

Mercuries & Associates Holding, Ltd.
Minutes of 2024 Annual Shareholders' Meeting
(Translation)

Type of Meeting : Physical Meeting

Time : 9:00 a.m., Friday, June 21 2024

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

Attendance of Shareholders : All shareholders and their proxy holders, representing 796,748,560 shares
 (among them 520,866,681 shares voted via electronic transmission) ,
 74.78 % of the total 1,065,402,854 outstanding shares excluding
 57,092,849 shares without voting rights according to Article 179,
 paragraph 2 of the Company Act

Board Member Present : Chen, Shiang-Li, Chairman 、Wong, Wei-Chyun, Director 、Chen, Shiang-Chung
 Director 、Mao, Ming-Yu, Director 、Chen, Shiang-Feng Director 、Cheng,
 I-Teng, Director 、Lee, Mao, Independent Director 、Tu, Te-cheng Independent
 Director 、Liu ,Han-Tsung Independent Director

Attendance : Liu Ke Yi, CPA 、Hsu Ching-Hsin, General Counsel

Chairman : Chen, Shiang-Li, the Chairman of the Board of Director

Recorder : Wu, Su-Neu

I. Meeting Commencement Announced : The aggregate shareholding of the shareholders present in
 person or by proxy constituted a quorum.

II. Chairman's Address (omitted)

III. Report Items :

(I) 2023 business report (Please refer to Attachment 1)

(II) Audit Committee's review report of 2023 audited financial statements (Please refer to
 Attachment 2)

(III) To report 2023 directors' compensation (Please refer to Attachment 3)

(IV) The 2023 report of related-party significant transaction. (Please refer to Attachment 4)

(V) Status report of endorsement and guarantee in 2023

As of December 31, 2023, the Company and its subsidiaries endorsement/guarantee balance
 was NT\$ 790,000 thousand.

Unit: NT\$1,000

No.	Company Name of Endorser/ Guarantor	Endorsed/ Guaranteed Party		Limitation on Endorseme nts 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 Endorseme nt/ Guarantee with Security on Property	Percentage of Accumulated Amount of Endorsement/ Guarantee to Net Equity of Most Recent Financial Statements	Endorseme nt/ Guarantee Ceiling
		Company Name	Relation ship (Note 1)							
0	Mercuries & Associates Holding, Ltd.	Mercuries Liquor & Food Co., Ltd.	2	\$2,534,821	\$50,000	\$50,000	\$-	\$-	0.30%	\$5,069,642
0	Mercuries & Associates Holding, Ltd.	Sanyou Drugstores, Ltd.	3	2,534,821	100,000	100,000	-	-	0.59%	5,069,642

0	Mercuries & Associates Holding, Ltd.	Framosa Co., Ltd. Ltd.	6	2,534,821	240,000	240,000	46,259	-	1.42%	5,069,642
1	SCI Pharmtech, Inc.	Framosa Co., Ltd.	6	509,995	400,000	400,000	77,098	-	7.84%	2,039,981

Note 1: The relationship between the endorser/guarantor and the Company is classified into the following six categories:

- (1) Companies with business relationship.
- (2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.
- (4) More than 50% voting shares of the subsidiary directly held by the endorser/guarantor parent company or indirectly held by subsidiary.
- (5) Companies which guarantee each other according to contract based on contractor relationship.
- (6) Joint venture endorsed/guaranteed by shareholders based on their holding ratio.

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-subsidary 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.

(VI) Execution situation of issue the first time domestic unsecured convertible corporate bonds

Description : Please refer to Attachment 5 for the implementation of the Company's first time issue domestic unsecured convertible corporate bonds.

IV. Ratification Items

(I) To approve 2023 Business Report and Financial Statements. (Proposed by the Board of Directors)

- Description : 1. The Company's 2023 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 and Attachment 6 for the 2023 business report, CPA audit report (including CPA audit report of standalone financial statements) and financial statements (including standalone financial statements).

Voting Results : 1. Upon the Chairman's inquiry with the shareholders present, there were no questions from shareholders.

2. Voting results follows :
Shares represented at the time of voting : 796,748,560 votes

Voting results	% of the total represented share present
Votes in favor : 787,179,889 votes (including 511,396,010 shares voted via electronic transmission)	98.80%
Votes against : 1,717,985 votes (including 1,717,985 shares voted via electronic transmission)	0.21%
Votes invalid : 0 votes	0.00%
Votes abstained / Not voted : 7,850,686 votes (including 7,752,686 shares voted via electronic transmission)	0.99%

RESOLVED, that the above proposal be and hereby were approved as proposed.

(II) To approve the proposal for the deficit compensation of 2023. (Proposed by the Board of Directors)

- Description : 1. The Company's after-tax net loss was \$2,874,182,480. Adding the initial deficit to be offset of \$2,534,742,027, and the change in undistributed profits of the investee companies of \$308,751,809, along with the reversal of special surplus reserves of \$2,599,241,799, the disposal of equity instruments at fair value through other comprehensive income by the investee companies of \$41,534,612, and the revaluation increase in the disposal of real estate by the investee companies of \$10,407,536, the deficit to be offset for the current year is \$3,066,492,369. It is proposed to offset the deficit in accordance with Article 239 of the Company Act using statutory surplus reserves of \$2,753,775,053 and capital reserves of \$312,717,316, resulting in \$0 deficit at the end of the period to be offset.
2. Please refer to Attachment 7 for the table of 2023 deficit compensation.

Voting Results : 1. Upon the Chairman's inquiry with the shareholders present, there were no questions from shareholders.

2. Voting results follows :

Shares represented at the time of voting : 796,748,560 votes

Voting results	% of the total represented share present
Votes in favor : 787,490,380 votes (including 511,706,501 shares voted via electronic transmission)	98.84%
Votes against : 1,606,655 votes (including 1,606,655 shares voted via electronic transmission)	0.20%
Votes invalid : 0 votes	0.00%
Votes abstained / Not voted : 7,651,525 votes (including 7,553,525 shares voted via electronic transmission)	0.96%

RESOLVED, that the above proposal be and hereby were approved as proposed.

V. Discussion Items

(I) The Company distributes cash dividend by capital surplus. (Proposed by the Board of Directors)

- Description :
1. The Company intends to allocate a total of NT\$224,499,140 from the capital surplus, distributing cash of NT\$0.2 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.

Voting Results : 1. Upon the Chairman's inquiry with the shareholders present, there were no questions from shareholders.

2. Voting results follows :

Shares represented at the time of voting : 796,748,560 votes

Voting results	% of the total represented share present
Votes in favor : 788,076,843 votes (including 512,292,964 shares voted via electronic transmission)	98.91%
Votes against : 918,128 votes (including 918,128 shares voted via electronic transmission)	0.12%
Votes invalid : 0 votes	0.00%
Votes abstained / Not voted : 7,753,589 votes (including 7,655,589 shares voted via electronic transmission)	0.97%

RESOLVED, that the above proposal be and hereby were approved as proposed.

(II) Amendments of "The Articles of Incorporation". (Proposed by the Board of Directors)

Description : 1. The Company proposes amending the "The Articles of Incorporation" to add business items in compliance with legal revisions and operational needs.

2. For a comparison of amended articles, please refer to Attachment 8.

Voting Results : 1. Upon the Chairman's inquiry with the shareholders present, there were no questions from shareholders.

2. Voting results follows :

Shares represented at the time of voting : 796,748,560 votes

Voting results	% of the total represented share present
Votes in favor : 787,397,456 votes (including 511,613,577 shares voted via electronic transmission)	98.83%
Votes against : 1,730,180 votes (including 1,730,180 shares voted via electronic transmission)	0.22%
Votes invalid : 0 votes	0.00%
Votes abstained / Not voted : 7,620,924 votes (including 7,522,924 shares voted via electronic transmission)	0.95%

RESOLVED, that the above proposal be and hereby were approved as proposed.

(III) Amendments of “Rules of Procedure for Shareholders Meetings”. (Proposed by the Board of Directors)

Description : 1. The Company intends to amend certain provisions of the “Rules of Procedure for Shareholders Meetings” to comply with legal revisions and operational needs.

2. For a comparison of amended articles, please refer to Attachment 9.

Voting Results : 1. Upon the Chairman's inquiry with the shareholders present, there were no questions from shareholders.

2. Voting results follows :

Shares represented at the time of voting : 796,748,560 votes

Voting results	% of the total represented share present
Votes in favor : 787,310,554 votes (including 511,526,675 shares voted via electronic transmission)	98.81%
Votes against : 1,817,585 votes (including 1,817,585 shares voted via electronic transmission)	0.23%
Votes invalid : 0 votes	0.00%
Votes abstained / Not voted : 7,620,421 votes (including 7,522,421 shares voted via electronic transmission)	0.96%

RESOLVED, that the above proposal be and hereby were approved as proposed.

VI. Election matters

(I) Election of 10 directors (include 4 independent directors) of the Company's 21st. (Proposed by the Board of Directors)

Description : 1. The term of office for the 20th board of directors and independent directors of the Company will expire on August 12, 2024. The Company plans to hold a comprehensive election at the upcoming shareholders' meeting, with newly elected directors (including independent directors) taking office immediately after the meeting for a three-year term from June 21, 2024, to June 20, 2027.

2. The reason for nominating Mr. Li Mao for a fourth term as an independent director is his extensive professional knowledge in finance, taxation, and related industries. Although he has served as an independent director for three terms, he continues to demonstrate expertise in fulfilling his responsibilities and providing professional advice to the board.

3. In accordance with Article 17 of the “The Articles of Incorporation”, the appointment of directors and independent directors follows a candidate nomination system, where shareholders elect from the candidate list. Please refer to Attachment 10 for the candidate list and related information.

Election Results : The term of office for the 21th directors is three years, from June 21, 2024 to June 20, 2027. The list of directors (including independent directors) elected and their weightings are as follows :

Elected Director	Candidate	Votes of Elected
Director	Chen, Shiang-Li	1,341,736,511 votes
Director	representative of Shu Ren Investment Co., Ltd.:Wong, Wei-Chyun	1,118,672,996 votes
Director	representative of Shang Lin Investment Co., Ltd.:Chen, Shiang-Chung	1,012,000,711 votes
Director	representative of Shang Lin Investment Co., Ltd.:Chen, Shiang-Feng	1,012,000,000 votes
Director	representative of Shu Ren Investment Co., Ltd.:Cheng, I-Teng	958,000,000 votes
Director	representative of Mega Prosper Investment Limited:Lee, Jiann-Hsiung	852,322,283 votes
Independent Director	Lee, Mao	479,431,285 votes
Independent Director	Tzeng, Yu Chiung	363,155,658 votes
Independent Director	Liu , Po-Liang	363,155,658 votes
Independent Director	Chao, Yuan-Chi	363,155,658 votes

VII. Other Motions :

(I) The Company releases the non-compete clause for directors. (Proposed by the Board of Directors)

Description : 1. According to Article 209 of the Company Act, directors engaging in acts that fall within the company's business scope, whether for themselves or others, must explain the important details of their actions to the shareholders' meeting and obtain their approval.

2. Some directors of the Company hold concurrent positions as directors or executives in other profit-making enterprises. With no harm to the Company's

interests, they are seeking approval from the shareholders' meeting to lift the restrictions on competitive activities for directors. For more information, please refer to Attachment 11.

Voting Results : 1. Upon the Chairman's inquiry with the shareholders present, there were no questions from shareholders.

2. Voting results follows :

Shares represented at the time of voting : 796,748,560 votes

Voting results	% of the total represented share present
Votes in favor : 786,051,133 votes (including 510,267,254 shares voted via electronic transmission)	98.66%
Votes against : 2,889,187 votes (including 2,889,187 shares voted via electronic transmission)	0.36%
Votes invalid : 0 votes	0.00%
Votes abstained / Not voted : 7,808,240 votes (including 7,710,240 shares voted via electronic transmission)	0.98%

RESOLVED, that the above proposal be and hereby were approved as proposed.

VIII.Extraordinary Motions : None.

