human resources so as to achieve the goal of sustainable operations.</p>	<p>Amended in alignment with the 'Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies'.</p>
<p>Article 32 (Paragraph 1-5 are omitted.)</p> <p><u>The fifth amendment was made on March 13, 2026.</u></p>	<p>Article 32 (Paragraph 1-5 are omitted.)</p>	<p>Added the revision number and date.</p>

## Attachment 6

### INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders of  
Mercuries & Associates Holding, Ltd.

#### *Opinion*

We have audited the accompanying consolidated balance sheets of Mercuries & Associates Holding, Ltd. and its subsidiaries as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors as described in the Other Matter section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Mercuries & Associates Holding, Ltd. and its subsidiaries as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed by the Financial Supervisory Commission of the Republic of China.

#### *Basis for Opinion*

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standard on Auditing of the Republic of China. Our responsibilities under those standards are further described in the section of Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements of our report. We are independent of Mercuries & Associates Holding, Ltd. and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, 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 the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

#### **The completeness and accuracy of recording insurance reserves**

Description:

The insurance reserves are calculated and recognized by the actuarial personnel of the subsidiary, Mercuries Life Insurance Co., Ltd (“Mercuries Life Insurance”), in accordance with applicable insurance regulations and the respective product calculation manual. To ensure the adequacy of the insurance reserves, the Company also exercises judgment over the ultimate settlement value of

various insurance benefits and estimates the future cash flows of insurance contracts based on current information, in order to assess whether the carrying amount of the recognized insurance liabilities is sufficient. Given that the balance of insurance reserves under insurance liabilities represents approximately 78% of total liabilities, this matter has been identified as an area requiring significant attention in our audit of the financial statements. Please refer to Note 6.23 and Note 12.7 of the consolidated financial statements for details.

We performed the corresponding key audit procedures on the above matter:

1. Understanding and evaluating the relevant policies, internal controls and procedures for the measurement of insurance liabilities.
2. Performing sampling procedures on internal controls related to the measurement of insurance liabilities, including testing the completeness of in-force policy counts and the accuracy of policy data.
3. Utilizing the work of internal actuarial specialists to assess the accuracy of the insurance liability balance as of the balance sheet date, including performing sample tests on newly launched products to verify that the reserving methodology is consistent with the product calculation manual and relevant regulatory requirements, conducting roll forward and movement analyses of insurance liabilities, and independently evaluating and recalculating the current estimates of future cash flows arising from insurance contracts.
4. Assess the appropriateness of the disclosure that are related to insurance reserves.

### **Valuation of financial assets**

Description:

Please refer to Note 4.11 for the related accounting policy of valuation of financial assets, Note 5 about accounting estimate and assumption uncertainty of financial assets for valuation and Note 12.2 to 12.4 for fair value information and financial risk management of financial assets.

The subsidiary Mercuries Life Insurance's fair value measurement of financial assets at fair value through profit or loss and fair value through other comprehensive income for debt instrument without an active market is determined by observable input parameters obtained either directly or indirectly. The management has to select the sources of parameters and makes subjective judgements on the uses of different valuation techniques. Therefore, this matter needs significant attention in our audit.

We performed the following audit procedures on the above key audit matter:

1. Performing tests over the investment cycle of its initial recognition, subsequent measurements and their disclosures on financial statements.
2. Inspecting the accounting policies related to fair value measurements and disclosures of financial instruments of the Company.
3. Obtaining detail lists for financial assets, sample-testing the sources of fair values of each category and inspecting whether the information is consistent with those in the lists for financial assets as well as engaging valuation experts to independently perform the valuations on these financial assets, compare between the results from external experts and the book values, and assess whether there's significant abnormality.

## **The completeness and accuracy of retail sales revenue**

### Description:

Please refer to Note 4.34 for the related accounting policy of retail sales revenue.

Retail sales revenue of Mercuries & Associates, Ltd. and Simple Mart Retail Co., Ltd. are recorded by point-of-sale (POS) terminals, which collect the information by scanning barcodes about item names, quantity, sales price and total sales amount of each transaction via the pre-established merchandise master file data. After the daily closing process, each store uploads the sales information to the Enterprise Resource Planning (“ERP”) system, which will summarize all sales and automatically generate sales revenue journal entries.

As retail sales revenue comprises numerous small amount transactions and highly relies on the IT systems, the above-mentioned process of summarizing and recording sales revenue by these systems is important and influential on the completeness and accuracy of the retail sales revenue. Therefore, this matter needs significant attention in our audit.

We performed the following audit procedures on the above key audit matter:

1. Assessing the controls over the regularity and completeness of the sales data transfer from POS to ERP as well as the system’s automatic generation of sales revenue journal entries.
2. Inspecting the sales revenue journal entries which are not automatically generated by the system with relevant documents.
3. Inspecting cash amounts recorded in the store’s daily cash reports and agreed them to the amounts in the bank statement.

### ***Other matter***

As described in Note 4.5, we did not audit the financial statements of certain consolidated subsidiaries which were audited by other auditors. Thus, the amounts and information of the subsidiaries shown within are in accordance with the audit reports assured by other auditors whose reports thereon have been furnished to us. Total assets of these subsidiaries were \$17,328,990 thousand and \$17,401,503 thousand, constituting 1.02% and 1.05% of the total consolidated assets as of December 31, 2025 and 2024 respectively, and total sales revenue were \$22,668,867 thousand and \$22,140,442 thousand, constituting 14.13% and 10.93% of total consolidated sales revenue for the years ended December 31, 2025 and 2024, respectively. As described in Note 6.11, the financial statements of certain investee companies under equity method were audited by other auditors. Thus, the amounts and information of those investee companies shown within are in accordance with the audit reports assured by other auditors whose reports thereon have been furnished to us. The investments in the aforementioned investee companies were amounted to \$5,799,189 thousand and \$4,476,643 thousand, constituted 0.34% and 0.27% of the total consolidated asset as of December 31, 2025 and 2024, respectively, and the recognized shares of profit of associates and joint ventures accounted for under equity method of these investee companies were \$(63,112) thousand and \$(12,000) thousand, constituted 5.12% and 0.87% of the consolidated profit before income tax for the years ended December 31, 2025 and 2024, respectively.

We have audited the parent company only financial statements of Mercuries & Associates Holding, Ltd. and expressed an unqualified opinion with other matter paragraph as of and for the years ended December 31, 2025 and 2024.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the 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 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 of Mercuries & Associates Holding, Ltd. and its subsidiaries to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Mercuries & Associates Holding, Ltd. and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of Mercuries & Associates Holding, Ltd. and its subsidiaries.

### ***Auditor's Responsibilities for the Audit of the consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standard 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 Standard on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

However, future events or conditions may cause Mercuries & Associates Holding, Ltd. and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, 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 Mercuries & Associates Holding, Ltd. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Kun-His Hsu and Shu-Chen Chang.

BDO TAIWAN

March 13, 2026

**Notice to Readers**

*The accompanying 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 financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

MERCURIES & ASSOCIATES HOLDING, LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
December 31, 2025 and 2024

UNIT : NTD (In Thousands)

Assets	Notes	December 31, 2025	%	December 31, 2024	%	Liabilities & Equity	Notes	December 31, 2025	%	December 31, 2024	%
Current assets						Current liabilities					
Cash and cash equivalents		\$79,991,353	4.73	\$31,479,776	1.90	Short-term borrowings		\$1,437,600	0.08	\$1,385,100	0.08
Financial assets at fair value through profit or loss - current		221,362	0.01	114,147	0.01	Short-term notes and bills payable		437,993	0.03	919,797	0.06
Financial assets at fair value through other comprehensive income - current		170	-	152	-	Contract liabilities - current		1,360,333	0.08	1,261,680	0.08
Financial assets at amortized cost - current		13,495	-	3,687	-	Accounts payable		11,740,776	0.69	10,086,640	0.61
Contract assets - current		671,951	0.04	456,905	0.03	Commissions payable		959,178	0.06	949,805	0.06
Accounts receivable, net		15,879,283	0.94	12,924,259	0.78	Claims and benefits payable		678,034	0.04	682,650	0.04
Current income tax assets		840,906	0.05	848,491	0.05	Due to reinsurers and ceding companies		2,763,443	0.16	2,713,079	0.16
Inventories		5,979,651	0.35	7,345,432	0.44	Current income tax liabilities		596,677	0.04	272,735	0.02
Prepayments		1,139,458	0.07	848,164	0.05	Advanced receipts		80,746	-	120,207	0.01
Non-current assets held for sale		-	-	1,517,092	0.09	Long-term liabilities - current portion		627,861	0.04	541,364	0.03
Reinsurance contract assets, net		3,844,571	0.23	3,713,228	0.22	Lease liabilities - current		1,369,781	0.08	1,384,275	0.08
Other current assets		29,004	-	134,057	0.01	Liabilities directly associated with non-current assets held for sale		-	-	63,662	-
Bills discounted and loans, net		64,437,850	3.81	66,162,331	3.99	Other current liabilities		85,654	0.01	92,147	-
Sub-total		<u>173,049,054</u>	<u>10.23</u>	<u>125,547,721</u>	<u>7.57</u>	Sub-total		<u>22,138,076</u>	<u>1.31</u>	<u>20,473,141</u>	<u>1.23</u>
						Non-current liabilities					
						Financial liabilities at fair value through profit or loss - non-current		6,515,651	0.39	13,960,710	0.84
						Contract liabilities - non-current		191,378	0.01	150,954	0.01
						Bonds payable		28,656,990	1.69	11,398,491	0.69
						Long-term borrowings		9,094,857	0.54	8,269,664	0.50
						Provisions - non-current		1,315,187,581	77.74	1,320,821,749	79.67
						Separate account liabilities for unit-linked products		245,496,227	14.51	211,513,255	12.76
Non-current assets						Guarantee deposits received		540,720	0.03	696,694	0.04
Financial assets at fair value through profit or loss - non-current		143,796,295	8.50	147,140,208	8.88	Lease liabilities - non-current		3,419,699	0.20	3,501,983	0.21
Financial assets at fair value through other comprehensive income - non-current		14,943,001	0.88	11,641,240	0.70	Deferred tax liabilities		10,757,340	0.64	15,959,309	0.97
Financial assets at amortized cost - non-current		986,116,328	58.29	1,016,366,006	61.31	Other non-current liabilities		778,719	0.05	876,259	0.06
Investments accounted for under equity method		5,901,978	0.35	4,582,003	0.28	Sub-total		<u>1,620,639,162</u>	<u>95.80</u>	<u>1,587,149,068</u>	<u>95.75</u>
Property, plant and equipment		20,977,772	1.24	20,110,637	1.21	Total Liabilities		<u>1,642,777,238</u>	<u>97.11</u>	<u>1,607,622,209</u>	<u>96.98</u>
Right-of-use assets		4,645,976	0.27	4,744,813	0.29	Equity attributable to owners of the parent					
Investment property, net		23,696,574	1.40	22,065,653	1.33	Share Capital					
Intangible assets		726,247	0.04	511,062	0.03	Common stock		11,103,717	0.66	11,224,957	0.68
Deferred tax assets		25,628,126	1.52	29,247,482	1.76	Capital surplus		4,165,209	0.25	4,456,229	0.27
Other non-current assets		292,223,682	17.28	275,844,709	16.64	Retained earnings					
Sub-total		<u>1,518,655,979</u>	<u>89.77</u>	<u>1,532,253,813</u>	<u>92.43</u>	Legal reserve		150,832	0.01	-	-
						Special reserve		4,748,749	0.28	3,391,261	0.20
						Unappropriated earnings (Accumulated deficit)		701,727	0.04	1,508,321	0.09
						Other equity		(4,512,106)	(0.27)	(3,327,357)	(0.20)
						Treasury stock		(592,930)	(0.04)	(592,930)	(0.04)
						Total equity attributable to owners of the parent		<u>15,765,198</u>	<u>0.93</u>	<u>16,660,481</u>	<u>1.00</u>
						Non-controlling interests		33,162,597	1.96	33,518,844	2.02
						Total Equity		<u>48,927,795</u>	<u>2.89</u>	<u>50,179,325</u>	<u>3.02</u>
Total assets		<u>\$1,691,705,033</u>	<u>100.00</u>	<u>\$1,657,801,534</u>	<u>100.00</u>	Total Liabilities and Equity		<u>\$1,691,705,033</u>	<u>100.00</u>	<u>\$1,657,801,534</u>	<u>100.00</u>

MERCURIES & ASSOCIATES HOLDING, LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
For the Years Ended December 31, 2025 and 2024

UNIT : NTD (In Thousands)

