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Champion Building Materials Co. Ltd.

Handbook for the 2025 Annual Meeting of Shareholders



<http://group.champion.com.tw/>

June 16, 2025

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Champion Building Materials Co. Ltd.

2025 Annual General Shareholders' Meeting

Meeting Procedure

1. Announcing Meeting in Session
2. Chairman's Address
3. Reported Matters
4. Acknowledged Matters
5. Matters for Discussion
6. Questions and Motions
7. Adjournment

Champion Building Materials Co. Ltd.
2025 Annual General Shareholders' Meeting Agenda

1. Time: June 16th, 2025 (Monday) at 09:00 AM
2. Shareholders meeting will be held by means of :physical shareholders meeting
3. Location: No. 200-7, Zhuhaocuo, Neighborhood 13, Dapu Vil., Zhunan Township, Miaoli County
4. Chairman's Address
5. Reported Matters :
 - (1) 2024 Business Report.
 - (2) Audit Committee Review on 2024 Business Report and Financial Statements.
 - (3) Conduct of Matters for Endorsements and Guarantees.
 - (4) Conduct of Loaning of Funds to Others.
 - (5) Report on the Execution of Share Repurchase.
 - (6) Execution of Related Party Transactions in 2024.
 - (7) Distribution of Employee and Director Compensation for the Year 2024.
 - (8) Amendment to the Company's "Measures for the Transfer of Treasury Shares to Employees."
6. Acknowledged Matters :
 - (1) To Ratify the Company's 2024 Business Report and Financial Statements.
 - (2) To Ratify the Company's Profit and Loss Appropriation. in 2024.
7. Matters for Other Discussion : Amendment to the " Articles of Incorporation".
8. Questions and Motions
9. Adjournment

I. Reported Matters

Proposal 1 (Proposed by the Board of Directors)

Motion: 2024 Business Report of the Company. For your approval.

Explanation: Please refer to Page 7(Attachment 1).

Proposal 2 (Proposed by the Board of Directors)

Motion: Audit Committee Review on 2024 Business Report and Financial Statements.
For your approval.

Explanation: Please refer to Page 9(Attachment 2).

Proposal 3 (Proposed by the Board of Directors)

Motion: Conduct of Matters for Endorsements and Guarantees. For your approval.

Explanation: Conducted following Article 5 of the Company’s Operational Procedure for Endorsement and Guarantee. Please refer to Page 10(Attachment 3).

Proposal 4(Proposed by the Board of Directors)

Motion: Conduct of Loaning of Funds to Others. For your approval.

Explanation: Conducted following the Company’s “Operational Procedure for Loaning of Funds to Others”. Please refer to Page 11(Attachment 4).

Proposal 5 (Proposed by the Board of Directors)

Motion: Report on the Execution of Share Repurchase. For your approval.

Explanation:	Date of Board Resolution	August 13, 2024
	Purpose of Share Repurchase	Transfer of shares to employees
	Planned Repurchase Period	August 14, 2024 to October 11, 2024
	Actual Completion Date	October 11, 2024
	Planned Number of Shares to Be Repurchased	8,000,000 shares
	Number of Shares Actually Repurchased	3,887,000 shares
	Repurchase Price Range	NT\$9.00 to NT\$14.00
	Average Repurchase Price per Share	NT\$11.99
	Number of Shares Transferred to Employees	0 shares
	Cumulative Number of Treasury Shares Held	3,887,000 shares
	Percentage of Total Issued Shares Held as Treasury Shares	1.00%
	Reason for Incomplete Execution	To protect shareholder interests and maintain market order, the repurchase was not completed in full.

Proposal 6 (Proposed by the Board of Directors)

Motion: Execution of Related Party Transactions in 2024. For your approval.

Explanation: Conducted following the Company's "Operational Procedure for Loaning of Funds to Others". Please refer to Page 12 (Attachment 5).

Proposal 7 (Proposed by the Board of Directors)

Motion: Distribution of Employee and Director Compensation for the Year 2024. For your approval.

Explanation: 1. The profit before tax and before the deduction of remunerations of employees and Directors in 2024 was NT\$187,883,620, and the Company has no cumulated loss. According to Article 19 of the Articles of Association, the Company intends to appropriate 3% and 1.5% of the profit before tax and before the deduction of remunerations of employees and Directors in 2024 as the remuneration of employees and the remuneration of Directors, respectively, which amounted to NT\$5,636,509 and NT\$2,639,016; the sum of remunerations of employees and Directors are NT\$8,275,525 to be fully distributed in cash. The remuneration of employees and the remuneration of Directors have no difference with the initially provided amounts.
2. This proposal has been reviewed and approved by the 3rd remuneration committee of the 6th session and the 3rd Board of Directors meeting in 2025.

Proposal 8 (Proposed by the Board of Directors)

Motion: Amendment to the Company's "Measures for the Transfer of Treasury Shares to Employees." For your approval.

Explanation: 1. Amendments to Articles 1, 2, 3, 5, 6, 7, 8, 10, 11, and 12 of the "Regulations for Repurchases of Shares to Transfer to Employees" of the Company based on the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies."
2. This proposal has been reviewed and approved by the 1st audit committee of the 3rd session and the 7th Board of Directors meeting in 2024. Please refer to Page 15 Attachment 6).

II. Acknowledged Matters

Proposal 1 (Proposed by the Board of Directors)

Motion: To ratify the Company's 2024 Business Report and Financial Statements.

Explanation: 1. The Company's 2024 Business Report, Parent-Company Only Financial Statements and Consolidated Financial Statements have been reviewed and adopted by passage by the Audit Committee and passed by the Board of Directors by resolution.

2. Please refer to Please refer to Page 22(Attachment 7).

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Motion: To ratify the Company's 2024 Profit and Loss Appropriation.

Explanation: The Company's 2024 Earnings Distribution Table is as follows:

Champion Building Materials Co. Ltd.
Earnings Distribution Table
for the Year 2024

Amount: NTD

Beginning Retained Earnings	294,152,514
Add: Net profit after tax	119,339,721
Gains (losses) on remeasurements of defined benefit plan	12,930,856
Less: 10% Legal Reserve	(13,227,058)
Distributable Net Profit	413,196,033
Distribution Items:	
Shareholders' Bonus-Cash	(386,516,870)
Shareholders' Bonus-Share	0
Unappropriated Retained Earnings	26,679,163

Chairman: LIN, JUNG-TE Manager: LIN, YOU-YU Accounting Manager: LIAO, HUI-YI

2. The Company has a total of 390,403,870 issued common shares. After deducting 3,887,000 treasury shares, the number of distributable common shares is 386,516,870. It is proposed to distribute a cash dividend of NT\$1 per share, totaling NT\$386,516,870.
3. After the proposal for the shareholders' cash dividend distribution is passed at the annual shareholders' meeting, the Chairman shall be authorized to set the ex-dividend date for the distribution.
4. Subsequently, when the payout ratio alters as the number of outstanding shares is affected due to the repurchase of the Company's shares or other factors, the Company intends to propose to the shareholders' meeting to authorize the Chairman to manage relevant alteration matters.
5. The calculation for the cash dividend distribution is rounded to NT\$1, and the sum of fractional amounts less than NT\$1 is transferred to other revenue of the Company.
2. This proposal has been reviewed and approved by the 3rd audit committee of the 5th session and the 3rd Board of Directors meeting in 2025.