IX. The meeting was adjourned at 9:44 a.m. of the same day.

Attachment 1

Mercuries & Associates Holding, Ltd. 2023 Business Report

Mercuries & Associates Holdings, Ltd. (hereinafter referred to as the “Company”) is an investment holding company with investments primarily in life insurance, daily commodities and food and beverage (F&B) retailing, pharmaceuticals, and information services. The Company has been seeking to optimize its investments in consideration of its long-term development plans and striving to develop a more diversified, multi-market business model in an attempt to continuously improve its operational performance through specialization and economies of scale.

I. 2023 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 2023 business plan for its principal investments are detailed as follows:

1. Daily commodities and F&B retailing

In the daily necessities retail sector, the Company has expanded its customer base, utilized member data, enriched brand management, strengthened product adjustment frequency, and accelerated product replacement speed, in order to reduce the impact of declining sales caused by the COVID-19 pandemic. Despite labor shortages and rising personnel costs, the Company's profits have significantly increased compared to the previous year. As for the food retail sector, impacts from the pandemic has lessened, with overall revenue growing by approximately 10% and profits increasing by over 70%. The proliferation of innovative cross-industry partnerships in the market, rapid growth of e-commerce platforms and takeaway food delivery applications, and increases in raw material and commodity prices, personnel costs, and operating expenses are posing even more challenges for the business of physical retailers. To improve retail outlet profitability, each of our business units keeps abreast of competitor movements and market dynamics, adjusts product lineups based on consumer preferences, develops new products, and leverages the advantages of the membership scale to create a sticky brand experience. The expansion of a central kitchen has also lowered production costs and allowed the Company to fully control the delivery and quality of our products, thus boosting revenue and profit. Compared to 2022, the Company added 29 new outlets to its existing retail stores, thus bringing the total number to 1,484.

2. Life insurance

Mercuries Life Insurance was deeply affected by the volatility of the stock, bond, and foreign exchange markets, as well as the high cost of hedging, resulting in the 2023 operational performance falling short of expectations. Currently, as preparations for the IFRS 17 accounting standards and the solvency-related International Capital Standard (ICS) are nearing completion, various supervisory indicators and requirements have been introduced by competent authorities to strengthen their institutions and maintain stability in the financial market. Mercuries Life Insurance adheres to the principle of prudent management and continues to promote the sales of protection and investment products. In addition to earning stable commission income and reducing interest

rate-related risks, the Company also values the essence of insurance protection and strives to satisfy customer needs. In 2023, premiums income from new insurance policies reached NT\$33.365 billion, ranking eighth, and the total premiums income amounted to NT\$113.617 billion, ranking seventh in total.

3. Pharmaceuticals

All registered drug certificates for raw materials at Sci Pharmtech are being maintained consistently and remain valid, ensuring the safe export of raw materials. With the gradual recovery of production capacity, revenue has increased and is now approximately half of the pre-pandemic level. Operating profits have also grown, especially for Parkinson's disease intermediates, sedatives, and glaucoma medications, which have all returned to, and even exceeded, pre-pandemic sales levels. As for antiepileptic drugs, antidepressants, and hydroxychloroquine, more effort is required in 2024 to boost sales.

4. Information services

In 2023, the consolidated operating revenue was NT\$3.971 billion, a 4.8% increase from 2022 and another new high in recent years, and net income after tax was NT\$252 million, up 31% from the previous year. At the same time, a high-margin maintenance revenue of NT\$1.436 billion and a gross profit of NT\$651 million were reported, with a gross profit margin of around 45%, indicating that sales efforts over the past few years have borne fruit, as evidenced by the gradual generation of steady revenue and profit from maintenance services.

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

In 2023, the Company posted a consolidated operating revenue of NT\$166.3 billion, a decrease of approximately 20% compared with 2022, with a budget achievement rate of 100%. In terms of profit, the Company recorded NT\$2.874 billion in loss attributable to the parent company and NT\$3.09 in loss after tax per share. As reported in the standalone financial statements, the Company's return on assets and return on equity were negative 12.55% and negative 21.23%, 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 continues to focus on the development of protection and investment products. In 2023, it completed the development of products including accident insurance with guaranteed principal, elderly cancer term insurance, and interest-variable protection life insurance. On top of continuing the existing product strategy, with the advent of the super-aged society and rising public awareness of medical care, the Company leveraged the essence of insurance protection in the life insurance industry to provide differentiated products and fill the gaps in various stages of demand. Mercuries Life Insurance also developed high-value contracts and high

service margin products in compliance with regulatory requirements, and completed its product line across all channels. In response to the digitization trend, the Company has successively launched insurance technology services such as the Preservation/Claims Alliance Chain, Claims Medical Start-Up, and Multi-Identity Verification. Additionally, we have upgraded the functionality of the 0800 customer service system, optimized the official website's member area, and conducted customer satisfaction surveys through a market research company to improve service gaps at various touchpoints. According to the planned schedule, the Company is also developing and building a new core system (Pilot Project), completing each milestone in a step-by-step manner. Through seamless transition between the old and new systems, the Company also aims to provide faster and more stable system services to enhance competitiveness.

3. Pharmaceuticals

At the moment, the R&D division has returned to its regular responsibilities and is continuing to optimize the manufacturing process of old products. One of the key tasks include improving the intermediate PGA process, while also carrying out process development of the downstream raw material drug Benserazide for PGA. This is part of the Company's ongoing efforts to expand its product line, and to save energy and reduce waste in line with the global ESG trend, while reducing manufacturing costs and enhancing product competitiveness. The newly developed product Pimobendan is a medication for pet heart disease. Currently, ADC (antibody drug conjugate) is a prominent field in biopharmaceuticals, consisting of three key components: monoclonal antibody, chemical small molecule drug (commonly known as payload), and a chemical linker that connects the two. By combining highly specific antibodies targeting specific tumor cell surface antigens with potent cytotoxic drugs, cancer cells can be precisely terminated, significantly reducing side effects. SCI Pharmtech, through its subsidiary, is venturing into this field by developing linkers

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 2024 Business Plan

(I) Operating Objectives

With a focus on business management, the Company will not only enhance its capital structure, diversify its businesses, and minimize investment risks, but also consolidate the operating experience of various business divisions and reach out to local and overseas partners while carefully evaluating its investment strategies and bolstering its competitiveness, in hopes of expanding its business territory via integrated planning and eventually enhancing its value.

(II) Key Production and Distribution Policies

1. Daily commodities and F&B retailing

Aside from achieving economies of scale, the opening of new stores will reduce procurement costs and maintain growth momentum, whereas poorly performing stores will be phased out and shut down on a regular basis. The Company strives to improve its product structure, eliminate products with poor sales, increase product turnover, and sell high-margin imported products and private label products to implement effective market segmentation. Furthermore, the Company aims to raise the proportion of franchisees in its business and reduce personnel costs and rent. At the same time, the Company also endeavors to optimize professional skills and affinity among service

personnel to create a high-quality consumption environment, developing information systems to enhance customer viscosity by means of big data analysis and precision marketing. The Company strongly emphasizes on preopening cost-benefit evaluations to ensure maximization of labor- and cost-efficiency, and scaling the franchises to lower expenses on personnel and rent. Regarding the F&B sector, with the expansion of the central kitchen completed, not only will there be an increase in self-production rate of products, but business outsourcing will also be planned to diversify profit sources.

2. Life insurance

Active preparations are also being made for various alignment operations in order to smoothly align with the IFRS 17 and ICS. Such work includes strengthening the Company's financial structure and capitalization, reducing investment volatility risk, and increasing stable income, with the aim of enhancing profitability and net worth. Additionally, the Company continues to promote the sales of protection and investment products, and offers differentiated products to increase revenue from interest spreads and fee differentials, while also enhancing product competitiveness.

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 and contribute to a sustainable earth.

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

As applications of the Internet and artificial intelligence become more widespread, all aspects of management, manufacturing, marketing, logistics, distribution, cash flows, and research and development of various industries are also deeply and inevitably affected by digitization and information security. Be it in life insurance, pharmaceuticals, daily commodities and F&B retailing or information services, it is imperative for the Company to provide differentiated products, as well as quality and responsive services, and respond to rapid changes in the industry structure, while coping with the volatility of market competition, manpower shortages, inflationary pressures, and changing customer consumption patterns. The Company also needs to identify, assess, and respond adequately to expected or unexpected risks that have the potential of affecting operations, in order to alleviate the impact of external 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. Government regulations are seemingly innumerable in the course of business. Regulations relating to life insurance enterprises emphasize the strengthening of financial structure, and as the date of IFRS 17 alignment approaches, competent authorities have continued to ensure that the industry is able to align with IFRS 17 in a stable manner, through various supervisory indexes and requirements. On the other hand, the Financial Supervisory Commission is also actively promoting the development of ESG. In addition to launching the "Sustainability Development Roadmap" and the "Green Finance Action Plan 3.0," 2023 marks the first inclusion of the "Financial Sustainability Evaluation." This effort is dedicated to deepening the development of sustainable finance in Taiwan and establishing a model for sustainable finance. The pharmaceutical industry is subject to the management of pharmaceutical regulations, such as the Pharmaceutical Affairs Act and Pharmaceutical Good Manufacturing Practice Regulations. The regulatory environment continues to change and amend, and the European Union, the US, and Japan have also announced and implemented stricter regulations to ensure the quality and safety of drugs, of which data integrity is of paramount importance. 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 on 2023, the World Economic Outlook published by the IMF not only reported that the global economy is projected to grow at a lower-than-expected rate of 3.1% in 2023. It also pointed out that in the future, with easing inflation and stable growth, the possibility of a hard landing has decreased, and risks facing global economic growth have broadly balanced. However, the uncertainty of geopolitical impacts (including the ongoing attacks in the Red Sea) could lead to further surges in commodity prices. Should there be supply disruptions or prolonged underlying inflation, the tight monetary environment may persist for a longer period; if challenges in the Chinese real estate industry intensify, or if other countries implement detrimental tax hikes and spending cuts, economic growth may also be weaker than expected. According to the February 2024 statistics from the Directorate-General of Budget, Accounting and Statistics of the Executive Yuan, the economic growth rate of Taiwan in 2023 was 1.31%, which is lower than the 2.59% of 2022. Moreover, in 2023, growth rate of the domestic comprehensive retail industry was 9.27%, and that of the catering industry was 18.79%. Looking ahead to 2024, the IMF forecasts in January 2024 that the global economy will grow 3.1% in 2024, similar to that of 2023; while the DGBAS forecast in February 2024 indicates that Taiwan's economy will grow 3.43% in 2024, increasing from the 1.31% in 2023.