Item	Notes	2025	%	2024	%
Operating revenue					
Interest income		\$37,099,309	23.13	\$37,770,849	18.65
Premiums income		67,750,274	42.24	71,028,342	35.07
Commission on reinsurance ceded		155,897	0.10	91,634	0.05
Fee income		3,998,522	2.49	3,506,451	1.73
Share of profit of associates and joint ventures accounted for under equity method		-	-	8,139	-
Separate account revenue for unit-linked products		24,228,037	15.10	17,946,884	8.86
Gain on financial assets (liabilities) measured at fair value through profit or loss		11,161,899	6.96	-	-
Realized gains on financial assets measured at fair value through other comprehensive income		235,352	0.15	76,613	0.04
Gain arising from derecognition of financial assets measured at amortized cost		62,543	0.04	-	-
Gain on financial liabilities measured at amortized cost		-	-	22,643	0.01
Net sales revenue					
Sales revenue		34,298,699	21.38	31,940,557	15.77
Sales returns		(42,315)	(0.03)	(46,682)	(0.02)
Sales discounts and allowances		(2,260)	-	(1,520)	-
Rental income		355,879	0.22	378,930	0.19
Service revenue		651,116	0.40	682,687	0.34
Gain on disposal of property, plant and equipment		-	-	119,351	0.06
Gain on investment property		629,632	0.39	589,134	0.29
Reserve for fluctuation of foreign exchange movement		(23,837,256)	(14.86)	(9,015,015)	(4.45)
Profit reclassified by applying overlay approach		3,464,359	2.15	4,600,310	2.27
Gain on reversal of impairment losses		1,817	-	-	-
Gain on foreign exchange		-	-	42,148,751	20.81
Other income		230,497	0.14	670,135	0.33
Total operating revenue		<u>160,442,001</u>	<u>100.00</u>	<u>202,518,193</u>	<u>100.00</u>
Operating cost					
Interest expenses		(301,063)	(0.19)	(255,080)	(0.13)
Underwriting expenses		(28,967)	(0.02)	(28,832)	(0.01)
Commission expenses		(5,910,768)	(3.68)	(5,824,075)	(2.88)
Insurance claims and benefits		(81,208,858)	(50.63)	(85,620,864)	(42.28)
Other insurance liabilities movement		20,083,157	12.52	(21,688,050)	(10.71)
Share of loss of associates and joint ventures accounted for under equity method		(47,558)	(0.03)	-	-
Separate account expenses for unit-linked products		(24,228,037)	(15.10)	(17,946,884)	(8.86)
Loss on financial assets (liabilities) measured at fair value through profit or loss		-	-	(31,461,907)	(15.54)
Loss arising from derecognition of financial assets measured at amortized cost		-	-	(284,660)	(0.14)
Cost of goods sold		(24,460,423)	(15.25)	(22,404,293)	(11.06)
Service cost		(12,831)	(0.01)	(13,997)	(0.01)
Operating expenses					
Selling expense		(7,002,779)	(4.37)	(6,693,524)	(3.31)
General and administrative expenses		(7,752,970)	(4.83)	(7,449,122)	(3.68)
Research and development expenses		(304,247)	(0.19)	(298,757)	(0.15)
Loss on disposal of investments		(34,274)	(0.02)	(1,068)	-
Loss on disposal of property, plant and equipment		(6,082)	-	-	-
Impairment loss		-	-	(276,334)	(0.14)
Expected credit impairment loss		(146,823)	(0.09)	(134,359)	(0.07)
Loss on foreign exchange		(26,892,730)	(16.76)	-	-
Other expense		(954,469)	(0.60)	(757,376)	(0.35)
Total operating cost		<u>(159,209,722)</u>	<u>(99.25)</u>	<u>(201,139,182)</u>	<u>(99.32)</u>
Profit (loss) before income tax from continuing operations		1,232,279	0.77	1,379,011	0.68
Income tax (expenses) benefits		589,840	0.35	2,139,214	1.06
Net profit (loss) from continuing operations		<u>1,822,119</u>	<u>1.12</u>	<u>3,518,225</u>	<u>1.74</u>
Net profit (loss)		<u>1,822,119</u>	<u>1.12</u>	<u>3,518,225</u>	<u>1.74</u>
Other comprehensive income (loss)					
Components of other comprehensive income that will not be reclassified to profit or loss					
Gain (loss) on remeasurements of defined benefit plans		(154)	-	72,400	0.04
Revaluation surplus on property		89,452	0.06	910,873	0.45
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		(103,329)	(0.06)	(152,300)	(0.08)
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method		8,501	0.01	65,329	0.03
Income tax relating to components		(3,539)	-	(215,658)	(0.11)
Components of other comprehensive income that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations		(528)	-	6,307	-
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income		92,583	0.06	(780,203)	(0.39)
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method		54	-	(171)	-
Other comprehensive income (loss) on reclassification under the overlay approach		(3,464,359)	(2.16)	(4,600,310)	(2.27)
Income tax relating to components		142,395	0.07	40,168	0.03
Other comprehensive income (loss)		<u>(3,238,924)</u>	<u>(2.02)</u>	<u>(4,653,565)</u>	<u>(2.30)</u>
Total comprehensive income (loss)		<u>(1,416,805)</u>	<u>(0.90)</u>	<u>(1,135,340)</u>	<u>(0.56)</u>
Profit (loss) attributable to:					
Shareholders of the parent		755,071	0.46	1,517,530	0.75
Non-controlling interests		1,067,048	0.66	2,000,695	0.99
Total		<u>1,822,119</u>	<u>1.12</u>	<u>3,518,225</u>	<u>1.74</u>
Comprehensive income (loss) attributable to:					
Shareholders of the parent		(421,009)	(0.27)	(201,838)	(0.10)
Non-controlling interests		(995,796)	(0.63)	(933,502)	(0.46)
Total		<u>\$(1,416,805)</u>	<u>(0.90)</u>	<u>\$(1,135,340)</u>	<u>(0.56)</u>
Earnings per share					
Income (loss) from continuing operations, net of income tax		\$0.71		\$1.42	
Basic earnings (loss) per share (in dollars)		<u>\$0.71</u>		<u>\$1.42</u>	
Diluted earnings per share (in dollars)		<u>\$0.71</u>		<u>\$1.41</u>	
The pro forma net income and earning per share if accounting for treasury stock had not been adopted are as follows:					
Pro forma after income tax		\$772,250		\$1,528,859	
Earnings per share		<u>\$0.69</u>		<u>\$1.36</u>	

MERCURIES & ASSOCIATES HOLDING, LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
For the Years Ended December 31, 2025 and 2024

UNIT : NTD (In Thousands)

Summary	Equity Attributable to Shareholders of the Parent													Total
	Common Stock	Capital Surplus	Retained Earnings			Other Equity Interests					Treasury Stock	SubTotal	Non-Controlling Interest	
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Revaluation Reserve of Properties	Reclassification to Other Comprehensive Income Due to The Overlay Approach				
Balance on January 1, 2024	\$11,224,957	\$4,730,938	\$2,753,775	\$5,990,502	\$(5,665,734)	\$(13,780)	\$(401,632)	\$0	\$426,631	\$(1,553,920)	\$(592,930)	\$16,898,807	\$31,412,664	\$48,311,471
Appropriation earnings 2023														
Special reserve	-	-	-	(2,599,241)	2,599,241	-	-	-	-	-	-	-	-	-
Legal reserve used to cover accumulated deficits	-	-	(2,753,775)	-	2,753,775	-	-	-	-	-	-	-	-	-
Effects of changes in ownership interest from investee	-	192,012	-	-	(58,698)	-	-	-	-	-	-	133,314	-	133,314
Changes in unappropriated retained earnings of investees	-	-	-	-	(15,798)	-	-	-	-	-	-	(15,798)	-	(15,798)
Changes in capital surplus of investees	-	23,159	-	-	-	-	-	-	-	-	-	23,159	-	23,159
Capital surplus used to cover accumulated deficits	-	(312,717)	-	-	312,717	-	-	-	-	-	-	-	-	-
Cash dividends distributed from capital surplus	-	(224,499)	-	-	-	-	-	-	-	-	-	(224,499)	-	(224,499)
Net profit (loss)	-	-	-	-	1,517,530	-	-	-	-	-	-	1,517,530	2,000,695	3,518,225
Other comprehensive income (loss)	-	-	-	-	65,329	3,108	(311,542)	(62)	253,033	(1,729,234)	-	(1,719,368)	(2,934,197)	(4,653,565)
Dividends from the Company received by subsidiaries	-	11,329	-	-	-	-	-	-	-	-	-	11,329	-	11,329
Differences of acquisition or disposal price and book value of subsidiaries	-	36,007	-	-	-	-	-	-	-	-	-	36,007	-	36,007
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	3,039,682	3,039,682
Disposal of revaluation Reserve of Properties from investees	-	-	-	-	(41)	-	-	-	41	-	-	-	-	-
Balance on January 1, 2025	\$11,224,957	\$4,456,229	\$0	\$3,391,261	\$1,508,321	\$(10,672)	\$(713,174)	\$(62)	\$679,705	\$(3,283,154)	\$(592,930)	\$16,660,481	\$33,518,844	\$50,179,325
Appropriation earnings 2024														
Legal reserve	-	-	150,832	-	(150,832)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	1,357,488	(1,357,488)	-	-	-	-	-	-	-	-	-
Adjustments on liquidation of investee	-	(96)	-	-	-	-	-	-	-	-	-	(96)	-	(96)
Effects of changes in ownership interest from investee	-	850	-	-	(44,317)	-	-	-	-	-	-	(43,467)	-	(43,467)
Changes in unappropriated retained earnings of investees	-	-	-	-	17,205	-	-	-	-	-	-	17,205	-	17,205
Changes in capital surplus of investees	-	9,458	-	-	-	-	-	-	-	-	-	9,458	-	9,458
Cash dividends distributed from capital surplus	-	(336,748)	-	-	-	-	-	-	-	-	-	(336,748)	-	(336,748)
Net profit (loss)	-	-	-	-	755,071	-	-	-	-	-	-	755,071	1,067,048	1,822,119
Other comprehensive income (loss)	-	-	-	-	8,501	(569)	(26,112)	19	29,186	(1,187,105)	-	(1,176,080)	(2,062,844)	(3,238,924)
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	-	(161,315)	(161,315)	-	(161,315)
Cancellation of treasury stock	(121,240)	(5,173)	-	-	(34,902)	-	-	-	-	-	161,315	-	-	-
Dividends from the Company received by subsidiaries	-	17,179	-	-	-	-	-	-	-	-	-	17,179	-	17,179
Differences of acquisition or disposal price and book value of subsidiaries	-	23,510	-	-	-	-	-	-	-	-	-	23,510	-	23,510
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	639,549	639,549
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	168	-	(168)	-	-	-	-	-	-	-
Balance on December 31, 2025	\$11,103,717	\$4,165,209	\$150,832	\$4,748,749	\$701,727	\$(11,241)	\$(739,454)	\$(43)	\$708,891	\$(4,470,259)	\$(592,930)	\$15,765,198	\$33,162,597	\$48,927,795

MERCURIES & ASSOCIATES HOLDING, LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2025 and 2024

UNIT : NTD (In Thousands)

Items	2025	2024
Cash flows from operating activities		
Profit (loss) before income tax from continuing operations	\$1,232,279	\$1,379,011
Adjustments for		
Income and expenses having no effect on cash flows		
Depreciation	2,716,112	2,547,303
Amortization	149,600	137,280
Net gain (loss) on financial assets or liabilities at fair value through profit or loss	(11,188,508)	31,430,525
Net gain on financial assets or liabilities at fair value through other comprehensive income	(249,828)	(84,230)
Interest expense	994,564	754,098
Net gain arising from derecognition of financial assets measured at amortized cost	(62,543)	284,660
Interest income	(37,099,309)	(37,770,849)
Net change in insurance liabilities	(19,732,522)	22,105,159
Net change in reserve for fluctuation of foreign exchange movement	23,837,256	9,015,015
Reversal of expected credit impairment losses on investments	145,748	141,264
Expected credit impairment losses (gains) on non-investments	1,075	(6,905)
Share-based payments	11,400	56,400
Share of profit of associates and joint ventures accounted for under equity method	47,558	(8,139)
(Profit) loss reclassified by applying overlay approach	(3,464,359)	(4,600,310)
Loss on disposal of property, plant and equipment	7,477	(119,203)
Gain on disposal of investment property	556	631
Loss on disposal of intangible assets method	157	353
Gain on disposal of investments accounted for under equity method	26,074	-
Rental income from sale and leaseback transactions	-	(5,556)
Impairment loss on non-financial assets	(1,817)	276,334
Loss on unrealized foreign exchange	34,014,320	(53,627,125)
Gain on redemption of bond payable	-	(22,643)
Gain on fair value adjustment of investment property	(386,122)	(294,506)
Net cash generated from Income and expenses having no effect on cash flows	(10,233,111)	(29,790,444)
Changes in assets and liabilities related to operating activities		
Changes in assets related to operating activities:		
(Increase) decrease in financial assets at fair value through profit or loss	1,067,094	(53,858,351)
(Increase) decrease in accounts receivable	(3,242,427)	(229,530)
(Increase) decrease in inventories	1,361,416	(1,748,368)
(Increase) decrease in prepayments	(331,002)	571,093
(Increase) decrease in contract assets	(215,046)	(146,208)
(Increase) decrease in other current assets	105,052	23,973
(Increase) decrease in reinsurance contract assets	70,234	(820,499)
(Increase) decrease in other assets	(50,251)	(295,274)
Net cash generated from changes in assets related to operating activities	(1,234,930)	(56,503,164)
Changes in liabilities related to operating activities:		
Increase (decrease) in accounts payable	1,707,031	2,796,803
Increase (decrease) in provisions	(62,725)	(175,433)
Increase (decrease) in contract liabilities	139,077	369,348
Increase (decrease) in other liabilities	908	(6,728)
Others	(9,926,444)	15,782,255
Net cash generated from changes in liabilities related to operating activities	(8,142,153)	18,766,245
Net cash generated from changes in assets and liabilities related to operating activities	(9,377,083)	(37,736,919)
Total adjustments	(19,610,194)	(67,527,363)
Cash inflow generated from operations	(18,377,915)	(66,148,352)
Interest received	28,066,216	23,700,281
Dividends received	5,847,509	4,684,583
Interest paid	(814,616)	(699,363)
Income taxes paid	(586,055)	(42,054)
Net cash flows generated from (used in) operating activities	14,135,139	(38,504,905)
Cash flows from (used in) investing activities		
Decrease in loans	1,767,660	1,801,782
Acquisition of financial assets at fair value through profit or loss	(13,001)	(175,643)
Proceeds from disposal of financial assets at fair value through profit or loss	140,551	62,470
Acquisition of financial assets at fair value through other comprehensive income	(15,583,746)	(13,665,996)
Proceeds from disposal of financial assets at fair value through other comprehensive income	12,476,461	5,305,969
Remittance of cash due to capital reduction of financial assets at fair value through other comprehensive income	86,186	159,503
Acquisition of financial assets at amortized cost	(2,187,097)	-
Proceeds from disposal of financial assets at amortized cost	21,948,936	13,800,828
Proceeds from repayments of financial assets at amortized cost	2,815,456	1,491,792
Acquisition of investment accounted for under equity method	(1,800,000)	(47,000)
Acquisition of property, plant and equipment	(1,882,709)	(2,152,307)
Proceeds from disposal of property, plant and equipment	933	186,120
Decrease (increase) in guarantee deposits	780,631	(913,588)
Acquisition of intangible assets	(360,329)	(380,123)
Acquisition of investment property	(19,527)	(108,285)
Net cash flows generated from (used in) investing activities	18,170,405	5,365,522
Cash flows from (used in) financing activities		
Increase (decrease) in short-term borrowings	52,500	50,100
Increase (decrease) in short-term notes and bills payable	(481,986)	349,808
Proceeds from long-term borrowings	69,428,331	39,014,286
Repayments of long-term borrowings	(68,776,364)	(36,703,991)
Proceeds from issuing bonds	17,530,000	2,500,000
Repayment of issuing bonds	-	(1,973,592)
Increase (decrease) in guarantee deposits received	(155,974)	(4,854,608)
Repayment of the principle portion of lease liabilities	(1,651,604)	(1,574,233)
Cash dividends	(657,199)	(506,199)
Cash increase	792,728	3,221,655
Proceeds from disposal of interests in subsidiaries without loss of control	48,189	63,317
The purchase of treasury stock	(161,315)	-
Increase(decrease) in non-controlling interest	239,906	261,716
Net cash generated from (used in) financing activities	16,207,212	(151,741)
Effect of exchange in exchanges rate on cash and cash equivalents	(1,179)	(2,124)
Net increase (decrease) in cash and cash equivalents	48,511,577	(33,293,248)
Cash and cash equivalents at beginning of period	31,479,776	64,773,024
Cash and cash equivalents at end of period	\$79,991,353	\$31,479,776

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders of  
Mercuries & Associates Holding, Ltd.