Resolution:

III. Matters for Other Discussion

Proposal 1 (Proposed by the Board of Directors)

Motion: Amendment to the "Articles of Incorporation".

- Explanation:
1. Proposal to amend certain provisions of the Company's Articles of Incorporation in response to regulatory updates and operational needs.
 2. This proposal has been reviewed and approved by the 6th audit committee of the 3rd session and the 3rd Board of Directors meeting in 2025.
 3. Please refer to Page 44 (Attachment 8).

Resolution:

IV. Questions and Motions

2024 Business Report

(1) Implementation Results of 2024 Business Plans

(I) Implementation achievements of the 2024 business plan

Looking back to 2024, due to the changes in the demand of the domestic real estate market in Taiwan in recent years, there were mainly construction projects with small areas and low total prices. The prosperous construction demand for new construction sites in Taiwan gave rise to shipping and resulted in an increase in sales volume; however, the tile product combination in 2024 was mainly the sales of small-sized tiles. The operating income of NT\$3,150,535 thousand in 2024 slightly increased by 5.28% from 2023, which was due to the main focus on small-sized tiles resulting from the average price in 2024 under the effects of differences in the combination of product sizes and the increase in costs (i.e., domestic electricity prices) and costs of energy used in production (i.e., natural gas); gross profit of sales in 2024 decreased despite the increase in operating income.

In 2024, the Operating Revenue is 3,150,535 Thousand, Cost of Goods Sold is 2,311,627 Thousand, Gross Profit Margin is 838,908 Thousand, the Gross Margin is 26.63% , the Net Profit After Tax is 119,339 Thousand, and the Profit Margin is 3.79%. The comparison table for the figures with those in 2023 is as follows:

Unit: NTD Thousands

Items	2024	2023	Amount Gained (Lost)	Gain (Loss)%
Operating Revenue	3,150,535	2,992,558	157,977	5.28
Cost of Goods Sold	2,311,627	2,102,433	209,194	9.95
Gross Profit	838,908	890,125	(51,217)	(5.75)
Net Profit	119,339	409	118,930	29,078.23

(2) Budget Execution: the Company is exempted from preparation of 2024 financial forecast in accordance with “Regulations Governing the Publication of Financial Forecasts of Public Companies”.

(3) Financial Income/Expense and Profitability Analysis:

The Company and its Subsidiaries' Consolidated Financial Income/Expense and Profitability Analyses for the most recent two years are compiled as follows:

Items		2024	2023	
Financial Income/Expense (Thousand)	Net Cash In Flow from Operating Activities	736,246	255,003	
	Net Cash In (Out) Flow from Investment Activities	(439,494)	(267,680)	
	Net Cash In (Out) Flow from Fundraising Activities	36,200	(258,974)	
Profitability (%)	Return on Assets (%)	1.92	0.41	
	Return on Equity (%)	2.17	0.01	
	Proportion to Paid-In Capital (%)	Operating Income	6.93	8.51
		Earnings before taxes	4.61	1.59
	Net Margin (%)	3.79	0.01	
	Earnings Per Share (NTD)	0.31	0.001	

(4) R&D Status

The Company is committed to product development and production cost reduction, energy saving and carbon reduction as well as waste recycling, but also actively invested in high-value new product development, including digital slate tiles in the sizes of 30×60cm, 60×60cm, 45×90cm, 90×90cm, 60×120cm; digital wood bricks in the size of 15×75cm; new thick brick products in the sizes of 60×120×2cm and 60×60×2cm; Champion and Marcobelli marble series products with digital printing and high-end stone materials substitutes in the sizes of 30×60cm, 60×60cm, 80×80cm, 90×90cm and 90×180cm In addition, we continue to purchase new digital printing presses to replace the old models to enhance the added value of the products, so as to enhance the competitiveness of the company's products.

Chairman: LIN, JUNG-TE Manager: LIN, YOU-YU Accounting Manager: LIAO, HUI-YI

Attachment 2

Audit Committee Review Report

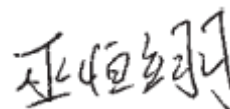
The Board of Directors has compiled and submitted the Company's 2024 Consolidated Financial Statements audited and attested by CPAs Chung-Che Chen and Shin-Chin Chih of KPMG Taiwan, with audit report issued; the aforesaid Business Report, Consolidated Financial Statements and Profit and Loss Appropriation have been reviewed and determined to be correct and accurate by the Audit Committee. In accordance with Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this report.

To

Shareholders' Meeting of Champion Building Materials Co. Ltd.

Audit Committee

Convener: Wu, Heng-Yi



March 31, 2025

Champion Building Materials Co. Ltd.

Conduct of Matters for Endorsements and Guarantees in 2024:

Unit: NTD Thousands

Endorsee/Guaranteed Party		Limit of Endorsement / Guarantee to a Single Business	Balance of Maximal Endorsement / Guarantee in Current Period	Ending Endorsement and Guarantee Balance	Actual Amount Used	Amount of Endorsement / Guarantee made in Properties	Proportion of Accumulated Endorsement/ Guarantee Amount to the Net Value in Most Recent Financial Statement	Maximal Limit of Endorsement / Guarantee
Company Name	Relations (Note 2)							
Guan Zhong Trading Co., Ltd.	1	1,669,904	154,564	79,170	1,884	-	1.42%	2,783,173
Champion Highwealth Co., Ltd.	1	1,669,904	26,224	26,224	24,565	-	0.47%	2,783,173
Guangdoli Co., Ltd.	3	1,669,904	25,966	25,966	1,104	-	0.47%	2,783,173
Gaoyuwang Co., Ltd	3	1,669,904	5,900	5,900	-	-	0.11%	2,783,173

Note 1: The maximum of endorsement/guarantee of the Company is 50% of the net worth; the endorsement or guarantee to a single business by the Company is 30% of the net worth.

Note 2: The relation between Endorser/Guarantor and the Endorsee/Guaranteed Party are as follows:

1. A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.
2. A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.
3. A company with which it does business.

Champion Building Materials Co. Ltd.

