

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail



Stock Code: 1598

Dyaco International Inc.

Handbook for the 2024 Annual General Meeting of Shareholders

Date : May 27, 2024

Location : No.1, Gong 1st Rd., Hemei Township, Changhua County

(Meeting Center at Dyaco's Headquarters, Chuansing Industrial Park)

Shareholders' meeting will be held by means of physical shareholders meeting

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Dyaco International Inc. (the “Company”)
Handbook for the 2024 Annual General Meeting of Shareholders (the “Handbook”)
Table of Contents

Meeting Procedures	1
Meeting Agenda	2
Attachment	
Attachment A Business Report	8
Attachment B Audit Committee’s Review Report	15
Attachment C Remuneration to Individual Directors for 2023	16
Attachment D Implementation Status Report of the Company’s Treasury Share	18
Attachment E The implementation of the Company’s release of domestic of convertible corporate bonds	20
Attachment F Comparison Table for the “Rules of Procedure for Board of Directors Meetings”	21
Attachment G Standalone and Consolidated Independent Certified Public Accountant Report for 2023	23
Attachment H Standalone and Consolidated Financial Statement for 2023	31
Attachment I Loss-off setting table for 2023	43
Attachment J Comparison Table for Articles of Incorporation	44
Appendix	
Appendix I Articles of Incorporation	46
Appendix II Rules of Procedure for Shareholders Meetings	55
Appendix III Shareholdings of Directors and Independent Directors	68

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Dyaco International Inc.

Annual Shareholders' Meeting Procedure for 2024

1. Chairperson to announce the commencement of meeting
2. Chairperson's address
3. Report matters
4. Ratifications matters
5. Discussion matters
6. Motions
7. Adjournment

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Dyaco International Inc.

2024 Shareholders' Meeting Agenda

Date : 9:00 a.m., May 27, 2024 (Friday)

Location : No.1, Gong 1st Rd., Hemei Township, Changhua County

(Meeting Center at Dyaco's Headquarters, Chuansing Industrial Park)

I. Chairperson to announce the commencement of meeting

II. Chairperson's address

III. Report matters

1. To report the business of 2023.
2. To report the Audit Committee's Review Report of 2023.
3. To report 2023 remuneration paid to individual directors (including the correlation among the remuneration payment policy, standards and combination, and management performance).
4. To report the implementation of share repurchase.
5. To report the implementation of the Company's release of domestic of convertible corporate bonds.
6. Amendment to the "Rules of Procedure for Board of Directors Meetings".
7. To implement the improvement plan for the subsidiary's of Cikayda Inc. capital loan and amount exceed the limitaton.

IV. Ratifications matters

1. Ratification of the 2023 business report and financial statements.
2. Ratification of the proposal of the 2023 deficit compensated.

V. Discussion matters

1. Amendment to the "Articles of Incorporation".
2. Review to new shares through capitalization of capital surplus.

VI. Motions

VII. Adjournment

Report matters

Report matter 1

- Subject : To report the business of 2023.
- Description : 1. 2023 Business Report can be found on page 8.
2. Please review.

Report matter 2

- Subject : To report the Audit Committee's Review Report of 2023.
- Description : 1. 2023 Audit Committee's Review Report can be found on page 15.
2. Please review.

Report matter 3

- Subject : To report 2023 remuneration paid to individual directors (including the correlation among the remuneration payment policy, standards and combination, and management performance).
- Description : (1) The remuneration paid by the Company to the directors in 2023 refers to the remuneration of the directors for the performance of their business, and the compensation of the directors allocated. In the event of moral hazard, other adverse events that may impair the Company's reputation or goodwill, internal mismanagement, or corrupt practices, the reasonable compensation to directors shall be adjusted with respect to their participation in and contribution to the operations. The Board of Directors is authorized to distribute compensation in accordance with the Remuneration Committee's assessment and the typical pay levels adopted by peer companies.
- (2) The Articles of Incorporation states that directors can be paid up to 5% of net profits as remuneration. Therefore, the Company follows the provisions of the Remuneration Committee's charter and the remuneration reviewed by the Committee is as follows.
- A. To prioritize the interests of shareholders and employees based on the current year's operating results.

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- B. The remuneration to independent directors is higher than that to the directors because they serve as members of functional committees and have the responsibility to participate in discussions and resolutions at committee meetings. The Company's pre-tax net loss for the year 2023, after deducting employee and director remuneration, is NT\$148,100,747. In accordance with the provisions of Article 24 of the Company's Articles of Association, no director remuneration will be distributed in the absence of profit.
- (3) The remuneration to individual directors for 2023 can be found on page 16.
- (4) Please review.

Report matter 4

- Subject : To report the implementation of share repurchase.
- Description : 1. The implementation of the stock buyback plan can be found on page 18.
2. Please review.

Report matter 5

- Subject : To report the implementation of the Company's release of domestic of convertible corporate bonds
- Description : 1. The implementation of the Company's release of domestic of convertible corporate bonds can be found on page 20.
2. Please review.

Report matter 6

- Subject : Amendment to the "Rules of Procedure for Board of Directors Meetings".
- Description : 1. In order to operating, it is proposed to amend certain provisions of the "Rules of Procedure for Board of Directors Meetings" can be found on page 21.
2. Please review.

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Report matter 7

- Subject : To implement the improvement plan for the subsidiary's of Cikayda Inc. capital loan and amount exceed the limitaton .
- Description :
1. Processed in compliance with letter Jin-Guan-Zheng-Shen-Zi No. 1120384926, issued by the Financial Supervisory Commission on October 24, 2023.
 2. Subsidiary Cikayda Inc. exceeded the prescribed limit by providing a loan to another subsidiary, Iuvo Industry Co., Ltd. This occurred as a result of the decrease in net worth of Cikayda Inc. The Company has already fulfilled the regulatory authority's requirement and disclosed this information on the Market Observation Post System on October 26, 2023.
 3. During the board meeting on October 13, 2023, subsidiary Cikayda Inc. reduced the loan limit for Iuvo Industry Co., Ltd. and effectively resolved the issue of exceeding the loan limit.
 4. Please review.

Ratifications matters

Ratifications matter 1 (Proposed by the Board of Directors)

- Subject : Ratification of the 2023 business report and financial statements.
- Description :
1. The above consolidated financial statements including balance sheet, income statement, statement of changes in shareholders' equity, cash flow statement and business report were approved by resolution of the Board of Directions and submitted for the Audit Committee's review. The financial statements were audited by independent auditors Mr. Hsieh, Chien-Hsin and Ms. Liao, Wan-I of Deloitte Taiwan.
 2. 2023 Business Report can be found on page 8.
 3. Standalone and Consolidated Independent Certified Public Accountant Report for the year of 2023 can be found on page 23.
 4. Standalone and Consolidated Financial Statement for the year of 2023 can be found on page 31.
 5. Please accept the aforementioned.

Resolution:

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Ratifications matter 2 (Proposed by the Board of Directors)

Subject : Ratification of the proposal of the 2023 deficit compensated.

Description :

1. The loss-off setting table for 2023 can be found on page 43.
2. The Company's pre-tax net loss for the year 2023, so that no director remuneration and employee compensation will be distributed in the absence of profit.
3. It was approved at the meeting of Board of Directors on March 12, 2024.
4. Please accept the aforementioned.

Resolution:

Discussion matters

Discussion matter 1 (Proposed by the Board of Directors)

Subject : Amendment to the “Articles of Incorporation”.

Description :

6. In order to operating, it is proposed to amend certain provisions of the Procedures for Articles of Incorporation.
 1. Comparison of Current and amended Procedures for Articles of Incorporation can be found on page 44.
 2. Please discuss.

Resolution:

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Discussion matter 2 (Proposed by the Board of Directors)

Subject : Review to new shares through capitalization of capital surplus.

- Description :
1. In order to expand business scale and strengthen the financial structure, the Company intends to allocate NT\$75,323,380 from the capital surplus generated from the issuance of shares above the face value. This will be done through a capital increase by issuing 7,532,338 new shares, each with a par value of NT\$10 and a distribution of NT\$0.50 per share.
 2. This proposal is planned to be implemented after approval at the 2024 annual general meeting and subsequent confirmation by the regulatory authorities. The proposal entails authorizing the Board of Directors to set the ex-rights and ex-dividend dates separately. According to the shareholders' register as of the ex-rights date, approximately 50 shares will be distributed for every 1,000 shares held. Shareholders who hold fractional shares after the distribution may consolidate their shares with the Company's share registrar within five days from the record date. Any fractional shares remaining after the consolidation, or that are insufficient to constitute a full share, will be converted into cash at face value up to the nearest unit of currency (with fractions below the unit disregarded). Additionally, the chairman is authorized to negotiate with specific individuals for the purchase of fractional shares at face value.
 3. In this case of a capital surplus capital increase and new share issuance, the number of outstanding shares will be calculated based on the date of the Board of Directors' resolution. If there are any factors that subsequently affect the number of outstanding shares and result in changes to the shareholders' allotment ratio, the chairman is authorized to make adjustments.
 4. The issuance of new shares in this capital increase carries the same rights and obligations as the originally issued shares.
 5. In the event that any matters related to this capital increase proposal require amendment due to legal regulations, regulatory approval, or changes in operational assessments in response to objective circumstances, the Board of Directors will seek authorization from the shareholders' meeting to have full authority in handling such changes.
 6. Please discuss.

Resolution:

Motions

Adjournment

Dyaco International Inc.

2023 Business Report

Dear shareholders:

First of all, thank you for your long-term support and love for Dyaco International Inc.

In 2023, factors such as high interest rates, elevated inflation, and weaker-than-expected post-pandemic economic performance in China contributed to a global slowdown in demand for end products. This slowdown was further exacerbated by a deceleration in manufacturing activities across various countries. Additionally, the expansion of the US-China chip embargo, the Russia-Ukraine conflict, and the ongoing tensions in the Middle East have contributed to geopolitical tensions characterized by bloc confrontations, further impacting global economic development and social stability. Looking ahead to 2024, both the United States and China, the two major economies, continue to face challenges in consumption and investment. While other major economies, such as Europe, are expected to recover, the economic performance of emerging markets and developing economies surpasses that of 2023. However, the weak economic situation of the United States and China is unlikely to maintain, and therefore, international forecasting institutions believe that while global economic growth in 2024 will be slightly lower than 2023, but nevertheless, there is still an expectation of a revival in global commodity trade. This will help stabilize Taiwan's foreign trade performance.

Dyaco Group must comprehensively transform and enhance its competitiveness, including accelerating product development, responsiveness to market changes, responding to user needs, promoting employee innovation, and improving operational efficiency, which are our urgent goals. Here is a report on the 2023 business results, the 2024 business plan, and future development strategies:

I. 2023 Business Report

(I) Business Plan Implementation Results

The global fitness equipment sales market has been suppressed due to the global economic downturn, industry inventory adjustments, and continuous price increases that have made consumers more cautious in their spending behavior. Despite these challenges, Dyaco remains committed to business growth. In the 2023 fiscal year, overall operating revenue increased by 9% compared to the same period last year. However, due to rising expenses and market competition, the expense ratio did not decrease, resulting in a net loss of NT\$110 million after tax, with a loss per share of NT\$0.88.