### *Opinion*

We have audited the accompanying parent company only balance sheets of Mercuries & Associates Holding, Ltd. as of December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors as described in the Other Matter section of our report, the accompanying parent company only financial statements present fairly, in all material respects, the financial positions of the Mercuries & Associates Holding, Ltd. as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### *Basis for Opinion*

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standard on Auditing of the Republic of China. Our responsibilities under those standards are further described in the section of Auditor's Responsibilities for the audit of the parent company only financial statements of our report. We are independent of Mercuries & Associates Holding, Ltd. in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, 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 the parent company only financial statements for the year ended December 31, 2025. 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, we do not provide a separate opinion on these matters.

### **The completeness and accuracy of the subsidiary's recording insurance reserves**

#### Description:

The insurance reserves are calculated and recognized by the actuarial personnel of the subsidiary, Mercuries Life Insurance Co., Ltd ("Mercuries Life Insurance"), in accordance with applicable insurance regulations and the respective product calculation manual. To ensure the adequacy of the insurance reserves, the Company also exercises judgment over the ultimate settlement value of various insurance benefits and estimates the future cash flows of insurance contracts based on current information, in order to assess whether the carrying amount of the recognized insurance liabilities is sufficient. Given that the balance of insurance reserves under insurance liabilities represents approximately 78% of total liabilities, this matter has been identified as an area requiring significant attention in our audit of the financial statements.

We performed the corresponding key audit procedures on the above matter:

1. Understanding and evaluating the relevant policies, internal controls and procedures for the measurement of insurance liabilities.
2. Performing sampling procedures on internal controls related to the measurement of insurance liabilities, including testing the completeness of in-force policy counts and the accuracy of policy data.
3. Utilizing the work of internal actuarial specialists to assess the accuracy of the insurance liability balance as of the balance sheet date, including performing sample tests on newly launched products to verify that the reserving methodology is consistent with the product calculation manual and relevant regulatory requirements, conducting roll forward and movement analyses of insurance liabilities, and independently evaluating and recalculating the current estimates of future cash flows arising from insurance contracts.
4. Assess the appropriateness of the disclosure that are related to insurance liabilities.

### **Valuation of financial assets**

Description:

The subsidiary Mercuries Life Insurance's fair value information of financial assets at fair value through profit or loss and fair value through other comprehensive income for debt instrument without an active market is calculated by observable input parameters obtained either directly or indirectly. The management has to select the sources of parameters and makes subjective judgements on the uses of different valuation techniques. Therefore, this matter needs significant attention in our audit.

We performed the following audit procedures on the above key audit matter:

1. Performing an assessment over the investment cycle of its initial recognition, subsequent measurements and their disclosures on financial statements.
2. Inspecting the accounting policies related to fair value measurements and disclosures of financial instruments of the Company.
3. Obtaining detail lists for financial assets, sample-testing the sources of fair values of each category and inspecting whether the information is consistent with those in the lists for financial assets as well as engaging valuation experts to independently perform the valuations on these financial assets, compare between the results from external experts and the book values, and assess whether there's significant abnormality.

### **The completeness and accuracy of retail sales revenue**

Description:

Retail sales revenue of Mercuries & Associates, Ltd. and Simple Mart Retail Co., Ltd. are recorded by point-of-sale (POS) terminals, which collect the information by scanning barcodes about item names, quantity, sales price and total sales amount of each transaction via the pre-established merchandise master file data. After the daily closing process, each store uploads the sales information to the Enterprise Resource Planning ("ERP") system, which will summarize all sales and automatically generate sales revenue journal entries.

As retail sales revenue comprises numerous small amount transactions and highly relies on the IT systems, the above-mentioned process of summarizing and recording sales revenue by these systems is important and influential on the completeness and accuracy of the retail sales revenue. Therefore, this matter needs significant attention in our audit.

We performed the following audit procedures on the above key audit matter:

1. Assessing the controls over the regularity and completeness of the sales data transfer from POS to ERP as well as the system's automatic generation of sales revenue journal entries.
2. Inspecting the sales revenue journal entries which are not automatically generated by the system with relevant documents.
3. Inspecting cash amounts recorded in the store's daily cash reports and agreed them to the amounts in the bank statement.

### **Other matter**

As described in Note 6.6, the financial statements of certain investee companies under equity method were audited by other auditors. Thus, the amounts and information of the investee companies shown within are in accordance with the audit reports assured by other auditors whose reports thereon have been furnished to us. The investments of the aforementioned investee companies amounted to \$3,810,973 thousand and \$3,871,197 thousand, constituted 15.92% and 15.97% of the total assets as of December 31, 2025 and 2024 respectively; and the share of profit of subsidiaries, associates and joint ventures accounted for under equity method of these investee companies were \$148,366 thousand and \$280,566 thousand, constituted 19.39% and 18.51% of the profit before income tax for the years ended December 31, 2025 and 2024, respectively.

### **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 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 of Mercuries & Associates Holding, Ltd. to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Mercuries & Associates Holding, Ltd. 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 Mercuries & Associates Holding, Ltd.

## **Auditor's Responsibilities for the Audit of the Parent Company only Financial Statements**

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Kun-His Hsu and Shu-Chen Chang.

BDO TAIWAN

March 13, 2026

**Notice to Readers**

*The accompanying 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 financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

MERCURIES & ASSOCIATES HOLDING, LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
December 31, 2025 and 2024

UNIT : NTD (In Thousands)

Assets	Notes	December 31, 2025	%	December 31, 2024	%	Liabilities & Equity	Notes	December 31, 2025	%	December 31, 2024	%
Current assets						Current liabilities					
Cash and cash equivalents		\$605,742	2.53	\$75,181	0.31	Short-term notes and bills payable		\$-	-	\$349,819	1.44
Financial assets at fair value through other comprehensive income- current		170	-	152	-	Other payables		60,430	0.25	61,577	0.25
Notes receivable, net		10,997	0.05	12,635	0.05	Liabilities directly associated with non-current assets held for sale		-	-	62,205	0.26
Accounts receivable, net		99	-	99	-	Other current liabilities		266,050	1.11	13,067	0.06
Other receivables		11,749	0.05	10,842	0.04	Sub-total		<u>326,480</u>	<u>1.36</u>	<u>486,668</u>	<u>2.01</u>
Prepayments		2,091	0.01	1,057	0.01	Non-current liabilities					
Non-current assets held for sale		-	-	1,576,504	6.51	Bonds payable		-	-	252,781	1.04
Sub-total		<u>630,848</u>	<u>2.64</u>	<u>1,676,470</u>	<u>6.92</u>	Long-term borrowings		7,570,000	31.62	6,627,989	27.34
						Deferred tax liabilities		159,551	0.67	88,635	0.37
						Other non-current liabilities		118,764	0.50	124,746	0.52
						Sub-total		<u>7,848,315</u>	<u>32.79</u>	<u>7,094,151</u>	<u>29.27</u>
						Total Liabilities		<u>8,174,795</u>	<u>34.15</u>	<u>7,580,819</u>	<u>31.28</u>
Non-current assets						Equity					
Financial assets at fair value through other comprehensive income - non-current		63,538	0.27	56,627	0.23	Share Capital					
Financial assets at amortized cost - non-current		250,000	1.04	250,000	1.03	Common stock		11,103,717	46.38	11,224,957	46.31
Investments accounted for under equity method		20,845,994	87.08	21,757,244	89.75	Capital surplus		4,165,209	17.40	4,456,229	18.38
Property, plant and equipment		4,034	0.02	4,446	0.02	Retained earnings					
Investment property, net		2,126,414	8.88	477,741	1.97	Legal reserve		150,832	0.63	-	-
Intangible assets		392	-	-	-	Special reserve		4,748,749	19.84	3,391,261	13.99
Other non-current assets		18,773	0.07	18,772	0.08	Unappropriated earnings		701,727	2.93	1,508,321	6.22
Sub-total		<u>23,309,145</u>	<u>97.36</u>	<u>22,564,830</u>	<u>93.08</u>	(Accumulated deficit)		(4,512,106)	(18.85)	(3,327,357)	(13.73)
Total assets		<u>\$23,939,993</u>	<u>100.00</u>	<u>\$24,241,300</u>	<u>100.00</u>	Other equity		(592,930)	(2.48)	(592,930)	(2.45)
						Treasury stock		<u>15,765,198</u>	<u>65.85</u>	<u>16,660,481</u>	<u>68.72</u>
						Total Equity		<u>\$23,939,993</u>	<u>100.00</u>	<u>\$24,241,300</u>	<u>100.00</u>
						Total Liabilities and Equity		<u>\$23,939,993</u>	<u>100.00</u>	<u>\$24,241,300</u>	<u>100.00</u>

MERCURIES & ASSOCIATES HOLDING, LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
For the Years Ended December 31, 2025 and 2024

UNIT : NTD (In Thousands)

Item	Notes	2025	%	2024	%
Operating revenue		\$929,586	100.00	\$1,669,855	100.00
Gross profit (loss)		929,586	100.00	1,669,855	100.00
Net gross profit (loss)		929,586	100.00	1,669,855	100.00
Operating expenses					
General and administrative expenses		(110,848)	(11.92)	(124,576)	(7.46)
Total operating expenses		(110,848)	(11.92)	(124,576)	(7.46)
Operating profit (loss)		818,738	88.08	1,545,279	92.54
Non-operating income and expenses					
Interest income		8,628	0.93	8,740	0.52
Other income		23,753	2.56	10,669	0.64
Other gains and losses		60,180	6.47	64,597	3.87
Financial costs		(146,165)	(15.73)	(113,551)	(6.80)
Sub-total		(53,604)	(5.77)	(29,545)	(1.77)
Profit (loss) before income tax		765,134	82.31	1,515,734	90.77
Income tax (expenses) benefit		(10,063)	(1.08)	1,796	0.11
Net profit (loss) from continuing operations		\$755,071	81.23	\$1,517,530	90.88
Net profit (loss)		\$755,071	81.23	\$1,517,530	90.88
Other comprehensive income (loss)					
Components of other comprehensive income that will not be reclassified to profit or loss					
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		\$7,753	0.83	\$(6,762)	(0.40)
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under equity method		(23,552)	(2.53)	247,826	14.84
Components of other comprehensive income that will be reclassified to profit or loss					
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under equity method		(1,160,281)	(124.82)	(1,960,433)	(117.41)
Other comprehensive income (loss), net of income tax		\$(1,176,080)	(126.52)	\$(1,719,369)	(102.97)
Total comprehensive income (loss)		\$(421,009)	(45.29)	\$(201,839)	(12.09)
Earnings per share					
Basic earnings (loss) per share (in dollars)		\$0.71		\$1.42	
Diluted earnings per share (in dollars)		\$0.71		\$1.41	
The pro forma net income and earning per share if accounting for treasury stock had not been adopted are as follows:					
Pro forma before income tax		\$782,313		\$1,527,063	
Pro forma after income tax		\$772,250		\$1,528,859	
Earnings per share		\$0.69		\$1.36	

MERCURIES & ASSOCIATES HOLDING, LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
For the Years Ended December 31, 2025 and 2024

UNIT : NTD (In Thousands)