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 2023 business report, financial statements, and deficit compensation 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 deficit compensation 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

2024 Annual Shareholders' Meeting

Convener of the Audit Committee: Li Mao

April 26, 2024

Attachment 3

Mercuries & Associates Holding, Ltd. The Information of Directors' Remuneration for the year 2023

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		Employee remuneration for other activities								Total amount & Proportion of net income after summing items A, B, C, D, E, F, and G		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) (Note 3)		Business execution fees (D)				Salaries, bonuses, and special expenses (E)		Retirement allowance (F) (Note 2)		Employee remuneration (G) (Note 3)						
		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				
																Sum of cash bonus	Sum of share bonus	Sum of cash bonus	Sum of share bonus			
Chairman	Shanglin Investment Chen, Shiang-Li	—	—	—	—	1,419	90	330	90	1,749	8,448	8,448	—	—	—	—	—	—	8,538	10,197	None	
									0%	(0.06)%									(0.30)%	(0.35)%		
Director	Shanglin Investment Chen, Shiang-Chung	—	—	—	—	2,100	50	120	50	2,220	—	16,261	—	108	—	—	280	—	50	18,869	None	
									0%	(0.08)%									0%	(0.66)%		
Director	Shuren Investment Wong, Wei-Chyun	—	5,156	—	—	2,431	90	214	90	7,801	—	—	—	—	—	—	—	—	90	7,801	None	
									0%	(0.27)%									0%	(0.27)%		
Director	Shuren Investment Mao, Ming-Yu	—	—	—	—	—	90	90	90	90	—	—	—	—	—	—	—	—	90	90	None	
									0%	0%									0%	0%		
Director	Shanglin Investment Chen, Shiang-Feng	—	—	—	—	1,225	60	64	60	1,289	—	8,898	—	—	—	—	100	—	60	10,287	None	
									0%	(0.04)%									0%	(0.36)%		
Director	Cheng, I-teng	—	—	—	—	—	90	90	90	90	—	—	—	—	—	—	—	—	90	90	None	
									0%	0%									0%	0%		
Independe	Lee, Mao	—	—	—	—	—	—	90	90	90	90	—	—	—	—	—	—	—	—	90	90	None

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, F, and G		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) (Note 3)		Business execution fees (D)				Salaries, bonuses, and special expenses (E)		Retirement allowance (F) (Note 2)		Employee remuneration (G) (Note 3)						
		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		The Company	All companies listed in this Financial Report	
																Sum of cash bonus	Sum of share bonus	Sum of cash bonus	Sum of share bonus			
nt director										0%	0%									0%	0%	
Independent director	Tu, Te-cheng	—	1,559	—	—	—	372	90	90	90	2,021	—	—	—	—	—	—	—	—	90	2,021	None
										0%	(0.07)%									0%	(0.07)%	
Independent director	Liu, Han-Tsung	325	1,532	—	—	—	—	50	50	375	1,582	—	—	—	—	—	—	—	—	375	1,582	None
										(0.01)%	(0.06)%									(0.01)%	(0.06)%	
Independent director	Jeffrey Chen	—	—	—	—	—	—	60	60	60	60	—	—	—	—	—	—	—	—	60	60	None
										0%	0%									0%	0%	
*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\$ 1,620,000. (Remuneration to the Remuneration Committee members of the Company)																						

Note 1 : Liu Han-Tsung, an independent director of the Company, receives a fixed monthly remuneration from the Company. Other directors do not receive salaries but only receive transportation allowances for attending board meetings, as well as director remuneration approved by the Board of Directors in accordance with the Company 's Articles of Incorporation. If there are no significant differences in responsibilities, risks, time commitment, and other factors among independent directors, the principle is to provide consistent director remuneration.

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.

Attachment 4

Mercuries & Associates Holding, Ltd. Significant Transactions with Related Parties in 2023

- I. The company and its subsidiaries engaged in transactions with related parties involving purchases and sales of goods, provision of labor or technical services; acquisition or disposal of real estate or its right of use assets, as well as acquisition or disposal of other assets and lending of funds to others, as follows:

1. Acquisition of Marketable Securities Situation:

The company acquiring marketable securities	Mercuries & Associates Holding, Ltd.
Board approval date	2023/03/16, 2023/11/14
Name and nature of the subject matter	Mercuries Life Insurance Inc. common stock
The total amount of the transaction approved by the board of directors	Within the limit of NT\$1.425 billion
The actual transaction amount	NT\$712 million
Transaction counterpart	Mercuries Life Insurance Inc.
Terms of the transaction	One-time cash payment in full
The reason for selecting a related party as the counterparty for the transaction	Cash capital increase subscription
The transaction restrictions and other important provisions	None

2. Disposition of Marketable Securities:

Companies disposing of marketable securities	Mercuries & Associates Holding, Ltd.
Board approval date	2023/06/28
Name and nature of the subject matter	Mercuries F&B Co., Ltd. common stock
The actual transaction amount	NT\$ 45 million
Transaction counterpart	Sun Pao Tsun Construction Co., Ltd.
Terms of the transaction	One-time cash payment in full
The transaction restrictions and other important provisions	Handling in accordance with the agreement

3. Real estate acquisition status:

The company acquiring real estate	Mercuries F&B Co., Ltd.
Board approval date	2020/11/20、2023/10/31
Name and nature of the subject matter	The construction of Mercuries F&B Dayuan central kitchen
The total amount of the transaction approved by the board of directors	NT\$ 578.76 million
The actual transaction amount	NT\$ 578.76 million
Transaction counterpart	Sun Pao Tsun Construction Co., Ltd.
Terms of the transaction	According to the contract agreement
The specific purpose of acquisition	In response to the operational development needs of Mercuries F&B
The reference basis for price determination	Reasonableness assessment of prices of professional real estate appraisal company
The transaction restrictions and other important provisions	None

4. The situation of providing funds to others:

The company lending out funds	Simple Mart Retail Co., Ltd.
The recipient of the loaned funds	Sanyou Drugstores, Ltd.
Board approval date	2023/08/04
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

II. The Company and Subsidiaries' Donations to Related Parties in 2023:

<div>The recipients of the donations</div> <div>Item</div>	Foundation for Chinese Dietary Culture	Criminal Investigation and Prevention Association R.O.C.	Chinese Taipei Amateur Softball Association	Foundation for Taiwan Masters Golf Tournament	The Police Academic Research Foundation	Mercuries Social Welfare and Charity Foundation, Taoyuan County
The donating company	1. Mercuries F&B Co., Ltd. 2. Mercuries & Associates, Ltd. 3. Mercuries Fu Bao Ltd. 4. Mercuries Liquor & Food Co.,Ltd 5. Mercuries Furniture Co., Ltd	1. Mercuries Life Insurance Inc. 2. Mercuries F&B Co., Ltd. 3. Mercuries & Associates, Ltd. 4. Simple Mart Retail Co., Ltd. 5. Mercuries Fu Bao Ltd. 6. Mercuries Data Systems Ltd. 7. SCI Pharmtech,Inc.	1. Mercuries Fu Bao Ltd.	1.Mercuries Data Systems Ltd.	1. Mercuries Life Insurance Inc.	1. Simple Mart Retail Co., Ltd.
Board approval date	1. 2023/08/29 2. 2023/03/13 、 11/14 3. 2023/03/13 4. 2023/08/30 5. 2023/11/14	1. 2023/06/01 2. 2023/06/05 3. 2023/06/05 4. 2023/05/05 5. 2023/06/05 6. 2023/05/12 7. 2023/07/05	1. 2023/03/23	1. 2023/09/20	1. 2023/08/11	1. 2023/08/04
The reason for the donation	Advancing the academic study of Chinese cuisine culture	Advancing academic research in criminal investigation	Promoting sports in Taiwan	Promoting the sporting culture domestically	Fulfilling corporate social responsibility	Fulfilling social responsibility
The amount approved by the board	1. NT\$ 2.5 million 2. Within the limit of NT\$ 4.5 million 3. NT\$ 1.5 million 4. NT\$ 2 million 5. Within the limit of NT\$ 500,000	1. NT\$ 900,000 2. NT\$ 300,000 3. NT\$ 300,000 4. NT\$ 300,000 5. NT\$ 300,000 6. NT\$ 1 million 7. NT\$ 600,000	1. NT\$ 1.5 million	1. NT\$ 1 million	1. NT\$ 500,000	1. NT\$ 300,000
The actual donation amount	1. NT\$ 2.5 million 2. NT\$ 2.5 million 3. NT\$ 1.5 million 4. NT\$ 2 million 5. NT\$ 0	1. NT\$ 900,000 2. NT\$ 300,000 3. NT\$ 300,000 4. NT\$ 300,000 5. NT\$ 300,000 6. NT\$ 1 million 7. NT\$ 600,000	1. NT\$ 1.5 million	1. NT\$ 1 million	1. NT\$ 500,000	1. NT\$ 300,000

Attachment 5

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

Corporate bond type		First Offering of Domestic Unsecured Convertible Bond
Issue date		Jan. 25, 2021.
Par value		NT\$100,000 per note.
Location of issuance and trading		Not applicable.
Issuing price		NT\$100,500 per note.
Aggregate amount of issuance		NT\$2.3 billion.
Coupon rate		0%.
Maturity		Term: 5 years. Maturity date: Jan. 25, 2026.
Guarantee agency		Not applicable.
Trustee		Hua Nan Commercial Bank, Ltd., Department of Trusts
Underwriter		Hua Nan Securities Co., Ltd.
Certifying attorney		Not applicable.
Certifying CPA		Not applicable.
Terms of repayment		Unless converted to shares, or redeemed or bought back by the Company at securities firms in advance pursuant to the established procedures, the bond will be repaid upon maturity to the bondholders in cash, commensurate with the face values of the notes they hold.
Outstanding principle		NT\$254,700,000. (As of March 31, 2024)
Provision of prepayment and redemption		In accordance with the Article 18 of "Procedures on the First Issuance and Conversion of Domestic Unsecured Convertible Corporate Bond"
Restrictive covenant		None.
Credit rating agency name, date of rating, and corporate bond rating result		No credit rating.
Other information	Amount converted to common shares as of the date of Annual Report	NT\$86.4 million.
	Policies on Issuance and Conversion	In accordance with "Procedures on the First Issuance and Conversion of Domestic Unsecured Convertible Corporate Bond"
Potential dilution of shares and impact on the existing shareholders equity due to the issuance and conversion policies and terms and conditions		Based on the current conversion price of NT\$19.90, the maximum rate of dilution when the convertible bond is converted in its entirety will be 1.13%, which will not cause serious concerns.
Name of exchange		Not applicable.

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, 2023 and 2022, 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, 2023 and 2022, 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, 2023. 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:

Please refer to Note 4.29 for the related accounting policy of the completeness and accuracy of recording insurance reserves, Note 5 about accounting judgments, key sources of estimates and uncertainty for insurance reserves, Note 6.23 and Note 12.7 for insurance reserves details, change and adjustment, and risk management and disclosure of insurance contract.

Various insurance reserves of Mercuries Life Insurance are provided by actuary in accordance with the “Guidelines for Insurance Enterprises Handling All Statutory Reserves” based on their professional judgment and experience. The insurance reserves are estimated for different types of insurance, and thus, the provision process of these reserves has a high degree of complexity. Liability reserves involve significant judgment from management due to uncertainty of estimation. In addition, to ensure the adequacy of the insurance liabilities recognition, significant judgment to the final total settlement value of each insurance claims is required. The Company should assess its adequacy of liabilities through estimated future cash flow for insurance contracts based on current information. If there is any shortfall in the current carrying amount of the insurance liability, the shortfall should be recognized as liability adequacy reserve. Therefore, this matter needs significant attention in our audit.

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

1. Testing the effectiveness of the design and implementation of internal controls within the financial reporting process that are related to insurance reserves, which include testing the controls responsible for ascertaining the completeness and accuracy of the policy information.
2. Performing the analysis on movements and recognition of insurance reserves and checking whether the related information and carrying amount of the worksheet are accurate.
3. Testing samples on unearned premium reserves, liability reserves, claim reserves, premium deficiency reserves, special reserves and liabilities adequacy reserve to assess the accuracy of the premium and claim information, as well as inspecting the provision methodology, and examining whether the provision and hypothesis are in accordance with the “Guidelines for Insurance Enterprises Handling All Statutory Reserves”.
4. Assess the appropriateness of the disclosure that are related to insurance reserves.

Valuation of investment assets

Description:

Please refer to Note 4.11 for the related accounting policy of valuation of investment, Note 5 about accounting judgments, key sources of estimates and uncertainty for investment assets valuation, Note 12.2 to 12.4 for valuation details and 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 in inactive markets. The fair value is estimated on the basis of the results of various valuation techniques, which is based on professional judgment by the Company’s management. 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 statements for financial assets and understanding the methods used for fair value of each category, as well as evaluating whether the fair value hierarchy is appropriate and

verifying the fair value of financial assets based on available information.

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 merchandise information of item names, quantity, sales price and total sales amount of each transaction using pre-established merchandise master file data (which contains information such as item name, cost of purchase, retail price, combination sales promotions, etc.). After the daily closing process, each store manager uploads their sales information to the Enterprise Resource Planning (“ERP”) system, which summarizes all sales and automatically generates sales revenue journal entries. Each store manager also prepares a daily cash report, which summarizes amounts of sales, types of collections and cash deposited to the bank.