(II) Budget Implementation Status

The Company did not disclose financial forecasts for 2023, the overall operating

performance was affected by the economic environment and market competition, and did not meet the Company's internally formulated business plans.

(III) Financial Income and Profit Analysis

1. Financial Income

Unit: NT \$1,000

	2023		2022		Increase (Decrease)
	Amount	%	Amount	Amount	%
Net Operating Revenue	7,786,471	100%	7,122,411	100%	9%
Operating Costs	5,119,386	66%	5,037,256	71%	2%
Gross Profit	2,667,085	34%	2,085,155	29%	28%
Operating Expenses	2,765,508	36%	2,441,738	34%	13%
Other Operating Income and Expenses	-1,182	0%	-27,647	0%	-96%
Profit (Loss) from Operations	-99,605	-1%	-384,230	-5%	-74%
Non-Operating Income and Expenses	-69,826	-1%	303,169	4%	-123%
Profit (Loss) before Income Tax	-169,431	-2%	-81,061	-1%	109%
Income Tax Expenses (Benefit)	59,059	1%	-13,622	0%	-534%
Net Income (Loss)	-110,372	-1%	-94,683	-1%	17%

2. Profitability analysis

Item		2023	2022
Liquidity	Quick Ratio (%)	124.82	99.40
	Times Interest Earned	61.91	44.66
	Average Collection Turnover (Times)	-0.73	0.04
Operating ability	Average Inventory Turnover (Times)	7.18	5.19
	Return on Total Assets (%)	1.87	1.55
Profitability	Return on Equity (%)	-0.27	-0.22
	Net Margin (%)	-2.50	-2.24
	Earnings Per Share (NT\$)	-1.42	-1.33
	Quick Ratio (%)	-0.88	-0.61

(IV) Research and Development Status

The Company's technology is mainly based on the integration of our Research &

Development team, domestic upstream manufacturers, market demand, and research institutions. Through marketing personnel for closer access to the market and customers, we can better understand the development trends of products and the application of new technologies, and carry out product and technology development. When necessary, we will hire relevant consultants for advice, cooperate with schools and research institutions for technology development, making the overall product development efficiency and effectiveness faster and more efficient than competitors.

List of R&D achievements in 2023:

1. Rowing machine with adjustable water resistance
2. High-end commercial treadmill with enhanced user experience via smart cloud analysis
3. Stair stepper with medical grade dual-purpose left and right balance detection
4. Electric treadmill with medical grade six-axis induction gait balance rehabilitation
5. Electric assisted bicycles enter production line
6. Treadmill structure optimization and touch panel integration upgrade
7. Self-recharging exercise bike
8. Digital training content integrated and imported into touch panel models
9. Wheelchair suspended rehabilitation treadmill and assistive device integration

II. Summary of 2023 Business Plan

(I) Management Policy

1. Adhering to the core values of "Brand, Service, and Innovation" for the Company management, developing products and creating value based on people's needs, focusing on providing consumers with simple, comfortable, and safe products, and continuously improving people's health, sports, and leisure life quality.
2. What we offer to our customers is not just a product, but also includes brand beliefs, product creativity, and after-sales experience, thereby enhancing relationships with partners; with this framework, we will continue to expand our own brands SOLE, SPIRIT, and XTERRA, as well as the authorized brand UFC's international market share.

3. Diversifying and expanding new products and brands, developing a new electric-assisted bicycle brand CIKADA, adding UFC mixed martial arts brand weight training, combat fighting, and related training equipment, focusing on the medical technology field's needs for physical treatment and elderly rehabilitation equipment, and cooperating with the American smart fitness content producer STUDIO, combining STUDIO's online fitness courses with Dyaco's fitness equipment, etc.
4. Making the right decisions on key issues and not living in past successes, Dyaco will continue to commit to innovation in R&D technology, collaborate with academia, and extend the Company's R&D advantages by entering the medical rehabilitation equipment field. This way, the Company's products can benefit not only the general public but also people with mobility issues or elderly family members, allowing everyone to enjoy the fun of sports and better care for those in need of help. After all, having a healthy body leads to a better quality of life.

(II) Marketing Policy

1. Establish e-commerce marketing tools to increase market share beyond physical channels.
2. Strengthen third-party sales platform materials and search engine resources to increase brand exposure in local markets.
3. Continuously develop brand agents in various countries while establishing brand communication platforms.
4. Integrate the official company website and fan pages to improve the Company's image in Taiwan and enhance the exposure of domestic products.
5. Enhance the function of the Company's website and deepen the impression with product press releases.
6. Standardize the design of global physical channel marketing materials.

(III) Research and Development Policy

1. Actively develop new models for each brand series, offering diverse choices for consumers.
2. Provide cost-effective, practical, and aesthetically pleasing products under certain quality standards, and further introduce intelligent cloud platforms.
3. Strengthen collaboration with academia and continue to enter the medical

rehabilitation equipment field, developing products suitable for the elderly and those with mobility impairments.

4. Develop new intelligent light commercial and commercial equipment series.
5. Combine IoT and wearable devices with sports equipment control, developing products with richer entertainment connections (APP software and 3C product control).

(IV) Production Policy

1. Moderately expand production capacity and improve production efficiency to ensure timely delivery, quality improvement, and cost reduction.
2. Integrate the industrial supply chain, enhance management efficiency and quality reliability, establish information sharing mechanisms, quickly respond to end-market demand, and reduce inventory costs while increasing added value.
3. Automated warehousing system introduced to optimize and speed up the picking process.

III. Future Company Development Strategy

(I) Consistently Innovating Product Technology

In addition to fitness equipment, Dyaco will continue to care for people. Apart from taking care of the general public's sports and leisure quality, it also wants to take care of the elderly and those with limited mobility, allowing them to enjoy the fun of sports. Therefore, the Company will continue to strengthen cooperation with the academic community to develop fitness and rehabilitation equipment that meets the needs of all levels, and innovate in research and development technology, enhancing the interaction mode between athletes and machines, allowing everyone to enjoy exercising and feel safe doing it, thereby providing people with a different understanding and definition of sports.

(II) Developing Health and Rehabilitation Products

Influenced by the trend of exercise and health as well as the arrival of an aging society, the health and care industry has moved away from the traditional service industry atmosphere. Increasingly, more cases of IoT (Internet of Things) technology, AI artificial intelligence, and sensor technology applications have emerged, contributing to the thriving development of the health and care industry. Dyaco is committed to the long-term development of safe rehabilitation equipment, combining research and

innovation capabilities, production technology and scale, and marketing channel strength to provide the best medical rehabilitation equipment worldwide, while also exploring new business opportunities beyond traditional sports and fitness equipment. This year, the Company has officially launched a series of rehabilitation equipment products and is actively promoting sales in various markets.

(III) Developing The Brand

Adhering to the core values of "Brand, Service, and Innovation" for the Company management, we provide not only products but also brand beliefs, product creativity, and after-sales service experiences to our customers, enhancing relationships with partners. We continue to develop brand agents in various countries while establishing brand communication platforms to expand the market share of our own brands SOLE, SPIRIT, XTERRA, and licensed brand UFC, as well as develop the new electric-assisted bicycle brand CIKADA.

(IV) Sticking to Principles and Beliefs

1. Our commitment to product quality and customer promises remains unchanged.
2. Our pursuit of excellence and change in research, development, and design remains unchanged.
3. Our principle of integrating the supply chain to benefit both customers and suppliers remains unchanged.
4. Our belief in promoting the brand, deepening local channels, and benefiting more people remains unchanged.
5. Our principle of cultivating international talents and localized management teams remains unchanged.

IV. Affected by External Competitive, Regulatory and Overall Operating Environment.

Looking ahead to 2024, there are still many geopolitical and economic uncertainties affecting global economic performance. Companies continue to face a challenging overall operating environment, testing their resilience. However, we remain committed to the future development of the Company. Particularly, the sales explosion in 2020 not only helped strengthen our brand market share and visibility, but also improved our capabilities in marketing, logistics, and customer service, creating greater competitiveness. Additionally, through upstream and downstream integration, we aim to leverage synergies

in corporate resources and capture more market opportunities.

Overall, in the face of rapidly changing markets and rising production costs, the challenges faced by businesses are becoming increasingly severe. We believe that by adhering to the Company's core management philosophy of sustainable operation, continuously following the Company's planned steps to steadily layout local markets, establishing an innovative growth-oriented corporate culture, fulfilling corporate social responsibility, and taking care of more people in need, we can maintain our competitive advantage and accumulate more strengths, allowing shareholders, customers, and employees to share in the fruitful business results.

Sincerely yours,

Chairman: Lin, Ing-Gin

General Manager: Chen, Ming-Nan

Chief Accountant Officer: Chiu, Yuan-Shen

Dyaco International Inc.
Audit Committee's Review Report

(This English version is only a translation of the Chinese version)

The Board of Directors has prepared and submitted the 2023 consolidated financial statements (including standalone financial statements), business report, and earnings distribution proposal. Independent auditors Mr. Hsieh, Chien-Hsin and Ms. Liao, Wan-I of Deloitte & Touche Taiwan audited the consolidated financial statements (including standalone financial statements) and has issued an audit report. These have been reviewed and determined to be correct and accurate by the Audit Committee. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Dyaco International Inc.

Audit Committee convener: Wang, Chih-Cheng

March 29, 2024

Dyaco International Inc.

Remuneration to Individual Directors for 2023

Unit: NT\$1,000; 1,000 Shares; %

Title	Name	Remuneration								The Aggregate of A, B, C, and D as Percentage of Net Income		Relevant Remuneration Received by Who are also Employees						The Aggregate of A, B, C, D, E, F and G as Percentage of Net Income		Any Other Compensation s from Other Investees or Parent Comany		
		Base Compensation (A)		Base Compensation (A)		Salaries, Bonuses and Special Allowances (E)		Salaries, Bonuses and Special Allowances (E)				Salaries, Bonuses and Special Allowances (E)		Severance Pay and Pensions (F)		Employees' Compensation (G)						
		From Dyaco	From All Consolidated Entities	From Dyaco	From All Consolidated Entities	From Dyaco	From All Consolidated Entities	From Dyaco	From All Consolidated Entities	From Dyaco	From All Consolidated Entities	From Dyaco	From All Consolidated Entities	From Dyaco	From All Consolidated Entities	Cash	Stock	Cash	Stock		From Dyaco	From All Consolidated Entities
Chairman	CHUAN-FENG INVESTMENT CORPORATION Representative: Lin, Yu-Yin(Note 2)	236	236	-	-	-	-	15	15	251 Note 1	251 Note 1	-	-	-	--	-	-	-	-	251 Note 1	251 Note 1	-
Director	Zhuang, Zhu-Wei	-	-	-	-	-	-	105	105	105 Note 1	105 Note 1	-	-	-	--	-	-	-	-	105 Note 1	105 Note 1	-
Director	Yong-Heng Investment Corporation. Representative: Chiu Shih-Chien (Note 3)	-	-	-	-	-	-	30	30	30 Note 1	30 Note 1	-	-	-	--	-	-	-	-	30 Note 1	30 Note 1	-
Independent Director	Wang, Kai-Li	600	600	-	-	-	-	105	105	705 Note 1	705 Note 1	-	-	-	--	-	-	-	-	705 Note 1	705 Note 1	-
Independent Director	Wang, Chih-Cheng	600	600	-	-	-	-	105	105	705 Note 1	705 Note 1	-	-	-	--	-	-	-	-	705 Note 1	705 Note 1	-
Independent Director	Wu, Jiin-Po (Note4)	350	350	-	-	-	-	60	60	410 Note 1	410 Note 1	-	-	-	--	-	-	-	-	410 Note 1	410 Note 1	-
Independent Director	Tu, Chi-Yao (Note4)	350	350	-	-	-	-	60	60	410 Note 1	410 Note 1	-	-	-	--	-	-	-	-	410 Note 1	410 Note 1	-