Conduct of Loaning of Funds to Others in 2024 is as follows:

Unit: NTD Thousands

Counterparty of Loan	Account of Transaction	Related Parties (Y/N)	Maximal Amount in this Period	Ending Balance	Actual Amount Used	Interest Rate Interval	Property of Loan	Amount of Transaction	Reason for Necessity of a Short-Term Financing Facility	Amount of Allowance for Bad Debts	Collateral		Limit in Amount of Loans to a Single Borrower	Limit on Aggregate Amount on Loan of Funds
											Name	Value		
Sinyih Ceramic (China) Co., Ltd.	Other Receivables	Yes	671,550	582,010	223,850	4.80%	Where a short-term financing facility is necessary	-	Business Turnover	-	-	-	1,113,269	2,226,538
Champion Highwealth Co., Ltd	Other Receivables	Yes	100,000	100,000	20,000	3.10%	Where a short-term financing facility is necessary	-	Business Turnover	-	-	-	1,113,269	2,226,538
Guan Zhong Trading Co., Ltd.	Other Receivables	Yes	60,000	30,000	-	3.10%	Where a short-term financing facility is necessary	-	Business Turnover	-	-	-	1,113,269	2,226,538
Wei Xun Co., Ltd	Other Receivables	Yes	7,000	-	-	2.00%	Where a short-term financing facility is necessary	140,011	Business Turnover	-	-	-	1,113,269	2,226,538

Note: The aggregate amount of the Company's loan of funds shall not be more than 40% of the net value; the loan of funds to an individual counterparty shall not be more than 20% of the net value.

Execution of Related Party Transactions in 2024.

According to Article 17 of the “Corporate Governance Best Practice Principles,” financial/business dealings or transactions with related parties and shareholders shall be on an arm-length basis, and written specifications for financial/business operations and relevant material transactions shall be submitted to the Board for resolution and approval and submitted to the shareholders’ meeting for consent or reporting.

Related party transactions in 2024 were disclosed in the related party transacts in the parent company only and consolidated financial statements; according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the information on material transactions is as follows:

1. Sales Transactions:

Parent Company Financial Statements:

Name of related parties	Relationship	Transaction Amount (NT\$ thousands)	Percentage of Total Sales (%)	Outstanding Receivables (NT\$ thousands)	Percentage of Total Notes and Accounts Receivable (%)
Guangdoli Co., Ltd.	Other Related Parties	703,280	22.32%	245,103	29.81%
Guangliyu Co., Ltd.	Other Related Parties	340,106	10.80%	111,493	13.56%
Taxi Co., Ltd.	Other Related Parties	115,137	3.65%	29,234	3.56%
Deebao Co., Ltd.	Other Related Parties	272,458	8.65%	56,601	6.88%
Weixun Co., Ltd.	Other Related Parties	160,095	5.08%	34,972	4.25%
Fanyang Co., Ltd.	Other Related Parties	86,677	2.75%	22,732	2.76%
Fengyuwang Co., Ltd.	Other Related Parties	296,011	9.40%	75,813	9.22%
Yuanhe Building Materials Co., Ltd.	Other Related Parties	215,420	6.84%	50,431	6.13%
Gaoyuwan Co.,Ltd.	Other Related Parties	407,328	12.93%	77,941	9.48%
Golden Diamond Building Materials Co., Ltd.	Other Related Parties	35,707	1.13%	17,165	2.09%
Total		2,632,219		721,485	

Consolidated Financial Statements:

The Consolidated Entity	Name of related parties	Relationship	Transaction Amount (NT\$ thousands)	Percentage of Total Sales (%)	Outstanding Receivables (NT\$ thousands)	Percentage of Total Notes and Accounts Receivable (%)
Champion Building Materials Co. Ltd.	Guangdoli Co., Ltd.	Other Related Parties	703,280	20.51%	245,103	26.48%
Champion Building Materials Co. Ltd.	Guangliyu Co., Ltd.	Other Related Parties	340,106	9.92%	111,493	12.05%
Guan Zhong Trading Co., Ltd., Champion Highwealth Co., Ltd.	Gaoqi Ceramics Co., Ltd.	Other Related Parties	30,794	0.90%	5,403	0.58%
Champion Building Materials Co. Ltd., Guan Zhong Trading Co., Ltd., Champion Highwealth Co., Ltd.	Taxi Co., Ltd.	Other Related Parties	132,813	3.87%	33,521	3.62%
Champion Building Materials Co. Ltd.	Deebao Co., Ltd.	Other Related Parties	272,458	7.94%	57,154	6.17%
Champion Building Materials Co. Ltd.	Weixun Co., Ltd.	Other Related Parties	160,095	4.67%	34,972	3.78%
Champion Building Materials Co. Ltd., Guan Zhong Trading Co., Ltd., Champion Highwealth Co., Ltd.	Fanyang Co., Ltd.	Other Related Parties	89,357	2.61%	23,842	2.58%
Champion Building Materials Co. Ltd., Guan Zhong Trading Co., Ltd.	Fengyuwang Co., Ltd.	Other Related Parties	301,480	8.79%	76,704	8.29%
Champion Building Materials Co. Ltd., Guan Zhong Trading Co., Ltd.	Yuanhe Building Materials Co., Ltd.	Other Related Parties	216,282	6.31%	50,650	5.47%
Champion Building Materials Co. Ltd., Guan Zhong Trading Co., Ltd.	Gaoyuwang Co., Ltd.	Other Related Parties	408,688	11.92%	78,360	8.47%
Champion Building Materials Co. Ltd., Champion Highwealth Co., Ltd.	Golden Diamond Building Materials Co., Ltd.	Other Related Parties	66,294	1.93%	26,412	2.85%
Sinyih Ceramic (China) Co., Ltd.	Seagull Champion Ltd.	Affiliates of the Consolidated	(16)		8,394	0.91%
		Total	2,721,631		752,008	

Credit period:

- (1) Shipping from outlets: Settle the account on the 25th of each month, with 30 days EOM.
- (2) Shipping from construction sites: Settle the account on the 25th of each month, with 95% 30 days EOM and 5% 180 days EOM.

The prices for sales transactions and collection periods between related parties are not significantly different from those of general customers.

2. Purchase Transactions:

Consolidated Financial Statements:

Name of related parties	Relationship	Transaction Amount (NT\$ thousands)	Percentage of Total Purchases (%)	Outstanding Accounts Payable	Percentage of Total Notes and Accounts Payable (%)
Seagull Champion Ltd.	Affiliates of the Consolidated	170	0.01%	9,685	3.19%

3. Acquisition or Disposal of Assets:

No transactions occurred in 2024.

4. Lending of Funds:

No transactions occurred in 2024.