Summary	Common Stock	Capital Surplus	Retained Earnings			Other Equity Interests					Treasury Stock	Total
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Revaluation Reserve of Properties	Others		
Balance on January 1, 2024	\$11,224,957	\$4,730,938	\$2,753,775	\$5,990,502	\$(5,665,734)	\$(13,780)	\$(401,632)	\$0	\$426,631	\$(1,553,920)	\$(592,930)	\$16,898,807
Appropriation of earnings 2023												
Special reserve	-	-	-	(2,599,241)	2,599,241	-	-	-	-	-	-	-
Legal reserve used to cover accumulated deficits	-	-	(2,753,775)	-	2,753,775	-	-	-	-	-	-	-
Effects of changes in ownership interest from investee	-	192,012	-	-	(58,698)	-	-	-	-	-	-	133,314
Changes in unappropriated earnings of investees	-	-	-	-	(15,798)	-	-	-	-	-	-	(15,798)
Changes in capital surplus of investees	-	23,159	-	-	-	-	-	-	-	-	-	23,159
Capital surplus used to cover accumulated deficits	-	(312,717)	-	-	312,717	-	-	-	-	-	-	-
Cash dividends distributed from capital surplus	-	(224,499)	-	-	-	-	-	-	-	-	-	(224,499)
Net profit (loss)	-	-	-	-	1,517,530	-	-	-	-	-	-	1,517,530
Other comprehensive income (loss)	-	-	-	-	65,329	3,108	(311,542)	(62)	253,033	(1,729,234)	-	(1,719,368)
Dividends from the Company received by subsidiaries	-	11,329	-	-	-	-	-	-	-	-	-	11,329
Differences of acquisition or disposal price and book value of subsidiaries	-	36,007	-	-	-	-	-	-	-	-	-	36,007
Disposal of revaluation Reserve of Properties from investees	-	-	-	-	(41)	-	-	-	41	-	-	-
Balance on January 1, 2025	\$11,224,957	\$4,456,229	\$0	\$3,391,261	\$1,508,321	\$(10,672)	\$(713,174)	\$(62)	\$679,705	\$(3,283,154)	\$(592,930)	\$16,660,481
Appropriation of earnings 2024												
Legal reserve	-	-	150,832	-	(150,832)	-	-	-	-	-	-	-
Special reserve	-	-	-	1,357,488	(1,357,488)	-	-	-	-	-	-	-
Adjustments on liquidation of investee	-	(96)	-	-	-	-	-	-	-	-	-	(96)
Effects of changes in ownership interest from investee	-	850	-	-	(44,317)	-	-	-	-	-	-	(43,467)
Changes in unappropriated earnings of investees	-	-	-	-	17,205	-	-	-	-	-	-	17,205
Changes in capital surplus of investees	-	9,458	-	-	-	-	-	-	-	-	-	9,458
Cash dividends distributed from capital surplus	-	(336,748)	-	-	-	-	-	-	-	-	-	(336,748)
Net profit (loss)	-	-	-	-	755,071	-	-	-	-	-	-	755,071
Other comprehensive income (loss)	-	-	-	-	8,501	(569)	(26,112)	19	29,186	(1,187,105)	-	(1,176,080)
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	-	(161,315)	(161,315)
Cancellation of treasury stock	(121,240)	(5,173)	-	-	(34,902)	-	-	-	-	-	161,315	-
Dividends from the Company received by subsidiaries	-	17,179	-	-	-	-	-	-	-	-	-	17,179
Differences of acquisition or disposal price and book value of subsidiaries	-	23,510	-	-	-	-	-	-	-	-	-	23,510
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	168	-	(168)	-	-	-	-	-
Balance on December 31, 2025	<u>\$11,103,717</u>	<u>\$4,165,209</u>	<u>\$150,832</u>	<u>\$4,748,749</u>	<u>\$701,727</u>	<u>\$(11,241)</u>	<u>\$(739,454)</u>	<u>\$(43)</u>	<u>\$708,891</u>	<u>\$(4,470,259)</u>	<u>\$(592,930)</u>	<u>\$15,765,198</u>

MERCURIES & ASSOCIATES HOLDING, LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2025 and 2024

UNIT : NTD (In Thousands)

Items	2025	2024
Cash flows from operating activities		
Profit (loss) before income tax from continuing operations	\$765,134	\$1,515,734
Profit (loss) before tax	765,134	1,515,734
Adjustments for		
Income (gain) and expense (loss) items		
Depreciation	1,612	3,726
Amortization	180	238
Net gain (loss) on financial assets (liabilities) at fair value through profit or loss	-	(8,532)
Interest expense	146,165	113,551
Interest income	(8,628)	(8,740)
Dividend income	(5,365)	(2,245)
Share of profit (loss) of associates and joint ventures accounted for under equity method	(891,339)	(1,632,351)
Loss (gain) on disposal and scrap of property, plant and equipment	375	576
Loss (gain) on the purchase of bond payable	-	(22,643)
Loss (gain) on investment property at fair value	(72,170)	(42,760)
Rent revenue of leaseback	-	(2,971)
Loss(gain) on liquidation	12	-
Changes in assets and liabilities relating to operating activities		
(Increase) decrease in notes receivable	1,638	1,582
(Increase) decrease in other receivables	(59)	(561)
(Increase) decrease in prepaid expenses	(1,034)	(1,057)
Increase (decrease) in other payables	(7,536)	24,589
Increase (decrease) in advanced receipts	(1,604)	(1,573)
Increase (decrease) in other current liabilities	36	(2)
Interest received	8,635	8,733
Dividends received	776,304	333,314
Interest paid	(133,313)	(114,003)
Income taxes refund (paid)	(2,211)	(865)
Net cash flows generated from (used in) operating activities	<u>576,832</u>	<u>163,740</u>
Cash flows from investing activities		
Proceeds from disposal of financial assets at fair value through other comprehensive income	825	-
Acquisition of investments accounted for under equity method	(210,000)	(1,007,395)
Proceeds from disposal of investments accounted for under equity method	47,976	65,902
Acquisition of property, plant and equipment	(1,200)	(4,295)
Increase in guarantee deposits	-	(13,611)
Decrease in guarantee deposits	-	9,357
Acquisition of intangible assets	(571)	-
Proceeds from return of liquidation on investments accounted for under equity method	27,919	-
Net cash flows generated from (used in) investing activities	<u>(135,051)</u>	<u>(950,042)</u>
Cash flows from financing activities		
Increase in short-term borrowings	7,830,000	8,285,000
Decrease in short-term borrowings	(7,830,000)	(8,285,000)
Increase in short-term notes and bills payable	11,520,000	8,375,000
Decrease in short-term notes and bills payable	(11,870,000)	(8,025,000)
Repayment of bonds	-	(1,973,592)
Proceeds from long-term borrowings	64,812,500	35,822,500
Repayments of long-term borrowings	(63,875,000)	(33,390,000)
Decrease in guarantee deposits received	(648)	(972)
Increase in other non-current liabilities	-	8
Decrease in other non-current liabilities	(9)	-
Cash dividends paid	(336,749)	(224,498)
The purchase of treasury stock	(161,314)	-
Net cash generated from (used in) financing activities	<u>88,780</u>	<u>583,446</u>
Net increase (decrease) in cash and cash equivalents	530,561	(202,856)
Cash and cash equivalents at beginning of period	75,181	278,037
Cash and cash equivalents at end of period	<u>\$605,742</u>	<u>\$75,181</u>

## Attachment 7

**Mercuries & Associates Holding, Ltd.**  
2025 Earnings Distribution Table

Unit: NTD

Item	Amount	
	Subtotal	Total
Undistributed earnings at the beginning of the period		0
Minus : Retirement of Treasury Stock	(34,902,424)	
Add : Disposal of financial instruments measured at fair value through other comprehensive income	166,594	
Minus : Change in undistributed earnings of investee company (Note 1)	(18,608,311)	
Add : Current year net income after tax (Note 2)	755,071,305	
Minus : Legal reserve	(70,172,716)	
Minus : Special reserve	(631,554,448)	
Undistributed earnings at the end of the period		0

Note 1: The change in undistributed earnings of the investee company includes (1) changes in undistributed earnings, (2) changes in ownership percentage, and (3) actuarial gains and losses from defined benefit plans.

Note 2: Employee compensation and director remuneration of NT\$8 million and NT\$7.5 million, respectively, were accrued for the year 2025.

## Attachment 8

### Mercuries & Associates Holding, Ltd.

#### Comparison Table for the Procedures for the Acquisition and Disposal of Assets Before and After Amendment

After the Amendment	Before the Amendment	Description
<p>Article 14</p> <p>1. Items to be Disclosed and Disclosure Standards</p> <p>(Subparagraph 1-3 are omitted.)</p> <p>(4) Where equipment or its right-of-use asset for business use is acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$1 billion or more.</p> <p>(Subparagraph 5 is omitted.)</p> <p>(Paragraph 2-4 are omitted.)</p>	<p>Article 14</p> <p>1. Items to be Disclosed and Disclosure Standards</p> <p>(Subparagraph 1-3 are omitted.)</p> <p>(4) Where equipment or its right-of-use asset for business use is acquired or disposed of, and furthermore the transaction counterparty is not a related party, and <u>the transaction amount reaches NT\$500 million or more. Where the Company's paid-in capital is more than NT\$10 billion</u> and the transaction amount is more than NT\$1 billion.</p> <p>(Subparagraph 5 is omitted.)</p> <p>(Paragraph 2-4 are omitted.)</p>	<p>Amended in alignment with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>
<p>Article 15-1</p> <p>(Subparagraph 1 is omitted.)</p> <p>2. Deleted</p>	<p>Article 15-1</p> <p>(Subparagraph 1 is omitted.)</p> <p>2. <u>In the case of the Company whose shares have no par value or a par value other than NT\$10, for the calculation of transaction amounts of 20% of paid-in capital under the Handling Procedures, 10% of equity attributable to owners of the parent shall be substituted.</u></p>	<p>Amended in alignment with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

## **Appendix 1**

### **Mercuries & Associates Holding, Ltd. Sustainable Development Best Practice Principles (Before Amendment)**

#### **Chapter I General Provisions**

##### **Article 1**

To fulfill the corporate social responsibility and to promote economic, social, and environmental sustainability, the Corporate Social Responsibility Best Practice Principles (these Principles) are established in accordance with Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and related regulations.

These Principles apply to the entire operations of the Company and its subsidiaries. Provided that the subsidiaries have established their Sustainable Development Best Practice Principles, they shall be applied with priority.

##### **Article 2**

While engaging in corporate operations, the Company shall actively fulfill its sustainable development in line with international development trends and shall increase its economic contributions to the country and improve the quality of life of employees, communities, and society while promoting sustainable development as the foundation for competitive advantages as a corporate citizen.

##### **Article 3**

When the Company is fulfilling its sustainable development, it shall pay attention to the rights and interests of stakeholders. While pursuing sustainable development and profit, the Company shall focus on topics pertaining to the environment, society, and corporate governance and incorporates them into its management guidelines and operating activities.

The Company shall conduct risk assessments on environmental, social, and corporate governance issues related to its operations in accordance with the materiality principle while formulating relevant risk management policies or strategies.

##### **Article 4**

To implement sustainable development, the Company is advised to follow the principles below:

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

##### **Article 5**

The Company shall abide by laws and regulations, take the development of domestic and international sustainable development principles and the operation of the Company and of its subsidiaries as a whole into consideration, and establish policies, systems or related guideline for sustainable development, which shall be approved by the Board of Directors and then reported to the shareholders' meeting.

When a shareholder proposes a motion involving sustainable development, the Company's Board of Directors shall review and consider including it in the shareholders' meeting agenda.

## **Chapter II Exercising Corporate Governance**

### **Article 6**

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

The board of directors of the Company is advised to give full consideration to the interested parties, including the following matters, in the Company's performance of its sustainable development:

1. Propose the mission or vision of the sustainable development, formulate policies, systems or related guidelines.
2. Incorporate the sustainable development into the Company's business and development guidelines and ratify concrete promotional plans for sustainable development.
3. Ensure the real-time and correct disclosure of information on sustainable development.

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

### **Article 7**

The Company shall respect stakeholders' interests, identify its stakeholders, and set up a section dedicated to stakeholders on its official website. The Company shall use proper communication channels to understand stakeholders' needs and expectations and respond to key sustainable development issues that are of utmost concern.

### **Article 8**

The Company shall establish the Corporate Governance Best Practice Principles and the Ethical Corporate Management Best Practice Principles, and this standard to set up effective corporate governance frameworks and relevant ethical standards, so as to enhance its corporate governance.

### **Article 9**

To ensure proper management of sustainable development, the Company shall set up a full-time (part-time) dedicated unit in charge of proposing and executing sustainable development policies, systems or relevant management guidelines, and projects. This task force shall also report its progress regularly to the Board of Directors.

The Company shall formulate reasonable remuneration policies, to ensure that remuneration planning can be in line with the organizational strategic goals and stakeholders' interests.

The employee performance evaluation system shall be incorporated into the sustainable development policies, and the Company shall establish a clear and effective incentive and discipline system.

### **Article 10**

The Companies shall organize education and training sessions regularly on the implementation of sustainable development, including promotion of the matters prescribed in Paragraph 2, Article 6.

## **Chapter III Fostering a Sustainable Environment**

### **Article 11**

The Company shall follow relevant environmental laws, regulations, and international standards to properly protect the environment and shall be committed to achieving the goal of environmental sustainability when engaging in business operations and internal management.

#### **Article 12**

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

#### **Article 13**

The Company shall establish an appropriate environmental management system according to its industrial characteristics. The system all include the following items:

4. Collect sufficient and real-time information to evaluate the impact of the Company's business operations on the natural environment.
5. Establish measurable goals for environmental sustainability, and examining whether the development of such goals shall be maintained and whether it is still relevant on a regular basis.
6. Adopt enforcement measures, such as concrete plans or action plans, and examine the results of the implementation on a regular basis.

#### **Article 14**

The Company shall appoint a dedicated environmental management unit or team of personnel to establish, execute, and maintain environmental management system and specific action plans, and shall offer the management and employees environmental education classes.

#### **Article 15**

The Company shall take into account the impact on the ecology and promote the concept of sustainable consumption while conducting research, procurement, production, operations, services, and other business activities based on the following principles to reduce the impact of the Company's operations on the natural environment and human beings:

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

#### **Article 16**

To improve water use efficiency, the Company shall use water resources properly and sustainably and establish relevant management measures.

The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air, and land. It shall also do its utmost to reduce the adverse effect on human health and the environment and adopt the best feasible pollution prevention and technical control measures.

#### **Article 17**

The Company shall assess the potential risks and opportunities of climate change for its current and future operations and take response measures with respect to climate change.

The Company shall adopt standards or guidelines generally accepted at home and abroad to conduct an inventory of corporate greenhouse gases and to disclose information. The scope of information disclosure shall include:

1. Direct greenhouse gas emissions: emissions from the sources owned or controlled by the Company.
2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.

3. Other indirect emissions: emissions from the activities of the company, which are not indirect energy emissions, are from sources owned or controlled by other companies.

The Company shall count the greenhouse gas emissions, water consumption, and total weight of waste, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption, or other waste management, while incorporating the acquisition of carbon rights into the Company's carbon reduction strategy plan and implement it accordingly so as to reduce the impact of the Company's operating activities on climate change.

## **Chapter IV Preserving Public Welfare**

### **Article 18**

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

The Company shall establish relevant management policies and procedures to perform its obligations to protect human rights, including:

1. Propose the Company's human rights policy or statement.
2. Evaluate the impact of the Company's business activities and internal management on human rights and establish corresponding handling procedures.
3. Conduct regular reviews on the effectiveness of the Company's human rights policy or statement.
4. In the event of any infringement of human rights, the Company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company shall follow internationally recognized human rights for labor, such as freedom of association, right to collective bargaining, caring for vulnerable groups, prohibiting child labor, eliminating all forms of forced labor, as well as eliminating discrimination in employment, and shall confirm that its human resources policies are free from differential treatment because of gender, race, socioeconomic class, age, marriage, and family status, so as to implement equality and fairness in employment, employment conditions, salary, benefits, training, evaluation, and promotion opportunities.