【Attachment C】

Chairman	Lin, Ing-Gin (Note4)	3,051	3,051	-	-	-	-	1,293	1,293	4,344 Note 1	4,344 Note 1	-	-	-	--	-	-	-	4,344 Note 1	4,344 Note 1	-
Director	Chang, Chih-Chuan (Note4)	-	-	-	-	-	-	45	45	45 Note 1	45 Note 1	-	-	-	--	-	-	-	45 Note 1	45 Note 1	-
Director	Wanshida Construction Co., Ltd. Representative: Li, Bo-Yi(Note4)	-	-	-	-	-	-	45	45	45 Note 1	45 Note 1	-	-	-	--	-	-	-	45 Note 1	45 Note 1	-
Independent Director	Hsieh, Chang-Hung (Note4)	250	250	-	-	-	-	45	45	45 Note 1	45 Note 1	-	-	-	--	-	-	-	45 Note 1	45 Note 1	-
Chairman	CHUAN-FENG INVESTMENT CORPORATION Representative: Lin, I-Gin (Note 2)	-	-	-	-	-	-	30	30	30 Note 1	30 Note 1	-	-	-	--	-	-	-	30 Note 1	30 Note 1	-
Director	Yong-Heng Investment Corporation. Representative:Yuk, Lam(Note 3)	-	-	-	-	-	-	15	15	15 Note 1	15 Note 1	-	-	-	--	-	-	-	15 Note 1	15 Note 1	-

Note 1 : The Company's loss for the year 2023, not applicable

Note 2 : Replacement on November 10, 2023

Note 3 : Resignation on October 19, 2023.

Note 4 : Resignation on May 26, 2023

Note 5 : Please describe the policies, systems, standards, and structure of independent directors' remuneration, and explain the relevance with the amount of remuneration based on their responsibilities, risks, and time investment:

- Pursuant to Article 24 of the Company's Articles of Incorporation, the remuneration of the directors of the Company shall be distributed at a rate not exceeding 5% of the profitability of the current year. The procedures for determining remuneration shall be subject to the regulations on the Company's Board of Directors' self-evaluation or peer review. Article 21 of the Company's Articles of Incorporation states that the compensation of directors shall be determined by the Remuneration Committee regarding the extent of their participation in and contribution to the operations, with the reasonable fairness of performance risks linked to the compensation received, and the Board of Directors authorized to make payments in accordance with the Remuneration Committee's assessment and the usual standards of the industry.
- The Company's Articles of Incorporation also stipulate that director remuneration shall not exceed 5% of annual profits. Therefore, the Company adheres to the provisions of the Remuneration Committee Charter and is reviewed by the Committee. The principles of remuneration distribution are as follows: (1) Taking into account the operating performance of the current year, with priority given to the interests of shareholders and employees; (2) Independent directors serving on functional committees bear responsibilities for participating in committee meetings and decisions, hence their remuneration is higher than that of general directors. In the fiscal year 2023, the Company's net loss before tax after deducting employee and director remuneration amounted to NT\$148,100,747. In accordance with Article 24 of the Company's Articles of Incorporation, it is proposed that no director remuneration be distributed due to the absence of profits for the year.

Note 6 : Except for the disclosure above, remuneration paid to the Company' s directors for their services to all the companies listed in the financial statements (e.g., serving as a non-employee adviser): None.

Dyaco International Inc.

Implementation Status Report of the Company's Treasury Share

Treasury stocks in batches		2nd Batch	3th Batch
Scheduled buyback plan	Date of Board resolution	September 29, 2021	March 20, 2020
	Purpose of stock buyback	Transfer ownership of shares to employees	Transfer ownership of shares to employees
	Scheduled buyback period	2021/09/30~2021/11/29	2020/03/23~2020/05/19
	Scheduled buyback shares	4,000,000 shares	4,500,000 shares
	Price range	NT\$45~NT\$90	NT\$25~NT\$45
	Scheduled buyback shares (as a percentage of issued shares) (Note 1)	2.99%	3.91%
	Maximum amount of buyback shares	NT\$2,937,819,581	NT\$1,002,912,315
Execution of the buyback plan	Actual buyback period	2021/09/30~2021/09/29	2020/03/23~2020/04/08
	Actual buyback shares (as a percentage of issued shares) (Note 2)	1.86%	1.36%
	Actual amount of buyback shares	NT\$156,988,000	NT\$50,663,964
	Average price per share	NT\$63.10	NT\$32.37
	Reasons for incompleteness	To protect the interests of shareholders and balance market mechanism, the Company adopts batch buying strategies depending on stock price changes. Therefore, the buyback is not completed.	To protect the interests of shareholders and balance market mechanism, the Company adopts batch buying strategies depending on stock price changes. Therefore, the buyback is not completed.
Status	Nullified	Not Nullified	

【Attachment D】

Treasury stocks in batches		4 th Batch	5 th Batch
Scheduled buyback plan	Date of Board resolution	May 11, 2022	March 20, 2020
	Purpose of stock buyback	Transfer ownership of shares to employees	Transfer ownership of shares to employees
	Scheduled buyback period	2022/05/12~2022/07/11	2020/03/23~2020/05/19
	Scheduled buyback shares	3,000,000 shares	4,500,000 shares
	Price range	NT\$40~NT\$65	NT\$25~NT\$45
	Scheduled buyback shares (as a percentage of issued shares) (Note 1)	2.24%	3.91%
	Maximum amount of buyback shares	NT\$2,937,819,581	NT\$1,002,912,315
Execution of the buyback plan	Actual buyback period	2022/05/12~2022/07/11	2020/03/23~2020/04/08
	Actual buyback shares (as a percentage of issued shares) (Note 2)	1.74%	1.36%
	Actual amount of buyback shares	NT\$96,415,064	NT\$50,663,964
	Average price per share	NT\$41.24	NT\$32.37
	Reasons for incompleteness	To protect the interests of shareholders and balance market mechanism, the Company adopts batch buying strategies depending on stock price changes. Therefore, the buyback is not completed.	To protect the interests of shareholders and balance market mechanism, the Company adopts batch buying strategies depending on stock price changes. Therefore, the buyback is not completed.
Status	Not Nullified	Not Nullified	

Note 1: Calculated based upon the total issued shares of the Company at the time the buyback was reported.

Note 2: Calculated based upon the total issued shares of the Company after expiration of period or completion of execution.

Dyaco International Inc.**The implementation of the Company's release of domestic of convertible corporate bonds**

Type of Corporate Bond	2nd Domestic Secured Convertible Corporate Bonds	3rd Domestic Unsecured Convertible Corporate Bonds
Authorization Article No, By competent authority	Financial Supervisory Commission Order Jin-Kuan-Zhen-Fa 1090351313 on August 6,2020	Financial Supervisory Commission Order Jin-Kuan-Zhen-Fa 1100342571 on May 25,2021
Issue Date	2020.8.24	2021.6.28
Total Amount	NT\$600,000,000	NT\$1,000,000,000
Par Value	NT\$100,000	NT\$100,000
Issue Price	Issued at face value	Issued at face value
Interest Rate	0%	0%
Duration	3 years 2020/8/24~2023/8/24	3 years 2021/6/28~2024/6/28
Assignee	Cathay United Bank	Cathay United Bank
Underwriting Institution	President Securities Corporation	President Securities Corporation
Bond Put-back conditions	Please refer to Article 18 of the terms of issuance and conversion.	Please refer to Article 18 of the terms of issuance and conversion.
Bond Call-Back conditions	Please refer to Article 17 of the terms of issuance and conversion.	Please refer to Article 17 of the terms of issuance and conversion.
Outstanding Amount at 3/31, 2024	Expired date at August 24, 2023	NT\$1,200,000

Comparison Table for Rules of Procedure for Board of Directors Meetings

After the Revision	Before the Revision	Description
<p>Article 8 Board Meeting Materials, Non-voting Participant and Call for Board Meetings (OMITTED) 4. In case when meeting time is due and one-half of all Board directors are not present, the person presiding the Board meeting may announce postponement of the meeting time on the same day, provided that only two postponements may be made. If the quorum is still not met after two such postponements, the person presiding the Board meeting shall re-convene the meeting following the procedures provided in Article 3 point (2). (OMITTED)</p>	<p>Article 8 Board Meeting Materials, Non-voting Participant and Call for Board Meetings (OMITTED) 4. In case when meeting time is due and one-half of all Board directors are not present, the person presiding the Board meeting may announce postponement of the meeting time, provided that only two postponements may be made. If the quorum is still not met after two such postponements, the person presiding the Board meeting shall re-convene the meeting following the procedures provided in Article 3 point (2). (OMITTED)</p>	<p>To avoid disputes arising from the uncertainty of extending board meetings, it is hereby stipulated that if the attendance is insufficient, the chairman may announce a deadline extension for the meeting by the end of the day.</p>
<p>Article 11 Agenda Discussion (OMITTED) In the event that the chairman is unable to preside over the board meeting due to unforeseen circumstances or fails to adjourn the meeting as specified in the second clause, the appointment of a proxy shall be determined by the provisions outlined in the second clause of Article 7. If one or more directors raise concerns about insufficient</p>	<p>Article 11 Agenda Discussion (OMITTED) <u>(Added)</u> If one or more directors raise concerns about insufficient supporting materials for an agenda item during a board meeting and receive agreement from one or more independent directors, they have the option to request a postponement of the deliberation on that proposal. The Board of Directors is required to approve</p>	<p>Considering practical concerns, in the event that the chairman is unable to preside over the board meeting or fails to adjourn the meeting according to regulations during the proceedings, to avoid disrupting the operation of the board, it is proposed to add provisions</p>

<p>supporting materials for an agenda item during a board meeting and receive agreement from one or more independent directors, they have the option to request a postponement of the deliberation on that proposal. The Board of Directors is required to approve such a request.</p> <p>Following a director's speech, the chairman may personally respond or assign relevant personnel to respond, or designate attending professionals to provide necessary information. If a director makes repetitive or off-topic remarks about the same agenda item, impacting other directors' speeches or impeding the progress of the meeting, the chairman may intervene.</p>	<p>such a request.</p> <p>Following a director's speech, the chairman may personally respond or assign relevant personnel to respond, or designate attending professionals to provide necessary information. If a director makes repetitive or off-topic remarks about the same agenda item, impacting other directors' speeches or impeding the progress of the meeting, the chairman may intervene.</p>	<p>specifying the appointment of a proxy. If an individual is unable to fulfill their duties, the chairman will appoint a director to act as a proxy. If the chairman does not appoint a proxy, the directors will collectively choose one to fulfill the role.</p>
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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Dyaco International Inc.