5. Endorsements and Guarantees:

No new transactions occurred in 2024. The remaining transactions are as follows:

Name of related parties	Relationship	Reason for Guarantee	Total Contract Amount (NT\$ thousands)	Unused Amount (Undelivered) as of 2024/12/31 (NT\$ thousands)	Guarantee Expiry
Guangdoli Co., Ltd.	Other Related Parties	performance obligation	25,966	1,104	Settlement of Retention upon Project Completion
Gaoyuwang Co.,Ltd.	Other Related Parties	performance obligation	5,900	-	
Total			31,866		

6. Lease – Lessee:

Parent Company Financial Statements:

Name of related parties	Relationship	Location	Right-of-Use Assets	Lease Liabilities	Refundable Deposits
Guangdoli Co., Ltd.	Other Related Parties	Neihu District, Taipei City	14,192	12,610	533
Gaoqi Ceramics Co., Ltd.	Other Related Parties	Neihu District, Taipei City	6,886	3,316	299

Consolidated Financial Statements:

Name of related parties	Relationship	Location	Right-of-Use Assets	Lease Liabilities	Refundable Deposits
Guangdoli Co., Ltd.	Other Related Parties	Neihu District, Taipei City	14,549	12,610	533
Gaoqi Ceramics Co., Ltd.	Other Related Parties	Neihu District, Taipei City	9,703	4,579	698
Gaoyuwang Co.,Ltd.	Other Related Parties	Renwu District, Kaohsiung City	0	0	32

Champion Building Materials Co., Ltd.

Comparison Table for the Measures for the Transfer of Treasury Shares to Employees

No.	After amendment	Before amendment	Description
Article1	<p><u>Purpose:</u></p> <p>To provide incentives to employees and improve their cohesion, the Company established the Regulations for Repurchases of Shares to Transfer to Employees according to subparagraph 1, paragraph 1, Article 28-2 of the Securities and Exchange Act and the “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” published by the <u>Financial Supervisory Commission (FSC)</u>. The repurchases of shares by the Company to transfer to employees shall be subject to the Regulations unless otherwise stated in laws and regulations.</p>	<p>To provide incentives to employees and improve their cohesion, the Company established the Regulations for Repurchases of Shares to Transfer to Employees according to subparagraph 1, paragraph 1, Article 28-2 of the Securities and Exchange Act and the “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” published by the <u>Securities and Futures Commission (SFC)</u>. The repurchases of shares by the Company to transfer to employees shall be subject to the Regulations unless otherwise stated in laws and regulations.</p>	<p>Requirements of the Regulations were amended according to the “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies.”</p>
Article2	<p><u>Transfer type, the content of rights, and right restrictions:</u></p> <p>Shares to be transferred to employees are ordinary shares. Unless otherwise stated in laws, regulations, and the Regulations, the rights and obligations are equivalents to those of other outstanding ordinary shares.</p>	<p>Shares to be transferred to employees <u>this time</u> are ordinary shares. Unless otherwise stated in laws, regulations, and the Regulations, the rights and obligations are equivalents to those of other outstanding ordinary shares.</p>	<p>Requirements of the Regulations were amended according to the “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies.”</p>
Article3	<p>Transfer period:</p> <p>The shares to be repurchased may be transferred to employees at once or in batches within three years from the date of share repurchases according to the Regulations.</p>	<p>Transfer period:</p> <p>The shares to be repurchased <u>this time</u> may be transferred to employees at once or in batches within three years from the date of share repurchases according to the Regulations.</p>	<p>Requirements of the Regulations were amended according to the “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies.”</p>

No.	After amendment	Before amendment	Description
Article5	<p>Transfer procedures: The number of shares available for subscription by employees shall be established based on the job level, seniority, performance evaluation results, <u>and special contributions to the Company of employees. Regarding the total repurchased shares held by the Company on the base day for share subscription and the cap of the number of shares for subscription by a single employee, the Board shall otherwise set the number of shares for subscription by employees. The substantial subscription qualification and subscription volume shall be resolved by the Board, and the Chairman shall not be authorized for determination. However, employees receiving the transfer who are managers shall be agreed by the Remuneration Committee and reported to the Board for resolution; employees receiving the transfer who are not managers shall be agreed by the Audit Committee and reported to the Board for resolution.</u></p>	<p>Transfer procedures: The number of shares available for subscription by employees shall be established based on the job level, seniority, performance evaluation results, performance evaluations, and special contributions to the Company. The Board of Directors shall separately determine the number of shares each employee may subscribe for, taking into account factors such as the total number of treasury shares held by the Company on the record date and the maximum number of shares that may be subscribed for by any single employee.</p>	<p>Requirements of the Regulations were amended according to the “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies.”</p>
Article6	<p>Procedures for repurchases of shares to transfer to employees:</p> <p>I. Make announcements and filings according to the resolution of the Board and repurchase the Company’s shares within the implementation deadline.</p> <p>II. The Board shall establish and announce the base day for share subscription by employees, the standards for the number of shares available for subscription, the subscription payment period, the content of rights, and restrictive conditions according to the Regulations.</p>	<p>Procedures for repurchases of shares this time to transfer to employees:</p> <p>I. Make announcements and filings according to the resolution of the Board and repurchase the Company’s shares within the implementation deadline.</p> <p>II. The Board shall establish and announce the base day for share subscription by employees, the standards for the number of shares available for subscription, the subscription payment period, the content of rights, and restrictive conditions according to the Regulations.</p>	<p>Requirements of the Regulations were amended according to the “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies.”</p>

No.	After amendment	Before amendment	Description
	III. Prepare the statistics for the number of shares subscribed and paid and conduct the transfer registration for stock transfers.	III. Prepare the statistics for the number of shares subscribed and paid and conduct the transfer registration for stock transfers.	
Article7	<p>Transfer price per share agreed:</p> <p>For repurchases of shares to transfer to employees, the average price of the repurchases shall be the transfer price (rounded down to NT\$1); however, if there is any increase in the ordinary shares issued by the Company before the transfer, adjustments may be made based on the increased ratio of the issued shares, <u>or if the shares are transferred to employees at a price lower than the average price of repurchases according to the Articles of Incorporation, it shall be reported to and receive the consent from attending shareholders with over two-thirds of the voting rights at a shareholders' meeting attended by shareholders with over half of the total issued shares, and matters set out in Article 10-1 of the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies" shall be set out and described in the reasons for the shareholders' meeting before the transfer.</u></p>	<p>Transfer price per share agreed:</p> <p>For repurchases of shares this time to transfer to employees, the average price of the repurchases shall be the transfer price; however, if there is any increase in the ordinary shares issued by the Company before the transfer, adjustments may be made based on the increased ratio of the issued shares.</p>	Requirements of the Regulations were amended according to the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies."
Article8	<p>Rights and obligations after the transfer:</p> <p>After the repurchased shares are transferred to employees with the transfer registration completed, the rights and obligations shall be equivalent to those of the initial shares unless otherwise stated.</p>	<p>Rights and obligations after the transfer:</p> <p>After the repurchased shares are this time transferred to employees with the transfer registration completed, the rights and obligations shall be equivalent to those of the initial shares unless otherwise stated.</p>	Requirements of the Regulations were amended according to the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies."
Article10	<p><u>Implementation and amendment:</u></p> <p>The Regulations became effective after being resolved and approved by the</p>	<p><u>Other:</u></p> <p>The Regulations became effective after being resolved and approved by</p>	Requirements of the Regulations were amended according to

