Mercuries & Associates Holding, Ltd.
Minutes of 2025 Annual Shareholders' Meeting
(Translation)

Type of Meeting：Physical Meeting

Time：9:00 a.m., Friday, June 13 2025

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

Attendance of Shareholders：All shareholders and their proxy holders, representing 779,224,737 shares（among them 633,075,686 shares voted via electronic transmission）, 73.14％ of the total 1,065,338,854 outstanding shares excluding 57,156,849 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-Feng Director、Cheng, I-Teng, Director、Lee, Mao, Independent Director、Tzeng, Yu Chiung, Independent Director、Liu , Po-Liang, Independent Director

Attendance：Chang Shu Cheng, CPA and Liu Ke Yi, CPA of BDO TAIWAN、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) 2024 business report

Description：2024 business report, please refer to Attachment 1.

(II) Audit Committee's review the 2024 business report and financial statements.

Description：Audit Committee's review the 2024 business report and financial statements, please refer to Attachment 2.

(III) The 2024 distribution for the employee bonus and directors' remuneration.

Description：(1) In accordance with the Company’s Articles of Incorporation, if the Company reports earnings for the fiscal year, it shall allocate no less than 1% of such earnings for employee compensation and may allocate up to 1% for director remuneration.

(2) As resolved by the Board of Directors on March 14, 2025, it is proposed that NT$16,000,000 be allocated for employee compensation and NT$11,000,000 for director remuneration. The aforementioned amounts will be distributed entirely in cash.

(IV) The 2024 report of related-party significant transaction.

Description：According to the Company's "Corporate Governance Best Practice Principles" and "Rules Governing Financial and Business Matters Between this Corporation and its Related Parties", please refer to Attachment 3 for the significant transactions related parties in 2024 between the Company and its subsidiaries.

(V) The 2024 Endorsement Guarantee handling situation.

Description：(1) As of December 31, 2024, the Company and its subsidiaries endorsement/guarantee balance was NT$810,000 thousand.

Unit: NT$1,000

No.	Company Name of Endorser/ Guarantor	Endorsed/ Guaranteed Party		Limitation on Endorsements and Guarantees for a Single Enterprise	Maximum Balance for the Period	Endorsement or Guarantee Balance at the End of Current Period	Actual Expenditure	Amount of Endorsement/ Guarantee with Security on Property	Percentage of Accumulated Amount of Endorsement/ Guarantee to Net Equity of Most Recent Financial Statements	Endorsement/ Guarantee Ceiling
		Company Name	Relationship (Note 1)							
0	Mercuries & Associates Holding, Ltd.	Mercuries Liquor & Food Co., Ltd.	2	$2,499,072	$50,000	$-	$-	$-	-	$4,998,144
0	Mercuries & Associates Holding, Ltd.	Sanyou Drugstores, Ltd.	2	2,499,072	100,000	100,000	-	-	0.60%	4,998,144
0	Mercuries & Associates Holding, Ltd.	Framosa Co., Ltd.	6	2,499,072	240,000	240,000	117,695	-	1.44%	4,998,144
1	SCI Pharmtech, Inc.	Framosa Co., Ltd.	6	547,693	400,000	400,000	196,158	-	7.38%	2,190,772
2	Simple Mart Retail Co., Ltd.	Simple Mart Plus Co., Ltd.	2	285,121	20,000	20,000	-	-	1.06%	570,242
2	Simple Mart Retail Co., Ltd.	Pet Wonderland Co., Ltd.	2	285,121	50,000	50,000	-	-	2.64%	570,242

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

(1) Companies with business relationship.

(2) The endorser/guarantor parent company directly or indirectly holds more than 50% of the voting shares of the endorsed/guaranteed company.

(3) The endorser/guarantor parent company is directly or indirectly held by the endorsed/guaranteed company through ownership of more than 50% of its voting shares.

(4) The endorser/guarantor parent company directly and indirectly holds 90% or more of the voting shares between the endorsed/guaranteed companies.

(5) The endorser/guarantor parent company and endorsed/guaranteed company in the same industry or co-developers provide mutual guarantees in accordance with contractual requirements due to project contracting needs.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) The endorser/guarantor parent company and endorsed/guaranteed company in the same industry provide joint guarantees for the performance of pre-sale housing contracts as stipulated by the Consumer Protection Act.

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

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

Note 4: The total amount of external endorsements and guarantees provided by the subsidiary, Simple Mart Retail Co., Ltd., shall not exceed 30% of the net asset of Simple Mart Retail Co., Ltd., and the amount provided to any single enterprise shall not exceed 15% of its net worth.

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

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

Description：Please refer to Attachment 4 for the of the Company’s first time issue domestic unsecured convertible corporate bonds.

(VII) Amendments of ”Corporate Governance Best Practice Principles”

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

(2) Please refer to Attachment 5 for the comparison table for the ”Corporate Governance Best Practice Principles” before and after the amendment.

IV. Ratification Items

Proposal 1 (Proposed by the Board of Directors)

Ratification of the 2024 business report and financial statements.

Description：1. The Company's 2024 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 2024 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：655,666,413 votes

Voting results	％ of the total represented share present
Votes in favor：639,800,613 votes (including 502,519,858 shares voted via electronic transmission)	97.58％
Votes against：1,437,074 votes (including 1,437,074 shares voted via electronic transmission)	0.22％
Votes invalid：0 votes	0.00％
Votes abstained／Not voted：14,428,726 votes (including 14,391,726 shares voted via electronic transmission)	2.20％

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

Proposal 2 (Proposed by the Board of Directors)

Ratification of the 2024 earnings distribution proposal.

Description：1. The Company’s net income after tax for the year 2024 was NT$1,517,530,065. After adding the beginning undistributed earnings of NT$0, and deducting the revaluation surplus on disposal of real estate by investee companies in the amount of NT$40,422, changes in undistributed earnings of investee companies amounting to NT$9,169,032, the legal reserve of NT$150,832,061 appropriated in accordance with the law, and a special reserve of NT$1,357,488,550, the ending undistributed earnings amounted to NT$0.

2. Please refer to Attachment 7 for the table of 2024 earnings distribution.

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：655,666,413 votes

Voting results	％ of the total represented share present
Votes in favor：639,590,204 votes (including 502,309,449 shares voted via electronic transmission)	97.55％
Votes against：1,790,598 votes (including 1,790,598 shares voted via electronic transmission)	0.27％
Votes invalid：0 votes	0.00％
Votes abstained／Not voted：14,285,611 votes (including 14,248,611 shares voted via electronic transmission)	2.18％

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

V. Discussion Items

Proposal 1 (Proposed by the Board of Directors)

The Company distributes cash dividend by capital surplus.

Description：1. The Company intends to allocate a total of NT$336,748,711 from the capital surplus, distributing cash of NT$0.3 per share according to the shareholding proportions recorded in the shareholder register on the distribution record date.

2. The distribution of cash from this capital surplus will be calculated up to the nearest yuan (with fractions below one yuan disregarded). Any fractional amounts less than one yuan will be transferred to the company's employee welfare committee.

3. After the approval of this shareholders' meeting, the Board of Directors is authorized to set a new distribution record date. If, subsequently, there are changes in the number of outstanding shares due to share buybacks, transfers of treasury shares, conversions, cancellations, or conversions of corporate bonds according to the issuance and conversion procedures, resulting in changes to the dividend payout ratio for shareholders, the Board of Directors will seek full authorization from the shareholders' meeting to handle these matters.

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：655,666,413 votes

Voting results	％ of the total represented share present
Votes in favor：640,011,428 votes (including 502,730,673 shares voted via electronic transmission)	97.61％
Votes against：1,371,596 votes (including 1,371,596 shares voted via electronic transmission)	0.21％
Votes invalid：0 votes	0.00％
Votes abstained／Not voted：14,283,389 votes (including 14,246,389 shares voted via electronic transmission)	2.18％

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

Proposal 2 (Proposed by the Board of Directors)

Amendments of “The Articles of Incorporation”.