As retail sales revenue comprises numerous small amount transactions and highly relies on the POS and ERP systems, the process of summarizing and recording sales revenue by these systems is important with regard to 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. Inspecting and checking whether additions and changes to the merchandise master file data had been properly approved and supported by the relevant documents.
2. Inspecting and checking whether approved additions and changes to the merchandise master file data had been correctly entered in the merchandise master file.
3. Inspecting and checking whether merchandise master file data had been periodically transferred to POS terminal in stores.
4. Inspecting and checking whether sales information in POS terminals had been periodically and completely transferred to the ERP system and verify the daily cash reports and accounting information in stores.
5. Inspecting daily cash reports and relevant documents.
6. Inspecting cash deposit amounts recorded in daily cash reports and agreed them to bank remittance amounts.

Emphasis of matter paragraph

As described in Note 12.13 to the consolidated financial statements, Mercuries Life Insurance Co., Ltd. has resolved by the board of directors to change the business model for managing its financial assets on December 6, 2022 and designate the date of reclassification on January 1, 2023. Accordingly, we do not modify our audit opinion.

Other matter

As described in Note 4.4, 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 \$17,059,644 thousand and \$14,900,545 thousand, constituting 1.10% and 1.00% of the total consolidated assets as of December 31, 2023 and 2022 respectively, and total comprehensive income were \$752,984 thousand and \$658,269 thousand, constituting 10.26% and (3.27)% of total consolidated comprehensive income for the years ended December 31, 2023 and 2022, 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 \$4,469,405 thousand and \$5,924,375 thousand, constituted 0.29% and 0.40% of the total consolidated asset as of December 31, 2023 and 2022, respectively, and the recognized shares of profit of associates and joint ventures accounted for under equity method of these investee companies were \$38,071 thousand and \$204,063 thousand, constituted (0.32)% and (1.49)% of the consolidated profit before income tax for the years ended December 31, 2023 and 2022, 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, 2023 and 2022.

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 15, 2024

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, 2023 and 2022

December 31, 2023 and 2022										UNIT : NTD (In Thousands)	
Assets	Notes	December 31, 2023	%	December 31, 2022	%	Liabilities & Equity	Notes	December 31, 2023	%	December 31, 2022	%
Current assets						Current liabilities					
Cash and cash equivalents		\$64,773,024	4.17	\$50,249,445	3.38	Short-term borrowings		\$1,335,000	0.09	\$1,397,000	0.09
Financial assets at fair value through profit or loss - current		88,998	0.01	108,705	0.01	Short-term notes and bills payable		569,990	0.04	779,930	0.05
Financial assets at fair value through other comprehensive income - current		150	-	141	-	Financial liabilities at fair value through profit or loss - current		68,861	-	-	-
Financial assets at amortized cost - current		12,323	-	17,673	-	Contract liabilities - current		930,872	0.06	942,198	0.06
Contract assets - current		310,696	0.02	342,028	0.02	Accounts payable		8,392,213	0.54	6,664,901	0.45
Accounts receivable, net		12,468,269	0.80	11,020,414	0.74	Commissions payable		815,297	0.05	799,455	0.05
Current income tax assets		1,026,333	0.07	743,391	0.05	Claims and benefits payable		687,160	0.04	694,034	0.05
Inventories		5,597,064	0.36	5,474,454	0.37	Due to reinsurers and ceding companies		1,698,147	0.11	1,558,138	0.10
Prepayments		1,247,915	0.08	1,080,600	0.07	Current income tax liabilities		132,985	0.01	148,675	0.01
Non-current assets held for sale		1,767,584	0.11	-	-	Advanced receipts		66,900	-	98,037	0.01
Reinsurance contract assets, net		2,550,530	0.16	2,204,688	0.15	Long-term liabilities - current portion		1,963,453	0.13	14,678	-
Other current assets		158,030	0.01	188,731	0.01	Lease liabilities - current		1,334,861	0.09	1,208,545	0.09
Bills discounted and loans, net		67,896,478	4.38	69,256,217	4.67	Liabilities directly associated with non-current assets held for sale		106,886	0.01	-	-
Sub-total		<u>157,897,394</u>	<u>10.17</u>	<u>140,686,487</u>	<u>9.47</u>	Other current liabilities		174,953	0.01	222,307	0.02
						Sub-total		<u>18,277,578</u>	<u>1.18</u>	<u>14,527,898</u>	<u>0.98</u>
						Non-current liabilities					
						Financial liabilities at fair value through profit or loss - non-current		78,296	0.01	3,424,218	0.23
						Contract liabilities - non-current		112,415	0.01	8,196	-
						Bonds payable		8,886,399	0.57	10,356,454	0.70
						Long-term borrowings		6,468,095	0.42	9,021,392	0.61
						Other long-term liabilities		6,838	-	4,108	-
						Provisions - non-current		1,273,534,242	82.03	1,259,104,135	84.74
						Separate account liabilities for unit-linked products		177,007,560	11.40	143,001,896	9.62
Non-current assets						Guarantee deposits received		5,551,302	0.36	2,537,719	0.17
Financial assets at fair value through profit or loss - non-current		115,865,598	7.46	79,201,415	5.33	Lease liabilities - non-current		3,262,500	0.21	3,018,301	0.20
Financial assets at fair value through other comprehensive income - non-current		3,789,237	0.24	44,507,311	3.00	Deferred tax liabilities		9,811,860	0.63	7,559,016	0.51
Financial assets at amortized cost - non-current		1,013,469,832	65.28	1,000,833,858	67.36	Other non-current liabilities		1,210,597	0.07	1,610,788	0.10
Investments accounted for under equity method		4,574,931	0.29	6,020,037	0.41	Sub-total		<u>1,485,930,104</u>	<u>95.71</u>	<u>1,439,646,223</u>	<u>96.88</u>
Property, plant and equipment		19,611,138	1.26	18,810,716	1.27	Total Liabilities		<u>1,504,207,682</u>	<u>96.89</u>	<u>1,454,174,121</u>	<u>97.86</u>
Right-of-use assets		4,474,808	0.29	4,109,008	0.28	Equity attributable to owners of the parent					
Investment property, net		20,090,454	1.29	21,697,576	1.46	Share Capital					
Intangible assets		267,031	0.02	260,249	0.02	Common stock		11,224,957	0.72	9,224,957	0.62
Deferred tax assets		20,819,886	1.34	16,054,191	1.07	Capital surplus		4,730,938	0.30	2,749,366	0.19
Other non-current assets		191,658,844	12.36	153,662,973	10.33	Retained earnings					
Sub-total		<u>1,394,621,759</u>	<u>89.83</u>	<u>1,345,157,334</u>	<u>90.53</u>	Legal reserve		2,753,775	0.18	2,753,775	0.19
						Special reserve		5,990,502	0.39	5,990,502	0.40
						Unappropriated earnings		(5,665,734)	(0.36)	(2,534,742)	(0.17)
						(Accumulated deficit)					
						Other equity		(1,542,701)	(0.10)	(7,519,412)	(0.51)
						Treasury stock		(592,930)	(0.04)	(488,279)	(0.03)
						Total equity attributable to owners of the parent		<u>16,898,807</u>	<u>1.09</u>	<u>10,176,167</u>	<u>0.69</u>
						Non-controlling interests		31,412,664	2.02	21,493,533	1.45
						Total Equity		<u>48,311,471</u>	<u>3.11</u>	<u>31,669,700</u>	<u>2.14</u>
Total assets		<u>\$1,552,519,153</u>	<u>100.00</u>	<u>\$1,485,843,821</u>	<u>100.00</u>	Total Liabilities and Equity		<u>\$1,552,519,153</u>	<u>100.00</u>	<u>\$1,485,843,821</u>	<u>100.00</u>

MERCURIES & ASSOCIATES HOLDING, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2023 and 2022

UNIT : NTD (In Thousands)

Item	Notes	2023	%	2022	%
Operating revenue					
Interest income		\$36,695,276	22.06	\$34,804,381	16.65
Premiums income		73,980,225	44.48	79,854,971	38.21
Commission on reinsurance ceded		98,394	0.06	44,631	0.02
Fee income		2,968,302	1.78	2,564,506	1.23
Share of profit of associates and joint ventures accounted for under equity method		60,631	0.04	218,170	0.10
Separate account revenue for unit-linked products		15,533,843	9.34	519,967	0.25
Realized gains on financial assets measured at fair value through other comprehensive income		13,645	0.01	-	-
Gain arising from derecognition of financial assets measured at amortized cost		-	-	2,026,181	0.97
Net sales revenue					
Sales revenue		29,686,411	17.85	28,482,918	13.63
Sales returns		(44,743)	(0.03)	(28,602)	(0.01)
Sales discounts and allowances		(9,585)	(0.01)	(4,530)	-
Rental income		378,369	0.23	379,834	0.18
Service revenue		636,368	0.38	594,192	0.28
Gain on disposal of investments		1,263,649	0.76	254,776	0.12
Gain on investment property		396,187	0.24	1,820,218	0.87
Reserve for fluctuation of foreign exchange movement		4,111,104	2.47	(6,969,055)	(3.33)
Profit reclassified by applying overlay approach		-	-	3,221,236	1.54
Gain on reversal of expected credit impairment loss		77,392	0.05	-	-
Gain on foreign exchange		-	-	60,511,196	28.95
Other income		455,284	0.29	705,977	0.34
Total operating revenue		<u>166,300,752</u>	<u>100.00</u>	<u>209,000,967</u>	<u>100.00</u>
Operating cost					
Interest expenses		(251,546)	(0.15)	(149,100)	(0.07)
Underwriting expenses		(30,878)	(0.02)	(30,728)	(0.01)
Commission expenses		(5,792,483)	(3.48)	(5,639,225)	(2.70)
Insurance claims and benefits		(92,002,406)	(55.32)	(90,985,803)	(43.53)
Other insurance liabilities movement		(17,542,088)	(10.55)	(22,550,576)	(10.79)
Separate account expenses for unit-linked products		(15,533,843)	(9.34)	(519,967)	(0.25)
Loss on financial assets (liabilities) measured at fair value through profit or loss		(984,892)	(0.59)	(67,875,521)	(32.48)
Realized losses on financial assets measured at fair value through other comprehensive income		-	-	(283,405)	(0.14)
Loss arising from derecognition of financial assets measured at amortized cost		(322,931)	(0.19)	-	-
Cost of goods sold		(20,708,997)	(12.45)	(20,163,000)	(9.65)
Service cost		(12,855)	(0.01)	(12,856)	(0.01)
Operating expenses					
Selling expense		(6,289,601)	(3.78)	(5,937,541)	(2.84)
General and administrative expenses		(7,058,972)	(4.24)	(6,958,141)	(3.33)
Research and development expenses		(295,601)	(0.18)	(251,830)	(0.12)
Loss on disposal of property, plant and equipment		(8,030)	-	(21,291)	(0.01)
Loss reclassified by applying overlay approach		(10,512,215)	(6.32)	-	-
Loss on impairment losses		(847)	-	(2,023)	-
Loss on expected credit impairment loss		-	-	(798,904)	(0.38)
Loss on foreign exchange		(83,237)	(0.05)	-	-
Other expense		(614,002)	(0.39)	(554,351)	(0.26)
Total operating cost		<u>(178,045,424)</u>	<u>(107.06)</u>	<u>(222,734,262)</u>	<u>(106.57)</u>
Profit (loss) before income tax from continuing operations		<u>(11,744,672)</u>	<u>(7.06)</u>	<u>(13,733,295)</u>	<u>(6.57)</u>
Income tax (expenses) benefits		3,227,491	1.94	1,142,229	0.55
Net profit (loss) from continuing operations		<u>(8,517,181)</u>	<u>(5.12)</u>	<u>(12,591,066)</u>	<u>(6.02)</u>
Net profit (loss)		<u>(8,517,181)</u>	<u>(5.12)</u>	<u>(12,591,066)</u>	<u>(6.02)</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		30,964	0.02	(10,527)	(0.01)
Revaluation surplus on property		9,182	0.01	1,207,998	0.58
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		382,912	0.23	(392,716)	(0.19)
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method		(78,607)	(0.05)	(121,252)	(0.06)
Income tax relating to components		3,549	-	(90,257)	(0.04)
Components of other comprehensive income that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations		(8,690)	(0.01)	21,032	0.01
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income		6,162,000	3.71	(5,605,545)	(2.68)
Other comprehensive income (loss) on reclassification under the overlay approach		10,512,215	6.32	(3,221,236)	(1.54)
Income tax relating to components		(1,154,185)	(0.69)	670,128	0.32
Other comprehensive income (loss)		<u>15,859,340</u>	<u>9.54</u>	<u>(7,542,375)</u>	<u>(3.61)</u>
Total comprehensive income (loss)		<u>7,342,159</u>	<u>4.42</u>	<u>(20,133,441)</u>	<u>(9.63)</u>
Profit (loss) attributable to:					
Shareholders of the parent		(2,874,182)	(1.73)	(5,089,794)	(2.43)
Non-controlling interests		(5,642,999)	(3.39)	(7,501,272)	(3.59)
Total		<u>(8,517,181)</u>	<u>(5.12)</u>	<u>(12,591,066)</u>	<u>(6.02)</u>
Comprehensive income (loss) attributable to:					
Shareholders of the parent		3,075,864	1.85	(8,348,400)	(3.99)
Non-controlling interests		4,266,295	2.57	(11,785,041)	(5.64)
Total		<u>\$7,342,159</u>	<u>4.42</u>	<u>\$(20,133,441)</u>	<u>(9.63)</u>
Earnings per share					
Income (loss) from continuing operations, net of income tax		<u>\$(3.09)</u>		<u>\$(5.82)</u>	
Basic earnings (loss) per share (in dollars)		<u>\$(3.09)</u>		<u>\$(5.82)</u>	
The pro forma net income and earnings per share of accounting for treasury stock had not been adopted are as follows:					
Pro forma after income tax		<u>\$(2,874,182)</u>		<u>\$(5,042,001)</u>	
Earnings per share		<u>\$(2.93)</u>		<u>\$(5.47)</u>	