Opinion

We have audited the accompanying consolidated financial statements of Dyaco International Inc. (the "Corporation") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the 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 (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions for the key audit matters of the consolidated financial statements are as follows:

Impairment of Goodwill

According to IAS 36 “Impairment of Assets”, goodwill arising from the acquisition of a business is subject to an annual impairment test by comparing its carrying amount (including attributable goodwill) with its recoverable amount. As of December 31, 2023, the carrying amount of goodwill held by the Group was \$560,815 thousand, which represented 4.97% of the total assets in the consolidated balance sheets. The impairment test of goodwill involves significant accounting judgments and estimates made by management, especially when estimating the future cash flows and discount rates used to calculate the present value of a cash-generating unit. Thus, the impairment test of goodwill was considered to be a key audit matter. For the accounting policies on impairment of goodwill and the related significant accounting judgments and estimates, refer to Notes 4-k and 5-b. The cash-generating unit of goodwill from business combination and basic assumptions of estimated recoverable amount have been disclosed in Note 18, including the projected future cash flows and discount rates (weighted average cost of capital).

We assessed the professional skills, competencies, and objectivity of independent appraisers hired by management, and also verified the qualifications of appointed appraisers. In addition, we confirmed that nothing would affect the objectivity or restriction of job duties by discussing the job scope and reviewing conditions of appointment with management. We checked whether the method used by independent appraisers was in accordance with the International Accounting Standards (IAS).

We assessed management’s judgments based on the opinion of our financial advisor, especially with regard to material assumptions (including the prediction of future cash flows and discount rates) used by management to confirm the appropriateness of management’s judgments. Our primary audit procedures performed included the following:

1. We tested the data used to estimate recoverable amount of goodwill, such as historical operating revenue, revenue growth rate and gross margin for assessing the reasonableness of assumptions.
2. We compared the budgeted amounts with actual operating results of the Group in 2023 when considering the assessment of reliability prediction for 2024 and future years in order to assess the accuracy of management’s historical predictions.
3. We checked if there were significant differences between the weighted average cost of capital calculated by using the same valuation method and the weighted average cost of capital adopted by the Group to confirm that management applied the appropriate discount rates for assessing goodwill impairment.

Other Matter

We have also audited the parent company only financial statements of Dyaco International Inc. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chien-Hsin Hsieh and Wan-I Liao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 29, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated 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 consolidated financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Dyaco International Inc.

Opinion

We have audited the accompanying financial statements of Dyaco International Inc. (the "Corporation"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions for the key audit matters of the financial statements are as follows:

Evaluation of Impairment Loss on Goodwill from the Subsidiaries Which Are Accounted for by Using the Equity Method

The book value of the subsidiaries which are accounted for using the equity method included the goodwill on acquisition of Dongguan Dayu Sports Equipment Co., Ltd., Shelton Corporation (Jiaying), Ltd., CARDIO fitness GmbH & Co. KG, Dyaco Canada Inc., Fitness Equipment Services, LLC., CITY SPORTS (THAILAND) CO., LTD., Neutron Ventures Ltd. and IUVO Industry Co., Ltd. As of December 31, 2023, the carrying amount of goodwill was \$560,815 thousand. According to IAS 36 “Impairment of Assets”, goodwill arising from the acquisition of a business is subject to an annual impairment test by comparing its carrying amount (including attributable goodwill) with its recoverable amount. The impairment test of goodwill impairment involves significant accounting judgments and estimates made by management, especially when estimating the future cash flows and discount rates used to calculate the present value of a cash-generating unit. Thus, the impairment test of goodwill was considered to be a key audit matter. For the accounting policies, significant accounting judgments and estimates related to goodwill, refer to Notes 4-f and 5-b. The cash-generating unit of goodwill arising from business combination and basic assumptions of estimated recoverable amount have been disclosed in Note 13-b, including the projected future cash flows and discount rates (weighted average cost of capital).

We assessed the professional skills, competencies, and objectivity of independent appraisers hired by management, and also verified the qualifications of appointed appraisers. In addition, we confirmed that nothing would affect the objectivity or restriction of job duties by discussing the job scope and reviewing conditions of appointment with management. We checked whether the method used by the independent appraisers was in accordance with the International Accounting Standards (IAS).

We assessed management’s judgments based on the opinion of our financial advisor, especially with regard to material assumptions, (including the prediction of future cash flows and discount rates) used by management to confirm the appropriateness of management’s judgments. Our primary audit procedures performed included the following:

1. We tested the data used to estimate recoverable amount of goodwill, such as historical operating revenue, revenue growth rate and gross margin for assessing the reasonableness of assumptions.
2. We compared the budgeted amounts with actual operating results of the Corporation in 2023 when considering the assessment of reliability prediction for 2024 and future years in order to assess the accuracy of management’s historical predictions.
3. We checked if there were significant differences between the weighted average cost of capital calculated by using the same valuation method and the weighted average cost of capital adopted by the Corporation to confirm that management applied the appropriate discount rates for assessing goodwill impairment.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the Standards 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the 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 financial statements for the year ended December 31, 2023, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chien-Hsin Hsieh and Wan-I Liao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 29, 2024

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance 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.

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 1,158,512	10	\$ 1,120,781	9
Financial assets at fair value through profit or loss (Notes 4 and 7)	16,555	-	3,739	-
Financial assets at amortized cost (Notes 4, 9 and 37)	83,095	1	240,578	2
Notes receivable (Notes 4, 10 and 27)	984	-	940	-
Accounts receivable (Notes 4, 10 and 27)	1,071,044	9	1,095,392	9
Other receivables (Notes 4 and 10)	15,099	-	65,176	1
Other receivables from related parties (Note 36)	-	-	24,909	-
Current tax assets (Note 29)	93,998	1	51,611	1
Inventories (Notes 4, 5, 11 and 37)	2,474,495	22	2,989,456	25
Prepayments (Note 12)	187,734	2	214,900	2
Other current assets	12,395	-	10,618	-
Total current assets	<u>5,113,911</u>	<u>45</u>	<u>5,818,100</u>	<u>49</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non - current (Notes 4 and 7)	118,124	1	147,071	1
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	50,970	1	65,697	-
Financial assets at amortized cost- non-current (Note 9)	6,141	-	30,710	-
Investments accounted for using the equity method (Notes 4 and 14)	6,368	-	6,823	-
Property, plant and equipment (Notes 4, 15, 36 and 37)	3,755,859	33	3,691,829	31
Right-of-use assets (Notes 4, 16 and 37)	286,306	3	311,457	3
Investment properties (Notes 4, 17 and 37)	25,258	-	28,547	-
Goodwill (Notes 4, 5, 18 and 32)	560,815	5	558,377	5
Other intangible assets (Notes 4, 19 and 36)	754,346	7	796,867	7
Deferred income tax assets (Notes 4 and 29)	493,769	4	453,080	4
Prepayments for equipment	3,679	-	9,487	-
Refundable deposits	78,064	1	36,312	-
Other non-current assets	35,564	-	10,242	-
Total non-current assets	<u>6,175,263</u>	<u>55</u>	<u>6,146,499</u>	<u>51</u>
TOTAL	<u>\$ 11,289,174</u>	<u>100</u>	<u>\$ 11,964,599</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 20 and 37)	\$ 2,118,015	19	\$ 2,390,915	20
Financial liabilities at fair value through profit or loss (Notes 4 and 7)	-	-	25,305	-
Contract liabilities (Note 27)	145,721	1	177,567	2
Notes payable (Note 22)	43,705	1	46,117	-
Accounts payable (Note 22)	941,012	8	1,015,770	9
Other payables (Note 23)	457,690	4	497,800	4
Other payables to related parties (Note 36)	8,598	-	-	-
Current income tax liabilities (Note 29)	7,066	-	10,696	-
Provisions (Notes 4 and 24)	12,044	-	13,927	-
Lease liabilities (Notes 4 and 16)	11,613	-	16,522	-
Current portion of bonds payable (Notes 4 and 21)	1,200	-	1,398,537	12
Current portion of long-term borrowings (Notes 20 and 37)	296,527	3	218,987	2
Other current liabilities	38,492	-	40,989	-
Total current liabilities	<u>4,081,683</u>	<u>36</u>	<u>5,853,132</u>	<u>49</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 20 and 37)	1,918,802	17	1,483,762	12
Deferred tax liabilities (Notes 4 and 29)	423,526	4	437,337	4
Lease liabilities (Notes 4 and 16)	13,926	-	23,708	-
Long-term payable (Note 23)	58,829	1	83,093	1
Other payables to related parties (Note 36)	7,369	-	-	-
Net defined benefit liabilities (Note 25)	11,647	-	16,467	-
Guarantee deposits received	1,715	-	3,140	-
Total non-current liabilities	<u>2,435,814</u>	<u>22</u>	<u>2,047,507</u>	<u>17</u>
Total liabilities	<u>6,517,497</u>	<u>58</u>	<u>7,900,639</u>	<u>66</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 26)				
Share capital				
Ordinary shares	1,596,097	14	1,341,147	11
Capital surplus	2,756,721	25	2,142,919	18
Retained earnings				
Legal reserve	329,002	3	329,002	3
Special reserve	126,177	1	238,087	2
Unappropriated earnings	100,471	1	170,420	1
Total retained earnings	555,650	5	737,509	6
Other equity	(125,684)	(1)	(126,177)	(1)
Treasury shares	(408,690)	(4)	(426,290)	(3)
Total equity attributable to owners of the Corporation	4,374,094	39	3,669,108	31
NON-CONTROLLING INTERESTS (Notes 13 and 26)	<u>397,583</u>	<u>3</u>	<u>394,852</u>	<u>3</u>
Total equity	<u>4,771,677</u>	<u>42</u>	<u>4,063,960</u>	<u>34</u>
TOTAL	<u>\$ 11,289,174</u>	<u>100</u>	<u>\$ 11,964,599</u>	<u>100</u>

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

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 4 and 27)	\$ 7,970,344	102	\$ 7,298,112	102
LESS: SALES RETURNS	35,540	-	30,878	-
SALES DISCOUNTS AND ALLOWANCES	<u>148,333</u>	<u>2</u>	<u>144,823</u>	<u>2</u>
NET OPERATING REVENUE	7,786,471	100	7,122,411	100
OPERATING COSTS (Notes 11 and 28)				
Cost of sales	<u>5,119,386</u>	<u>66</u>	<u>5,037,256</u>	<u>71</u>
GROSS PROFIT	<u>2,667,085</u>	<u>34</u>	<u>2,085,155</u>	<u>29</u>
OPERATING EXPENSES (Note 28)				
Selling and marketing	1,834,475	24	1,492,314	21
General and administrative	815,672	10	768,083	11
Research and development (Note 10)	118,559	1	108,315	1
Expected credit (gain) loss	<u>(3,198)</u>	<u>-</u>	<u>73,026</u>	<u>1</u>
Total operating expenses	<u>2,765,508</u>	<u>35</u>	<u>2,441,738</u>	<u>34</u>
OTHER OPERATING INCOME AND EXPENSES (Note 28)	<u>(1,182)</u>	<u>-</u>	<u>(27,647)</u>	<u>-</u>
LOSS FROM OPERATIONS	<u>(99,605)</u>	<u>(1)</u>	<u>(384,230)</u>	<u>(5)</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	13,404	-	2,275	-
Rental income	9,924	-	14,480	-
Other income	25,016	-	36,912	1
Foreign exchange gain, net (Note 28)	15,117	-	441,757	6
Impairment loss (Note 14)	-	-	(24,882)	-
Expected credit loss (Note 10)	-	-	(39,500)	(1)
Loss on valuation of financial instruments	(30,660)	-	(768)	-
Other expenses (Notes 10 and 28)	(4,398)	-	(40,609)	(1)
Interest expense (Note 28)	(97,894)	(1)	(84,529)	(1)
Share of loss of associates (Note 14)	<u>(335)</u>	<u>-</u>	<u>(1,967)</u>	<u>-</u>
Total non-operating income and expenses	<u>(69,826)</u>	<u>(1)</u>	<u>303,169</u>	<u>4</u>
LOSS BEFORE INCOME TAX	(169,431)	(2)	(81,061)	(1)