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：655,666,413 votes

Voting results	％ of the total represented share present
Votes in favor：639,538,998 votes (including 502,258,243 shares voted via electronic transmission)	97.54％
Votes against：1,784,474 votes (including 1,784,474 shares voted via electronic transmission)	0.27％
Votes invalid：0 votes	0.00％
Votes abstained／Not voted：14,342,941 votes (including 14,305,941 shares voted via electronic transmission)	2.19％

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

VI. Extraordinary Motions

Report on the Board of Directors’ resolution to repurchase shares and the execution status.

Description：The Company’s eighth treasury share repurchase was conducted from April 10, 2025 to June 5, 2025. The execution status of the share repurchase is as follows:

Repurchase Round	Eighth Round
Date of the Board of Directors Resolution	April 9, 2025
Purpose of the Repurchase	Maintaining the company’s credit standing and protecting shareholder interests, repurchase the shares and retire them.
Actual period of the current repurchase:	From April 10, 2025 to June 5, 2025
No. of actual shares currently repurchased	12,124,000 shares
Total actual monetary amount of shares currently repurchased	NTD 161,315,026
Current average repurchase price per share	NTD13.31
Cumulative no. of the company's own shares held	12,124,000 shares
Cumulative no. of the company's own shares as a percentage of the total no. of the company's issued shares	1.08%
Reason for non-completion of the current share repurchase	In order to balance market mechanisms and protect the interests of all shareholders, the Company adopted a phased share buyback strategy based on stock price fluctuations and trading volume conditions. Although the buyback has not been fully completed, the execution rate has reached 67%.

VII. The meeting was adjourned at 9:29 a.m. of the same day.

Attachment 1

Mercuries & Associates Holding, Ltd.
2024 Business Report

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

I. 2024 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 2024 business plan for its principal investments are detailed as follows:

1. Daily commodities and F&B retailing

In the daily necessities retail segment, the Company has expanded its customer base, leveraged member data to precisely understand consumer needs, increased the frequency of product adjustments, accelerated product turnover, and enhanced customer loyalty. By expanding its operational scale, it has improved procurement capabilities and reduced costs. Despite challenges such as labor shortages and rising personnel costs, both revenue and profits have grown compared to the previous year. In the catering retail segment, the total number of stores reached 423 by the end of 2024, and the business was listed on the stock exchange in 2024, with overall revenue and profits growing by approximately 10% and 13%, respectively. The rapid growth of online sales and takeout delivery services, coupled with rising raw material prices, personnel costs, and operating expenses, has posed significant challenges to physical retail channels. To enhance profitability, the Company closely monitors competitors’ activities and market trends, adjusts product structures in line with consumer preferences, develops new products, leverages membership advantages to increase customer loyalty, and drives revenue and profit growth. Compared to 2023, the Company added 32 new outlets to its existing retail stores, thus bringing the total number to 1,516.

2. Life insurance

Mercuries Life Insurance’s investment portfolio is heavily influenced by fluctuations in equity, bond, and foreign exchange markets, resulting in high hedging costs. In 2024, the Company flexibly adjusted its foreign exchange hedging ratios and allocations, effectively reducing hedging costs for the year. Adhering to prudent management principles, it continued to promote the sale of protection-oriented and investment-oriented products, securing stable fee income, mitigating interest rate-related risks, and emphasizing the essence of insurance protection to fully meet customer needs. In 2024, premiums income from new insurance policies reached NT$32.197 billion, and the total premiums income amounted to NT$109.959 billion, ranking seventh in total.

As of the end of 2024, Mercuries Life Insurance’s total assets reached NT$1.63 trillion, an increase of approximately 6.8% compared to the end of 2023. The owner’s equity stood at NT$41.427 billion, up NT$1.486 billion from the previous year. Net profit after tax for the period reached NT$2.175 billion, achieving a turnaround from a loss to a profit, with a significant increase of NT$11.691 billion compared to 2023, and earnings per share after tax of NT$0.42.

3. Pharmaceuticals
SCI Pharmtech Inc. has essentially restored its plant facilities and various hardware and software to pre-disaster conditions, with GMP certificates for various products gradually taking effect. In 2024, glaucoma and depression medications contributed NT$264 million to revenue, driving a 26% revenue increase compared to the previous year. Combined with NT$430 million in insurance claim income, profits for the period grew by 81%.
4. Information services
Consolidated revenue for 2024 was NT$4.873 billion, an increase of approximately 22.7% compared to 2023. However, costs for certain project-specific products rose due to exchange rate fluctuations, resulting in a lower gross margin than the previous year. High-margin maintenance income and gross profit amounted to approximately NT$1.527 billion and NT$688 million, respectively, both growing by about 6% compared to the previous year, reflecting the success of past sales efforts in generating stable maintenance income and profits.

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

In 2024, the Company posted a consolidated operating revenue of NT$202.5 billion, an increase of approximately 22% compared with 2023, with a budget achievement rate of 121%. In terms of profit, the Company recorded NT$1.518 billion in profit attributable to the parent company and NT$1.42 in profit after tax per share. As reported in the parent company only financial statements, the Company's return on assets and return on equity were 6.69% and 9.04%, respectively.

(III) Research and Development

1. Daily commodities and F&B retailing
Faced with a highly volatile business environment and consumer demand and rising operating costs in the intensely competitive daily commodities and F&B retailing market, the Company incessantly adjusts its product lineup and marketing strategies based on market trends and demand while constantly optimizing its digitalization efforts and bolstering management, manufacturing, logistics, and marketing using big data. In addition, the Company develops differentiated marketing campaigns for individual stores to enhance the competitiveness of each outlet and increase customer stickiness. The Company also expands into niche markets to enhance its regional competitive advantage, thereby improving its brand image as a whole.
2. Life insurance
Mercuries Life Insurance's development strategy focuses primarily on developing and promoting protection-oriented and investment-oriented products, particularly high-CSM products such as health and accident insurance. Sales of these products in 2024 grew by 12.2% compared to 2023, demonstrating significant growth and strong performance. In addition to continuing existing product strategies, the Company has responded to the advent of a super-aged society and heightened public awareness of healthcare by leveraging the core essence of insurance protection to offer differentiated products. In 2024, it completed the development of new versions of variable annuities and US dollar interest-sensitive products. It also updated underwriting rules to align with the digitalization trend, actively enhancing customer experience and operational efficiency to provide a more convenient and user-friendly service environment. The Company has strengthened its product lines across all channels, launching insurance technology services such as the "Policy Administration/Claims Alliance Chain," "Claims Medical Connect," and "Multi-Identity Verification." Additionally, through an app system upgrade project, it optimized the user interface and operational processes to address user pain points. Enhance the Company's competitiveness.

3. Pharmaceuticals

   Countries are progressively implementing carbon fees and tariffs. To enhance energy efficiency and waste reduction, our R&D team continues to optimize existing product processes, such as Pentobarbital, while improving the manufacturing of successfully developed glaucoma drug Brinzolamide and Cannabidiol (CBD). Additionally, we are developing Benserazide, a downstream active pharmaceutical ingredient from intermediate PGA, to expand our product portfolio. Through our investment in HoneyBear Biosciences, Inc., we are entering the antibody drug market by supplying chemical linker UDP-Glc-NAz. We plan to scale up production as their new drug development progresses.