MERCURIES & ASSOCIATES HOLDING, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2023 and 2022

UNIT : NTD (In Thousands)

Summary	Equity Attributable to Shareholders of the Parent												Treasury Stock	SubTotal	Non-Controlling Interest	Total
	Share Capital		Capital Surplus	Retained Earnings			Other Equity Interests									
	Common Stock	Share capital collected in advance		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	Revaluation Reserve of Properties	Reclassification n to Other Comprehensive Income Due to The Overlay Approach	Others					
Balance on January 1, 2022	\$9,131,067	\$2,553	\$2,455,481	\$2,575,337	\$5,566,015	\$4,854,079	\$(20,599)	\$(342,193)	\$0	\$(4,019,267)	\$6,643	\$(488,279)	\$19,720,837	\$27,504,955	\$47,225,792	
Appropriation earnings 2021																
Legal reserve	-	-	-	178,438	-	(178,438)	-	-	-	-	-	-	-	-	-	
Special reserve	-	-	-	-	424,487	(424,487)	-	-	-	-	-	-	-	-	-	
Cash dividends	-	-	-	-	-	(913,362)	-	-	-	-	-	-	(913,362)	-	(913,362)	
Stock dividends	91,337	-	-	-	-	(91,337)	-	-	-	-	-	-	-	-	-	
Effects of changes in ownership interest from investee	-	-	-	-	-	(534,208)	-	-	-	-	-	-	(534,208)	-	(534,208)	
Changes in unappropriated retained earnings of investees	-	-	-	-	-	(35,942)	-	-	-	-	-	-	(35,942)	-	(35,942)	
Changes in capital surplus of investees	-	-	245,971	-	-	-	-	-	-	-	-	-	245,971	-	245,971	
Allocation of compensation cost of investees	-	-	-	-	-	-	-	-	-	-	(6,643)	-	(6,643)	-	(6,643)	
Net profit (loss)	-	-	-	-	-	(5,089,794)	-	-	-	-	-	-	(5,089,794)	(7,501,272)	(12,591,066)	
Other comprehensive income (loss)	-	-	-	-	-	(121,253)	10,487	(2,232,161)	429,596	(1,345,275)	-	-	(3,258,606)	(4,283,769)	(7,542,375)	
Advance receipts for common stock transferred to common stock	2,553	(2,553)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends from the Company received by subsidiaries	-	-	47,792	-	-	-	-	-	-	-	-	-	47,792	-	47,792	
Differences of acquisition or disposal price and book value of subsidiaries	-	-	122	-	-	-	-	-	-	-	-	-	122	-	122	
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	5,773,619	5,773,619	
Balance on January 1, 2023	\$9,224,957	\$0	\$2,749,366	\$2,753,775	\$5,990,502	\$(2,534,742)	\$(10,112)	\$(2,574,354)	\$429,596	\$(5,364,542)	\$0	\$(488,279)	\$10,176,167	\$21,493,533	\$31,669,700	
Appropriation earnings 2022																
Adjustments on liquidation of investee	-	-	(346)	-	-	-	-	-	-	-	-	-	(346)	-	(346)	
Effects of changes in ownership interest from investee	-	-	170,450	-	-	(168,564)	-	-	-	-	-	-	1,886	-	1,886	
Changes in unappropriated retained earnings of investees	-	-	-	-	-	(61,581)	-	-	-	-	-	-	(61,581)	-	(61,581)	
Changes in capital surplus of investees	-	-	25,665	-	-	-	-	-	-	-	-	-	25,665	-	25,665	
Net profit (loss)	-	-	-	-	-	(2,874,182)	-	-	-	-	-	-	(2,874,182)	(5,642,999)	(8,517,181)	
Other comprehensive income (loss)	-	-	-	-	-	(78,607)	(3,668)	2,214,257	7,442	3,810,622	-	-	5,950,046	9,909,294	15,859,340	
Issuance of common stock for cash	2,000,000	-	500,000	-	-	-	-	-	-	-	-	-	2,500,000	-	2,500,000	
Changes in common stock of the Company held by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(104,651)	(104,651)	-	(104,651)	
Differences of acquisition or disposal price and book value of subsidiaries	-	-	1,251,803	-	-	-	-	-	-	-	-	-	1,251,803	-	1,251,803	
Compensation cost of employee stock option	-	-	34,000	-	-	-	-	-	-	-	-	-	34,000	-	34,000	
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	5,652,836	5,652,836	
Disposal of investments in equity instruments at fair value through other comprehensive income from investees	-	-	-	-	-	41,535	-	(41,535)	-	-	-	-	-	-	-	
Disposal of revaluation Reserve of Properties from investees	-	-	-	-	-	10,407	-	-	(10,407)	-	-	-	-	-	-	
Balance on December 31, 2023	\$11,224,957	\$0	\$4,730,938	\$2,753,775	\$5,990,502	\$(5,665,734)	\$(13,780)	\$(401,632)	\$426,631	\$(1,553,920)	\$0	\$(592,930)	\$16,898,807	\$31,412,664	\$48,311,471	

MERCURIES & ASSOCIATES HOLDING, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2023 and 2022

Items	2023	UNIT : NTD (In Thousands) 2022
Cash flows from operating activities		
Profit (loss) before income tax from continuing operations	(\$11,744,672)	(\$13,733,295)
Adjustments for		
Income and expenses having no effect on cash flows		
Depreciation	2,421,985	2,361,032
Amortization	133,218	119,369
Net gain (loss) on financial assets or liabilities at fair value through profit or loss	967,632	67,862,019
Net gain on financial assets or liabilities at fair value through other comprehensive income	(20,382)	271,031
Interest expense	643,508	537,007
Net gain arising from derecognition of financial assets measured at amortized cost	322,931	(2,026,181)
Interest income	(36,695,276)	(34,804,381)
Net change in insurance liabilities	17,868,122	22,839,386
Net change in reserve for fluctuation of foreign exchange movement	(4,111,104)	6,969,055
Reversal of expected credit impairment losses on investments	(84,880)	792,353
Expected credit impairment losses (gains) on non-investments	8,335	8,500
Share-based payments	60,500	141,300
Share of profit of associates and joint ventures accounted for under equity method	(60,631)	(218,170)
(Profit) loss reclassified by applying overlay approach	10,512,215	(3,221,236)
Loss on disposal of property, plant and equipment	8,423	(149,298)
Gain on disposal of investment property	(2,608)	(1,292,975)
Gain on disposal of investments accounted for under equity method	(1,256,375)	-
Gain on rights transferred of the sale and leaseback	-	47,965
Rent revenue of leaseback	(33,309)	(1,522)
Loss on unrealized foreign exchange	(1,690,837)	(85,481,172)
Gain on fair value adjustment of investment property	(60,404)	(59,792)
Net cash generated from Income and expenses having no effect on cash flows	(11,068,937)	(25,305,710)
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	(44,929,727)	(83,390,141)
(Increase) decrease in accounts receivable	(1,548,147)	3,009,469
(Increase) decrease in inventories	(122,611)	(934,834)
(Increase) decrease in prepayments	(377,910)	(352,777)
(Increase) decrease in contract assets	31,332	167,726
(Increase) decrease in other current assets	30,701	(19,960)
(Increase) decrease in reinsurance contract assets	(106,231)	(333,722)
(Increase) decrease in other assets	(200,597)	(457,907)
Net cash generated from changes in assets related to operating activities	(47,223,190)	(82,312,146)
Changes in liabilities related to operating activities:		
Increase (decrease) in accounts payable	1,850,031	(1,382,347)
Increase (decrease) in provisions	(264,466)	(183,333)
Increase (decrease) in contract liabilities	92,892	159,266
Increase (decrease) in other liabilities	(312,069)	(140,627)
Others	612,011	24,975,979
Net cash generated from changes in liabilities related to operating activities	1,978,399	23,428,938
Net cash generated from changes in assets and liabilities related to operating activities	(45,244,791)	(58,883,208)
Total adjustments	(56,313,728)	(84,188,918)
Cash inflow generated from operations		
Interest received	27,662,417	31,227,408
Dividends received	3,726,050	3,648,019
Interest paid	(602,070)	(576,399)
Income taxes paid	(662,926)	(786,768)
Net cash flows generated from (used in) operating activities	(37,934,929)	(64,409,953)
Cash flows from (used in) investing activities		
Decrease in loans	1,392,986	1,248,753
Acquisition of financial assets at fair value through profit or loss	(13,824)	(31,111)
Proceeds from disposal of financial assets at fair value through profit or loss	6,675	266,421
Acquisition of financial assets at fair value through other comprehensive income	(18,981)	(13,837,870)
Proceeds from disposal of financial assets at fair value through other comprehensive income	178,573	9,513,393
Remittance of cash due to capital reduction of financial assets at fair value through other comprehensive income	215,702	27,978
Acquisition of financial assets at amortized cost	(2,913,921)	(54,402,954)
Proceeds from disposal of financial assets at amortized cost	32,056,374	23,651,659
Proceeds from repayments of financial assets at amortized cost	12,274,881	35,175,278
Acquisition of investment accounted for under equity method	(18,000)	(2,371,500)
Disposal of investments accounted under the equity method	2,755,553	397,198
Acquisition of subsidiary	-	1,023
Acquisition of property, plant and equipment	(1,856,393)	(2,889,033)
Proceeds from disposal of property, plant and equipment	1,740	1,190,830
Decrease (increase) in guarantee deposits	198,651	806,935
Acquisition of intangible assets	(134,940)	(164,258)
Acquisition of investment property	(6,084)	(8,537)
Proceeds from disposal of investment property	45,612	8,281,337
Net cash flows generated from (used in) investing activities	44,164,604	6,855,542
Cash flows from (used in) financing activities		
Increase (decrease) in short-term borrowings	(62,000)	807,000
Increase (decrease) in short-term notes and bills payable	(209,941)	(170,055)
Proceeds from long-term borrowings	46,486,805	61,301,517
Repayments of long-term borrowings	(49,024,164)	(58,295,447)
Increase (decrease) in guarantee deposits received	3,013,583	723,461
Repayment of the principle portion of lease liabilities	(1,540,639)	(1,471,664)
Cash dividends	(108,841)	(977,635)
Cash increase	7,533,158	5,673,751
Increase(decrease) in non-controlling interest	2,207,141	(151,970)
Net cash generated from (used in) financing activities	8,295,102	7,438,958
Effect of exchange in exchanges rate on cash and cash equivalents	(1,198)	8,085
Net increase (decrease) in cash and cash equivalents	14,523,579	(50,107,368)
Cash and cash equivalents at beginning of period	50,249,445	100,356,813
Cash and cash equivalents at end of period	\$64,773,024	\$50,249,445

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, 2023 and 2022, 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, 2023 and 2022, 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, 2023. 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 recording insurance reserves

Description:

Various insurance reserves of the subsidiary Mercuries Life Insurance's are provided by actuary in accordance with the "Guidelines for Insurance Enterprises Handling All Statutory Reserves" based on their professional judgment and experience. The insurance reserves are estimated for different types of insurance, and thus, the provision process of these reserves has a high degree of complexity. Liability reserves involve significant judgment from management due to uncertainty of estimation. In addition, to ensure the adequacy of the insurance liabilities recognition, significant judgment to the final total settlement value of each insurance claims is required. The Company should assess the adequacy of liabilities through estimated future cash flow for insurance contracts based on current information. If there is any shortfall in the current carrying amount of the insurance liability, the shortfall should be recognized as liability adequacy reserve. Therefore, this matter needs significant attention in our audit.