With regard to incidents that damage labor rights, the Company shall provide effective and appropriate grievance mechanisms to ensure equality and transparency in the complaint filing process. The grievance channels shall be simple, convenient, and open, and the Company shall respond to employees' complaints in an appropriate manner.

### **Article 19**

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

### **Article 20**

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

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

### **Article 21**

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

The Company shall formulate and implement reasonable employee benefit measures (including remuneration, leave, and other benefits) and shall reflect operating performance or results in employee remuneration to ensure the recruitment and retention of and incentives to human resources so as to achieve the goal of sustainable operations.

#### **Article 22**

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

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

The Company shall, in a reasonable manner, notify employees of changes in business operation that are likely to cause a significant impact on employees.

#### **Article 22-1**

The Company shall treat their customers or consumers in a fair and reasonable manner, including such principles as fairness and integrity, duty of care and loyalty, truthfulness in marketing and advertising, suitability of products or services, information and disclosure, balanced remuneration and performance, complaint protection, and professionalism of salespeople, while formulating relevant implementation strategies and specific measures.

The aforementioned fair and reasonable manner includes:

1. Adhering to reciprocity, fairness and good faith in entering into contracts.
2. Fulfilling due care and fiduciary duty while being entrusted by customers.
3. Ensuring truthfulness in advertising and soliciting.
4. Confirming fitness of products or services that are provided for customers or consumers.
5. Giving a thorough explanation of important contents and disclosing risks for products or services that are provided.
6. Compensation of a salesperson depends on the right of clients and customers and the achievement of performance
7. A smooth grievance channel for customers or consumers, ensuring the response by the Company realistically.
8. The practitioners who engage in the business requiring professionalism are advised to obtain professional qualifications or licenses.

#### **Article 23**

The Company shall be responsible for its products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the Company shall ensure the transparency and safety of its products and services, while establishing and disclosing its policies for consumer rights and interests and enforcing them in the course of business operations so as to prevent the products or services from adversely impacting consumers' rights, interests, health, and safety.

#### **Article 24**

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

The Company shall adhere to relevant regulations and international standards for customer health and safety, customer privacy, marketing and labeling of products and services. The Company shall not engage in any

activities involving deception, misleading, fraud, or any other behavior that undermines consumers' trust, rights, and interests.

#### **Article 25**

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

The Company shall provide a transparent and effective procedure for accepting consumer complaints to fairly and timely handle the complaints. It shall comply with the Personal Data Protection Act and relevant laws and regulations to respect consumers' rights of privacy and protect personal data provided by consumers.

#### **Article 26**

The Company shall assess the impact its procurement has on society as well as the environment of the community of the supply source, and shall cooperate with suppliers to jointly implement CSR.

The Company shall formulate a supplier management policy that requires suppliers to follow relevant regulations on issues, including environmental protection, occupational safety and health, or human rights of labor. Prior to business dealings, the Company shall assess whether its suppliers have a record of causing an impact on the environment and society and shall avoid transactions with enterprises whose CSR policies are in conflict with its ones.

When the Company enters into a contract with a major supplier, the content shall include terms stipulating compliance with mutual CSR policies and specifying that the contract may be terminated or rescinded any time if the supplier has violated such policies and has caused significant negative impact on the environment and society of the community of the supply source.

#### **Article 27**

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

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

#### **Article 27-1**

The company should donate, sponsor, invest, purchase, strategic cooperation, enterprise volunteer technology services or other support modes to continuously channel resources into arts and cultural activities or cultural and creative industries to promote cultural development.

### **Chapter V Enhancing Disclosure of Information on Sustainable Development**

#### **Article 28**

The Company shall disclose information according to relevant laws and regulations and these Principles, and shall fully disclose relevant and reliable information relating to its sustainable development to improve information transparency.

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

1. The policy, systems, or relevant management guidelines, and specific projects regarding sustainable development, as resolved by the Board of Directors.
2. The risks and the impact on the corporate operations and financial conditions arising from exercising corporate governance, fostering a sustainable environment, and preserving social public welfare.

3. Goals and measures for realizing sustainable development established by the Company, and performance in implementation.
4. Major stakeholders and their issues of concern.
5. Disclosure of information on major suppliers' management and performance with respect to material environmental and social issues.
6. Other information on sustainable development.

## **Chapter VI Supplementary Provisions**

### **Article 29**

The Company shall adopt widely recognized international standards or guidelines when producing a sustainable development report to disclose the status of its implementation of the sustainable development policy. It shall also obtain a third-party assurance or verification of the report to enhance the reliability of the information in the report. The contents shall include:

1. Implementation of sustainable development policies, systems, relevant management policies, and specific advancement plans.
2. Major stakeholders and their issues of concern.
3. Results and review of the exercising of corporate governance, cultivation of a sustainable environment, safeguarding of public welfare, and advancement of economic development.
4. Future improvement direction and goals.

### **Article 30**

The Company shall continuously monitor the development of the sustainable development standards at home and abroad and the changes in the business environment to examine and improve the sustainable development framework it has established and to obtain better results from the implementation of the sustainable development policy.

### **Article 31**

These Principles and amendments shall be implemented after the approval with resolution of the audit committee and Board of Directors, and submitted to the shareholders' meeting.

### **Article 32**

These Principles were established on August 12, 2016.

The first amendment was made on March 23, 2018.

The second amendment was made on March 27, 2020.

The third amendment was made on March 31, 2022.

The fourth amendment was made on March 16, 2023.

## Appendix 2

### **Mercuries & Associates Holding, Ltd. Procedures for the Acquisition and Disposal of Assets (Before Amendment)**

Amendment resolved by the Shareholders Meeting on June 24, 2022

#### Article 1: Objective

The Procedures are established to ensure asset and to fulfill information transparency in practice.

#### Article 2: Legal Compliance

The Procedures are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" issued by the Financial Supervisory Commission, R.O.C. ("FSC").

#### Article 3: Scope of Assets

1. Investments in stocks, government bonds, corporate bonds, financial bonds, marketable securities representing interest in a fund, depository receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, and investment property) and equipment.
3. Membership certificates
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including accounts receivable, bills purchased and discounted and loans, and receivables on demand)
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other important assets

#### Article 4: Definition of terms

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 rates, 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 forward contracts described above do not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts and long-term purchase (distribution) 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: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

4. **Subsidiary:** As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
5. **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.
6. **Date of occurrence of the event:** 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. However, with investments that require the approval of the competent authority, the earliest of the above dates or the date of receipt of approval by the competent authority shall apply.
7. **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.
8. **Most recent financial report:** refers to the financial statements that have been publicly verified or audited by a CPA prior to the acquisition or disposal of assets.

**Article 5:** Limitation on the amount of real property and right-of-use assets thereof or securities acquired by the Company and each subsidiary for non-operating use are as follows:

- (1) The total amount of real property and right-of-use assets for non-operating use shall be no more than 20% of the Company's net worth.
- (2) The amount of total investment in marketable securities shall be no more than 150% of the Company's net worth.
- (3) Amount of investment in individual securities shall be no more than 100% of the Company's net worth.

**Article 6:** When the Company obtains an appraisal report or a statement of opinion from a CPA, lawyer or securities underwriter, the appraisal service providing the report and its appraisers, the CPA, lawyer or securities underwriter shall abide by the following regulations:

- (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 officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or a statement of 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 workflow, in order to reach a conclusion and use it as the basis for issuing the report or statement of opinion. The related execution procedures, data collected, and conclusions 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 statement of 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 6-1: The acquisition or disposal of assets by the Company shall be processed in accordance with this Procedure or other legal regulations and shall be approved of by the Board of Directors. When a transaction involving the acquisition and disposal of assets is submitted for discussion by the board of 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.

Major transactions of assets or derivatives shall be approved by more than half of all Audit Committee members and then submitted to the Board of Directors for a resolution. If major transactions of assets or derivatives are not approved by more than half of all Audit Committee members, they may be approved by two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.

The all Audit Committee members and the all Directors in the preceding paragraphs refer to the actual incumbents.

Article 7: Procedures for obtaining or disposing of real estate, equipment or right-of-use assets thereof

1. Appraisal and operational procedures

The Company acquires or disposes of real estate, equipment or right-of-use assets thereof in accordance with the internal control system of fixed assets recycling procedures.

2. Decision-making procedures for setting transaction criteria and authorized transaction amounts

- (1) For acquisition or disposal of real estate or right-of-use assets thereof, the transaction conditions and prices shall be determined based on the announced current value, appraised value, and actual transaction prices of the nearby real estate; an analysis report shall be drawn up and submitted to the Chairman. Amount less than NT\$20 million shall be submitted to the Chairman for approval and reported, after the transaction is completed, at the upcoming meeting of the Board of Directors; amount exceeding NT\$20 million shall be approved by the Board of Directors before execution.

- (2) In acquiring or disposing of real property, equipment, or right-of-use assets thereof, the Company shall choose from either compare pricing, negotiation, or bidding process. For a transaction below NT\$20 million (inclusive), the responsible units can exercise decision-making rights; for each transaction over NT\$20 million, approval of the Chairman is required and approval of the Board of Directors shall also be obtained prior to execution

### 3. Implementing Unit

In acquiring or disposing of real property, equipment, or right-of-use assets thereof, the preceding paragraph shall apply in which decision-making rights have been established, and the transaction shall be carried out by responsible unit and managerial unit.

### 4. Appraisal report for real property or equipment

For the Company's acquisition or disposal of real estate, equipment, or right-of-use assets thereof, except for 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, when the transaction amount reaches 20% of the Company's paid-in capital or more than NT\$300 million, an appraisal report issued by a professional appraiser shall be issued before the date of the occurrence of the fact in accordance with and the following rules:

- (1) If a limited price, specific price or special price has to be adopted as the basis of transaction under extraordinary circumstances, the transaction shall require the approval of the Board of Directors by resolution and the same procedure shall apply if the transaction terms should be amended in the future.
- (2) Two or more professional appraisal services shall be engaged to make appraisals for transactions valued NT\$1 billion or more.
- (3) If the appraisals from professional appraisal services involve one of the following situations, except for all the appraisals for the asset to be acquired are higher than the intended transaction amount or the appraisals for the asset to be disposed of are lower than the intended transaction amount, a certified public accountant shall be engaged to handle the matter and also to provide concrete opinions on the price differences and the appropriateness of the transaction price:
  1. The difference between the appraisals and the transaction amount achieves 20% or higher.
  2. The difference between appraisals from the two professional appraisal services achieves 10% of the transaction amount or higher.
- (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. However, if either of the appraisals complies with the current assessed value and the appraisal is dated less than six months ago, the original professional appraisal service may issue a statement of opinion.
- (5) In the event that the Company or its Subsidiaries acquire or dispose of assets through auction procedures of courts, the appraisal report or certified public accountant's opinion can be replaced by documents issued by the courts.

## Article 8: Procedures for Acquiring or Disposal of Securities Investment

### 1. Appraisal and operational procedures

The Company's acquisition or disposal of marketable securities shall be handled in accordance with the investment cycle procedures stipulated in the Company's internal control system.

### 2. Decision-making procedures for setting transaction criteria and authorized transaction amounts

- (1) The acquisition or disposal of marketable securities in the stock exchange market or an OTC market shall be determined by the responsible unit according to market conditions. When the transaction amount is NT\$100 million or less, it shall be approved by the Chairman and shall

be, after the transaction is completed, reported at the upcoming Board of Director meeting, along with an analysis report on the unrealized profit or loss on securities; when the amount exceeds NT\$100 million, it shall be submitted to the Board of Directors for approval before execution.

(2) For the acquisition or disposal of marketable securities that are not in the stock exchange market nor an OCT market, the latest CPA audited or reviewed financial statements of the target company shall be taken as the reference for evaluating the transaction price before the occurrence of the fact. The net worth per share, profitability, and future development potential shall be considered. When the transaction amount is NT\$30 million or less, it shall be approved by the Chairman and shall be, after the transaction is completed, reported at the upcoming Board of Director meeting, along with an analysis report on the unrealized profit or loss on securities; when the amount exceeds NT\$30 million, it shall be submitted to the Board of Directors for approval before execution.

### 3. Implementing Unit

The Company's acquisition or disposal of securities shall be approved on a level-by-level basis in accordance with the approval method as in the preceding paragraph before executed by the financial and accounting unit.

### 4. Obtaining expert opinion

(1) In acquiring or disposing of securities, the Company shall seek for CPA's opinion on the fairness of the transaction price for transactions exceeding 20% of the Company's paid-in capital or NT\$300 million. But target companies that have open market rates in an active market or otherwise regulated by the FSC do not fall under this constraint.

(2) In the event that the Company or its Subsidiaries acquire or dispose of assets through auction procedures of courts, the appraisal report or certified public accountant's opinion can be replaced by documents issued by the courts.

## Article 9: Procedures of Handling Related Party Transactions

1. In acquiring or disposing of assets from and with its related parties, the Company shall, in addition to handling relevant resolution procedures and assessing the reasonableness of the transaction conditions in accordance with the provisions of Article 7, Article 8, Article 10, and this article, obtain an appraisal report from a professional appraiser or CPA's opinion if the transaction amount reaches 10% or more of the Company's total assets. When judging whether a trading counterpart is a related party, besides legal definitions, the substantial relations shall also be taken into consideration.