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 2025 Business Plan

(I) Operating Objectives

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

(II) Key Production and Distribution Policies

1. Daily commodities and F&B retailing

   Beyond opening new stores to achieve economies of scale, reduce procurement costs, and sustain growth momentum, we also periodically close underperforming outlets. We are refining our product mix by phasing out low-performing items, increasing inventory turnover, and introducing higher-margin imported goods and private-label products to differentiate in the market. Increasing franchise ratios helps reduce labor and rental costs, while enhancing service staff professionalism and approachability creates a premium consumer environment. Building on the optimization of SAP, RPA, and BI systems, we began installing electronic shelf labels in 2024, reducing paper waste, contributing to sustainability, simplifying store operations, and enabling flexible promotional and pricing strategies. In the catering sector, with the expansion of our third central kitchen now complete, we have boosted in-house production rates, ensuring better control over delivery timelines and quality. We are also planning OEM business to create new revenue streams. To enhance customer loyalty, we are actively promoting the i-Gourmet Card membership growth plan, using check-in and stamp collection activities to drive cross-brand consumption and foster habitual spending for precise marketing. To increase penetration and adapt to changing consumer habits, we are strengthening partnerships with delivery platforms through varied models. Through diverse marketing channels, cross-industry brand collaborations, co-branded product development, and promotional campaigns, paired with social media and advertising, we aim to boost brand visibility, grow membership, and elevate brand and product attention to achieve new milestones.

2. Life insurance

   We will further strengthen our capital structure, improve capital adequacy, reduce hedging costs, and refine asset-liability management to secure profitability and mitigate market volatility risks. Simultaneously, we are steadily aligning with IFRS 17 accounting standards and ICS solvency requirements to ensure compliant operations and enhance financial transparency and stability. Moreover, we are actively advancing ESG initiatives, implementing responsible investment, strengthening climate risk management, and promoting net-zero transformation. Talent development is integrated into our sustainable business strategy, with internal training and digital skill nhancement ensuring our competitive edge in the market.

3. Pharmaceuticals

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

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

   (2) Diversify production sites, maintain operational flexibility, and develop the contract development and manufacturing company (CDMO) business model.

   (3) Promote circular economy, prioritizing energy conservation and waste reduction to contribute to global sustainability.

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

   (1) Active pharmaceutical ingredients (APIs): Priority will be given to APIs produced by original developers in the medicine supply. Popular products should be avoided, while existing APIs with higher safety criteria, stable sales, new uses or new dosage forms, that are involved in the R&D of new drugs, or that can be used as starting materials for new drugs will be included in the lineup.

   (2) Intermediates: In principle, intermediates produced by original developers in the medicine supply will first be chosen, followed by intermediates for controlled medicines with high barriers to entry, key intermediates which are subject to strict regulations or quality management procedures, intermediates related to SCI Pharmtech's core technologies, intermediates from the Company's strategic partners, and intermediates involved in the R&D of new drugs. The aforementioned types of intermediates can help effectively segregate SCI Pharmtech from market competition and avoid price wars.

   (3) Specialty chemicals: SCI Pharmtech produces and distributes electronic specialty chemicals that are of high standards in the pharmaceutical industry. It develops the production process for specialty chemicals, as well as customizes and mass-produces them according to customer requirements.

4. Information services

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

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

(I) Effect of External Competition

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

(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. Personal insurance industry regulations prioritize strengthening financial stability. The full implementation of IFRS 17 accounting standards and the adoption of the next-generation ICS solvency framework increasingly emphasize insurance companies' capital adequacy and risk management capabilities. The competent authority continues to ensure stable industry integration through various regulatory indicators and directives, while companies must invest significant resources to strengthen internal system development. On the other hand, the Financial Supervisory Commission actively promotes ESG development, launching the "Sustainable Development Roadmap" for listed companies and the "Green Finance Action Plan 3.0" to guide insurance companies in adjusting their investment strategies. The pharmaceutical industry is governed by medical regulations such as the Pharmaceutical Affairs Act and Good Manufacturing Practices for Pharmaceuticals. The regulatory environment continues to evolve, with the EU, the United States, and Japan successively introducing and implementing stricter regulations to ensure drug quality and safety. Additionally, in 2024, the United States passed the BIOSECURE Act, which targets companies from China and other countries, restricting their participation in U.S. supply chains and market cooperation. The act imposes stringent requirements on data security and supply chain transparency, raising higher demands for business compliance capabilities. As for retail of daily commodities and food, besides regulations concerning the familiar food sanitation and safety or workplace fire safety inspections getting more stringent, matters relating to workplace sanitation and safety, consumer health and safety, site waste and wastewater disposal, greenhouse gas emission, and energy conservation and carbon reduction have also become important topics for businesses. All businesses of the Company have retained personnel knowledgeable in the pertinent areas of the laws. In addition to the routine handling of legal affairs and monitoring compliance with regulations, our legal affairs personnel also continually pay close attention to changes in government policies or regulations which might potentially affect the Company's finance or operations. We also regularly consult external legal professionals and reinforce compliance with governing legal standards through OTJ training to continue to enhance total quality management.

(III) Effect of the Macroeconomic Environment

Looking back at 2024, the International Monetary Fund’s "World Economic Outlook" report estimated global economic growth at 3.2%, below the historical average of 3.7% (2000–2019). It also highlighted that near-term prospects are characterized by divergence risks, with upside risks potentially boosting the already robust U.S. economic growth in the short term, while other countries face downside risks amid significant policy uncertainty. As inflation gradually comes under control, central banks worldwide are beginning to enter a rate-cutting cycle, which is expected to inject new momentum into the economy and facilitate a soft landing. However, geopolitical tensions and U.S. policy uncertainties continue to pose uncertainties for future economic development. According to the February 2025 statistics from the Directorate-General of Budget, Accounting and Statistics, Taiwan’s preliminary estimated economic growth rate for 2024 was 4.59%, significantly higher than the 1.12% in 2023. The growth rates for retail sales of general merchandise and food & beverage retail in 2024 were 4.42% and 3.58%, respectively.

Looking ahead to 2025, the International Monetary Fund’s January 2025 forecast projects global economic growth at 3.3%, slightly higher than the 3.2% estimated for 2024. The Directorate-General of Budget, Accounting and Statistics’ February 2025 forecast estimates Taiwan’s economic growth for 2025 at 3.14%, lower than the preliminary 4.59% for 2024.

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 2024 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

2025 Annual Shareholders' Meeting

Convener of the Audit Committee: Li Mao

March 14, 2025

Attachment 3

Mercuries & Associates Holding, Ltd.
Significant Transactions with Related Parties in 2024

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	2024/07/31, 2024/11/14
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$1.046 billion
The actual transaction amount	NT$1.007 billion
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. The situation of providing funds to others:

(2-1)

The company lending out funds	Simple Mart Retail Co., Ltd.
The recipient of the loaned funds	Sanyou Drugstores, Ltd.
Board approval date	2024/08/02
The amount of funds loaned	NT$ 50 million
The actual disbursement amount	NT$ 15 million
Reasons for the necessity of short-term financing	Business turnover

(2-2)

The company lending out funds	Simple Mart Retail Co., Ltd.
The recipient of the loaned funds	Simple Mart Plus Co., Ltd.
Board approval date	2024/08/02
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

(2-3)

The company lending out funds	Simple Mart Retail Co., Ltd.
The recipient of the loaned funds	Pet Wonderland Co., Ltd.
Board approval date	2024/08/02
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 2024:

Item / The recipients of the donations	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 Security Police Third Corps Police Club of the Police Friendship Association of the Republic of China.	Mercuries Social Welfare and Charity Foundation, Taoyuan County
The donating company	1. Mercuries & Associates, Ltd. 2. Mercuries Fu Bao Ltd. 3. Mercuries Liquor & Food Co.,Ltd	1. Mercuries Life Insurance Inc. 2. Mercuries F&B Co., Ltd. 3. Mercuries Data Systems Ltd. 4. SCI Pharmtech,Inc.	1. Mercuries Fu Bao Ltd.	1.Mercuries Data Systems Ltd.	1. .Mercuries Data Systems Ltd.	1. Simple Mart Retail Co., Ltd.
Board approval date	1. 2024/05/03 2. 2024/09/19 3. 2024/09/19	1. 2024/06/20 2. 2024/06/21 3. 2024/08/12 4. 2024/06/13	1. 2024/12/18	1. 2024/11/11	1. 2024/03/12	1. 2024/11/01
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	Subsidizing the expenses for police officers' overseas study and inspection visit in 2024	Fulfilling social responsibility
The amount approved by the board	1. NT$ 2.5 million 2. NT$ 1.5 million 3. NT$ 2 million	1. NT$ 600,000 2. NT$ 600,000 3. NT$ 2 million 4. NT$ 600,000	1. NT$ 1.5 million	1. NT$ 1 million	1. NT$ 200,000	1. NT$ 300,000
The actual donation amount	1. NT$ 2.5 million 2. NT$ 1.5 million 3. NT$ 2 million	1. NT$ 600,000 2. NT$ 600,000 3. NT$ 2 million 4. NT$ 600,000	1. NT$ 1.5 million	1. NT$ 1 million	1. NT$ 200,000	1. NT$ 300,000

Attachment 4

Mercuries & Associates Holding, Ltd.