No.	After amendment	Before amendment	Description
	Board, and they may be reported to the Board for the resolution of amendments.	the Board, and they may be reported to the Board for the resolution of amendments.	the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies."
Article11	<u>The resolution of the Board for transferring shares to employees and the implementation status shall be reported at the upcoming shareholders' meeting.</u>	<u>The Regulations became effective after being resolved and approved by the Board, and they may be reported to the Board for the resolution of amendments.</u>	Requirements of the Regulations were amended according to the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies."
Article12	The Regulations were established on September 16, 2008. The 1st amendment was made on September 30, 2008. The 2nd amendment was made on November 12, 2015. <u>The 3rd amendment was made on August 13, 2024.</u>	The Regulations were established on September 16, 2008. The 1st amendment was made on September 30, 2008. The 2nd amendment was made on November 12, 2015.	Requirements of the Regulations were amended according to the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies."

Champion Building Materials Co., Ltd.

Measures for the Transfer of Treasury Shares to Employees.

Article 1 Purpose:

To provide incentives to employees and improve their cohesion, the Company established the Regulations for Repurchases of Shares to Transfer to Employees according to subparagraph 1, paragraph 1, Article 28-2 of the Securities and Exchange Act and the “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” published by the Financial Supervisory Commission (FSC). The repurchases of shares by the Company to transfer to employees shall be subject to the Regulations unless otherwise stated in laws and regulations.

Article 2 Transfer type, the content of rights, and right restrictions:

Shares to be transferred to employees are ordinary shares. Unless otherwise stated in laws, regulations, and the Regulations, the rights and obligations are equivalent to those of other outstanding ordinary shares.

Article 3 Transfer period:

The shares to be repurchased may be transferred to employees at once or in batches within three years from the date of share repurchases according to the Regulations.

Article 4 Qualification of transferees:

Employees of the Company or subsidiaries in which the Company directly or indirectly holds over 50% of shares who have worked for one year or above before the base day for share subscription or have special contributions that were reported to and agreed by the Board are entitled to the subscription qualification according to the subscription amount set out in Article 5 of the Regulations.

Article 5 Transfer procedures:

The number of shares available for subscription by employees shall be established based on the job level, seniority, performance evaluation results, and special contributions to the Company of employees. Regarding the total repurchased shares held by the Company on the base day for share subscription and the cap of the number of shares for subscription by a single employee, the Board shall otherwise set the number of shares for subscription by

employees. The substantial subscription qualification and subscription volume shall be resolved by the Board, and the Chairman shall not be authorized for determination. However, employees receiving the transfer who are managers shall be agreed by the Remuneration Committee and reported to the Board for resolution; employees receiving the transfer who are not managers shall be agreed by the Audit Committee and reported to the Board for resolution.

Article 6 Procedures for repurchases of shares to transfer to employees:

- I. Make announcements and filings according to the resolution of the Board and repurchase the Company's shares within the implementation deadline.
- II. The Board shall establish and announce the base day for share subscription by employees, the standards for the number of shares available for subscription, the subscription payment period, the content of rights, and restrictive conditions according to the Regulations.
- III. Prepare the statistics for the number of shares subscribed and paid and conduct the transfer registration for stock transfers.

Article 7 Transfer price per share agreed:

For repurchases of shares to transfer to employees, the average price of the repurchases shall be the transfer price (rounded down to NT\$1); however, if there is any increase in the ordinary shares issued by the Company before the transfer, adjustments may be made based on the increased ratio of the issued shares, or if the shares are transferred to employees at a price lower than the average price of repurchases according to the Articles of Incorporation, it shall be reported to and receive the consent from attending shareholders with over two-thirds of the voting rights at a shareholders' meeting attended by shareholders with over half of the total issued shares, and matters set out in Article 10-1 of the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies" shall be set out and described in the reasons for the shareholders' meeting before the transfer.

Article 8 Rights and obligations after the transfer:

After the repurchased shares are transferred to employees with the transfer registration completed, the rights and obligations shall be equivalent to those of the initial shares unless otherwise stated.

Article 9 Other matters of rights and obligations related to the Company and employees:

For other matters of rights and obligations related to the Company and employees, the Company may have agreements with employees based on the requirements; however, they shall not violate the Securities and Exchange Act, the Company Act, and other relevant laws and regulations.

Article 10 Implementation and amendment:

The Regulations became effective after being resolved and approved by the Board, and they may be reported to the Board for the resolution of amendments.

Article 11 The resolution of the Board for transferring shares to employees and the implementation status shall be reported at the upcoming shareholders' meeting.

Article 12 The Regulations were established on September 16, 2008. The 1st amendment was made on September 30, 2008. The 2nd amendment was made on November 12, 2015. The 3rd amendment was made on August 13, 2024.

Independent Auditors' Report

The Board of Directors
Champion Building Materials Co., Ltd.

Opinion

We have audited the financial statement of Champion Building Materials Co., Ltd. (the "Company") as of December 31 2024 and 2023 (restated), the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying individual financial statements present fairly, in all material respects, the financial position of the Company as of December 31 2024 and 2023 (restated), and its financial performance and its cash flows for the years 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 Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Company 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 of 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 individual financial statements of the Company for the year ended 31 December 2024. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. According to our judgment, key audit matters to be communicated in the audit report are as follows:

I. Income Recognition

For details of accounting policies related to income recognition, please refer to Note 4(15), "Income recognition," in the notes to individual financial statements. For details of description for income recognition, please refer to Note 6(17), "Income from contract with customers," and Note 7, "transactions with related parties," in the notes to individual financial statements.

Description of the Key Audit Matter:

Champion Building Materials Co., Ltd. primarily engages in the manufacturing and trading of ceramics, ceramic products, stone products, and fire-resistant materials. Income is the primary source of cash inflows for its corporate operations, and is also a matter concerned by the user of the financial statements. In addition, approximately 83.54% of Champion Building Materials Co., Ltd.'s operating revenue is derived from sales transactions with related parties. Therefore, income recognition is a matter that requires great attention for our audits on the financial statements.