(Continued)

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2023		2022	
	Amount	%	Amount	%
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 29)	<u>59,059</u>	<u>1</u>	<u>13,622</u>	<u>-</u>
NET LOSS	<u>(228,490)</u>	<u>(3)</u>	<u>(94,683)</u>	<u>(1)</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan	4,655	-	2,584	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(14,661)	-	(4,907)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 29)	<u>(931)</u>	<u>-</u>	<u>(517)</u>	<u>-</u>
	<u>(10,937)</u>	<u>-</u>	<u>(2,840)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	<u>7,632</u>	<u>-</u>	<u>116,925</u>	<u>1</u>
Total other comprehensive gain (loss)	<u>(3,305)</u>	<u>-</u>	<u>114,085</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ (231,795)</u>	<u>(3)</u>	<u>\$ 19,402</u>	<u>-</u>
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ (122,770)	(1)	\$ (76,129)	(1)
Non-controlling interests	<u>12,398</u>	<u>-</u>	<u>(18,554)</u>	<u>-</u>
	<u>\$ (110,372)</u>	<u>(1)</u>	<u>\$ (94,683)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ (118,553)	(1)	\$ 37,842	-
Non-controlling interests	<u>4,876</u>	<u>-</u>	<u>(18,440)</u>	<u>-</u>
	<u>\$ (113,677)</u>	<u>(1)</u>	<u>\$ 19,402</u>	<u>-</u>
LOSS PER SHARE (Note 30)				
Basic	<u>\$ (0.88)</u>		<u>\$ (0.61)</u>	

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

(Concluded)

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Cash Dividends Per Share)

	Equity Attributable to Owners of the Corporation (Note 26)											
	Share Capital			Retained Earnings			Other Equity		Treasury Shares	Total	Non-controlling Interests (Notes 13 and 26)	Total Equity
	Ordinary Shares	Advance Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
BALANCE AT JANUARY 1, 2022	\$ 1,339,822	\$ 400	\$ 2,115,925	\$ 284,853	\$ 175,628	\$ 676,407	\$ (235,721)	\$ (2,360)	\$ (368,604)	\$ 3,986,350	\$ 394,933	\$ 4,381,283
Issuance of ordinary shares under employee share options (Note 31)	1,325	(400)	38,932	-	-	-	-	-	-	39,857	-	39,857
Changes in capital surplus from investments using the equity method (Note 13)	-	-	-	-	-	(7,815)	-	-	-	(7,815)	7,815	-
Appropriation of prior year's earnings	-	-	-	44,149	-	(44,149)	-	-	-	-	-	-
Legal reserve	-	-	-	44,149	-	(44,149)	-	-	-	-	-	-
Special reserve	-	-	-	-	62,459	(62,459)	-	-	-	-	-	-
Cash dividends to shareholder - NT\$2.50 per share	-	-	-	-	-	(317,502)	-	-	-	(317,502)	-	(317,502)
	-	-	-	44,149	62,459	(424,110)	-	-	-	(317,502)	-	(317,502)
Net loss for the year ended December 31, 2022	-	-	-	-	-	(76,129)	-	-	-	(76,129)	(18,554)	(94,683)
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	2,067	116,811	(4,907)	-	113,971	114	114,085
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	(74,062)	116,811	(4,907)	-	37,842	(18,440)	19,402
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	6,200	6,200
Buy-back of ordinary shares (Note 26)	-	-	-	-	-	-	-	-	(96,415)	(96,415)	-	(96,415)
Treasury shares transferred to employees (Note 26)	-	-	(11,938)	-	-	-	-	-	38,729	26,791	4,344	31,135
BALANCE AT DECEMBER 31, 2022	1,341,147	-	2,142,919	329,002	238,087	170,420	(118,910)	(7,267)	(426,290)	3,669,108	394,852	4,063,960
Changes in capital surplus from investments using the equity method (Note 31)	-	-	3,321	-	-	-	-	-	-	3,321	(3,321)	-
Issuance of new ordinary shares for cash	250,000	-	572,332	-	-	-	-	-	-	822,332	-	822,332
Organization restructure	-	-	(702)	-	-	-	-	-	-	(702)	702	-
Issuance of ordinary shares under employee share options (Note 31)	4,950	-	41,824	-	-	-	-	-	-	46,774	474	47,248
Appropriation of prior year's earnings	-	-	-	-	-	(62,813)	-	-	-	(62,813)	-	(62,813)
Cash dividends to shareholder - NT\$0.50 per share	-	-	-	-	-	(62,813)	-	-	-	(62,813)	-	(62,813)
Reversal of special reserve	-	-	-	-	(111,910)	111,910	-	-	-	-	-	-
	-	-	-	-	(111,910)	49,097	-	-	-	(62,813)	-	(62,813)
Net profit for the year ended December 31, 2023	-	-	-	-	-	(122,770)	-	-	-	(122,770)	12,398	(110,372)
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	3,724	15,154	(14,661)	-	4,217	(7,522)	(3,305)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(119,046)	15,154	(14,661)	-	(118,553)	4,876	(113,677)
Treasury shares transferred to employees (Note 26)	-	-	(2,973)	-	-	-	-	-	17,600	14,627	-	14,627
BALANCE AT DECEMBER 31, 2023	\$ 1,596,097	\$ -	\$ 2,756,721	\$ 329,002	\$ 126,177	\$ 100,471	\$ (103,756)	\$ (21,928)	\$ (408,690)	\$ 4,374,094	\$ 397,583	\$ 4,771,677

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

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (169,431)	\$ (81,061)
Adjustments for:		
Depreciation expense	183,356	173,448
Amortization expense	82,791	80,321
Expected credit loss recognized (reversal of losses)	(3,198)	112,526
Net loss on fair value changes of financial instrument at fair value through profit or loss	30,660	768
Interest expense	97,894	84,529
Interest income	(13,404)	(2,275)
Compensation costs of employee share options	29,972	40,788
Share of loss of associates	335	1,967
(Gain) loss on disposal of property, plant and equipment	1,182	(433)
Loss on inventories valuation and obsolescence	65,465	73,502
Impairment losses	-	24,882
Impairments loss on prepayment for goods	-	28,080
Gain on redemption of bonds payable	(270)	-
Unrealized gain on foreign currency exchange	(100,146)	(409,046)
Changes in operating assets and liabilities		
Notes receivable	(44)	550
Accounts receivable	29,729	601,778
Accounts receivables from related parties	-	(24,909)
Other receivables	50,077	(36,586)
Other receivable from related parties	24,909	-
Inventories	582,662	768,900
Prepayments	27,166	(86,992)
Other current assets	(1,777)	8,126
Contract liabilities	(31,846)	156,097
Notes payable	(2,412)	12,846
Accounts payable	(78,231)	(476,108)
Other payables	(43,005)	(200,542)
Provisions	(1,479)	(5,012)
Other current liabilities	(2,497)	(35,572)
Net defined benefit liabilities	(165)	(233)
Cash generated from operations	758,293	810,339
Interest received	13,404	2,275
Interest paid	(113,647)	(65,346)
Income tax paid	(41,440)	(120,502)
Net cash generated from operating activities	<u>616,610</u>	<u>626,766</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	-	(11,761)
Proceeds from sale of financial assets at amortized cost	182,052	21,106

(Continued)

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Purchase of financial assets at fair value through profit or loss	(17,400)	(600)
Purchase of investments accounted for using the equity method	-	(4,000)
Net cash outflow on acquisition of subsidiaries (Note 32)	-	(49,951)
Payments for property, plant and equipment (Note 33)	(218,197)	(355,560)
Proceeds from disposal of property, plant and equipment	12	17,216
Increase in refundable deposits	(41,752)	(12,872)
Payments for intangible assets (Note 33)	(45,901)	(32,811)
Increase in other non-current assets	<u>(25,322)</u>	<u>(7,387)</u>
Net cash used in investing activities	<u>(166,508)</u>	<u>(436,620)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(300,981)	(502,054)
Repayments of corporate bonds	(1,407,553)	-
Proceeds from long-term borrowings	765,513	723,145
Repayments of long-term borrowings	(223,637)	(166,873)
Refund of guarantee deposits received	(1,439)	176
Repayment of the principal portion of lease liabilities	(20,781)	(25,962)
Cash dividends	(62,813)	(317,502)
Issuance of new ordinary shares for cash	822,332	-
Exercise of employee share options	17,276	3,413
Payments for buy-back of ordinary shares	-	(96,415)
Proceeds from treasury shares transferred to employees	<u>14,627</u>	<u>26,791</u>
Net cash used in financing activities	<u>(397,456)</u>	<u>(355,281)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(14,915)</u>	<u>73,280</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	37,731	(91,855)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR		
	<u>1,120,781</u>	<u>1,212,636</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR		
	<u>\$ 1,158,512</u>	<u>\$ 1,120,781</u>

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

(Concluded)

DYACO INTERNATIONAL INC.

BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 440,404	5	\$ 465,110	5
Financial assets at fair value through profit or loss (Notes 4, 7 and 32)	16,555	-	3,739	-
Financial assets at amortized cost (Notes 4, 9 and 34)	43,955	-	233,678	2
Notes receivable (Notes 4, 10 and 24)	832	-	691	-
Accounts receivable (Notes 4, 10 and 24)	99,370	1	74,405	1
Accounts receivable from related parties (Notes 4, 24 and 33)	1,957,683	21	1,975,808	21
Other receivables (Notes 4 and 10)	10,156	-	9,856	-
Other receivables from related parties (Notes 4 and 33)	1,039,858	11	748,871	8
Current tax assets (Note 26)	58,563	1	48,443	1
Inventories (Notes 4, 5 and 11)	296,876	3	323,380	3
Prepayments (Note 12)	90,546	1	81,688	1
Other current assets	8,569	-	6,515	-
Total current assets	<u>4,063,367</u>	<u>43</u>	<u>3,972,184</u>	<u>42</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Notes 4, 7 and 32)	118,124	1	147,071	2
Financial assets at fair value through other comprehensive income (Notes 4, 8 and 32)	47,497	1	61,824	1
Financial assets at amortized cost (Note 9)	6,141	-	30,710	-
Investments accounted for using the equity method (Notes 4, 5 and 13)	2,746,524	29	3,005,652	31
Property, plant and equipment (Notes 4, 14 and 34)	1,926,584	21	1,801,014	19
Right-of-use assets (Notes 4, 15 and 33)	5,001	-	12,821	-
Investment properties (Notes 4, 16 and 34)	18,690	-	19,569	-
Intangible assets (Notes 4 and 17)	96,776	1	104,955	1
Deferred income tax assets (Notes 4 and 26)	409,809	4	387,112	4
Prepayments for equipment	3,679	-	1,644	-
Refundable deposits (Note 33)	4,910	-	5,168	-
Other non-current assets	5,683	-	5,683	-
Total non-current assets	<u>5,389,418</u>	<u>57</u>	<u>5,583,223</u>	<u>58</u>
TOTAL	<u>\$ 9,452,785</u>	<u>100</u>	<u>\$ 9,555,407</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 34)	\$ 1,930,000	21	\$ 2,175,500	23
Financial liabilities at fair value through profit or loss (Notes 4, 7 and 32)	-	-	25,305	-
Contract liabilities (Note 24)	13,880	-	37,470	-
Notes payable (Note 20)	26,789	-	18,059	-
Accounts payable (Note 20)	371,349	4	275,828	3
Accounts payable to related parties (Note 33)	635,929	7	402,944	4
Other payables (Note 21)	131,755	2	124,387	1
Other payables to related parties (Note 33)	26,020	-	41,880	1
Current income tax liabilities (Note 26)	-	-	2,544	-
Lease liabilities (Notes 4, 15 and 33)	1,675	-	3,766	-
Current portion of bonds payable (Notes 4 and 19)	1,200	-	1,398,537	15
Current portion of long-term borrowings (Notes 18 and 34)	280,698	3	150,600	2
Other current liabilities	19,295	-	28,330	-
Total current liabilities	<u>3,438,590</u>	<u>37</u>	<u>4,685,150</u>	<u>49</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 18 and 34)	1,420,092	15	965,613	10
Deferred tax liabilities (Notes 4 and 26)	128,350	1	126,030	2
Lease liabilities (Notes 4, 15 and 33)	3,557	-	9,308	-
Long-term payables (Note 21)	58,829	1	83,093	1
Other payables to related parties	7,369	-	-	-
Net defined benefit liabilities (Notes 4 and 22)	11,647	-	16,467	-
Guarantee deposits received	651	-	638	-
Credit balance of investments accounted for using the equity method (Notes 4 and 13)	9,606	-	-	-
Total non-current liabilities	<u>1,640,101</u>	<u>17</u>	<u>1,201,149</u>	<u>13</u>
Total liabilities	<u>5,078,691</u>	<u>54</u>	<u>5,886,299</u>	<u>62</u>
EQUITY (Note 23)				
Share capital				
Ordinary shares	<u>1,596,097</u>	<u>17</u>	<u>1,341,147</u>	<u>14</u>
Capital surplus	<u>2,756,721</u>	<u>29</u>	<u>2,142,919</u>	<u>22</u>
Retained earnings				
Legal reserve	329,002	4	329,002	3
Special reserve	126,177	1	238,087	3
Unappropriated earnings	<u>100,471</u>	<u>1</u>	<u>170,420</u>	<u>2</u>
Total retained earnings	<u>555,650</u>	<u>6</u>	<u>737,509</u>	<u>8</u>
Other equity	<u>(125,684)</u>	<u>(2)</u>	<u>(126,177)</u>	<u>(1)</u>
Treasury shares	<u>(408,690)</u>	<u>(4)</u>	<u>(426,290)</u>	<u>(5)</u>
Total equity	<u>4,374,094</u>	<u>46</u>	<u>3,669,108</u>	<u>38</u>
TOTAL	<u>\$ 9,452,785</u>	<u>100</u>	<u>\$ 9,555,407</u>	<u>100</u>

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

DYACO INTERNATIONAL INC.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 24 and 33)	\$ 3,679,724	100	\$ 2,732,707	100
LESS: SALES RETURNS	2,210	-	1,498	-
SALES DISCOUNTS AND ALLOWANCES	<u>4,716</u>	<u>-</u>	<u>2,307</u>	<u>-</u>
NET OPERATING REVENUE	3,672,798	100	2,728,902	100
OPERATING COSTS (Notes 11, 25 and 33)				
Cost of sales	<u>2,829,679</u>	<u>77</u>	<u>2,220,359</u>	<u>81</u>
GROSS PROFIT	843,119	23	508,543	19
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>24,933</u>	<u>1</u>	<u>207,264</u>	<u>7</u>
REALIZED GROSS PROFIT	<u>868,052</u>	<u>24</u>	<u>715,807</u>	<u>26</u>
OPERATING EXPENSES (Notes 10, 25 and 33)				
Selling and marketing	214,897	6	249,060	9
General and administrative	152,226	4	162,213	6
Research and development	109,600	3	96,467	4
Expected credit (gain) loss	<u>(11,525)</u>	<u>-</u>	<u>12,474</u>	<u>-</u>
Total operating expenses	<u>465,198</u>	<u>13</u>	<u>520,214</u>	<u>19</u>
OTHER OPERATING INCOME (Notes 25 and 33)	<u>9,923</u>	<u>-</u>	<u>50</u>	<u>-</u>
PROFIT FROM OPERATIONS	<u>412,777</u>	<u>11</u>	<u>195,643</u>	<u>7</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit or loss of subsidiaries and associates	(478,056)	(13)	(536,210)	(20)
Interest income (Note 33)	8,696	-	1,520	-
Rental income (Note 33)	4,407	-	4,431	-
Other income	11,185	1	24,463	1
Foreign exchange (loss) gain, net (Note 25)	(3,259)	-	400,357	15
Loss on valuation of financial instruments	(30,660)	(1)	(768)	-
Impairment loss (Note 13)	-	-	(24,882)	(1)
Other expenses	(1,367)	-	(3,075)	-
Expected credit loss (Note 10)	-	-	(39,500)	(1)
Interest expense (Notes 25 and 33)	<u>(71,825)</u>	<u>(2)</u>	<u>(57,150)</u>	<u>(2)</u>
Total non-operating income and expenses	<u>(560,879)</u>	<u>(15)</u>	<u>(230,814)</u>	<u>(8)</u>

(Continued)

DYACO INTERNATIONAL INC.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2023		2022	
	Amount	%	Amount	%
LOSS BEFORE INCOME TAX	(148,102)	(4)	(35,171)	(1)
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 26)	<u>25,332</u>	<u>1</u>	<u>(40,958)</u>	<u>(2)</u>
NET LOSS	<u>(122,770)</u>	<u>(3)</u>	<u>(76,129)</u>	<u>(3)</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan (Note 22)	4,655	-	2,584	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(14,327)	-	(4,680)	-
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	(334)	-	(227)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 26)	<u>(931)</u>	<u>-</u>	<u>(517)</u>	<u>-</u>
	<u>(10,937)</u>	<u>-</u>	<u>(2,840)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>15,154</u>	<u>-</u>	<u>116,811</u>	<u>4</u>
Other comprehensive loss for the period, net of income tax	<u>4,217</u>	<u>-</u>	<u>113,971</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ (118,553)</u>	<u>(3)</u>	<u>\$ 37,842</u>	<u>1</u>
LOSS PER SHARE (Note 27)				
Basic	<u>\$ (0.88)</u>		<u>\$ (0.61)</u>	

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

(Concluded)

DYACO INTERNATIONAL INC.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Cash Dividends Per Share)**

	Share Capital			Retained Earnings			Other Equity		Treasury Shares	Total Equity
	Ordinary Shares	Advance Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE AT JANUARY 1, 2022	\$ 1,339,822	\$ 400	\$ 2,115,925	\$ 284,853	\$ 175,628	\$ 676,407	\$ (235,721)	\$ (2,360)	\$ (368,604)	\$ 3,986,350
Issuance of ordinary shares under employee share options (Note 28)	1,325	(400)	38,932	-	-	-	-	-	-	39,857
Changes in capital surplus from investments using the equity method	-	-	-	-	-	(7,815)	-	-	-	(7,815)
Appropriation of prior year's earnings										
Legal reserve	-	-	-	44,149	-	(44,149)	-	-	-	-
Special reserve	-	-	-	-	62,459	(62,459)	-	-	-	-
Cash dividends to shareholder - NT\$2.50 per share	-	-	-	-	-	(317,502)	-	-	-	(317,502)
	-	-	-	44,149	62,459	(424,110)	-	-	-	(317,502)
Net loss for the year ended December 31, 2022	-	-	-	-	-	(76,129)	-	-	-	(76,129)
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	2,067	116,811	(4,907)	-	113,971
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	(74,062)	116,811	(4,907)	-	37,842
Buy-back of ordinary shares (Note 23)	-	-	-	-	-	-	-	-	(96,415)	(96,415)
Treasury shares transferred to employees (Note 23)	-	-	(11,938)	-	-	-	-	-	38,729	26,791
BALANCE AT DECEMBER 31, 2022	1,341,147	-	2,142,919	329,002	238,087	170,420	(118,910)	(7,267)	(426,290)	3,669,108
Changes in capital surplus from investments using the equity method	-	-	3,321	-	-	-	-	-	-	3,321
Issuance of new ordinary shares for cash	250,000	-	572,332	-	-	-	-	-	-	822,332
Organization restructure	-	-	(702)	-	-	-	-	-	-	(702)
Issuance of ordinary shares under employee share options (Note 28)	4,950	-	41,824	-	-	-	-	-	-	46,774
Appropriation of prior year's earnings										
Share dividends to shareholder - NT\$0.5 per share	-	-	-	-	-	(62,813)	-	-	-	(62,813)
Reversal of Special reserve	-	-	-	-	(111,910)	111,910	-	-	-	-
	-	-	-	-	(111,910)	49,097	-	-	-	(62,813)
Net loss for the year ended December 31, 2023	-	-	-	-	-	(122,770)	-	-	-	(122,770)
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	3,724	15,154	(14,661)	-	4,217
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(119,046)	15,154	(14,661)	-	(118,553)
Treasury shares transferred to employees (Note 23)	-	-	(2,973)	-	-	-	-	-	17,600	14,627
BALANCE AT DECEMBER 31, 2023	\$ 1,596,097	\$ -	\$ 2,756,721	\$ 329,002	\$ 126,177	\$ 100,471	\$ (103,756)	\$ (21,928)	\$ (408,690)	\$ 4,374,094

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

DYACO INTERNATIONAL INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (148,102)	\$ (35,171)
Adjustments for:		
Depreciation expense	66,480	68,043
Amortization expense	33,422	31,207
Expected credit loss (reversed) recognized	(11,525)	51,974
Net loss on fair value changes of financial instrument at fair value through profit or loss	30,660	768
Interest expense	71,825	57,150
Interest income	(8,696)	(1,520)
Impairment loss	-	24,882
Compensation costs of employee share options	23,553	19,068
Share of loss (profit) of subsidiaries and associates accounted for using the equity method	478,056	536,210
Gain on disposal of property, plant and equipment	(48)	(50)
Loss on inventories valuation and obsolescence	10,666	39,056
Realized gain on the transactions with subsidiaries	(24,933)	(207,264)
Unrealized loss (gain) on foreign currency exchange	29,126	(36,951)
Gain on redemption of bonds payable	(270)	-
Changes in operating assets and liabilities		
Notes receivable	(141)	799
Accounts receivable	(18,094)	19,209
Accounts receivable from related parties	(3,806)	(485,232)
Other receivables	(300)	2,754
Other receivables from related parties	(165,025)	748,584
Inventories	15,838	116,183
Prepayments	(9,679)	(41,675)
Other current assets	(2,054)	12,408
Contract liabilities	(21,895)	28,753
Notes payable	8,730	(15,132)
Accounts payable	96,730	(70,188)
Accounts payable to related parties	237,167	(223,177)
Other payables	6,497	(55,559)
Other payables to related parties	(8,491)	41,547
Other current liabilities	(9,035)	(30,909)
Net defined benefit liabilities	(165)	(233)
Cash generated from operations	676,491	595,534
Interest received	8,696	1,520
Interest paid	(86,944)	(38,049)
Income tax paid	(8,640)	(97,340)
Net cash generated from operating activities	<u>589,603</u>	<u>461,665</u>