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

1. Testing the effectiveness of the design and implementation of internal controls within the financial reporting process that are related to insurance reserves, which include testing the controls responsible for ascertaining the completeness and accuracy of the policy information.
2. Performing the analysis on movements and recognition of insurance reserves and checking whether the related information and carrying amount of the worksheet are accurate.
3. Testing samples on unearned premium reserves, liability reserves, claim reserves, premium deficiency reserves, special reserves and liabilities adequacy reserve to assess the accuracy of the premium and claim information, as well as inspecting the provision methodology, and examining whether the provision and hypothesis are in accordance with the “Guidelines for Insurance Enterprises Handling All Statutory Reserves”.
4. Assess the appropriateness of the disclosure that are related to insurance reserves.

Valuation of investment assets

Description:

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 in inactive markets. The fair value is estimated on the basis of the results of various valuation techniques, which is based on professional judgment by the Company’s management. 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 statements for financial assets and understanding the methods used for fair value of each category, as well as evaluating whether the fair value hierarchy is appropriate and verifying the fair value of financial assets based on available information.

The completeness and accuracy of retail sales revenue

Description:

Retail sales revenue of the subsidiary Mercuries & Associates, Ltd. and Simple Mart Retail Co., Ltd. are recorded by point-of-sale (POS) terminals, which collect the information of item names, quantity, sales price and total sales amount of each transaction using pre-established merchandise master file data (which contains information such as item names, cost of purchase, retail price, combination sales promotions, etc.). After the daily closing process, each store manager uploads their sales information to the Enterprise Resource Planning (“ERP”) system, which summarizes all sales and automatically generates sales revenue journal entries. Each store manager also prepares a daily cash report, which summarizes amounts of sales, type of collections and cash deposited to the bank.

As retail sales revenue comprises numerous small amount transactions and highly relies on the POS

and ERP systems, the process of summarizing and recording sales revenue by these systems is important with regard to 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. Inspecting and checking whether additions and changes to the merchandise master file data had been properly approved and supported by the relevant documents.
2. Inspecting and checking whether approved additions and changes to the merchandise master file data had been correctly entered in the merchandise master file.
3. Inspecting and checking whether merchandise master file data had been periodically transferred to POS terminal in stores.
4. Inspecting and checking whether sales information in POS terminals had been periodically and completely transferred to the ERP system and verify the daily cash reports and accounting information in stores.
5. Inspecting daily cash reports and relevant documents.
6. Inspecting cash deposit amounts recorded in daily cash reports and agreed them to bank remittance amounts.

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 \$4,168,604 thousand and \$4,006,326 thousand, constituted 17.47% and 19.67% of the total assets as of December 31, 2023 and 2022 respectively; and the share of profit of subsidiaries, associates and joint ventures accounted for under equity method of these investee companies were \$343,427 thousand and \$271,361 thousand, constituted (11.94)% and (5.36)% of the profit before income tax for the years ended December 31, 2023 and 2022, 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 15, 2024

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, 2023 and 2022

UNIT : NTD (In Thousands)

Assets	Notes					Liabilities & Equity	Notes	December 31,		December 31,	
		December 31, 2023	%	December 31, 2022	%			2023	%	2022	%
Current assets						Current liabilities					
Cash and cash equivalents		\$278,037	1.17	\$186,630	0.92	Financial liabilities at fair value through		\$65,623	0.28	\$-	-
Financial assets at fair value through other		150	-	141	-	profit or loss - current					
comprehensive income - current						Other payables		36,175	0.15	49,160	0.24
Notes receivable, net		14,217	0.06	11,696	0.06	Current income tax liabilities		5,965	0.02	21,029	0.10
Accounts receivable, net		99	-	97	-	Liabilities directly associated with		105,429	0.44	-	-
Other receivables		9,410	0.04	4,515	0.02	non-current assets held for sale					
Non-current assets held for sale		2,020,053	8.46	-	-	Lease liabilities - current		14,322	0.06	16,397	0.08
Sub-total		<u>2,321,966</u>	<u>9.73</u>	<u>203,079</u>	<u>1.00</u>	Other current liabilities		<u>1,945,253</u>	<u>8.16</u>	<u>29,485</u>	<u>0.15</u>
						Sub-total		<u>2,172,767</u>	<u>9.11</u>	<u>116,071</u>	<u>0.57</u>
						Non-current liabilities					
						Financial liabilities at fair value through		8,532	0.04	34,532	0.17
						profit or loss - non-current					
						Bonds payable		251,022	1.05	2,166,454	10.63
Non-current assets						Long-term borrowings		4,198,936	17.60	7,411,219	36.38
Financial assets at fair value through other		63,393	0.27	68,782	0.34	Deferred tax liabilities		41,243	0.17	148,706	0.73
comprehensive income - non-current						Lease liabilities - non-current		170,487	0.71	184,809	0.91
Financial assets at amortized cost -		-	-	250,000	1.23	Other non-current liabilities		<u>117,075</u>	<u>0.50</u>	<u>134,440</u>	<u>0.66</u>
non-current						Sub-total		<u>4,787,295</u>	<u>20.07</u>	<u>10,080,160</u>	<u>49.48</u>
Investments accounted for under equity		21,053,994	88.24	17,661,982	86.70	Total Liabilities		<u>6,960,062</u>	<u>29.18</u>	<u>10,196,231</u>	<u>50.05</u>
method						Equity					
Property, plant and equipment		1,423	0.01	1,010	-	Share Capital					
Right-of-use assets		161,905	0.68	176,624	0.87	Common stock		11,224,957	47.05	9,224,957	45.28
Investment property, net		241,430	1.01	1,995,563	9.80	Capital surplus		4,730,938	19.83	2,749,366	13.50
Intangible assets		238	-	839	-	Retained earnings					
Other non-current assets		14,520	0.06	14,519	0.06	Legal reserve		2,753,775	11.54	2,753,775	13.52
Sub-total		<u>21,536,903</u>	<u>90.27</u>	<u>20,169,319</u>	<u>99.00</u>	Special reserve		5,990,502	25.11	5,990,502	29.40
						Unappropriated earnings		(5,665,734)	(23.75)	(2,534,742)	(12.44)
						(Accumulated deficit)					
						Other equity		(1,542,701)	(6.47)	(7,519,412)	(36.91)
						Treasury stock		<u>(592,930)</u>	<u>(2.49)</u>	<u>(488,279)</u>	<u>(2.40)</u>
						Total Equity		<u>16,898,807</u>	<u>70.82</u>	<u>10,176,167</u>	<u>49.95</u>
Total assets		<u>\$23,858,869</u>	<u>100.00</u>	<u>\$20,372,398</u>	<u>100.00</u>	Total Liabilities and Equity		<u>\$23,858,869</u>	<u>100.00</u>	<u>\$20,372,398</u>	<u>100.00</u>

MERCURIES & ASSOCIATES HOLDING, LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2023 and 2022

		UNIT : NTD (In Thousands)			
Item	Notes	2023	%	2022	%
Operating revenue		<u>\$(2,584,542)</u>	100.00	<u>\$(4,880,108)</u>	100.00
Gross profit (loss)		<u>(2,584,542)</u>	100.00	<u>(4,880,108)</u>	100.00
Net gross profit (loss)		<u>(2,584,542)</u>	100.00	<u>(4,880,108)</u>	100.00
Operating expenses					
General and administrative expenses		<u>(154,169)</u>	5.97	<u>(104,340)</u>	2.14
Total operating expenses		<u>(154,169)</u>	5.97	<u>(104,340)</u>	2.14
Operating profit (loss)		<u>(2,738,711)</u>	105.97	<u>(4,984,448)</u>	102.14
Non-operating income and expenses					
Interest income		9,099	(0.35)	8,386	(0.17)
Other income		8,372	(0.32)	18,753	(0.38)
Other gains and losses		(30,392)	1.18	(32,676)	0.67
Financial costs		<u>(124,584)</u>	4.81	<u>(69,177)</u>	1.41
Sub-total		<u>(137,505)</u>	5.32	<u>(74,714)</u>	1.53
Profit (loss) before income tax		(2,876,216)	111.29	(5,059,162)	103.67
Income tax (expenses) benefit		<u>2,034</u>	(0.08)	<u>(30,632)</u>	0.63
Net profit (loss) from continuing operations		<u>\$(2,874,182)</u>	111.21	<u>\$(5,089,794)</u>	104.30
Net profit (loss)		<u><u>\$(2,874,182)</u></u>	<u>111.21</u>	<u><u>\$(5,089,794)</u></u>	<u>104.30</u>
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		<u>\$(5,380)</u>	0.21	<u>\$(17,110)</u>	0.35
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under equity method		129,711	(5.02)	144,082	(2.95)
Components of other comprehensive income that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations		(2,331)	0.09	1,808	(0.04)
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under equity method		<u>5,828,046</u>	(225.50)	<u>(3,387,386)</u>	69.41
Other comprehensive income (loss), net of income tax		<u><u>\$5,950,046</u></u>	<u>(230.22)</u>	<u><u>\$(3,258,606)</u></u>	<u>66.77</u>
Total comprehensive income (loss)		<u><u>\$3,075,864</u></u>	<u>(119.01)</u>	<u><u>\$(8,348,400)</u></u>	<u>171.07</u>
Earnings per share					
Basic earnings (loss) per share (in dollars)		<u><u>\$(3.09)</u></u>		<u><u>\$(5.82)</u></u>	
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		<u><u>\$(2,876,216)</u></u>		<u><u>\$(5,011,370)</u></u>	
Pro forma after income tax		<u><u>\$(2,874,182)</u></u>		<u><u>\$(5,042,001)</u></u>	
Earnings per share		<u><u>\$(2.93)</u></u>		<u><u>\$(5.47)</u></u>	

MERCURIES & ASSOCIATES HOLDING, LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2023 and 2022

UNIT : NTD (In Thousands)