Corresponding audit procedures:

The primary audit procedures we performed for the abovementioned key audit matter include:

- We evaluated the appropriateness of accounting policies for income recognition;
- Reviewing management's procedures for identifying related parties;
- We performed circular internal control testing for sales income and checked the accuracy regarding the time spot of income recognition;
- We performed a variance analysis for top 10 customers of sales to evaluate whether any significant anomaly exists, and sent out inquiries to counterparties for evidence;
- Assessing whether the terms and collection status of sales transactions with related parties differ significantly from those with non-related parties;
- We selected a period of time before and after the balance sheet date to verify relevant certificates, so as to confirm that relevant transactions had been accounted for appropriately.

II. Inventory Valuation

For details of accounting policies related to inventory valuation, please refer to Note 4(7) Inventory in the notes to individual financial statements. For details of uncertainties in accounting estimates and assumptions related to inventory valuation, please refer to Note 5(2) in the notes to individual financial statements. For descriptions on inventory valuation, please refer to Note 6(6) in the notes to individual financial statements:

Description of the Key Audit Matter:

The inventory amount of Champion Building Materials Co., Ltd. is presented at the lower of costs and net realizable amount. As the Company is in an industry related to real estate, the poor economic environment for real estate may result in more significant fluctuation in the selling prices of products, which may, in turn, generate risks where the inventory costs are higher than the net realizable value. Therefore, inventory valuation is a matter that requires great attention for our audits on the financial statements.

Corresponding audit procedures:

The primary audit procedures we performed for the abovementioned key audit matter include:

- We examined the statements of inventory age and analyzed the changes of inventory age in different periods. We also sample-checked whether inventories are in the correct range of age;
- We evaluated the reasonableness of ratio for the allowance for inventory price drops or obsolete losses;
- We evaluated whether inventory valuation had been executed according to the existing accounting policies. We evaluated the basis adopted for net realizable value to verify the accuracy used by the management in estimating the valuation of allowance for inventory.

III. Valuation of Investments Accounted for Using the Equity Method

For details of the accounting policies related to equity method investments, please refer to Notes 4(8) and 4(9) of the parent company only financial statements; for details of the investments accounted for using the equity method, please refer to Note 6(7).

Description of the Key Audit Matter:

As of December 31, 2024, the carrying amount of investments accounted for using the equity method was NT\$1,450,783 thousand, which represents a significant investment. Some of the investee companies have continued to incur losses, and their property, plant, and equipment represent material assets. Therefore, the valuation of these equity-method investments was considered a key audit matter in our audit of the financial statements.

Corresponding audit procedures:

The primary audit procedures we performed for the abovementioned key audit matter include:

- Understanding management's procedures and methods for monitoring the investee companies;
- Obtaining financial information of the investee companies and performing audit procedures in accordance with the group audit plan, including impairment assessments of property, plant, and equipment held by the investees;
- Verifying the accuracy of the equity method accounting and evaluating the appropriateness of related disclosures by management.

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

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

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

Those charged with governance of Champion Building Materials Co., Ltd., including the Audit Committee, are responsible for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual 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 auditing standards generally accepted in the ROC will always detect a material misstatement in the individual financial statements 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 individual financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the ROC, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the individual 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 Champion Building Materials Co., Ltd.'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 Champion Building Materials Co., Ltd.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the individual financial statements, including relevant notes, and whether the individual 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 investee companies accounted for using the equity method to express an opinion on the individual financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for forming the audit opinion for the Champion Building Materials Co., Ltd..

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 provided those charged with governance with a statement that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and to communicate with them all relationships and other matters that may be thought to bear on our independence (including relevant preventive measures).

From the matters communicated with those charged with governance, we determined key audit matters of the financial statements of the Champion Building Materials Co., Ltd. for the year ended 31 December 2024. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

The engagement partners on the audits resulting in this independent auditors' report are Chung-Che Chen and Shin-Chin Chih.

KPMG

Taipei, Taiwan (Republic of China)

March 31, 2025

Champion Building Materials Co., Ltd.

Balance Sheet

31 December 2024 and 2023

Unit: NT\$000'

Asset	2024.12.31		2023.12.31 (restated)		Liabilities and Equity	2024.12.31		2023.12.31 (restated)	
	Amount	%	Amount	%		Amount	%	Amount	%
Current asset:					Current liabilities:				
1100 Cash and cash equivalents (Note 6(1) and(20))	\$ 1,615,559	21	\$ 1,282,607	17	2100 Short-term borrowings (Notes 6(11) and 8)	\$ 74,388	1	\$ 452,334	6
1110 Financial assets at fair value through profit or loss – Current (Note 6(3) and (20))	9,597	-	-	-	2130 Contract liabilities – Current (Note 6(17))	1,193	-	3,178	-
1120 Financial assets at fair value through other comprehensive income – Current (Note 6(3) and (20))	29,605	-	27,558	-	2150 Note payables (Note 6(20))	151,235	2	133,399	2
1150 Note receivables (Notes 6(5), (17) and (20))	56,851	1	53,164	1	2161 Note payables -Related parties (Notes 6(20) and 7)	810	-	938	-
1160 Note receivables -Related parties (Notes 6(5), (17), (20) and 7)	501,466	6	461,363	6	2170 Account payables (Note 6(20))	151,980	2	157,737	2
1170 Account receivables (Notes 6(5), (17), and (20))	43,930	1	62,617	1	2181 Account payables -Related parties (Notes 6(20) and 7)	-	-	688	-
1180 Account receivables -Related parties Notes 6(5), (17), (20) and 7)	220,019	3	237,687	3	2200 Other payables (Notes 6(20) and 7)	211,621	3	168,290	3
1210 Other receivables -Related parties (Notes 6(20) and 7)	254,454	3	411,623	5	2220 Other payables -Related parties (Notes 6(20) and 7)	15,202	-	14,837	-
1310 Inventory – Manufacturing industry (Note 6(6))	641,903	8	913,158	12	2230 Current income tax liabilities	23,096	-	24,897	-
1320 Buildings and land held for sale (Notes 8 and 12)	59,339	1	59,339	1	2251 Allowances for employee benefit liabilities – Current (Notes 6(13))	18,351	-	17,798	-
1410 Prepayment (Note 7)	154,205	2	125,426	2	2280 Lease liabilities – Current (Note 6(20))	25,215	-	25,221	-
1476 Other financial assets – Current (Notes 6(20) and 8)	161,105	2	279,457	4	2320 Current portion of long-term borrowings (Notes 6(12) and 8)	68,166	1	899,766	12
1479 Other current assets - Others	1,858	-	1,871	-	2399 Other current liabilities - Others	7,609	-	9,874	-
	<u>3,749,891</u>	<u>48</u>	<u>3,915,870</u>	<u>52</u>		<u>748,866</u>	<u>9</u>	<u>1,908,957</u>	<u>25</u>
Non-current asset:					Non-Current liabilities:				
1517 Financial assets at fair value through other comprehensive income – Non-current (Notes 6(3) and (20))	10,000	-	10,000	-	2540 Long-term borrowings (Notes 6(12) and 8)	1,323,8796	17	-	-
1535 Financial assets measured at amortized cost– Non-current (Notes 6(4))	20,000	-	20,000	-	2570 Deferred income tax liabilities (Note 6(14))	101,416	1	90,883	1
1550 Investments accounted for using equity method (Note 6(7))	1,450,783	19	1,463,819	20	2580 Lease liabilities – Non-current (Note 6(20))	67,980	1	63,245	1
1600 Property, plant and equipment (Notes 6(8) and 8)	2,111,782	28	1,763,785	24	2640 Net defined benefit liabilities – Non-current (Note 6(13))	-	-	6,065	-
1755 Right-of-use assets (Note 6(9))	95,986	1	90,957	1	2645 Guarantee deposit received	290	-	290	-
1760 Net investment properties (Notes 6(10) and 8)	81,463	1	81,463	1		<u>1,493,562</u>	<u>19</u>	<u>160,433</u>	<u>2</u>
1780 Intangible assets	15,014	-	11,517	-	Total liabilities	<u>2,242,428</u>	<u>28</u>	<u>2,069,390</u>	<u>27</u>
1840 Deferred income tax assets (Note 6(14))	32,722	-	36,283	1	Equity (Note 6(15)):				
1915 Prepayment for equipment (Note 9)	208,419	3	94,589	1	3100 Share capital	3,904,039	50	3,904,039	52
1920 Refundable deposits	4,473	-	5,967	-	3200 Capital reserve	157,999	2	157,999	2
1970 Defined benefit asset– Non-current (Note 6(13))	11,591	-	-	-	3300 Retained earnings	1,147,810	15	1,015,540	14
1990 Other non-current assets - Others	16,650	-	22,468	-	3400 Other equity	403,090	6	369,750	5
	<u>4,058,883</u>	<u>52</u>	<u>3,600,848</u>	<u>48</u>	3500 Treasury shares	(46,592)	(1)	-	-
Total asset	<u>\$ 7,808,774</u>	<u>100</u>	<u>\$ 7,516,718</u>	<u>100</u>	Total equity	<u>5,566,346</u>	<u>72</u>	<u>5,447,328</u>	<u>73</u>
					Total liabilities and equity	<u>\$ 7,808,774</u>	<u>100</u>	<u>\$ 7,516,718</u>	<u>100</u>