### 2. Appraisal and operational procedures

(1) When the Company intends to acquire or dispose of real property or right-of-use assets 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 from or to a related party and the transaction amount exceeds 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or more than NT\$300 million (except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of currency market funds issued by domestic securities investment trust enterprises), the Company shall not enter into a transaction contract or make payments until the following matters have been approved by more than half of all Audit Committee members and by the Board of Directors, and shall be subject to mutatis mutandis application of Paragraph 2, Article 6-1:

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

2. The reason for choosing the related party as a trading counterparty.
  3. With respect to the acquisition of real estate or right-of-use assets thereof from a related party, information regarding the reasonableness of the pre-determined transaction terms shall be evaluated in accordance with Subparagraphs (1) to (4) and (6), Paragraph 3 under this article.
  4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading 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. Restrictive covenants and other important agreements associated with the transaction
  7. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- (2) When "acquisition or disposal of equipment or right-of-use assets held for business use" or "acquisition or disposal of real property right-of-use assets held for business use" is to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may delegate the Chairman to decide such matters when the transaction is less than NT\$100 million (inclusive) and have the decisions submitted to the most recent Board meeting on an after-event basis.
- (3) When a matter is submitted for discussion by the Board of Directors pursuant to Paragraph 2 (1), the Board 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 meeting.
- (4) If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in subparagraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the Company shall submit the materials in all the subparagraphs of subparagraph 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 Company and its subsidiaries or between its subsidiaries.
- (5) The calculation of the transaction amounts referred to in Paragraph 1 and 2 (1), (4) shall be made in accordance with Paragraph 1 (7) in Article 14, 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 Audit Committee and the shareholders meeting and the Board of Directors need not be counted toward the transaction amount.
3. Evaluation of the reasonableness of the transaction costs
- (1) The Company shall evaluate the reasonable of the transaction costs by the following means in acquiring real property or right-of-use assets from a Related Party:
1. 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 asset; it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.

2. 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% or more of the financial institution's appraised loan value of the property and the period of the loan shall have been one year or more. However, this shall not apply if the financial institution is a related party to one of the trading counterparts.
- (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) The Company that acquires real property or right-of-use assets from a Related Party and appraises the cost of the real property or right-of-use assets in accordance with the provisions of Paragraph 3 (1) and (2) of this article shall also engage a CPA to check the appraisal and render a specific opinion.
  - (4) The Company that acquires real property or right-of-use assets from a Related Party and appraises the cost of the real property in accordance with the provisions of Paragraph 3 (1) and (2), and the appraisal results are both lower than transaction price, the transaction shall be handled in accordance with Paragraph 3 (5) of this Article. Where the Company acquires real property from a Related Party and objective evidence, professional real property appraisal report and CPA's material reasonable opinion can be provided, the provisions of the preceding three paragraphs do not apply:
    1. Where the Related Party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
      - (1) 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 in the three most recent years or the gross profit margin for the construction industry in the most recent period announced by the Ministry of Finance, whichever is lower.
      - (2) 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.
      - (3) Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.
    2. Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a Related Party provides evidence that the terms of the transaction 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.
    3. 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 assessed present 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% 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 recognition of the right-of-use assets thereof.

- (5) Where the Company acquires real estate or right-of-use assets thereof from a related party, and the appraisal results conducted in accordance with the provisions of Subparagraphs (1) to (4) and (6), Paragraph 3 under this article are all lower than the transaction price, the following steps shall be taken:
  1. A special reserve shall be set aside in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act, based on the difference between the transaction price of real property or right-of-use assets and the appraised costs, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another publicly-listed company, the special reserve shall be set aside pro rata in a proportion in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act. The Company that has set aside a special reserve 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.
  2. The Independent Directors of the Audit Committee shall comply with Article 218 of the Company Act.
  3. Actions taken pursuant to subparagraph 1 and 2 in paragraph 3(5) in this Article shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the Company's Annual Report and any investment prospectus.
- (6) Where the Company acquires real estate 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 the relevant appraisal and procedures in Paragraph 2 of this article, and the provisions of evaluation of the reasonableness of transaction cost in Subparagraphs (1), (2), and (3), Paragraph 3 of this article do not apply:
  1. The Related Party acquires the real property or right-of-use assets through inheritance or as a gift.
  2. More than five years will have elapsed from the time the Related Party signed the contract to obtain the real property or right-of-use assets to the signing date for the current transaction.
  3. 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 leased land.
  4. The real estate right-of-use assets for business use are acquired by the Company with its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.
- (7) When the Company obtains real property or right-of-use assets from a Related Party, it shall also comply with the provisions of Paragraph 3 (5) of the Article if there is other evidence indicating that the acquisition was not an arm's length transaction.

Article 10: The Procedures for Acquisition or Disposal of Memberships or Intangible Assets or Right-of-use Assets Thereof

1. Appraisal and operational procedures

The Company abides by its internal control system in handling any acquisition or disposal of membership or intangible assets or right-of-use assets thereof.

2. Decision-making procedures for setting transaction criteria and authorized transaction amounts

(1) In acquiring or disposing of membership, market fair value shall be taken into consideration while deciding on transaction conditions and trading prices. An analysis report shall be submitted to the President. For transaction amounts lower than 1% of the Company's paid-in capital or less than NT\$3 million, approval from the President is required and shall be reported to the most recent Board meeting on an after-event basis. For transaction exceeding NT\$3 million, approval from the Board shall be obtained prior to executions.

(2) In acquiring or disposing of intangible asset or right-of-use assets thereof, expert appraisal or fair market price shall be taken into consideration in deciding the trading criteria, conditions, and pricing. The above information shall be compiled into an analysis report and submitted to the President. For transaction amount below 10% of the paid-in capital or less than NT\$20 million, the President's approval shall be attained and the transaction shall be reported to the most recent Board meeting after-the-event. For transactions exceeding NT\$20 million, the Board shall approve of the deal before the event.

3. Implementing Unit

In acquiring or disposing of membership certificate or intangible asset or right-of-use assets thereof, the above Article shall apply in which decision-making rights have been established, and the transaction shall be carried out by responsible unit and managerial unit.

4. Professional appraisal reports on the memberships or intangible assets or right-of-use assets thereof

(1) In acquiring or disposing of membership certificate whose amount exceeds 1% of the Company's paid-in capital or exceeding NT\$3 million, an expert shall be required to submit an appraisal report.

(2) In acquiring or disposing of intangible asset or right-of-use assets thereof whose amount exceeds 10% of the Company's paid-in capital or exceeding NT\$20 million, an expert shall be required to submit an appraisal report.

(3) The company acquires or disposes of memberships or intangible assets or right-of-use assets thereof and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.

5. In the event that the Company or its subsidiary acquires or disposes of assets through auction procedures of courts, the appraisal report or CPA's opinion can be replaced by documents issued by the courts.

Article 11: Processes to handle acquisition or disposal of claims of financial institutions, the Company does not engage in acquisition or disposal of claims of financial institutions. If the Company intends to do so in the future, such transactions must be presented to and approved by the Board of Directors before establishment of corresponding evaluation and operating procedures.

Article 11-1: The calculation of the transaction amounts referred to in Article 7, Article 8, and Article 10 shall be done in accordance with Subparagraph (7), Paragraph 1, Article 14, herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 12: Processes to handle acquisition or disposal of derivative products

1. Principles

(1) Transaction types

1. Derivative products that could be traded by the Company refers to products where the values of which are derived from assets, interest rate, exchange rate, index, or other financial products, such as forward contracts, option contracts, future contracts, interest or foreign exchange rates contracts, swap contracts, and compound contracts combining the above products, where the values of which are derived from assets, interest rate, exchange rate, index, or other financial products.
2. Items pertaining to the handling of bond guarantees shall be processed accordingly.

(2) Operation and Hedging Strategies

The main strategy of the Company is to select derivatives trading that could avoid operation risk to the maximum as to minimize losses. In order to lower the Company's overall foreign exchange risk and to save costs from exchanging foreign currency, currencies held shall conform to the actual import/export transaction needs of the Company, and shall be based on the principle of balancing the Company's overall internal position (referring to revenue and expense from foreign currency). For transactions with other specific purpose, the Company shall exercise due diligence and shall not be proceeded with unless approval from the Board has been obtained.

(3) Scope of responsibilities

1. Financial Division: Collection of market information, trend and risk analysis, familiarization of financial products and operating skills, and also engaging derivatives trading as per Company procedures, implement periodical performance evaluation as to minimize risk factors in pricing fluctuation; periodic evaluation and public disclosure.
3. Accounting Division: Evaluation, supervision and control of transaction risk, periodically provide information on risk exposure, and bookkeeping and compiling financial statements according to Generally Accepted Accounting Standards.
4. Auditing Division: Evaluation, supervision, and control of transaction risk in financial department. If material breach is found, the Audit Committee shall be notified via written document.
5. Key points on performance evaluation: The positions for hedging trading shall be evaluated every two weeks and financial trading shall be evaluated once every week. Evaluation reports shall be submitted to the President. In performance evaluations, a comparison between the current value and preset assessment benchmark shall be made on the date of evaluation to serve as a reference for future decisions.
6. Transaction amount: shall not exceed the amount of foreign currency position produced by the Company's business operations.
7. Dead-weight loss: the purpose of foreign exchange operations is to hedge against risk and does not have much of a risk for deadweight loss. However, the Company shall call

on relevant personnel to discuss countermeasures when material negative impacts are shown in exchange rates. In derivative transactions, the amount of loss the Company can sustain from overall and individual contracts shall be less or equal to 20%.

## 2. Risk Management Procedures

### (1) Credit risk management:

Operating risks in derivative financial products are prone to arise due to various factors and variables in the market, hence the Company will abide by the following principles in terms of market risk management:

Trading counterparty: focus on renowned domestic and international financial institutions.

Trading products: products offered by renowned domestic and international financial institutions.

Transaction amount: the undistributed transaction amount of one single trading counterparty shall not exceed 10% of total authorized transaction amount. But transactions that have been approved by the President need not follow this constraint.

### (2) Market pricing risk management:

In transactions for derivative products, due diligence shall be paid and risks to the financial conditions of the Company arising from unfavorable market pricing standard or fluctuation in pricing. And for foreign exchange contracts, the Company shall focus on public foreign exchange market provided by banks, and commodities market will not be considered for now.

### (3) Liquidity risk management:

To ensure market liquidity, more liquid financial products (can be cashed out in the market at any time) will be considered. Financial institutions entrusted for the transaction should have sufficient information and possess the capability to trade in any market at any time.

### (4) Cash flow risk management:

To ensure that the Company maintains a stable level of operational funds, the Company shall only engage in derivative trading with its own funds, and the trading volume shall take into consideration the demand for funds based on the cash flow forecasts for the next three months.

### (5) Operational risk management:

1. Fully comply with the Company's authorized transaction amount, operating procedures, and internal audit shall be undertaken to avoid operational risk.
2. The functions of dealing, confirmation and settlement of derivatives trading shall be performed by different personnel.
3. Risk assessment, monitoring and control shall be performed by personnel from division other than the above, and report to the Board or senior management not in a position of trading or decision-making.

### (6) Product risk management

Internal traders shall possess complete and accurate professional knowledge for financial products. The Company shall also require banks to sufficiently disclose risks involved to avoid the risk of utilizing inaccurate financial products.

### (7) Legal risk management

To prevent legal risks, any document signed with financial institution shall be inspected by foreign exchange and legal or legal consulting experts prior to official signing.

## 3. Internal audit system

### (1) The internal audit personnel shall periodically assess the effectiveness of the internal

controls on derivatives and conduct monthly audits on the derivatives trading to ensure proper adherence to the Procedures and analyze trading cycles. Audit report shall be prepared. If any material violation is discovered, the Audit Committee shall be notified in writing.

- (2) Audit report and the implementations of internal control procedures shall be reported to the Financial Supervisory Committee before the end of February in the subsequent year, and rectifications of the abnormalities shall be submitted to the FSC for verification before the end of May.
4. Regular evaluation methods
  - (1) The Board of Directors authorizes senior managers to periodically supervise and evaluate whether the transactions of derivative products are in compliance with the Company's established handling procedures and whether the risks borne are within a permitted scope. In case abnormalities are found in the market price evaluations (if the positions held have reached the limitations on losses), the Board shall immediately be notified and necessary measures shall be taken.
  - (2) Positions held in derivatives trading shall be assessed at least once weekly. For hedging trades held for business needs, assessment shall be undertaken at least twice monthly. The evaluation report shall be remitted to senior managers authorized by the Board of Directors.
5. Supervision and management from the Board for derivative transactions
  - (1) The Board of Directors shall authorize senior managers to monitor the supervision and control over risks associated with derivative trading at all times, including:
    1. Periodic assessment over whether the risk management measures in-use are appropriate and in compliance with the Principles and the Procedure.
    2. The Company shall supervise trading and loss-profit status; when irregular circumstances are found, appropriate measures shall be adopted and a report immediately made to the Board. Where the Company has independent directors, an independent director shall be present at the Board meeting and express an opinion.
  - (2) The Board shall periodically conduct evaluation over whether performance of derivative trading is in compliance with established operational strategies and whether risk-taking are within a permitted scope.
  - (3) When the Company engages in derivatives trading, it shall authorize the relevant personnel to make arrangements pursuant to the provisions of the Procedures and report such to the next Board meeting on an after-event basis.
6. In trading of derivative products, the Company shall draft verification documents, in which the types, amounts, approval date from the Board, and Item 4-2 and Item 5-1 and Item 5-2 listed in this Article shall be included in details for verification.

#### Article 13: Procedures to Handle Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares

1. Appraisal and operational procedures
  - (1) When the Company conducts a merger, demerger, acquisition, or transfer of shares, the Company shall engage a certified public accountant, attorney, or securities underwriter to settle on a timeline, and to form a project group to carry out the transaction. Prior to convening the Board of Directors to resolve on the matter, the CPA, attorney, or securities underwriter shall give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it the Board for resolution. However, where the Company merges the subsidiaries whose issued

shares or total capital are wholly owned by itself directly or indirectly, or the subsidiaries whose issued shares or total capital are wholly owned by the Company directly or indirectly are merged together, the Company may be exempted from obtaining the aforementioned opinion on the reasonableness from the expert.

- (2) The Company shall prepare a public report detailing important contractual content and matters relevant to the merger, demerger, or acquisition and send notification of meeting prior to the shareholders meeting together with the expert opinion referred to in the preceding paragraph 1 (1), as reference material. Provided, where a provision of another act exempts the Company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders' meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution as a result of a lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders' meeting.