CASH FLOWS FROM INVESTING ACTIVITIES

(Continued)

DYACO INTERNATIONAL INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Purchase of financial assets at fair value through other comprehensive income	-	(11,760)
Proceeds from sale of financial assets at amortized cost	214,292	28,006
Purchase of financial assets at fair value through profit or loss	(17,400)	(600)
Purchase of investments accounted for using the equity method	-	(4,000)
Increase in investments in subsidiaries (Note 13)	(161,005)	(70,000)
Net cash outflow on acquisition of subsidiaries (Note 13)	-	(55,000)
Payments for property, plant and equipment (Note 30)	(191,651)	(250,430)
Proceeds from disposal of property, plant and equipment	57	13,148
Decrease in refundable deposits	258	3,569
Increase in other receivables from related parties	(126,914)	(42,682)
Payments for intangible assets (Note 30)	<u>(47,081)</u>	<u>(24,095)</u>
Net cash used in investing activities	<u>(329,444)</u>	<u>(413,844)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(245,500)	(168,450)
Repayments of corporate bonds	(1,407,553)	-
Proceeds from long-term borrowings	765,512	521,320
Repayments of long-term borrowings	(180,935)	(158,907)
Refund of guarantee deposits received	13	-
Repayment of the principal portion of lease liabilities	(3,252)	(6,467)
Cash dividends	(62,813)	(317,502)
Issuance of new ordinary shares for cash	822,332	-
Exercise of employee stock options	17,276	3,413
Payments for buy-back of ordinary shares	-	(96,415)
Proceeds from treasury shares transferred to employees	<u>14,627</u>	<u>26,791</u>
Net cash used in financing activities	<u>(280,293)</u>	<u>(196,217)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(4,572)</u>	<u>1,899</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(24,706)	(146,497)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>465,110</u>	<u>611,607</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 440,404</u>	<u>\$ 465,110</u>

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

(Concluded)

Dyaco International Inc.
The loss-off setting table for 2023

Unit: NT\$

Item	Amount
Distributable Earnings as of January 1, 2023	219,514,991
Net Loss of 2023	(122,768,873)
Plus: Remeasurement of Defined Benefit Obligation Recognized in Retained Earnings	3,725,131
Plus: Reversal Special Reserves	492,239
Distributable Earnings as of December 31, 2023	100,963,488

Dyaco International Inc.
Comparison Table for Articles of Incorporation

After the Revision	Before the Revision	Description
<p>Article 5</p> <p>The authorized capital of the Company is NT\$<u>100</u> billion, consisting of <u>10</u> billion shares, all of common stock, with a par value of NT\$10 per share. The board of directors is authorized to issue the shares in separate installments as required, of which 10 million shares are reserved for stock options with warrants or corporate bonds for the exercise of stock options. The board of directors is also authorized to issue shares in separate installments as required.</p>	<p>Article 5</p> <p>The authorized capital of the Company is NT\$20 billion, consisting of 2 billion shares, all of common stock, with a par value of NT\$10 per share. The board of directors is authorized to issue the shares in separate installments as required, of which 10 million shares are reserved for stock options with warrants or corporate bonds for the exercise of stock options. The board of directors is also authorized to issue shares in separate installments as required.</p>	To adjust the authorized capital for Operational development
<p>Article 28</p> <p>These Articles of Incorporation were agreed to and signed on May 29, 1990.</p> <p>The 1st Amendment was on November 30, 1990.</p> <p>The 2nd Amendment was on September 20, 1991.</p> <p>The 3rd Amendment was on May 1, 1993.</p> <p>The 4th Amendment was on March 7, 1999.</p> <p>The 5th Amendment was on April 30, 2007.</p> <p>The 6th Amendment was on January 24, 2008.</p> <p>The 7th Amendment was on May 26, 2008.</p> <p>The 8th Amendment was on September 26, 2008.</p> <p>The 9th Amendment was on October 26, 2009.</p> <p>The 10th Amendment was on June 23, 2011.</p> <p>The 11th Amendment was on July 22, 2011.</p> <p>The 12th Amendment was on June 5, 2012.</p> <p>The 13th Amendment was on October 18, 2012.</p> <p>The 14th Amendment was on August 8, 2013.</p> <p>The 15th Amendment was on June 26, 2015.</p> <p>The 16th Amendment was on June 29, 2016.</p>	<p>Article 28</p> <p>These Articles of Incorporation were agreed to and signed on May 29, 1990.</p> <p>The 1st Amendment was on November 30, 1990.</p> <p>The 2nd Amendment was on September 20, 1991.</p> <p>The 3rd Amendment was on May 1, 1993.</p> <p>The 4th Amendment was on March 7, 1999.</p> <p>The 5th Amendment was on April 30, 2007.</p> <p>The 6th Amendment was on January 24, 2008.</p> <p>The 7th Amendment was on May 26, 2008.</p> <p>The 8th Amendment was on September 26, 2008.</p> <p>The 9th Amendment was on October 26, 2009.</p> <p>The 10th Amendment was on June 23, 2011.</p> <p>The 11th Amendment was on July 22, 2011.</p> <p>The 12th Amendment was on June 5, 2012.</p> <p>The 13th Amendment was on October 18, 2012.</p> <p>The 14th Amendment was on August 8, 2013.</p> <p>The 15th Amendment was on June 26, 2015.</p> <p>The 16th Amendment was on June 29, 2016.</p>	To adjust the revision date

After the Revision	Before the Revision	Description
<p>The 17th Amendment was on May 26, 2017. The 18th Amendment was on May 30, 2019. The 19th Amendment was on May 28, 2020. The 20th Amendment was on May 27, 2022 <u>The 21th Amendment was on May 27, 2024</u></p>	<p>The 17th Amendment was on May 26, 2017. The 18th Amendment was on May 30, 2019. The 19th Amendment was on May 28, 2020. The 20th Amendment was on May 27, 2022.</p>	

Dyaco International Inc.

Articles of Incorporation (Before revision)

Section I - General Provisions

- Article 1 The Corporation shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 岱宇國際股份有限公司 in the Chinese language, and Dyaco International Inc. in the English language.
- Article 2 The scope of business of the Company shall be as follows.
- A. CA02990 Other Metal Products Manufacturing
 - B. CC01080 Electronics Components Manufacturing
 - C. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
 - D. CF01011 Medical Devices Manufacturing
 - E. CH01010 Sporting Goods Manufacturing
 - F. CN01010 Furniture and Decorations Manufacturing
 - G. F108031 Wholesale of Medical Devices
 - H. F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
 - I. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
 - J. F208031 Retail Sale of Medical Apparatus
 - K. F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
 - L. F219010 Retail Sale of Electronic Materials
 - M. F401010 International Trade
 - N. J801030 Athletics and Recreational Sports Stadium
 - O. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1 : When necessary for its operations, the Company may provide endorsement and guarantee in accordance with the “Operational Procedures for Providing Endorsement and Guarantee” of the Company.
- Article 2-2 : The aggregate amount of the Company’s investment in other entities is not subject to the restriction stipulated in Article 13 of the Company Law.
- Article 3 : Company is headquartered in New Taipei City, Taiwan and when necessary may establish branches or subsidiaries at home and abroad according to resolutions by the board of directors.
- Article 4 : Public announcements of the Company shall be made in accordance with the

provisions of Article 28 of the Companies Act.

Section II - Capital Stock

Article 5 : The authorized capital of the Company is NT\$20 billion, consisting of 2 billion shares, all of common stock, with a par value of NT\$10 per share. The board of directors is authorized to issue the shares in separate installments as required, of which 10 million shares are reserved for stock options with warrants or corporate bonds for the exercise of stock options. The board of directors is also authorized to issue shares in separate installments as required.

Article 5-1 : If the exercise price in relation to the employee stock options issued by the Corporation is lower than the closing price of the common shares of the Corporation as of the issue date, it shall be approved by at least two-thirds of the voting rights represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares. If the Corporation wishes to transfer an employee stock option to an employee at a price lower than the average price of the shares that were bought back, it shall be approved by at least two-thirds of the voting rights represented at the latest shareholders meeting attended by shareholders representing a majority of the total issued shares.

Article 5-2 : Treasury stock purchased by the Company can be transferred to the employees of parents or subsidiaries of the Company or controlled by the Company. Stock warrants of the Company can be issued to the employees of parents or subsidiaries of the Company or controlled by the Company.

Article 6 : The stocks issued by the corporation are not paper-printed and shall be in compliant with Regulations Governing Book-Entry Operations for Centrally Deposited Securities.

Article 7 : All entries in the shareholders register due to share transfers shall be suspended for 60 days prior to an ordinary shareholders meeting, or for 30 days prior to an extraordinary shareholders meeting, or for 5 days prior to the record date fixed for distributing dividends, bonus, or any other benefit.

Article 7-1 : All stock processing and related activities shall follow the Financial Supervisory Commission's "Guidelines for Stock Operations for Public Companies" unless specified otherwise by law and securities regulations.

Section III - Shareholders' Meeting

Article 8 : Shareholders' meetings of the Company are of two kinds: regular shareholders meetings and extraordinary shareholders meetings. The regular shareholders' meeting is called once per year within six months of the close of the fiscal year. Extraordinary shareholders meetings may be called in accordance with applicable laws and regulations whenever necessary.

When calling an annual general meeting, all shareholders shall be notified of the meeting date, location and the reasons for convening 30 days in advance. When calling an extraordinary general meeting, all shareholders shall be notified of the meeting date, location and the reasons for convening 15 days in advance. When this Corporation holds a shareholder meeting after approved by shareholders, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence.

Article 9 : In case a shareholder is unable to attend a shareholders' meeting, the shareholder may issue a proxy form to appoint a proxy on his/her behalf to attend such meeting in accordance with Article 177 of the Company Law.

Article 10 : A shareholder shall be entitled to one vote for each share held, except when the Rules are restricted shares.

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice.

When this Corporation holds a shareholder meeting after the shares of companies listed, it shall adopt exercise of voting rights by electronic means.

Article 10-1 : A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda.

Article 11 : Unless otherwise provided for in the Company Law, any resolution at a shareholders' meeting shall be adopted if voted in favor by the majority of votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results. The minutes shall be retained for the duration of the existence of this Corporation.

The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the Company for a minimum period of at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 12 : The shareholders' meeting shall be convened by the board of directors; the chairman of the board shall be the chairman presiding at the meeting. If the chairman of the board is on leave or cannot perform his duties for some reason, pursuant to Article 208 of the Company Act, the shareholders' meeting shall be convened by others who have the right to convene a meeting and he or she shall be the chairman. If there is more than one person with the rights to convene a shareholders' meeting, they shall nominate a chairman from among themselves.