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, 2025)
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$19.69, the maximum rate of dilution when the convertible bond is converted in its entirety will be 1.14%, which will not cause serious concerns.
Name of exchange		Not applicable.

Attachment 5

Mercuries & Associates Holding, Ltd.

Comparison Table for the Corporate Governance Best Practice Principles Before and After Amendment

After the Amendment	Before the Amendment	Description
Article 13-3: The Company shall formulate and disclose its operational strategies and business plans, setting forth concrete measures to enhance corporate value. These matters are recommended to be submitted to the Board of Directors and communicated actively with shareholders.	No corresponding article.	This article is amended in line with the amendments to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
Article 52: (Paragraphs 1 to 8 are omitted.) <u>The eighth amendment was made on March 14, 2025.</u>	Article 52: (Paragraphs 1 to 8 are omitted.)	The number and date of the amendment here is to be added.

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, 2024 and 2023, 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, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and 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, 2024. 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.

<u>The completeness and accuracy of recording insurance reserves</u>

Description:

Please refer to Note 4.30 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 6.24 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 Co., Ltd (“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. Among them, the liability reserves for various products accounts for 80% of total liabilities, which is significant. Thus, 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.
2. Performing the analysis on movements of insurance reserves.
3. Verifying the completeness of the insurance policies count and the accuracy of policy information for the liability reserve and testing samples on certain newly added products to confirm whether the provisioning method aligns with the product calculation manual and is compliant 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 4.12 for the related accounting policy of valuation of financial assets, Note 5 about accounting estimate and assumption uncertainty of financial assets for valuation and Note 12.2 to 12.4 for fair value information and financial risk management of financial assets.

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

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

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

The completeness and accuracy of retail sales revenue

Description:

Please refer to Note 4.35 for the related accounting policy of retail sales revenue.
Retail sales revenue of Mercuries & Associates, Ltd. and Simple Mart Retail Co., Ltd. are recorded by point-of-sale (POS) terminals, which collect the information by scanning barcodes about item names, quantity, sales price and total sales amount of each transaction via the pre-established

merchandise master file data. After the daily closing process, each store uploads the sales information to the Enterprise Resource Planning ("ERP") system, which will summarize all sales and automatically generate sales revenue journal entries.

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

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

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

Other matter

As described in Note 4.5, we did not audit the financial statements of certain consolidated subsidiaries which were audited by other auditors. Thus, the amounts and information of the subsidiaries shown within are in accordance with the audit reports assured by other auditors whose reports thereon have been furnished to us. Total assets of these subsidiaries were $17,401,503 thousand and $17,059,644 thousand, constituting 1.05% and 1.10% of the total consolidated assets as of December 31, 2024 and 2023 respectively, and total sales revenue were $22,140,442 thousand and $21,012,439 thousand, constituting 10.39% and 12.64% of total consolidated sales revenue for the years ended December 31, 2024 and 2023, respectively. As described in Note 6.12, 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 $4,476,643 thousand and $4,469,405 thousand, constituted 0.27% and 0.29% of the total consolidated asset as of December 31, 2024 and 2023, respectively, and the recognized shares of profit of associates and joint ventures accounted for under equity method of these investee companies were $(12,000)thousand and $38,071 thousand, constituted 0.87% and 0.32% of the consolidated profit before income tax for the years ended December 31, 2024 and 2023, 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, 2024 and 2023.

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 14, 2025

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, 2024 and 2023

UNIT：NTD (In Thousands)

Assets	Notes	December 31, 2024	%	December 31, 2023	%
Current assets					
Cash and cash equivalents		$31,479,776	1.90	$64,773,024	4.17
Financial assets at fair value through profit or loss - current		114,147	0.01	88,998	0.01
Financial assets at fair value through other comprehensive income - current		152	-	150	-
Financial assets at amortized cost - current		3,687	-	12,323	-
Contract assets - current		456,905	0.03	310,696	0.02
Accounts receivable, net		12,924,259	0.78	12,468,269	0.80
Current income tax assets		848,491	0.05	1,026,333	0.07
Inventories		7,345,432	0.44	5,597,064	0.36
Prepayments		848,164	0.05	1,247,915	0.08
Non-current assets held for sale		1,517,092	0.09	1,767,584	0.11
Reinsurance contract assets, net		3,713,228	0.22	2,550,530	0.16
Other current assets		134,057	0.01	158,030	0.01
Bills discounted and loans, net		66,162,331	3.99	67,896,478	4.38
Sub-total		125,547,721	7.57	157,897,394	10.17
Non-current assets					
Financial assets at fair value through profit or loss - non-current		147,140,208	8.88	115,865,598	7.46
Financial assets at fair value through other comprehensive income - non-current		11,641,240	0.70	3,789,237	0.24
Financial assets at amortized cost - non-current		1,016,366,006	61.31	1,013,469,832	65.28
Investments accounted for under equity method		4,582,003	0.28	4,574,931	0.29
Property, plant and equipment		20,110,637	1.21	19,611,138	1.26
Right-of-use assets		4,744,813	0.29	4,474,808	0.29
Investment property, net		22,065,653	1.33	20,090,454	1.29
Intangible assets		511,062	0.03	267,031	0.02
Deferred tax assets		29,247,482	1.76	20,819,886	1.34
Other non-current assets		275,844,709	16.64	191,658,844	12.36
Sub-total		1,532,253,813	92.43	1,394,621,759	89.83
Total assets		$1,657,801,534	100.00	$1,552,519,153	100.00