## 2. Other Important Measures

- (1) Date of the Board meeting: when participating in a merger, split, or acquisition, unless otherwise provided by other laws or the FSC is notified in advance of extraordinary circumstances and grants consent, the Company shall convene the Board meetings and Shareholders' meetings and pass resolutions regarding merger, split or acquisition and relevant matters on the same day with companies participating in a merger, split, acquisition or share transfer. 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 agreement: The Company and any other involved in or aware of the merger, spin-off, acquisition and transfer of shares shall produce a written commitment of confidentiality not to disclose the relevant information and purchase or sell the stocks or other marketable securities of the Company related to the merger, spin-off, acquisition and transfer of shares in others' identities.
- (3) The Company's participation in merger, demerger, acquisition, or share transfer shall not be changed except for the stock exchange ratio and acquisition price, unless the following situation occurs. Changes shall be clearly stated in the contracts for the merger, demerger, acquisition, or share transfer:
  1. 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.
  2. An action, such as a disposal of major assets, which affects the Company's financial operations.
  3. An event, such as a major disaster or major change in technology, which affects shareholder equity or share price.
  4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
  5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.

6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
- (4) Content to be disclosed in the contract: in the contract signed for merger, split (demerger), acquisition, or assignment of shares shall disclose the following items in addition to the rights and obligations for companies involved in the merger, split (demerger), acquisition, or assignment of shares as stated in the Company Act and the Enterprise mergers and Acquisitions Act.
1. Handling of breach of contract.
  2. 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.
  3. 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.
  4. The manner of handling changes in the number of participating entities or companies.
  5. Preliminary progress schedule for plan execution, and anticipated completion date.
  6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
- (5) When there are changes in the numbers of companies involved in the merger, split, acquisition, or share transfer: 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) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Subparagraphs (1), (2), (5) and (7), to (9) Paragraph 2 of this article.
- (7) When participating in a merger, demerger, acquisition, or transfer of another company's shares, company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:
1. Basic identification data for personnel: Including the 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.
  2. 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.
  3. 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.

- (8) When the Company participating in a merger, demerger, acquisition, or transfer of another company's shares that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days commencing immediately from the date of passage of a resolution by the Board of Directors, report the information set out in subparagraphs (1) and (2) of to the authority.
- (9) Where 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 the GreTai Securities Market, the Company shall sign an agreement with such company whereby provisions set out in Paragraph 2 (7) and (8) of this Article shall be carried out.

#### Article 14: Procedures for Public Disclosure of Information

##### 1. Items to be Disclosed and Disclosure Standards

- (1) Acquisition or disposal of real property or right-of-use assets from or to a Related Party, or acquisition or disposal of assets other than real property or right-of-use assets from or to a Related Party where the transaction amount reaches 20 % or more of the Company's paid-in capital, 10 % or more of the Company's total assets, or NT\$300 million or more. Provided, this shall not apply to trading domestic government bonds or bonds under repurchase and reverse repurchase agreements, or subscription or repurchase of domestic money market funds issued by 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 its right-of-use asset for business use is acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more. Where the Company's paid-in capital is more than NT\$10 billion and the transaction amount is more than NT\$1 billion.
- (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 is no less than 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 % or more of the Company's paid-in capital or NT\$300 million; Provided, this shall not apply to the following circumstances:
  1. Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
  2. Trading of bonds under repurchase/resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises.
- (7) The amount of transactions above 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 trading counterparty within the preceding year.

3. The cumulative transaction amount of real property or right-of-use asset acquisitions and disposals (cumulative acquisitions and disposals, respectively) 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.
- (8) "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.
2. Timeline and format of public disclosure  
In acquiring or disposing of assets, when items that require public disclosure per Item 1 in this Article are found and the transaction amount has reached the standard that requires public disclosure, the Company shall proceed with public disclosure within 2 days of the time of the event according to the required format.
  3. Public Announcement Format
    - (1) The Company shall announce relevant information on a designated website by the FSC.
    - (2) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and input into the information reporting website designated by the FSC by the 10th day of each month.
    - (3) When the Company makes an error or omission in an item required by regulations to be publicly announced, all the items shall be properly corrected and publicly announced in entirety within two days upon knowledge of its error or omission.
    - (4) When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports and certified public accountant, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.
    - (5) When any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced in accordance with the regulations, a public report of relevant information shall be made on the website designated by the FSC within 2 days commencing immediately from the date of occurrence of the event:
      1. Change, termination, or rescission of a contract signed in regards to the original transaction.
      2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
      3. Change to the originally publicly announced and reported information.
  4. Format of disclosure: disclosure format as regulated by the FSC shall be adopted based on the nature of the transaction.

Article 15: The Company's subsidiaries shall be governed by the following:

1. The subsidiaries of the Company should establish their respective procedures of Procedures for Acquisition or Disposal of Assets in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies of ROC.
2. When a subsidiary acquires or disposes of assets, it shall be handled in accordance with the Company's procedures for acquisition or disposal of assets. If the Company does not have such procedures in place, it shall be handled in accordance with the Procedures.

3. Information required to be publicly announced and reported in accordance with the provisions of Article 14 on the acquisition and disposal of assets by the Company's subsidiary that is not itself a domestic public company shall be announced publicly by the Company on behalf of the subsidiary.
4. The paid-in capital or total assets of the public company shall be the standard for determining whether or not a transaction conducted by a subsidiary reaches 20 percent of the paid-in capital or 10 percent of the total assets.

Article 15-1:

1. For calculation of the 10% of total assets under the handling procedure, the total assets stated in the most recent entity only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall apply.
2. In the case of the Company whose shares have no par value or a par value other than NT\$10, for the calculation of transaction amounts of 20% of paid-in capital under the Handling Procedures, 10% of equity attributable to owners of the parent shall be substituted.

Article 16: Penalties

When the acquisition or disposal of assets by Company employees breach the the Procedures herein, the Company will report and evaluate the persons involved according to the Company's Principles of Human Resources Management and the Policies of Employee Operations. Punitive actions may be taken based on the materiality of the offense.

Article 17: Implementation and Amendment

The procedures shall first be approved by more than half of all members of the Audit Committee and approved by the Board of Directors via a resolution before submitted to the shareholders' meeting for approval. The same shall apply to any amendment. Paragraphs 2 and 3 of Article 6-1 apply *mutatis mutandis*.

When the above Procedures are submitted for discussion in the Board meeting, 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 meeting.

Article 18: Additional Provisions

Items not dealt with in the Procedures will proceed in compliance with relevant legal regulations.

## **Appendix 3**

### **Mercuries & Associates Holding, Ltd. Articles of Incorporation**

#### **Chapter One: General Provisions**

Article 1: The Company is organized under the name of Mercuries & Associates Holding, Ltd. in accordance with the Company Act. The English name of the Company is Mercuries & Associates Holding, Ltd.

Article 2: The Company's businesses include:

01. H201010 Investment.
02. IH01010 Industry Holding Company Industry.

Article 3: The Company is headquartered in Taipei City, and the Board of Directors shall resolve to establish branch companies and other affiliated institutions overseas when necessary.

Article 4: The Company's method of public disclosure is executed in accordance with the Company Act and regulations from the competent authority.

Article 5: The Company is a professional investment company and the amount of investment is not prohibited by Article 13 of the Company Act.

Article 5-1: The Company can obtain external guarantees due to business needs.

#### **Chapter Two: Shareholding**

Article 6: The total amount of capital of the Company is NT\$14 billion, being divided into 1.4 billion shares with par value of NT\$10 per share, and the Board of Directors is authorized to issue shares in installments. In which 50 million shares are reserved as stock option that can be exercised.

Article 7: The Company's shares are registered securities, in which the signed shares need to be signed or sealed by the director who is authorized to represent the Company, and certified by a bank which is competent to certify shares under the laws prior to being issued. The Company is allowed to be exempted from printing any share certificate for the shares issued and shall register the issued shares with a centralized securities depository enterprise; the same principle shall apply for the issuance of other securities.

Article 8: All shareholding matters of the Company are handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent authority and the Company Act, and other legal regulations.

Article 9: When legal shareholders wish to transfer, inherit, donate, pledge against or release from pledge their shares, or when they have lost their shares, relevant matters shall be processed in accordance with the Company Act and other relevant legal regulations.

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

### **Chapter Three: Shareholders Meeting**

Article 11: Shareholders Meeting can be either annual or interim. Annual meeting is held once in each year, and shall be convened by the Board of Directors according to legal regulations within six months after the closing of a fiscal year; however, this does not apply for those that hold legitimate reasons and have been authorized by the supervisory institutions. Interim meetings may be convened according to the law when necessary. For the assembly of the shareholders meeting, shareholders shall be notified 30 days prior to the convening of an Annual Shareholders Meeting, and 15 days prior to the convening of an Interim Shareholders Meeting. The Company is allowed to announce the convening of a shareholders meeting through public disclosure on the MOPS for registered shareholders who hold less than 1,000 shares.

The shareholders' meeting of the Company is allowed to be held via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 12: Unless otherwise stipulated by laws and regulations, each shareholder of the Company has one voting right per share, which can be exercised in writing or electronically.

Article 13: When a shareholder cannot attend a shareholders' meeting, he/she/it may appoint a proxy to attend a shareholders' meeting on his/her/its behalf by executing a power of attorney printed by the Company stating the scope of power authorized to the proxy. The power of attorney shall be signed and sealed for the proxy to attend the meeting. Besides investment trust enterprises and shareholder service agencies approved by the securities authority, an individual delegated by two or more shareholders as an agent at the same time may not have votes exceeding 3% of the total votes that represent all the outstanding shares. Excessive votes shall not be calculated. The handling of trust delegations is executed in accordance with relevant legal regulations including the 'Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies' decreed by the supervisory institution and the Company Act.

Article 14: Resolutions at a Shareholders Meeting shall, unless otherwise provided for in the Company Act, be adopted by at least one-half of all shareholders present, who represent more than 1/2 of the total number of voting rights.

Article 15: President/Chairman of the Company shall be the designated chairman of the Shareholders Meeting. In his/her absence, the Deputy President shall be the chairman if there is Deputy President, and when both are absent, President/Chairman of the Company shall designate an individual as the chairman. When there is no designated individual, the Board members shall nominate an individual as the chairman.

Article 16: Resolutions made at the Shareholders Meeting shall be recorded as minutes of the meeting, in which the date, venue, name of the chairman, method of resolution, and summary and results of meeting proceedings shall be recorded and signed or sealed by the chairman. The minutes shall be distributed to each shareholder within 20 days after the Shareholders Meeting. Distribution of meeting minutes as described in the preceding paragraph may be conducted through public announcement.

Electronic measures may be adopted to print and distribute meeting minutes.

The minutes shall be kept persistently throughout the life of the Company; the attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the Company for a minimum period of at least 1 year. However, if a lawsuit

has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act hereof, the minutes of the Shareholders Meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

#### **Chapter Four: Directors and Audit Committee**

Article 17: The Company has established a system of 9 to 11 Board members (including 3 to 5 Independent Directors), with a 3-year period of service. A nominee system is used, and shareholders will select from the list of nominees. Reappointment is possible. The professional qualifications, shareholding conditions, prohibitions in participation in other businesses, nomination and selection method as well as other items pertaining to the Company's Independent Directors shall be handled in accordance with the Securities and Exchange Act, the Company Act and other legal regulations.

Article 18: The formation of the Board of Directors - two-thirds or more of the Directors shall attend and more than 1/2 of all present Directors shall consent to the nomination of a Chairman of the Board from within the Board members to represent the Company externally. The same principle shall be used in nominating a Deputy Chairman based on business needs.

Article 19: Board Meetings, unless otherwise provided for in this Company Act, are called to order by the Chairman of the Board. Prior to convening a Board Meeting, each Director shall be notified via print/fax/email, and the reason for the Board Meeting shall be stated clearly. Unless otherwise stated by law, resolution made in the Board Meeting shall be attended by at least one-half of all Directors, and consented by at least 1/2 of all present Directors. When a Director is absent, he/she shall appoint another Director to attend the meeting as proxy by providing a by executing a power of attorney printed by the Company stating the scope of power authorized to the proxy. The proxy may only act on behalf of one Director. If a Board Meeting is conducted by video conference, the Directors partaking the video conference shall be recognized as having attended the meeting in person.

Article 20: In case the Chairman of the Board is on leave or absent or cannot exercise his power and authority for any cause, his representative shall be selected according to Article 208 of the Company Act.

Article 21: In compliance with Articles 14-4 of the Securities and Exchange Act, the Company shall establish the Audit Committee, which shall consist of all independent directors. The Audit Committee shall be responsible for performing the power as a supervisor as provided in the Company Act, the Securities and Exchange Act, and other relevant laws and regulations.

Article 21-1: The duties of the Audit Committee shall be prescribed in the Audit Committee's Organizational Charter.

Article 22: Directors are paid honorarium fees regardless of the Company's profit or loss; Independent Directors are compensated regardless of the Company's profit or loss; Independent Directors' compensations shall be determined by the Board of Directors in accordance with each Director's involvement in and contribution to the Company's operation and also taking into consideration the industry's usual support level.

The Company shall purchase liability insurance for the Directors during their term of service. The Company shall report the insured amount, coverage, premium rate, and other important contents of the directors liability insurance it has obtained or renewed for directors, at the most recent board meeting.

## **Chapter Five: Managers**

Article 23: The Company may appoint several managers have been appointed. The appointment, termination and compensations for managers are processed in accordance with Article 29 of the Company Act.

## **Chapter Six: Accounting**

Article 24: The Company's fiscal year is from January 1st of a year to December 31st of the same year. At the end of the fiscal year, books shall be closed and the Board of Directors is responsible for preparing (1) Business Report, (2) Financial Statements, and (3) Proposal of Earnings Distribution or Off-setting Accumulated Loss. Each statement shall be submitted to the Audit Committee for verification 30 days prior to commencement of an Annual Shareholders Meeting, and an Audit Committee's Review Report shall be submitted along with the statements to the Shareholders Meeting to seek for shareholders' adoption.

Article 25: In case profit is made by the Company for the period, no less than 1% of the said profit shall be set aside for employees' compensation, of which no less than 45% shall be allocated to grassroots employees. The Board of Directors shall determine whether to issue the form of such compensation in shares or cash. Recipients of the said compensation shall include Company employees that satisfy specific criteria. The Company permits the Board of Directors to set aside no more than 1% of the sum of the aforementioned profit as compensations for the Directors. Proposals for the distribution shall be submitted to the Shareholders' Meeting and presented accordingly.