Article 13 : The Company may, in pursuance of the resolution adopted by Board of Directors, apply for an approval of ceasing its status as a public company by a resolution adopted, at a shareholders' meeting, by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares.

In the event the total number of shares represented by the shareholders present at a shareholders' meeting of the Company whose shares have been issued in public is less than the percentage of the total shareholdings required in the preceding Paragraph, the resolution may be adopted by two-third of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the Company.

Article13-1 : In accordance with Article 56-1 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the Company is required to obtain the consent of at least two-thirds of the voting rights represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares. According to the aforementioned, the exercise price of employee stock warrants may be lower than the closing price of the company stocks as of the issuing date.

Article 13-2 : In accordance with Article 10-1 of Regulations Governing Share Repurchase by Listed and OTC Companies after the shares of companies listed, to transfer shares to employees at less than the average actual share repurchase price, a company must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares, and must have listed the following matters in the notice of reasons for that shareholders meeting

Section IV - Board of Directors

Article 14 : The Company shall have five to thirteen Directors. All Directors shall have a term of three years and be eligible for re-election upon expiry of such term.

There shall be at least three Independent Directors, who shall represent more than one-fifth of the Board of Directors. The relevant professional qualifications, method of nomination and election, and other matters of compliance with respect to Independent Directors shall be governed by the relevant laws and regulations.

To be elected by a shareholders' meeting from a list of directors and independent directors candidates through the candidate nomination system.

The total registered shares owned by the directors and supervisors of a public company shall not be less than the percentage of total issued shares specified below, the provisions on the minimum percentage requirements for the shareholding respectively of all directors.

Article 14-1 : The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes.

Article 14-2 : The election of Directors shall be held in accordance with Article 198 the Company Act. Independent and non-Independent Directors shall be elected at the same time. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes.

Article 14-3 : Pursuant to the provisions of Article 14-4 of the Securities Exchange Act, the Corporation shall establish an Audit Committee. The Audit Committee and its members shall fulfill their supervisory duties pursuant to the relevant provisions of the Company Act, the Securities Exchange Act, and other relevant laws and regulations.

Article 15 : When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies. Servicing term is limited and equals to the remaining time of original term.

When the number of directors falls for any reason(including resignation, dismissal and expiration of the term), this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the independent directors are

dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 16 : In case a company, the board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors.
The Chairperson of the Board shall represent the Company over all matters of the Company.

Article 17 : Unless otherwise specified in the Company Act, meetings of the Board of Directors shall be convened by the Chairman of the Board. A notice setting forth the purpose of the meeting shall be given to each Director no later than seven days prior to a Board meeting; however, a Board meeting may be convened at any time in case of emergency. A meeting of the Board of Directors shall be called in writing, via email or facsimile.

Article 18 : In the event that the Chairman of the Board takes leave of absence or is otherwise unable to perform his or her duties as Chair, in accordance with the provisions of Article 208 the Company Act shall serve as Chair.

Article 19 : The director shall attend the meeting of the board of directors in person. Any Director can also represent any other excused Director in the Board of Directors' Meeting upon presentation of proxies sealed by his/her representing Director indicating the authorized rights in the Meeting. The authorized representative Director is entitled to the vote right. However, each Director is limited to represent one other Director only in each Meeting. Directors can also attend the Board of Directors' Meetings through video communications and are considered as formal attendance in person.

Article 20 : (Article 22)

Article 21 : The directors' compensation shall be determined by the Remuneration Committee with respect to their participation in and contribution to the operations. The Board of Directors is authorized to distribute remuneration in accordance with the Remuneration Committee's assessment and the typical pay levels adopted by peer companies. The transport allowance of all directors shall be determined by the Board of Directors. The Board of Directors shall authorize the Chairman to handle the compensation for the director's duties in accordance with the Company's internal regulations if a director holds other positions within the Company.

Article 21-1 : The company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director.

Section V - Managerial Officer

Article 22 : The Company may appoint the management, whose commissioning, decommissioning and pay rate shall be as pursuant to Article 29 of the Company Act.

Section VI - Financial

Article 23 : After the end of each fiscal year, the following report shall be prepared by the Board of Directors, which deliver the same to Audit Committee for audit thirty days before the convention of the general shareholders' meeting, and such documents, as well as the audit report made by the Audit Committee, shall be submitted to the general shareholders' meeting for acceptance: Business Report, Financial statements and Proposal concerning allocation of earnings or making up losses.

Article 24 : In accordance with the current Articles of Incorporation, the Company shall distribute compensation to employees at a rate not less than 1% of the current year's earnings and to directors at a rate not more than 5% of the current year's earnings, but shall make up for any accumulated losses of the Company. The aforementioned earnings for the year represent the current year's pre-tax earnings before distributions of compensation to employees and directors. The distribution of compensation to employees and directors shall be made by a resolution of the Board of Directors with the approval of a majority of the presenting directors with at least two-thirds of the directors presenting and shall be reported to the shareholders' meeting. Employee compensation may be in the form of stock or cash and may be paid to employees of the Company who meet certain criteria

Article 25 : In accordance with the Company's Articles of Incorporation, if there is any earnings in the Company's annual accounts, the Company shall first pay taxes and make up for accumulated deficits, and the next 10% shall be set aside as legal reserve, and special reserve shall be appropriated or reversed as required by law or by the competent authorities; if there is any earnings, the remaining balance, plus the accumulated undistributed earnings from previous years, shall be distributed by the Board of Directors upon a resolution of the shareholders' meeting.

In accordance with the Company Law, the Board of Directors is authorized to distribute dividends and bonuses or all or part of the legal reserve and capital reserve as prescribed in Paragraph 1 of Article 241 of the Company Law in cash pursuant to a resolution adopted by a majority vote of the meeting attended by two-thirds or more of all the directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Article 26 : The Company's dividend policy is to distribute dividends in accordance with the overall operating environment and the growth characteristics of the industry, taking into account factors such as undistributed earnings, capital reserves, financial structure and operating conditions, in order to stabilize business development and protect investors' interests. The Company shall distribute the earnings in an amount not less than 10% of the distributable earnings for the year; however, if the amount of distributable earnings is less than 1% of the paid-in capital, it may be transferred to retained earnings without distribution. Shareholder bonuses may be distributed in the form of cash or stock dividends, of which cash dividends are limited to not less than 10% of the current year's shareholder bonus, except that stock dividends may be paid in full if the cash dividend is less than \$1 per share.

Section VI - Supplementary Provisions

Article 27 : In regard to all matters not provided for in these Articles of Incorporation, the Company Law of the Republic of China shall govern.

Article 28 : These Articles of Incorporation were agreed to and signed on May 29, 1990.

The 1st Amendment was on November 30, 1990.

The 2nd Amendment was on September 20, 1991.

The 3rd Amendment was on May 1, 1993.

The 4th Amendment was on March 7, 1999.

The 5th Amendment was on April 30, 2007.

The 6th Amendment was on January 24, 2008.

The 7th Amendment was on May 26, 2008.

The 8th Amendment was on September 26, 2008.

The 9th Amendment was on October 26, 2009.

The 10th Amendment was on June 23, 2011.

The 11th Amendment was on July 22, 2011.

The 12th Amendment was on June 5, 2012.

The 13th Amendment was on October 18, 2012.

The 14th Amendment was on August 8, 2013.

The 15th Amendment was on June 26, 2015.

The 16th Amendment was on June 29, 2016.

The 17th Amendment was on May 26, 2017.

The 18th Amendment was on May 30, 2019.

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail

The 19th Amendment was on May 28, 2020.

The 20th Amendment was on May 27, 2022.

Dyaco International Inc.

Rules of Procedure for Shareholders Meetings

Article 1

The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, shall be as provided in these Rules.

Article 2

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

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

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion; the essential contents may be posted on the website

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designated by the competent authority in charge of securities affairs or the corporation, and such website shall be indicated in the above notice.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda, provided a shareholder proposal for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 3

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

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After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

After the service of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting via visual communication network, a proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 4

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

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

Article 5

This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

Where a virtual shareholders meeting is convened, how shareholders attend the virtual meeting and exercise their rights, actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to force majeure events, how issues are dealt with, the date to which the meeting is postponed or on which the meeting will resume, and other matters for attention shall also be included in the minutes. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

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Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

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

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

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

Article 6

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

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

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

If a shareholders meeting is convened by a party with power to convene but other than the

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board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

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

Article 7

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

Article 8

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

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

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

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

Article 9

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

Article 10

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

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In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

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

In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

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

Article 11

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

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

Article 12

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

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

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

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

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

Article 13

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

Article 14

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

Article 15

When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote.

Article 16

When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

Article 17

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

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

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that

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shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

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

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

Article 18

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

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

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

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

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meeting shall prevail.

At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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

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

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

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

Article 19

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

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

Article 20

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

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the meeting. The meeting minutes may be produced and distributed in electronic form. This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of this Corporation. Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to force majeure events, and how issues are dealt with shall also be included in the minutes.

Article 21

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

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

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

Article 22

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

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting

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place, they shall wear an identification card or armband bearing the word "Proctor."

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

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

Article 23

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

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

Article 24

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. Election results shall be announced and recorded immediately.

Article 25

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When no objections are raised by attending shareholders against the Chair's motion, the passage is official. The validity of motion is equal to election votes.

Article 26

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

Article 27

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

Article 28

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

Article 29

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

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

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

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

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

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

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To convene a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

Article 30

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

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【Appendix III】

Dyaco International Inc.

Shareholdings of All Directors

Record Date: March 29, 2024

Title	Name	Elected Date	Shares holding on election			Current Shares		
			Share Type	Shares	Ratio to issued shares % at the time	Share Type	Shares	Ratio to current issued shares %
Chairman	CHUAN-FENG INVESTMENT CORPORATION Representative: Lin, Ing-Gin	112.05.26	Common Stock	8,111,882	5.48%	Common Stock	8,757,882	5.48%
Director	Chuang, Chu-Wei	112.05.26	Common Stock	1,000,000	0.63%	Common Stock	1,159,176	0.73%
Director	Yong-Heng Investment Corporation. Representative: Chang, Chih-Chuan	112.05.26	Common Stock	6,318,057	3.96%	Common Stock	6,821,057	4.27%
Independent Director	Wang, Kai-Li	112.05.26	Common Stock	0	0.00%	Common Stock	0	0.00%
Independent Director	Wang, Chih-Cheng	112.05.26	Common Stock	0	0.00%	Common Stock	0	0.00%
Independent Director	Wu, Jiin-Po	112.05.26	Common Stock	0	0.00%	Common Stock	0	0.00%
Independent Director	Tu, Chi-Yao	112.05.26	Common Stock	0	0.00%	Common Stock	0	0.00%
Total			Common Stock	15,429,939			16,738,115	

Total issued shares on March 28, 2023: 134,114,754 shares

Total issued shares on March 29, 2024: 159,609,754 shares

Note:

1. Total Directors' Stock Shares should be 9,576,585 shares according to Laws. 16,738,115 shares are owned by Directors by March 29, 2024.
2. The Corporation has established an Audit Committee, so the provision regarding the minimum shareholding that supervisors are required to hold is no longer applicable.
3. Shareholdings owned by the directors did not include shares held by the independent directors.