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

Champion Building Materials Co., Ltd.
Statement of Comprehensive Income
For the Year Ended December 31 2024 and 2023

Unit: NT\$000'

2023

(restated)

		2024		2023	
		Amount	%	Amount	%
	Operating revenues (Notes 6(17) and 7):				
4110	Revenue	\$ 3,280,379	104	\$ 3,101,596	104
4170	Less: Sales return	50,142	2	39,358	1
4190	Sales discounts	79,702	2	69,680	3
	Net revenues	<u>3,150,535</u>	<u>100</u>	<u>2,992,558</u>	<u>100</u>
5110	Operating cost (Notes 6(6), (13), 7, and 12)	<u>2,311,627</u>	<u>73</u>	<u>2,102,433</u>	<u>70</u>
5900	Gross profit	<u>838,908</u>	<u>27</u>	<u>890,125</u>	<u>30</u>
6000	Operating expenses (Notes 6(5), (13), (18), and 12):				
6100	Selling	309,664	10	344,324	12
6200	Administrative	221,143	7	173,554	6
6300	Research and development	38,380	1	40,301	1
6450	Expected credit impairment gains	(808)	-	(481)	-
	Total operating expenses	<u>568,379</u>	<u>18</u>	<u>557,698</u>	<u>19</u>
6900	Operating income	<u>270,529</u>	<u>9</u>	<u>332,427</u>	<u>11</u>
	Non-operating income and expenses:				
7010	Other income (Notes 6(19))	34,901	1	36,266	1
7020	Other gains and losses (Note 6(19))	41,046	1	(5,654)	-
7050	Financial costs (Note 6(19))	(39,669)	(1)	(40,678)	(1)
7070	Share of profit or loss from subsidiaries, associates, and joint ventures accounted for using the equity method	(126,841)	(4)	(260,175)	(9)
	Total non-operating income and expenses	<u>(90,563)</u>	<u>(3)</u>	<u>(270,241)</u>	<u>(9)</u>
	Profit before income tax	<u>179,966</u>	<u>6</u>	<u>62,186</u>	<u>2</u>
7950	Less: Income tax expenses (Note 6(14))	<u>60,627</u>	<u>2</u>	<u>61,777</u>	<u>2</u>
	Net profit	<u>119,339</u>	<u>4</u>	<u>409</u>	<u>-</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	12,931	-	(3,968)	-
8316	Unrealized gains (losses) from investment in debt instrument measured at fair value through other comprehensive income	1,274	-	1,699	-
8330	Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using equity method - Items that will not be reclassified to profit or loss	(11,104)	-	17,136	1
8349	Less: Income tax related to items that will not be reclassified to profit or loss	-	-	-	-
	Total items that will not be reclassified to profit or loss	<u>3,101</u>	<u>-</u>	<u>14,867</u>	<u>1</u>
8360	Items that will be reclassified to profit or loss				
8361	Exchange differences arising from the translation of financial statements of institutions operating overseas	52,909	2	(19,188)	(1)
8367	Unrealized gains (losses) from investment in debt instrument measured at fair value through other comprehensive income	844	-	388	-

Champion Building Materials Co., Ltd.
Statements of Comprehensive Income(Cont'd)
For the Year Ended December 31 2024 and 2023

		Unit: NT\$000'			
		2024		2023	
		Amount	%	Amount	%
		Amount	%	(restated)	%
8399	Less: Income tax related to items that may subsequently be reclassified into profit or loss	10,583	-	(3,838)	-
	Total items that will be reclassified to profit or loss	<u>43,170</u>	<u>2</u>	<u>(14,962)</u>	<u>(1)</u>
8300	Other comprehensive income	<u>46,271</u>	<u>2</u>	<u>(95)</u>	<u>-</u>
	Total comprehensive income(NT\$) (Note 6(15))	<u>\$ 165,610</u>	<u>6</u>	<u>\$ 314</u>	<u>-</u>
9750	Basic Earnings per share	<u>\$</u>	<u>0.31</u>	<u>\$</u>	<u>0.001</u>
9801	Diluted Earnings Per Share	<u>\$</u>	<u>0.31</u>	<u>\$</u>	<u>0.001</u>

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

Champion Building Materials Co., Ltd.
Statements of Changes in Equity
For the Year Ended December 31, 2024 and 2023

Unit: NT\$000'