Summary	Share Capital		Capital Surplus	Retained Earnings			Other Equity Interests				Treasury Stock	Total
	Common Stock	Share capital collected in advance		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	Revaluation Reserve of Properties	Others		
Balance on January 1, 2022	\$9,131,067	\$2,553	\$2,455,481	\$2,575,337	\$5,566,015	\$4,854,079	\$(20,599)	\$(342,193)	\$0	\$(4,012,624)	\$(488,279)	\$19,720,837
Appropriation of earnings 2021												
Legal reserve	-	-	-	178,438	-	(178,438)	-	-	-	-	-	-
Special reserve	-	-	-	-	424,487	(424,487)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(913,362)	-	-	-	-	-	(913,362)
Stock dividends	91,337	-	-	-	-	(91,337)	-	-	-	-	-	-
Effects of changes in ownership interest from investee	-	-	-	-	-	(534,208)	-	-	-	-	-	(534,209)
Changes in unappropriated earnings of investees	-	-	-	-	-	(35,942)	-	-	-	-	-	(35,943)
Changes in capital surplus of investees	-	-	245,971	-	-	-	-	-	-	-	-	245,971
Allocation of compensation cost of investees	-	-	-	-	-	-	-	-	-	(6,643)	-	(6,643)
Net profit (loss)	-	-	-	-	-	(5,089,794)	-	-	-	-	-	(5,089,794)
Other comprehensive income (loss)	-	-	-	-	-	(121,253)	10,487	(2,232,161)	429,596	(1,345,275)	-	(3,258,605)
Advance receipts for common stock transferred to common stock	2,553	(2,553)	-	-	-	-	-	-	-	-	-	-
Dividends from the Company received by subsidiaries	-	-	47,792	-	-	-	-	-	-	-	-	47,792
Differences of acquisition or disposal price and book value of subsidiaries	-	-	122	-	-	-	-	-	-	-	-	122
Balance on January 1, 2023	\$9,224,957	\$0	\$2,749,366	\$2,753,775	\$5,990,502	\$(2,534,742)	\$(10,112)	\$(2,574,354)	\$429,596	\$(5,364,542)	\$(488,279)	\$10,176,167
Appropriation of earnings 2022												
Adjustments on liquidation of investee	-	-	(346)	-	-	-	-	-	-	-	-	(346)
Effects of changes in ownership interest from investee	-	-	170,450	-	-	(168,564)	-	-	-	-	-	1,886
Changes in unappropriated earnings of investees	-	-	-	-	-	(61,581)	-	-	-	-	-	(61,581)
Changes in capital surplus of investees	-	-	25,665	-	-	-	-	-	-	-	-	25,665
Net profit (loss)	-	-	-	-	-	(2,874,182)	-	-	-	-	-	(2,874,182)
Other comprehensive income (loss)	-	-	-	-	-	(78,607)	(3,668)	2,214,257	7,442	3,810,622	-	5,950,046
Issuance of common stock for cash	2,000,000	-	500,000	-	-	-	-	-	-	-	-	2,500,000
Changes in common stock of the Company held by subsidiaries	-	-	-	-	-	-	-	-	-	-	(104,651)	(104,651)
Differences of acquisition or disposal price and book value of subsidiaries	-	-	1,251,803	-	-	-	-	-	-	-	-	1,251,803
Compensation cost of employee stock option	-	-	34,000	-	-	-	-	-	-	-	-	34,000
Disposal of investments in equity instruments at fair value through other comprehensive income from investees	-	-	-	-	-	41,535	-	(41,535)	-	-	-	-
Disposal of revaluation Reserve of Properties from investees	-	-	-	-	-	10,407	-	-	(10,407)	-	-	-
Balance on December 31, 2023	<u>\$11,224,957</u>	<u>\$0</u>	<u>\$4,730,938</u>	<u>\$2,753,775</u>	<u>\$5,990,502</u>	<u>\$(5,665,734)</u>	<u>\$(13,780)</u>	<u>\$(401,632)</u>	<u>\$426,631</u>	<u>\$(1,553,920)</u>	<u>\$(592,930)</u>	<u>\$16,898,807</u>

MERCURIES & ASSOCIATES HOLDING, LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2023 and 2022

UNIT : NTD (In Thousands)

Items	2023	2022
Cash flows from operating activities		
Profit (loss) before income tax from continuing operations	\$(2,876,216)	\$(5,059,162)
Profit (loss) before tax	(2,876,216)	(5,059,162)
Adjustments for		
Income (gain) and expense (loss) items		
Depreciation	15,496	1,729
Amortization	601	661
Net gain (loss) on financial assets (liabilities) at fair value through profit or loss	39,623	32,319
Interest expense	124,585	69,177
Interest income	(9,099)	(8,386)
Dividend income	(2,707)	(12,147)
Compensation cost of share-based payments	34,000	-
Share of profit (loss) of associates and joint ventures accounted for under equity method	2,640,474	5,163,752
Loss (gain) on disposal and scrap of property, plant and equipment	265	439
Loss (gain) on rights transferred of the sales and leaseback	-	(297)
Loss (gain) on disposal of investments accounted for under equity method	-	(221,249)
Loss (gain) on investment property at fair value	(15,922)	(18,204)
Rent revenue of leaseback	(20,200)	(923)
Loss(gain) on liquidation	(1,700)	-
Changes in assets and liabilities relating to operating activities		
(Increase) decrease in notes receivable	(2,521)	(1,506)
(Increase) decrease in accounts receivable	(2)	1,062
(Increase) decrease in other receivables	(462)	(54)
(Increase) decrease in prepaid expenses	-	462
Increase (decrease) in other payables	(11,346)	(28,854)
Increase (decrease) in advanced receipts	2,520	1,506
Increase (decrease) in other current liabilities	(11)	39
Interest received	9,099	8,386
Dividends received	194,420	1,016,140
Interest paid	(104,524)	(54,611)
Income taxes refund (paid)	(19,498)	(12,676)
Net cash flows generated from (used in) operating activities	(3,125)	877,603
Cash flows from investing activities		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	457
Acquisition of investments accounted for under equity method	(833,859)	(2,804,410)
Proceeds from disposal of investments accounted for under equity method	1,643,888	353,754
Acquisition of property, plant and equipment	(1,190)	-
Increase in guarantee deposits	-	(290)
Proceed from disposal of Investment property	-	510,436
Net cash flows generated from (used in) investing activities	808,839	(1,940,053)
Cash flows from financing activities		
Increase in short-term borrowings	5,440,000	2,640,000
Decrease in short-term borrowings	(5,440,000)	(2,640,000)
Increase in short-term notes and bills payable	4,710,000	2,040,000
Decrease in short-term notes and bills payable	(4,710,000)	(2,040,000)
Proceeds from long-term borrowings	41,781,000	56,626,000
Repayments of long-term borrowings	(44,996,000)	(54,811,000)
Increase in guarantee deposits received	693	882
Decrease in guarantee deposits received	-	(1,335)
Cash dividends paid	-	(913,362)
Issuance of common stock for cash	2,500,000	-
Net cash generated from (used in) financing activities	(714,307)	901,185
Net increase (decrease) in cash and cash equivalents	91,407	(161,265)
Cash and cash equivalents at beginning of period	186,630	347,895
Cash and cash equivalents at end of period	\$278,037	\$186,630

Attachment 7

Mercuries & Associates Holding, Ltd.

2023 Deficit Compensation Table

Unit: NTD

Item	Amount	
	Subtotal	Total
Unappropriated accumulated deficit at the beginning of the period		(2,534,742,027)
Add : Equity instruments measured at fair value through other comprehensive income disposed by the investee company	41,534,612	
Add : Revalued property disposed by the investee company	10,407,536	
Minus : Change in undistributed earnings of investee company (Note 1)	(308,751,809)	
Minus : Current year net loss after tax (Note 2)	(2,874,182,480)	
Add : Reversing Special Reserve	2,599,241,799	
Unappropriated accumulated deficit		(3,066,492,369)
Legal reserve used to cover accumulated deficits		2,753,775,053
Capital surplus used to cover accumulated deficits		312,717,316
Unappropriated accumulated deficit 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: Not accrued employee compensation and director remuneration in 2023.

Attachment 8

Mercuries & Associates Holding, Ltd. Comparison Table for the Articles of Incorporation Before and After Amendment

After the Amendment	Before the Amendment	Description
Article 2: The Company's businesses include: 01. H201010 Investment. <u>02. IH01010 Industry Holding Company Industry.</u>	Article 2: The Company's businesses include: 01. H201010 Investment.	In accordance with the announcement added by the Ministry of Economic Affairs on July 3, 2023, under announcement No. 11204719220."
Article 27: (Paragraphs 1 to 50 are omitted.) <u>The fiftieth amendment was made on June 21, 2024.</u>	Article 27: (Paragraphs 1 to 50 are omitted.)	The number and date of the amendment here is to be added.

Attachment 9

Mercuries & Associates Holding, Ltd.

Comparison Table for the Rules and Procedures of Shareholders Meeting Before and After Amendment

After the Amendment	Before the Amendment	Description
<p>Article 2 (Paragraphs 1 is omitted.)</p> <p><u>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.</u></p> <p>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.</p> <p>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, <u>shareholders' meeting manual and supplementary meeting materials</u>, 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.</p>	<p>Article 2 (Paragraphs 1 to 2 are omitted.)</p> <p>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 and other matters on the shareholders' meeting agenda, and upload them to the Market Observation Post System. <u>21 days before the Company is to convene a regular shareholders' meeting, or 15 days before it convenes an interim shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplemental materials, and upload it to the Market Observation Post System.</u> <u>If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding</u></p>	<p>Amended in accordance with the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.</p>

After the Amendment	Before the Amendment	Description
(Paragraphs 5 to 12 are omitted.)	<p><u>of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year,</u></p> <p><u>transmission of these electronic files shall be made by 30 days before the regular shareholders meeting,</u> 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.</p> <p>(Paragraphs 4 to 11 are omitted.)</p>	
<p>Article 5-1</p> <p>To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:</p> <p>(Paragraphs 1 & 2 are omitted.)</p> <p>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, <u>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.</u></p>	<p>Article 5-1</p> <p>To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:</p> <p>(Paragraphs 1 & 2 are omitted.)</p> <p>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.</p>	Amended in accordance with the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.
<p>Article 21</p> <p>When convening a virtual-only</p>	<p>Article 21</p> <p>When convening a virtual-only</p>	Amended in accordance

After the Amendment	Before the Amendment	Description
shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending the virtual shareholders meeting online, <u>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.</u>	shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending the virtual shareholders meeting online.	with the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.

Attachment 10

Mercuries & Associates Holding, Ltd. Candidate List for Director

Category	Name	Education	Experience	Current Position	Number of Shares (Unit: Share)	Name of Government Agency or Corporation Represented	Other Information
Director	Chen, Shiang-Li	MBA, Georgetown University	General Manager, Mercuries & Associates Holding, Ltd.	Chairman & General Manager, Mercuries & Associates Holding, Ltd. Chairman, Mercuries General Media, Inc. Chairman, Mercuries Leisure Co., Ltd. Chairman, Shanghong Investment Co., Ltd. Director, Mercuries Life Insurance Co., Ltd. Director, Mercuries Data Systems Ltd. Director, SCI Pharmtech, Inc. Director, Simple Mart Retail Co., Ltd. Director, Mercuries F&B Co., Ltd. Director, Mercuries & Associates, Ltd. Director, Mercury Fu Bao Co., Ltd. Director, Shanglin Investment Co., Ltd. Director, Mercuries Liquor & Food Co., Ltd. Director, Simple Mart Plus Co., Ltd. Director, Foundation for Taiwan Masters Golf Tournament Director, Foundation of Chinese Dietary Culture Executive Director, R.O.C Taiwan Teeball Association Chairman, The Chinese Slow Pitch Softball Association	25,337,407	None	None
Director	Wong, Wei-Chyun	Ph.D. in Chemistry, University of Pennsylvania	General Manager, SCI Pharmtech, Inc.	Chairman, SCI Pharmtech, Inc. Chairman & General Manager, Yushan Pharmaceuticals Inc. Chairman, Shuren Investment Co., Ltd. Chairman, Shufeng Investment Co., Ltd. Director, Mercuries & Associates Holding, Ltd. Director, Mercuries Life Insurance Co., Ltd. Director, Simple Mart Retail Co., Ltd. Director, Mercuries F&B Co., Ltd. Director, Energenesis Biomedical Co., Ltd. Director, Framosa Co., Ltd. Director, Shurong Co., Ltd., Director, Foundation for Taiwan Masters Golf Tournament Chairman, Shui-Mu Foundation of Chemistry, Director, Kaohsiung City Lixue Education Foundation Executive Director, Criminal Investigation and Prevention Association R.O.C.	144,195,087	Shuren Investment Co., Ltd.	None