Liabilities & Equity	Notes	December 31, 2024	%	December 31, 2023	%
Current liabilities					
Short-term borrowings		$1,385,100	0.08	$1,335,000	0.09
Short-term notes and bills payable		919,797	0.06	569,990	0.04
Financial liabilities at fair value through profit or loss - current		-	-	68,861	-
Contract liabilities - current		1,261,680	0.08	930,872	0.06
Accounts payable		10,086,640	0.61	8,392,213	0.54
Commissions payable		949,805	0.06	815,297	0.05
Claims and benefits payable		682,650	0.04	687,160	0.04
Due to reinsurers and ceding companies		2,713,079	0.16	1,698,147	0.11
Current income tax liabilities		272,735	0.02	132,985	0.01
Advanced receipts		120,207	0.01	66,900	-
Long-term liabilities - current portion		541,364	0.03	1,963,453	0.13
Lease liabilities - current		1,384,275	0.08	1,334,861	0.09
Liabilities directly associated with non-current assets held for sale		63,662	-	106,886	0.01
Other current liabilities		92,147	-	174,953	0.01
Sub-total		20,473,141	1.23	18,277,578	1.18
Non-current liabilities					
Financial liabilities at fair value through profit or loss - non-current		13,960,710	0.84	78,296	0.01
Contract liabilities - non-current		150,954	0.01	112,415	0.01
Bonds payable		11,398,491	0.69	8,886,399	0.57
Long-term borrowings		8,269,664	0.50	6,468,095	0.42
Other long-term liabilities		7,448	-	6,838	-
Provisions - non-current		1,320,821,749	79.67	1,273,534,242	82.03
Separate account liabilities for unit-linked products		211,513,255	12.76	177,007,560	11.40
Guarantee deposits received		696,694	0.04	5,551,302	0.36
Lease liabilities - non-current		3,501,983	0.21	3,262,500	0.21
Deferred tax liabilities		15,959,309	0.97	9,811,860	0.63
Other non-current liabilities		868,811	0.06	1,210,597	0.07
Sub-total		1,587,149,068	95.75	1,485,930,104	95.71
Total Liabilities		1,607,622,209	96.98	1,504,207,682	96.89
Equity attributable to owners of the parent					
Share Capital					
Common stock		11,224,957	0.68	11,224,957	0.72
Capital surplus		4,456,229	0.27	4,730,938	0.30
Retained earnings					
Legal reserve		-	-	2,753,775	0.18
Special reserve		3,391,261	0.20	5,990,502	0.39
Unappropriated earnings (Accumulated deficit)		1,508,321	0.09	(5,665,734)	(0.36)
Other equity		(3,327,357)	(0.20)	(1,542,701)	(0.10)
Treasury stock		(592,930)	(0.04)	(592,930)	(0.04)
Total equity attributable to owners of the parent		16,660,481	1.00	16,898,807	1.09
Non-controlling interests		33,518,844	2.02	31,412,664	2.02
Total Equity		50,179,325	3.02	48,311,471	3.11
Total Liabilities and Equity		$1,657,801,534	100.00	$1,552,519,153	100.00

MERCURIES & ASSOCIATES HOLDING, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2024 and 2023

UNIT：NTD (In Thousands)

Item	Notes	2024	%	2023	%
Operating revenue					
Interest income		$37,770,849	18.65	$36,695,276	22.06
Premiums income		71,028,342	35.07	73,980,225	44.48
Commission on reinsurance ceded		91,634	0.05	98,394	0.06
Fee income		3,506,451	1.73	2,968,302	1.78
Share of profit of associates and joint ventures accounted for under equity method		8,139	-	60,631	0.04
Separate account revenue for unit-linked products		17,946,884	8.86	15,533,843	9.34
Realized gains on financial assets measured at fair value through other comprehensive income		76,613	0.04	13,645	0.01
		22,643	0.01	-	-
Net sales revenue					
Sales revenue		31,940,557	15.77	29,686,411	17.85
Sales returns		(46,682)	(0.02)	(44,743)	(0.03)
Sales discounts and allowances		(1,520)	-	(9,585)	(0.01)
Rental income		378,930	0.19	378,369	0.23
Service revenue		682,687	0.34	636,368	0.38
Gain on disposal of investments		-	-	1,263,649	0.76
Gain on disposal of property, plant and equipment		119,351	0.06	-	-
Gain on investment property		589,134	0.29	396,187	0.24
Reserve for fluctuation of foreign exchange movement		(9,015,015)	(4.45)	4,111,104	2.47
Profit reclassified by applying overlay approach		4,600,310	2.27	-	-
Gain on reversal of expected credit impairment loss		-	-	77,392	0.05
Gain on foreign exchange		42,148,751	20.81	-	-
Other income		670,135	0.33	455,284	0.29
Total operating revenue		202,518,193	100.00	166,300,752	100.00
Operating cost					
Interest expenses		(255,080)	(0.13)	(251,546)	(0.15)
Underwriting expenses		(28,832)	(0.01)	(30,878)	(0.02)
Commission expenses		(5,824,075)	(2.88)	(5,792,483)	(3.48)
Insurance claims and benefits		(85,620,864)	(42.28)	(92,002,406)	(55.32)
Other insurance liabilities movement		(21,688,050)	(10.71)	(17,542,088)	(10.55)
Separate account expenses for unit-linked products		(17,946,884)	(8.86)	(15,533,843)	(9.34)
Loss on financial assets (liabilities) measured at fair value through profit or loss		(31,461,907)	(15.54)	(984,892)	(0.59)
Loss arising from derecognition of financial assets measured at amortized cost		(284,660)	(0.14)	(322,931)	(0.19)
Cost of goods sold		(22,404,293)	(11.06)	(20,708,997)	(12.45)
Service cost		(13,997)	(0.01)	(12,855)	(0.01)
Operating expenses					
Selling expense		(6,693,524)	(3.31)	(6,289,601)	(3.78)
General and administrative expenses		(7,449,122)	(3.68)	(7,058,972)	(4.24)
Research and development expenses		(298,757)	(0.15)	(295,601)	(0.18)
Loss on disposal of investments		(1,068)	-	-	-
Loss on disposal of property, plant and equipment		-	-	(8,030)	-
Loss reclassified by applying overlay approach		-	-	(10,512,215)	(6.32)
Impairment loss		(276,334)	(0.14)	(847)	-
Expected credit impairment loss		(134,359)	(0.07)	-	-
Loss on foreign exchange		-	-	(83,237)	(0.05)
Other expense		(757,376)	(0.35)	(614,002)	(0.39)
Total operating cost		(201,139,182)	(99.32)	(178,045,424)	(107.06)
Profit (loss) before income tax from continuing operations		1,379,011	0.68	(11,744,672)	(7.06)
Income tax (expenses) benefits		2,139,214	1.06	3,227,491	1.94
Net profit (loss) from continuing operations		3,518,225	1.74	(8,517,181)	(5.12)
Net profit (loss)		3,518,225	1.74	(8,517,181)	(5.12)
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		72,400	0.04	30,964	0.02
Revaluation surplus on property		910,873	0.45	9,182	0.01
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		(152,300)	(0.08)	382,912	0.23
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method		65,329	0.03	(78,607)	(0.05)
Income tax relating to components		(215,658)	(0.11)	3,549	-
Components of other comprehensive income that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations		6,307	-	(8,690)	(0.01)
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income		(780,203)	(0.39)	6,162,000	3.71
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method		(171)	-	-	-
Other comprehensive income (loss) on reclassification under the overlay approach		(4,600,310)	(2.27)	10,512,215	6.32
Income tax relating to components		40,168	0.03	(1,154,185)	(0.69)
Other comprehensive income (loss)		(4,653,565)	(2.30)	15,859,340	9.54
Total comprehensive income (loss)		(1,135,340)	(0.56)	7,342,159	4.42
Profit (loss) attributable to:					
Shareholders of the parent		1,517,530	0.75	(2,874,182)	(1.73)
Non-controlling interests		2,000,695	0.99	(5,642,999)	(3.39)
Total		3,518,225	1.74	(8,517,181)	(5.12)
Comprehensive income (loss) attributable to:					
Shareholders of the parent		(201,838)	(0.10)	3,075,864	1.85
Non-controlling interests		(933,502)	(0.46)	4,266,295	2.57
Total		$(1,135,340)	(0.56)	$7,342,159	4.42
Earnings per share					
Income (loss) from continuing operations, net of income tax		$1.42		$(3.09)	
Basic earnings (loss) per share (in dollars)		$1.42		$(3.09)	
Diluted earnings per share (in dollars)		$1.41		$-	
The pro forma net income and earning per share if accounting for treasury stock had not been adopted are as follows:					
Pro forma after income tax		$1,528,859		$(2,874,182)	
Earnings per share		$1.36		$(2.93)	

MERCURIES & ASSOCIATES HOLDING, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2024 and 2023

UNIT：NTD (In Thousands)