In case of accumulated losses, the Company shall reserve a specific amount to make up for the losses, and then distribute according to aforementioned percentage.

Article 25-1: If earnings are found after closing the fiscal year, the Company shall first pay income taxes and make up for any accumulated losses and then report 10% as statutory surplus reserve. However, when the statutory surplus reserve has reached the paid-in capital of the Company, the Company no longer has to report, and the rest could be reported or reversed into special surplus reserve. If undistributed earnings is still present, this will be combined with accumulated undistributed earnings and the Board will propose an earnings distribution motion and ask the Shareholders Meeting to resolve on the shareholders dividend proposal.

The Company's dividend policy is in line with current and future development plan, in consideration of investment environment, capital needs, and domestic and overseas competition, on top of shareholders' interest. The amount of cash dividend distributed shall be no less than 10% of all dividends distributed for the year.

## **Chapter Seven: Supplemental Clauses**

Article 26: With regard to all matters not provided for in the Articles of Incorporation, the Company Act or other laws and regulations shall govern.

Article 27: The Articles of Association are established on January 20, 1961.

The first amendment was on December 29, 1968.

The second amendment was on September 10, 1969.

The third amendment was on September 4, 1971.

The fourth amendment was on October 11, 1971.

The fifth amendment was on April 28, 1974.

The sixth amendment was on December 28, 1976.

The seventh amendment was on April 24, 1978.

The eighth amendment was on April 4, 1979.

The ninth amendment was on May 12, 1980.  
The tenth amendment was on June 1, 1982.  
The eleventh amendment was on March 24, 1983.  
The twelfth amendment was on April 8, 1983.  
The thirteenth amendment was on May 5, 1983.  
The fourteenth amendment was on September 1, 1983.  
The fifteenth amendment was on March 24, 1984.  
The sixteenth amendment was on November 24, 1984.  
The seventeenth amendment was on May 16, 1985.  
The eighteenth amendment was on March 22, 1986.  
The nineteenth amendment was on March 21, 1987.  
The twentieth amendment was on August 15, 1987.  
The twenty-first amendment was on November 18, 1987.  
The twenty-second amendment was on March 19, 1988.  
The twenty-third amendment was on July 30, 1988.  
The twenty-fourth amendment was on April 20, 1989.  
The twenty-fifth amendment was on April 10, 1990.  
The twenty-sixth amendment was on April 23, 1991.  
The twenty-seventh amendment was on May 23, 1992.  
The twenty-eighth amendment was on May 22, 1993.  
The twenty-ninth amendment was on April 30, 1994.  
The thirtieth amendment was on April 28, 1995.  
The thirty-first amendment was on April 30, 1996.  
The thirty-second amendment was on May 8, 1997.  
The thirty-third amendment was on May 27, 1998.  
The thirty-fourth amendment was on May 26, 2000.  
The thirty-fifth amendment was on June 29, 2001.  
The thirty-sixth amendment was on September 27, 2002.  
The thirty-seventh amendment was on June 20, 2003.  
The thirty-eighth amendment was on June 11, 2004.  
The thirty-ninth amendment was on June 19, 2009.  
The fortieth amendment was on June 18, 2010.  
The forty-first amendment was on June 24, 2011.  
The forty-second amendment was on June 5, 2012.  
The forty-third amendment was on June 20, 2014.  
The forty-fourth amendment was on June 24, 2016.  
The forty-fifth amendment was on June 20, 2017.  
The forty-sixth amendment was made on June 22, 2018.  
The forty-seventh amendment was made on June 18, 2020.  
The forty-eighth amendment was made on August 13, 2021.  
The forty- ninth amendment was made on June 24, 2022.  
The fiftieth amendment was made on June 21, 2024.  
The fiftieth-first amendment was made on June 13, 2025.

## Appendix 4

### **Mercuries & Associates Holding, Ltd. Rules and Procedures of Shareholders Meeting**

Resolved on March 21, 1987 at the Annual Shareholders Meeting  
First amendment on May 27, 1998 at the Annual Shareholders Meeting  
Second amendment on June 11, 2004 at the Annual Shareholders Meeting  
Third amendment on June 9, 2006 at the Annual Shareholders Meeting  
Fourth amendment on June 20, 2014 at the Annual Shareholders Meeting  
Fifth amendment on June 22, 2018 at the Annual Shareholders Meeting  
Sixth amendment on June 18, 2020 at the Annual Shareholders Meeting  
Seventh amendment on August 13, 2021 at the Annual Shareholders Meeting  
Eighth amendment on June 24, 2022 at the Annual Shareholders Meeting  
ninth amendment on June 21, 2024 at the Annual Shareholders Meeting

#### **Article 1**

The rules and procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

#### **Article 2**

Unless otherwise provided by regulations, shareholders' meeting is convened by the board of directors.

The company holds shareholder meetings through video conferencing, which must be resolved by a two-thirds majority of the board of directors present and with the consent of more than half of the attending directors.

Changes to the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

30 days before the Company convenes a regular shareholders' meeting or 15 days before it convenes an interim shareholders' meeting, the Company shall prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors, other matters on the shareholders' meeting agenda, shareholders' meeting manual and supplementary meeting materials, and upload them to the Market Observation Post System. 15 days before the Company is to convene a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplemental materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the company and its stock registrar and transfer agent, and distributed on-site at the meeting.

The Company 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.

The causes or subjects of a shareholders' meeting to be convened shall be indicated in the individual notice and the public notice; and the notice may be given by electronic transmission, after obtaining a prior consent from the recipients.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, capital increase by earnings, capital increase by capital surplus, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of

Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. When the convening reason for the shareholders' meeting has stated the full re-election of Directors and the appointment date. After the re-election is completed at the shareholders' meeting, the appointment date shall not be changed via an extraordinary motion or other mean at the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda. Prior to the book closure date before the convention regular shareholders' meeting, the Company shall give a public notice announcing the acceptance of shareholders' proposals, the acceptance methods of written or electronic proposals, the place and the period for such acceptance; and the said period shall not be fewer than 10 days.

The number of words of a proposal to be submitted by a shareholder shall be limited to not more than 300 words, and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting and shall take part in the discussion of such proposal.

The company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting.

### **Article 3**

A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney printed by the Company stating the scope of power authorized to the proxy.

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 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 electronic transmission, a proxy rescission notice shall be filed with the company 2 days in writing 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.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting via video conference, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

#### **Article 4**

The venue where a shareholder meeting is to be held shall be in the premises of this Company or a location easy for shareholders to access and appropriate for holding meetings. All shareholder meetings may not begin before 9:00 a.m. or after 3:00 p.m. The opinions of the independent directors shall be fully taken into consideration in decision of the location and time of a shareholder meeting.

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

#### **Article 5**

The Company shall clearly state the registration time and venue for shareholders, solicitors and proxies (collectively "shareholders"), and any other items to be noted on the Handbook of the Shareholders Meeting. The check-in time described in the preceding paragraph shall be at least 30 minutes before the meeting begins. The check-in counter shall be precisely indicated and enough competent personnel shall be assigned to help shareholders check in. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

When a shareholder or his/her/its proxy (hereinafter referred to as shareholder) attends a shareholders meeting, a certificate of attendance, sign-in card, or other form of identification shall be presented. For shareholders who are attending by proxy, power of attorney shall be presented for verification.

The Company shall prepare an attendance book for shareholders to sign in, or the shareholder present may hand in an attendance card in lieu of signing on the attendance book.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors pre-printed ballots shall also be furnished.

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

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

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

#### **Article 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, and at least provide shareholders with connectivity equipment and necessary assistance, as well as stating the period during which shareholders can apply to the company and other relevant precautions to be aware of.

#### **Article 6**

When shareholders' meeting is convened by the board of directors, chairman of the board is the chair of the meeting. In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, the vice chairman shall act on his behalf. In case there is no vice chairman or the vice chairman is also on leave or absent or unable to exercise his power and authority for any cause, the chairman of the board shall designate one of the directors to act on his behalf. In the absence of such a designation, the managing directors or the directors shall elect from among themselves an acting chairman of the board of directors.

If a director is to chair the meeting as described in the preceding paragraph, it shall be a director who has held the position for at least six months and is familiar with the Company's financial situation. The same principle applies if a representative of a juristic person director is to chair the meeting.

At the shareholders' meeting convened by the Board of Directors, it is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person, more than half of the Directors of the Board of Directors shall attend the meeting, and at least one member of each functional committee on behalf of the committee. and the attendance shall be recorded in the minutes of the shareholders' meeting.

For a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

The Company may designate its lawyer, certified public accountant (CPA) or other relevant persons to attend the shareholders' meeting.

#### **Article 7**

The Company shall begin from the time it accepts shareholder attendance registrations, to 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 aforementioned video shall be kept 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.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast, and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

#### **Article 8**

Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and announce the number of shares held by a shareholder with no voting rights and attending shareholder. However, when the attending shareholders do not represent half of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within 1 month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 5.

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

#### **Article 9**

If a shareholders' meeting is convened by the Board of Director, the agenda shall be determined by the Board of Directors. The relevant proposals (including extraordinary motions and amendments to original proposals) shall be decided by voting on a case-by-case basis. The meeting shall proceed according to the scheduled agenda, which shall not be altered without a resolution adopted at the shareholders' meeting.

The provisions of the preceding paragraph apply 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 according to statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The Chairperson shall give the opportunity to fully explain and discuss the proposals, as well as the amendments or motions proposed by the shareholders. When the Chairperson is of the opinion that a proposal has been sufficiently discussed to a point where it can be put to a vote, the Chairperson may announce the discussion closed and bring the proposal to vote. The Chairperson shall also allocate sufficient time for voting.

## **Article 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.

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.

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

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

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

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

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

## **Article 11**

Voting at a shareholders meeting shall be calculated based the number of shares.

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

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

The number of shares for which voting rights may not be exercised 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 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

## **Article 12**

A shareholder shall be entitled to one vote for each share held, except when the shares are deemed non-voting shared under Article 179-2 of the Company Act.

When this Company convenes a shareholder meeting, voting may be conducted in writing or with electronic measures. When voting via written or electronic method, the choice shall be indicated in the shareholder

meeting notice. A shareholder exercising voting rights by correspondence or electronic transmission 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. Therefore, the Company shall avoid the extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic transmission under the preceding paragraph shall deliver a written declaration of intent to the Company before 2 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.

A shareholder who intends to attend the shareholder meeting in person or online, after giving the notice of exercising his or her voting right in writing or electronically shall revoke the earlier decision at the latest two days before the meeting using the same method the shareholder used to exercise his or her vote. Otherwise, the shareholder

shall exercise the voting right in writing or electronically. If a shareholder expresses the intention to exercise his or her voting right in writing or electronically and also issues a power of attorney to delegate an agent to attend a shareholder meeting to exercise the voting right on his or her behalf, the agent shall attend the meeting and exercise the voting right on his or her behalf.

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. During voting, the chair or personnel designated by the chair shall announce the total votes for each motion one after another for the shareholders to cast their votes. Afterwards, on the same day the shareholder meeting in concern is convened, the numbers of shareholders who have approved, objected and abstained from voting shall be uploaded to the Market Observation Post System.

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 voting on motions or elections shall be conducted at an open space in the shareholder meeting venue and the results, including weights, shall be announced immediately after counting and recorded.

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 5 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered.

If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

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

### **Article 13**

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes and the names of those not elected as director and the numbers of votes.

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 1 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.

### **Article 14**

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. Electronic measures may be adopted to print and distribute meeting minutes.

Distribution of the meeting minutes as described in the preceding paragraph may be conducted by uploading them to the Market Observation Post System.

The year, month, day, place, name of the chairperson, resolution method, discussion method, highlights in the procedure, and voting results (including statistical weights) shall be recorded in the meeting minutes as they are. When there is a director election, the number of votes each candidate receives shall also be recorded. The minutes shall be kept throughout the life of the Company.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

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

### **Article 15**

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

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

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

#### **Article 16**

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

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

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

#### **Article 17**

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 5 days in accordance with Article 182 of the Company Act.

#### **Article 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.

#### **Article 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.

#### **Article 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 a list of elected directors and supervisors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in the second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a 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.

#### **Article 21**

When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending the virtual shareholders meeting online, and at least provide shareholders with connectivity equipment and necessary assistance, as well as stating the period during which shareholders can apply to the company and other relevant precautions to be aware of.

#### **Article 22**

These Rules and Procedures, along with any amendments hereto, shall be implemented after adoption by shareholders meetings.

## Appendix 5

### Mercuries & Associates Holding, Ltd. Shareholding of All Directors

1. The Company's paid-in capital is NT\$11,103,717,030 and cumulative issued shares outstanding are 1,110,371,703 shares.
2. All Directors shall hold a minimum of 32,000,000 shares under Article 26 of the Securities and Exchange Act.

The Company has established the Audit Committee; therefore, No number of shares held by supervisors is applicable.

3. Below is a list of actual shareholding from all Directors of the book closure date on April 20, 2026

Title	Name	Shares Held	Shareholding ratio
Chairman	Chen, Shiang-Li	25,337,407	2.28%
Director	Shuren Investment Co., Ltd. Representative: Wong, Wei-Chyun	145,095,087	13.07%
Director	Shanglin Investment Co., Ltd. Representative: Chen, Shiang-Chung	202,867,944	18.27%
Director	Shanglin Investment Co., Ltd. Representative: Chen, Shiang-Feng	202,867,944	18.27%
Director	Shuren Investment Co., Ltd. Representative: Wong, Cuei-Jyun	145,095,087	13.07%
Director	Mega Prosper Investment Limited. Representative: Lee, Jiann-Hsiung	112,000,000	10.09%
Independent Director	Lee, Mao	0	0%
Independent Director	Tzeng, Yu-Chiung	0	0%
Independent Director	Liu , Po-Liang	0	0%
Independent Director	Chao, Yuan-Chi	0	0%
Shares held by all Directors (excluding Independent Directors)			485,300,438
Shareholding from Directors has reached the legally required minimum.			