Category	Name	Education	Experience	Current Position	Number of Shares (Unit: Share)	Name of Government Agency or Corporation Represented	Other Information
Director	Cheng,I-teng	Bachelor of Banking, National Chengchi University	Director and general manager, First Worldsec Securities (Hong Kong) Consultant at Horizon Securities Senior Vice President, Department of Capital Market, Horizon Securities Director, Horizon SICE Director and general manager, Horizon Securities (Hong Kong) Assistant General Manager, Lianghua Guigu Touzi Guanli Co., Ltd. (Ningbo)	Director, Mercuries & Associates Holding, Ltd. Supervisor, Xubao Technology (Shanghai) Co., Ltd. Director, Dynacard Co., Ltd. Director, Sunhawk Vision Biotech, Inc.	144,195,087	Shuren Investment Co., Ltd.	None
Director	Chen,Shiang-Chung	Bachelor of Industrial Engineering, Purdue University	Departmental Chief, Walsin Lihwa Corporation	Chairman & General Manager, Mercuries Data Systems Ltd. Chairman, Mercuries Life Insurance Agency Co. Ltd. Chairman, HIPACT TECH. INC. Chairman, Mercuries Soft (Nanjing) Ltd. Director, Mercuries & Associates Holding, Ltd. Director, Mercuries Information Systems Internation Co., Ltd. Director, Shanglin Investment Co., Ltd. Director, Shanghong Investment Co., Ltd. Director, EASYCARD CORPORATION. Director, Yangzheng Investment Co., Ltd. Director, Data Marketing Co., Ltd. Independent director, Teco Electric And Machinery Co., Ltd. Member of Audit Committee, Teco Electric And Machinery Co., Ltd. Member & Chairman of Remuneration Committee, Teco Electric And Machinery Co., Ltd. Member of Sustainability Committee, Teco Electric And Machinery Co., Ltd. Independent director, My Humble House Hospitality Management Consulting Co., Ltd. Member of Audit Committee, My Humble House Hospitality Management Consulting Co., Ltd. Member of Remuneration Committee, My Humble House Hospitality Management Consulting Co., Ltd. Supervisor, Digicentre Company Limited. Director, Special Police Third Headquarter under Taiwan Police Federation. Vice President, Criminal Investigation and Prevention Association R.O.C. Director, Member of the Association of Friends of the Republic of China Police.	202,867,944	Shanglin Investment Co., Ltd.	None

Category	Name	Education	Experience	Current Position	Number of Shares (Unit: Share)	Name of Government Agency or Corporation Represented	Other Information
Director	Chen, Shiang-Feng	Master in Science, Cornell University	General Manager, Catering BU, Mercuries & Associates, Ltd.	Chairman, Simple Mart Retail Co., Ltd. Chairman, Mercuries F&B Co., Ltd. Chairman, Mercuries & Associates, Ltd. Chairman, Mercuries Furniture Co., Ltd. Chairman, M.T.I. CIGARS CO., LTD. Chairman, Simple Mart Plus Co., Ltd. Chairman, Mercuries Liquor & Food Co., Ltd. Chairman, Mercuries F&B Consulting Co., Ltd. Chairman, Mercuries Harvest Co., Ltd. Chairman, Shang Rih Co., Ltd. Chairman, Sanor Co., Ltd. Director, Mercuries & Associates Holding, Ltd. Director, Mercuries General Media, Inc. Director, Mercury Fu Bao Co., Ltd. Director, Mercuries Leisure Co., Ltd. Director, Shanghong Investment Co., Ltd. Chairman, Taiwan Chain Stores and Franchise Association Director, Criminal Investigation and Prevention Association R.O.C Director, Foundation for Taiwan Masters Golf Tournament Chairman, Mercuries Social Welfare and Charity Foundation, Taoyuan County Independent Director, Silicon Motion Technology Corporation.	202,867,944	Shanglin Investment Co., Ltd.	None
Director	Lee, Jiann-Hsiung	Master of Computer Information System, Dartmouth College	Vice President, Bankers Trust New York Corporation Vice President, Finance, Taiwan Mobile Co., Ltd. (telecommunication of Taiwan's Group) Chief Financial Officer, Charoen Pokphand Group Co., Ltd. (telecommunication of Indonesia)	Chairman, Mega Prosper Investment Limited. Chairman, OAK Capital Group /CEO. Chairman, DenseLight Semiconductor Pte Ltd.	112,000,000	Mega Prosper Investment Limited	None
Independent Director	Lee, Mao	Master in China Studies, Tamkang University	Director General & Vice Director General, Customs Administration, Ministry of Finance; Director General & Vice Director General, Taipei Customs; Vice Director General, Keelung Customs Associate Professor, Chihlee University of Technology; Assistant Professor, National Taichung University of Science and Technology Member and Chairman of Remuneration Committee, Taiwan Cooperative Financial Holding Co., Ltd. Independent Director, Taiwan Cooperative Bank, Ltd. Member and Chairman of Remuneration Committee, Taiwan Cooperative Bank, Ltd. Member of the Board of Examiners for the 2006 and	Independent Director, Mercuries & Associates Holding, Ltd. Member and Chairman of Remuneration Committee, Mercuries & Associates Holding, Ltd. Member & Chairman of Audit Committee, Mercuries & Associates Holding, Ltd. Independent Director, Farglory Free Trade Zone Investment Holding Co., Ltd. Director, Pan German Universal Motors Ltd. Chairman, Allter Technology Co., Ltd.	0	None	None

Category	Name	Education	Experience	Current Position	Number of Shares (Unit: Share)	Name of Government Agency or Corporation Represented	Other Information
			2008 Professional and Technical Examinations. Consultant of Taipei Automobile Distributors Association.				
Independent Director	Tzeng, Yu Chiung	Bachelor of Department of Banking and Insurance, Feng Chia University	Director General, Insurance Bureau of Financial Supervisory Commission Chairman, Taiwan Insurance Institute Technical Professionals of Associate Professor, Soochow University Director, Taiwan Residential Earthquake Insurance Fund Member, Committee for the Administration of Development of Insurance Business	Technical Professionals of Associate Professor, Ming Chuan University	0	None	None
Independent Director	Liu, Po-Liang	Graduate Institute of Mainland China, Chinese Culture University	Vice Director General, National Police Agency, Ministry of the Interior Director General, Kaohsiung City Police Department Director General, Criminal Investigation Bureau	Chairman, Chuan-An Technology Properties Co., Ltd. Vice Chairman, Kee Tai Properties Co., Ltd. Independent director, Quang Viet Enterprise Co., Ltd. Director, Jarlytec Co., Ltd. Director, Shan-Chih Asset Development Co., Ltd.	0	None	None
Independent Director	Chao, Yuan-Chi	Bachelor of Finance, New York University	Director & Supervisor, Mercuries Data Systems Ltd. Independent Director, Taipei Fubon Commercial Bank Co., Ltd Proxies Chairman and General Manager, First Financial Holding Co. Ltd. and First Commercial Bank Co., Ltd	Chairman, Concord Asia Finance Ltd., General Manager, Cheng-Da Financial Management Consultants Ltd., Independent director, Primasia Securities Co., Ltd. Director, Can-Win Electronics Co., Ltd. Director, Taiwan Microloops Corp. Director, Cheng-Chi Investment Ltd. Director, East Asia Construction Manager Co., Ltd. Director, Shanghai Village Culinary Co., Ltd. Director, Tai An Lu Chou Co., Ltd. Director, Dayu Optoelectronics Co., Ltd. Director, Han Yu Investment Consultant Co., Ltd. Supervisor, Everlance Co., Ltd. Supervisor, Heng Lang Co., Ltd.	0	None	None

Attachment 11

Mercuries & Associates Holding, Ltd.

Details of release the non-compete clause for directors.

Title	Name	Name of Corporation Represented	Current Position
Director	Chen, Shiang-Li		Chairman, Mercuries General Media, Inc. Chairman, Mercuries Leisure Co., Ltd. Chairman, Shanghong Investment Co., Ltd. Director, Mercuries Life Insurance Co., Ltd. Director, Mercuries Data Systems Ltd. Director, SCI Pharmtech, Inc. Director, Simple Mart Retail Co., Ltd. Director, Mercuries F&B Co., Ltd. Director, Mercuries & Associates, Ltd. Director, Mercury Fu Bao Co., Ltd. Director, Shanglin Investment Co., Ltd. Director, Mercuries Liquor & Food Co., Ltd. Director, Simple Mart Plus Co., Ltd.
Director	Wong, Wei-Chyun	Shuren Investment Co., Ltd.	Chairman, SCI Pharmtech, Inc. Chairman & General Manager, Yushan Pharmaceuticals Inc. Chairman, Shuren Investment Co., Ltd. Chairman, Shufeng Investment Co., Ltd. Director, Mercuries Life Insurance Co., Ltd. Director, Simple Mart Retail Co., Ltd. Director, Mercuries F&B Co., Ltd. Director, Energenesis Biomedical Co., Ltd. Director, Framosa Co., Ltd. Director, Shurong Co., Ltd.
Director	Cheng, I-Teng	Shuren Investment Co., Ltd.	Director, Dynacard Co., Ltd. Director, Sunhawk Vision Biotech, Inc.
Director	Chen, Shiang-Chung	Shanglin Investment Co., Ltd.	Chairman & General Manager, Mercuries Data Systems Ltd. Chairman, Mercuries Life Insurance Agency Co. Ltd. Chairman, HIPACT TECH. INC. Chairman, Mercuries Soft (Nanjing) Ltd. Director, Mercuries Information Systems Internation Co., Ltd. Director, Shanglin Investment Co., Ltd. Director, Shanghong Investment Co., Ltd. Director, EASYCARD CORPORATION. Director, Yangzheng Investment Co., Ltd. Director, Data Marketing Co., Ltd. Independent director, Teco Electric and

Title	Name	Name of Corporation Represented	Current Position
			Machinery Co., Ltd. Independent director, My Humble House Hospitality Management Consulting Co., Ltd.
Director	Chen, Shiang-Feng	Shanglin Investment Co., Ltd.	Chairman, Simple Mart Retail Co., Ltd. Chairman, Mercuries F&B Co., Ltd. Chairman, Mercuries & Associates, Ltd. Chairman, Mercuries Furniture Co., Ltd. Chairman, M.T.I. CIGARS CO., LTD. Chairman, Simple Mart Plus Co., Ltd. Chairman, Mercuries Liquor & Food Co., Ltd. Chairman, Mercuries F&B Consulting Co., Ltd. Chairman, Mercuries Harvest Co., Ltd. Chairman, Shang Rih Co., Ltd. Chairman, Sanor Co., Ltd. Director, Mercuries General Media, Inc. Director, Mercury Fu Bao Co., Ltd. Director, Mercuries Leisure Co., Ltd. Director, Shanghong Investment Co., Ltd. Independent Director, Silicon Motion Technology Corporation.
Director	Lee, Jiann-Hsiung	Mega Prosper Investment Limited	Chairman, Mega Prosper Investment Limited. Chairman, OAK Capital Group /CEO. Chairman, DenseLight Semiconductor Pte Ltd.
Independent Director	Lee, Mao		Independent Director, Farglory Free Trade Zone Investment Holding Co., Ltd. Director, Pan German Universal Motors Ltd. Chairman, Allter Technology Co., Ltd.
Independent Director	Liu , Po-Liang		Chairman, Chuan-An Technology Properties Co., Ltd. Vice Chairman, Kee Tai Properties Co.,Ltd. Independent director, Quang Viet Enterprise Co., Ltd. Director, Jarllytec Co., Ltd. Director, Shan-Chih Asset Development Co., Ltd.

Title	Name	Name of Corporation Represented	Current Position
Independent Director	Chao, Yuan-Chi		Chairman, Concord Asia Finance Ltd. General Manager, Cheng-Da Financial Management Consultants Ltd. Independent director, Primasia Securities Co., Ltd. Director, Can-Win Electronics Co., Ltd. Director, Taiwan Microloops Corp. Director, Cheng-Chi Investment Ltd. Director, East Asia Construction Manager Co., Ltd. Director, Shanghai Village Culinary Co., Ltd. Director, Tai An Lu Chou Co., Ltd. Director, Dayu Optoelectronics Co., Ltd. Director, Han Yu Investment Consultant Co., Ltd.