Summary	Equity Attributable to Shareholders of the Parent												Non-Controlling Interest	Total
			Retained Earnings			Other Equity Interests								
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Revaluation Reserve of Properties	Reclassification to Other Comprehensive Income Due to The Overlay Approach	Treasury Stock	SubTotal		
Balance on January 1, 2023	$9,224,957	$2,749,366	$2,753,775	$5,990,502	$(2,534,742)	$(10,112)	$(2,574,354)	$0	$429,596	$(5,364,542)	$(488,279)	$10,176,167	$21,493,533	$31,669,700
Appropriation earnings 2022														
	-	(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 January 1, 2024	$11,224,957	$4,730,938	$2,753,775	$5,990,502	$(5,665,734)	$(13,780)	$(401,632)	$0	$426,631	$(1,553,920)	$(592,930)	$16,898,807	$31,412,664	$48,311,471
Appropriation earnings 2023														
Special reserve	-	-	-	(2,599,241)	2,599,241	-	-	-	-	-	-	-	-	-
Legal reserve used to cover accumulated deficits	-	-	(2,753,775)	-	2,753,775	-	-	-	-	-	-	-	-	-
Effects of changes in ownership interest from investee	-	192,012	-	-	(58,698)	-	-	-	-	-	-	133,314	-	133,314
Changes in unappropriated retained earnings of investees	-	-	-	-	(15,798)	-	-	-	-	-	-	(15,798)	-	(15,798)
Changes in capital surplus of investees	-	23,159	-	-	-	-	-	-	-	-	-	23,159	-	23,159
Capital surplus used to cover accumulated deficits	-	(312,717)	-	-	312,717	-	-	-	-	-	-	-	-	-
Cash dividends distributed from capital surplus	-	(224,499)	-	-	-	-	-	-	-	-	-	(224,499)	-	(224,499)
Net profit (loss)	-	-	-	-	1,517,530	-	-	-	-	-	-	1,517,530	2,000,695	3,518,225
Other comprehensive income (loss)	-	-	-	-	65,329	3,108	(311,542)	(62)	253,033	(1,729,234)	-	(1,719,368)	(2,934,197)	(4,653,565)
Dividends from the Company received by subsidiaries	-	11,329	-	-	-	-	-	-	-	-	-	11,329	-	11,329
Differences of acquisition or disposal price and book value of subsidiaries	-	36,007	-	-	-	-	-	-	-	-	-	36,007	-	36,007
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	3,039,682	3,039,682
Disposal of revaluation Reserve of Properties from investees	-	-	-	-	(41)	-	-	-	41	-	-	-	-	
Balance on December 31, 2024	$11,224,957	$4,456,229	$0	$3,391,261	$1,508,321	$(10,672)	$(713,174)	$(62)	$679,705	$(3,283,154)	$(592,930)	$16,660,481	$33,518,844	$50,179,325

MERCURIES & ASSOCIATES HOLDING, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

UNIT：NTD (In Thousands)

Items	2024	2023
Cash flows from operating activities		
Profit (loss) before income tax from continuing operations	$1,379,011	($11,744,672)
Adjustments for		
Income and expenses having no effect on cash flows		
Depreciation	2,547,303	2,421,985
Amortization	137,280	133,218
Net gain (loss) on financial assets or liabilities at fair value through profit or loss	31,430,525	967,632
Net gain on financial assets or liabilities at fair value through other comprehensive income	(84,230)	(20,382)
Interest expense	754,098	643,508
Net gain arising from derecognition of financial assets measured at amortized cost	284,660	322,931
Interest income	(37,770,849)	(36,695,276)
Net change in insurance liabilities	22,105,159	17,868,122
Net change in reserve for fluctuation of foreign exchange movement	9,015,015	(4,111,104)
Reversal of expected credit impairment losses on investments	141,264	(84,880)
Expected credit impairment losses (gains) on non-investments	(6,905)	8,335
Share-based payments	56,400	60,500
Share of profit of associates and joint ventures accounted for under equity method	(8,139)	(60,631)
(Profit) loss reclassified by applying overlay approach	(4,600,310)	10,512,215
Loss on disposal of property, plant and equipment	(119,203)	8,423
Gain on disposal of investment property	631	(2,608)
Loss on disposal of intangible assets	353	0
Gain on disposal of investments accounted for under equity method	0	(1,256,375)
Rental income from sale and leaseback transactions	(5,556)	(33,309)
Impairment loss on non-financial assets	276,334	0
Loss on unrealized foreign exchange	(53,627,125)	(1,690,837)
Loss (gain) on redemption of bond payable	(22,643)	0
Gain on fair value adjustment of investment property	(294,506)	(60,404)
Net cash generated from Income and expenses having no effect on cash flows	(29,790,444)	(11,068,937)
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	(53,858,351)	(44,929,727)
(Increase) decrease in accounts receivable	(229,530)	(1,548,147)
(Increase) decrease in inventories	(1,748,368)	(122,611)
(Increase) decrease in prepayments	571,093	(377,910)
(Increase) decrease in contract assets	(146,208)	31,332
(Increase) decrease in other current assets	23,973	30,701
(Increase) decrease in reinsurance contract assets	(820,499)	(106,231)
(Increase) decrease in other assets	(295,274)	(200,597)
Net cash generated from changes in assets related to operating activities	(56,503,164)	(47,223,190)
Changes in liabilities related to operating activities:		
Increase (decrease) in accounts payable	2,796,803	1,850,031
Increase (decrease) in provisions	(175,433)	(264,466)
Increase (decrease) in contract liabilities	369,348	92,892
Increase (decrease) in other liabilities	(6,728)	(312,069)
Others	15,782,255	612,011
Net cash generated from changes in liabilities related to operating activities	18,766,245	1,978,399
Net cash generated from changes in assets and liabilities related to operating activities	(37,736,919)	(45,244,791)
Total adjustments	(67,527,363)	(56,313,728)
Cash inflow generated from operations		
Interest received	23,700,281	27,662,417
Dividends received	4,684,583	3,726,050
Interest paid	(699,363)	(602,070)
Income taxes paid	(42,054)	(662,926)
Net cash flows generated from (used in) operating activities	(38,504,905)	(37,934,929)
Cash flows from (used in) investing activities		
Decrease in loans	1,801,782	1,392,986
Acquisition of financial assets at fair value through profit or loss	(175,643)	(13,824)
Proceeds from disposal of financial assets at fair value through profit or loss	62,470	6,675
Acquisition of financial assets at fair value through other comprehensive income	(13,665,996)	(18,981)
Proceeds from disposal of financial assets at fair value through other comprehensive income	5,305,969	178,573
Remittance of cash due to capital reduction of financial assets at fair value through other comprehensive income	159,503	215,702
Acquisition of financial assets at amortized cost	0	(2,913,921)
Proceeds from disposal of financial assets at amortized cost	13,800,828	32,056,374
Proceeds from repayments of financial assets at amortized cost	1,491,792	12,274,881
Acquisition of investment accounted for under equity method	(47,000)	(18,000)
Disposal of investments accounted under the equity method	-	2,755,553
Acquisition of property, plant and equipment	(2,152,307)	(1,856,393)
Proceeds from disposal of property, plant and equipment	186,120	1,740
Decrease (increase) in guarantee deposits	(913,588)	198,651
Acquisition of intangible assets	(380,123)	(134,940)
Acquisition of investment property	(108,285)	(6,084)
Proceeds from disposal of investment property	0	45,612
Net cash flows generated from (used in) investing activities	5,365,522	44,164,604
Cash flows from (used in) financing activities		
Increase (decrease) in short-term borrowings	50,100	(62,000)
Increase (decrease) in short-term notes and bills payable	349,808	(209,941)
Proceeds from long-term borrowings	39,014,286	46,486,805
Repayments of long-term borrowings	(36,703,991)	(49,024,164)
Proceeds from issuing bonds	2,500,000	0
Repayment of issuing bonds	(1,973,592)	0
Increase (decrease) in guarantee deposits received	(4,854,608)	3,013,583
Repayment of the principle portion of lease liabilities	(1,574,233)	(1,540,639)
Cash dividends	(506,199)	(108,841)
Cash increase	3,221,655	7,533,158
Proceeds from disposal of interests in subsidiaries without loss of control	63,317	1,660,524
Increase(decrease) in non-controlling interest	261,716	546,617
Net cash generated from (used in) financing activities	(151,741)	8,295,102
Effect of exchange in exchanges rate on cash and cash equivalents	(2,124)	(1,198)
Net increase (decrease) in cash and cash equivalents	(33,293,248)	14,523,579
Cash and cash equivalents at beginning of period	64,773,024	50,249,445
Cash and cash equivalents at end of period	$31,479,776	$64,773,024

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, 2024 and 2023, 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, 2024 and 2023, 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, 2024. 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 Mercuries Life Insurance Co., Ltd ("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. Among them, the liability reserves for various products accounts for 80% of total liabilities, which is significant. Thus, 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.
2. Performing the analysis on movements of insurance reserves.
3. Verifying the completeness of the insurance polices and the accuracy of policy information for the liability reserve and testing samples on certain newly added products to confirm whether the provisioning method aligns with the product calculation manual and is compliant 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 information of financial assets at fair value through profit or loss and fair value through other comprehensive income for debt instrument without an active market is calculated by observable input parameters obtained either directly or indirectly. The management has to select the sources of parameters and makes subjective judgements on the uses of different valuation techniques. Therefore, this matter needs significant attention in our audit.

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

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

The completeness and accuracy of retail sales revenue

Description:

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

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

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

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

Other matter

As described in Note 6.6, the financial statements of certain investee companies under equity method were audited by other auditors. Thus, the amounts and information of the investee companies shown within are in accordance with the audit reports assured by other auditors whose reports thereon have been furnished to us. The investments of the aforementioned investee companies amounted to $3,871,197 thousand and $4,168,604 thousand, constituted 15.97% and 17.47% of the total assets as of December 31, 2024 and 2023 respectively; and the share of profit of subsidiaries, associates and joint ventures accounted for under equity method of these investee companies were $280,566 thousand and $343,427 thousand, constituted 18.51% and 11.94% of the profit before income tax for the years ended December 31, 2024 and 2023, 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 14, 2025

<u>Notice to Readers</u>

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, 2024 and 2023

UNIT：NTD (In Thousands)

Assets	Notes	December 31, 2024	%	December 31, 2023	%	Liabilities & Equity	Notes	December 31, 2024	%	December 31, 2023	%
Current assets						Current liabilities					
Cash and cash equivalents		$75,181	0.31	$278,037	1.17	Short-term notes and bills payable		$349,819	1.44	$-	-
Financial assets at fair value through other comprehensive income - current		152	-	150	-	Financial liabilities at fair value through profit or loss - current		-	-	65,623	0.28
Notes receivable, net		12,635	0.05	14,217	0.06	Other payables		61,577	0.25	36,175	0.15
Accounts receivable, net		99	-	99	-	Current income tax liabilities		-	-	5,965	0.02
Other receivables		10,842	0.04	9,410	0.04	Liabilities directly associated with non-current assets held for sale		62,205	0.26	105,429	0.44
Prepayments		1,057	0.01	-	-						
Non-current assets held for sale		1,576,504	6.51	2,020,053	8.46	Lease liabilities - current		-	-	14,322	0.06
Sub-total		1,676,470	6.92	2,321,966	9.73	Other current liabilities		13,067	0.06	1,945,253	8.16
						Sub-total		486,668	2.01	2,172,767	9.11
						Non-current liabilities					
						Financial liabilities at fair value through profit or loss - non-current		-	-	8,532	0.04
Non-current assets						Bonds payable		252,781	1.04	251,022	1.05
Financial assets at fair value through other comprehensive income - non-current		56,627	0.23	63,393	0.27	Long-term borrowings		6,627,989	27.34	4,198,936	17.60
						Deferred tax liabilities		88,635	0.37	41,243	0.17
Financial assets at amortized cost - non-current		250,000	1.03	-	-	Lease liabilities - non-current		-	-	170,487	0.71
						Other non-current liabilities		124,746	0.52	117,075	0.50
Investments accounted for under equity method		21,757,244	89.75	21,053,994	88.24	Sub-total		7,094,151	29.27	4,787,295	20.07
						Total Liabilities		7,580,819	31.28	6,960,062	29.18
Property, plant and equipment		4,446	0.02	1,423	0.01	Equity					
Right-of-use assets		-	-	161,905	0.68	Share Capital					
Investment property, net		477,741	1.97	241,430	1.01	Common stock		11,224,957	46.31	11,224,957	47.05
Intangible assets		-	-	238	-	Capital surplus		4,456,229	18.38	4,730,938	19.83
Other non-current assets		18,772	0.08	14,520	0.06	Retained earnings					
Sub-total		22,564,830	93.08	21,536,903	90.27	Legal reserve		-	-	2,753,775	11.54
						Special reserve		3,391,261	13.99	5,990,502	25.11
						Unappropriated earnings (Accumulated deficit)		1,508,321	6.22	(5,665,734)	(23.75)
						Other equity		(3,327,357)	(13.73)	(1,542,701)	(6.47)
						Treasury stock		(592,930)	(2.45)	(592,930)	(2.49)
						Total Equity		16,660,481	68.72	16,898,807	70.82
Total assets		$24,241,300	100.00	$23,858,869	100.00	Total Liabilities and Equity		$24,241,300	100.00	$23,858,869	100.00

MERCURIES & ASSOCIATES HOLDING, LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2024 and 2023

UNIT：NTD (In Thousands)

Item	Notes	2024	%	2023	%
Operating revenue		$1,669,855	100.00	$(2,584,542)	100.00
Gross profit (loss)		1,669,855	100.00	(2,584,542)	100.00
Net gross profit (loss)		1,669,855	100.00	(2,584,542)	100.00
Operating expenses					
General and administrative expenses		(124,576)	(7.46)	(154,169)	5.97
Total operating expenses		(124,576)	(7.46)	(154,169)	5.97
Operating profit (loss)		1,545,279	92.54	(2,738,711)	105.97
Non-operating income and expenses					
Interest income		8,740	0.52	9,099	(0.35)
Other income		10,669	0.64	8,372	(0.32)
Other gains and losses		64,597	3.87	(30,392)	1.18
Finance costs		(113,551)	(6.80)	(124,584)	4.81
Sub-total		(29,545)	(1.77)	(137,505)	5.32
Profit (loss) before income tax		1,515,734	90.77	(2,876,216)	111.29
Income tax (expenses) benefit		1,796	0.11	2,034	(0.08)
Net profit (loss) from continuing operations		$1,517,530	90.88	$(2,874,182)	111.21
Net profit (loss)		$1,517,530	90.88	$(2,874,182)	111.21
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		$(6,762)	(0.40)	$(5,380)	0.21
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under equity method		247,826	14.84	129,711	(5.02)
Components of other comprehensive income that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations		-	-	(2,331)	0.09
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under equity method		(1,960,433)	(117.41)	5,828,046	(225.50)
Other comprehensive income (loss), net of income tax		$(1,719,369)	(102.97)	$5,950,046	(230.22)
Total comprehensive income (loss)		$(201,839)	(12.09)	$3,075,864	(119.01)
Earnings per share					
Basic earnings (loss) per share (in dollars)		$1.42		$(3.09)	
Diluted earnings per share (in dollars)		$1.41		$-	
The pro forma net income and earning per share if					
accounting for treasury stock had not been adopted are as follows:					
Pro forma before income tax		$1,527,063		$(2,876,216)	
Pro forma after income tax		$1,528,859		$(2,874,182)	
Earnings per share		$1.36		$(2.93)	

MERCURIES & ASSOCIATES HOLDING, LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUIT

For the Years Ended December 31, 2024 and 2023

UNIT：NTD (In Thousands)

Summary	Common Stock	Capital Surplus	Retained Earnings			Other Equity Interests					Treasury Stock	Total
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Revaluation Reserve of Properties	Others		
Balance on January 1, 2023	$9,224,957	$2,749,366	$2,753,775	$5,990,502	$(2,534,742)	$(10,112)	$(2,574,354)	$0	$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 January 1, 2024	$11,224,957	$4,730,938	$2,753,775	$5,990,502	$(5,665,734)	$(13,780)	$(401,632)	$0	$426,631	$(1,553,920)	$(592,930)	$16,898,807
Appropriation of earnings 2023												
Special reserve	-	-	-	(2,599,241)	2,599,241	-	-	-	-	-	-	-
Legal reserve used to cover accumulated deficits	-	-	(2,753,775)	-	2,753,775	-	-	-	-	-	-	-
Effects of changes in ownership interest from investee	-	192,012	-	-	(58,698)	-	-	-	-	-	-	133,314
Changes in unappropriated earnings of investees	-	-	-	-	(15,798)	-	-	-	-	-	-	(15,798)
Changes in capital surplus of investees	-	23,159	-	-	-	-	-	-	-	-	-	23,159
Capital surplus used to cover accumulated deficits	-	(312,717)	-	-	312,717	-	-	-	-	-	-	-
Cash dividends distributed from capital surplus	-	(224,499)	-	-	-	-	-	-	-	-	-	(224,499)
Net profit (loss)	-	-	-	-	1,517,530	-	-	-	-	-	-	1,517,530
Other comprehensive income (loss)	-	-	-	-	65,329	3,108	(311,542)	(62)	253,033	(1,729,234)	-	(1,719,368)
Dividends from the Company received by subsidiaries	-	11,329	-	-	-	-	-	-	-	-	-	11,329
Differences of acquisition or disposal price and book value of subsidiaries	-	36,007	-	-	-	-	-	-	-	-	-	36,007
Disposal of revaluation Reserve of Properties from investees	-	-	-	-	(41)	-	-	-	41	-	-	
Balance on December 31, 2024	$11,224,957	$4,456,229	$0	$3,391,261	$1,508,321	$(10,672)	$(713,174)	$(62)	$679,705	$(3,283,154)	$(592,930)	$16,660,481

MERCURIES & ASSOCIATES HOLDING, LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

UNIT：NTD (In Thousands)

Items	2024	2023
Cash flows from operating activities		
Profit (loss) before income tax from continuing operations	$1,515,734	$(2,876,216)
Profit (loss) before tax	1,515,734	(2,876,216)
Adjustments for		
Income (gain) and expense (loss) items		
Depreciation	3,726	15,495
Amortization	238	601
Net gain (loss) on financial assets (liabilities) at fair value through profit or loss	(8,532)	39,623
Interest expense	113,551	124,585
Interest income	(8,740)	(9,099)
Dividend income	(2,245)	(2,707)
Compensation cost of share-based payments	-	34,000
Share of profit (loss) of associates and joint ventures accounted for under equity method	(1,632,351)	2,640,474
Loss (gain) on disposal and scrap of property, plant and equipment	576	265
Loss (gain) on redemption of bond payable	(22,643)	-
Loss (gain) on investment property at fair value	(42,760)	(15,922)
Rental income from sale and leaseback transactions	(2,971)	(20,200)
Loss(gain) on liquidation	-	(1,700)
Changes in assets and liabilities relating to operating activities		
(Increase) decrease in notes receivable	1,582	(2,521)
(Increase) decrease in accounts receivable	-	(2)
(Increase) decrease in other receivables	(561)	(462)
(Increase) decrease in prepaid expenses	(1,057)	-
Increase (decrease) in other payables	24,589	(11,346)
Increase (decrease) in advanced receipts	(1,573)	2,520
Increase (decrease) in other current liabilities	(2)	(11)
Interest received	8,733	9,099
Dividends received	333,314	194,421
Interest paid	(114,003)	(104,524)
Income taxes refund (paid)	(865)	(19,498)
Net cash flows generated from (used in) operating activities	163,740	(3,125)
Cash flows from investing activities		
Acquisition of investments accounted for under equity method	(1,007,395)	(833,859)
Proceeds from disposal of investments accounted for under equity method	65,902	1,643,888
Acquisition of property, plant and equipment	(4,295)	(1,190)
Increase in guarantee deposits	(13,611)	-
Decrease in guarantee deposits	9,357	-
Net cash flows generated from (used in) investing activities	(950,042)	808,839
Cash flows from financing activities		
Increase in short-term borrowings	8,285,000	5,440,000
Decrease in short-term borrowings	(8,285,000)	(5,440,000)
Increase in short-term notes and bills payable	8,375,000	4,710,000
Decrease in short-term notes and bills payable	(8,025,000)	(4,710,000)
Repayment of bonds	(1,973,592)	-
Proceeds from long-term borrowings	35,822,500	41,781,000
Repayments of long-term borrowings	(33,390,000)	(44,996,000)
Increase in guarantee deposits received	-	693
Decrease in guarantee deposits received	(972)	-
Increase in other non-current liabilities	8	-
Cash dividends paid	(224,498)	-
Issuance of common stock for cash	-	2,500,000
Net cash generated from (used in) financing activities	583,446	(714,307)
Net increase (decrease) in cash and cash equivalents	(202,856)	91,407
Cash and cash equivalents at beginning of period	278,037	186,630
Cash and cash equivalents at end of period	$75,181	$278,037

Attachment 7

Mercuries & Associates Holding, Ltd.

2024 Earnings Distribution Table

Unit: NTD

Item	Amount	
	Subtotal	Total
Undistributed earnings at the beginning of the period		0
Minus：Revalued property disposed by the investee company	(40,422)	
Minus：Change in undistributed earnings of investee company (Note 1)	(9,169,032)	
Add：Current year net income after tax (Note 2)	1,517,530,065	
Minus：Legal reserve	(150,832,061)	
Minus：Special reserve	(1,357,488,550)	
Undistributed earnings at the end of the period		0

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

Note 2: Employee compensation and director remuneration of NT$16 million and NT$11 million, respectively, were accrued for the year 2024.

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 25: In case profit is made by the Company for the period, no less than 1% of the said profit shall be set aside for employees' compensation , of which no less than 45% shall be allocated to grassroots employees. The Board of Directors shall determine whether to issue the form of such compensation in shares or cash. Recipients of the said compensation shall include Company employees that satisfy specific criteria. The Company permits the Board of Directors to set aside no more than 1% of the sum of the aforementioned profit as compensations for the Directors. Proposals for the distribution shall be submitted to the Shareholders' Meeting and presented accordingly. In case of accumulated losses, the Company shall reserve a specific amount to make up for the losses, and then distribute according to aforementioned percentage.	Article 25: In case profit is made by the Company for the period, no less than 1% of the said profit shall be set aside for employees' compensation. The Board of Directors shall determine whether to issue the compensation in shares or cash. Recipients of the said compensation shall include Company employees that satisfy specific criteria. The Company permits the Board of Directors to set aside no more than 1% of the sum of the aforementioned profit as compensations for the Directors. Proposals for the distribution of employees' compensation as well as directors' compensation shall be submitted to the Board of Shareholders and presented accordingly. In case of accumulated losses, the Company shall reserve a specific amount to make up for the losses, and then distribute the employees' and directors' compensation according to aforementioned percentage.	In accordance with the announcement added by the Financial Supervisory Commission on November 8, 2024, under announcement No. 1130385442.
Article 27: (Paragraphs 1 to 51 are omitted.) The fiftieth first amendment was made on June 13, 2025.	Article 27: (Paragraphs 1 to 51 are omitted.)	The number and date of the amendment here is to be added.