	Retained earnings					Other equity				Treasury shares	Total equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange differences on translating	Unrealized gains or Loss on instruments at fair value through other comprehensive income	Total		
Balance at January 1, 2023	<u>\$3,904,039</u>	<u>157,999</u>	<u>600,038</u>	<u>121,349</u>	<u>297,712</u>	<u>1,019,099</u>	<u>351,913</u>	<u>13,964</u>	<u>365,877</u>	-	<u>5,447,014</u>
Net profit(restated)	-	-	-	-	409	409	-	-	-	-	409
Other comprehensive income (restated)	-	-	-	-	(3,968)	(3,968)	(15,350)	19,223	3,873	-	(95)
Total comprehensive income (restated)	-	-	-	-	(3,559)	(3,559)	15,350	19,223	3,873	-	314
Balance at December 31, 2023	3,904,039	157,999	600,038	121,349	294,153	1,015,540	336,563	33,187	369,750	-	5,447,328
Net profit	-	-	-	-	119,339	119,339	-	-	-	-	119,339
Other comprehensive income	-	-	-	-	12,931	12,931	42,326	(8,986)	33,340	-	46,271
Total comprehensive income	-	-	-	-	132,270	132,270	42,326	(8,986)	33,340	-	165,610
Treasury stock acquired	-	-	-	-	-	-	-	-	-	(46,592)	(46,592)
Balance at December 31, 2024	<u>\$3,904,039</u>	<u>157,999</u>	<u>600,038</u>	<u>121,349</u>	<u>426,423</u>	<u>1,147,810</u>	<u>378,889</u>	<u>24,201</u>	<u>403,090</u>	<u>(46,592)</u>	<u>5,566,346</u>

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

Champion Building Materials Co., Ltd.
Statement of Cash Flows
For the Year Ended December 31 2024 and 2023

	2024	Unit: NT\$000' 2023 (restated)
Cash flows from operating activities:		
Profit before income tax	\$ 179,966	62,186
Adjustments for:		
Depreciation expenses	182,397	179,652
Amortization expenses	22,759	19,175
Expected credit reversal of impairment losses	(808)	(481)
Losses on financial assets at fair value through profit or loss	403	-
Interest expenses	39,669	40,678
Interest income	(29,101)	(30,542)
Dividend income	(1,031)	(931)
Share of losses from subsidiaries, associates, and joint ventures accounted for using the equity method	126,841	260,175
Losses on disposals and scrapping of property, plant and equipment	10,014	2,353
Property, plant and equipment transferred to expenses	20,303	-
Lease modification gains	(3)	(257)
Total items of profit or loss	<u>371,443</u>	<u>469,822</u>
Changes in asset/liabilities related to operating activities:		
Net changes of asset related to operating activities:		
Increase in note receivables, including related parties	(43,790)	(149,487)
Decrease (increase) in account receivables, including related parties	37,163	(55,819)
Decrease (increase) in inventory	271,255	(24,970)
(Increase) decrease in prepayments	(28,779)	41,643
Decrease (increase) in other current assets	13	(13)
(Increase) decrease in other financial assets - Current	(392)	882
Total net changes of asset related to operating activities	<u>235,470</u>	<u>(187,764)</u>
Net changes of liabilities related to operating activities:		
Decrease in contract liabilities	(1,985)	(1,409)
Increase increase in note payables, including related parties	17,708	27,020
Decrease in account payables, including related parties	(6,445)	(17,289)
Increase in other payables, including related parties	43,718	23,616
Increase in allowance for liabilities	553	1,049
Decrease in other current liabilities	(2,265)	(908)
Decrease in net defined benefit liabilities	(4,725)	(5,598)
Total net changes in liabilities related to operating activities	<u>46,559</u>	<u>26,481</u>
Total net changes in assets and liabilities related to operating activities	<u>282,029</u>	<u>(161,283)</u>

Champion Building Materials Co., Ltd.
Statement of Cash Flows
For the Year Ended December 31 2024 and 2023

	Unit: NT\$000'	
	2024	2023 (restated)
Total adjustments	653,472	308,539
Cash inflow generated from operations	833,438	370,725
Interests paid	(38,325)	(40,381)
Income tax paid	(58,867)	(75,341)
Net cash inflow from operating activities	736,246	255,003
Cash flows from investment activities:		
Acquisition of financial assets at amortized cost	-	(20,000)
Acquisition of financial assets at fair value through profit or loss	(10,000)	-
Acquisition of investments accounted for using equity method	(72,000)	-
Acquisition of property, plant and equipment	(480,946)	(99,756)
Disposal of property, plant and equipment	1,045	2,459
Acquisition of intangible assets	(10,830)	(12,144)
Decrease (increase) in refundable deposits	1,494	(1,778)
Decrease (increase) in other receivables – Related parties	157,169	(45,587)
Decrease (increase) in other financial assets	118,744	(26,131)
Increase in other non-current assets	(9,608)	(12,707)
Increase in prepayments for equipment	(164,623)	(83,768)
Interests received	29,030	30,801
Dividend received	1,031	931
Net cash outflow from investment activities	(439,494)	(267,680)
Cash flows from financing activities:		
Increase in short-term borrowings	1,881,624	2,027,731
Decrease in short-term borrowings	(2,259,570)	(2,263,067)
Proceeds from long-term debt	1,390,820	-
Repayment for long-term borrowings	(899,766)	-
Repayment of the principal portion of lease liabilities	(30,316)	(23,638)
Acquisition of treasury stock	(46,592)	-
Net cash inflow(outflow) from financing activities	36,200	(258,974)
Increase (decrease) in cash and cash equivalents for the period	332,952	(271,651)
Opening balance for cash and cash equivalents	1,282,607	1,554,258
Closing balance for cash and cash equivalents	\$ 1,615,559	1,282,607

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

Independent Auditors' Report

The Board of Directors
Champion Building Materials Co., Ltd.

Opinion

We have audited the consolidated financial statement of Champion Building Materials Co., Ltd. and its subsidiaries (the “Champion Group”) as of December 31 2024 and 2023 (restated), 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Champion Group as of December 31 2024 and 2023 (restated), and its consolidated 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 and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRICs”), or the former Standing Interpretations Committee (“SICs”) 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 Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Champion 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 of the Champion Group for the year ended 31 December 2024. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. According to our judgment, key audit matters to be communicated in the audit report are as follows:

I. Income Recognition

For details of accounting policies related to income recognition, please refer to Note 4(16), “Income recognition,” in the notes to consolidated financial statements. For details of description for income recognition, please refer to Note 6(19), “Income from contract with customers,” and Note 7, “transactions with related parties,” in the notes to consolidated financial statements.

Description for the Key Audit Matter:

Champion Group primarily engages in the manufacturing and trading of ceramics, ceramic products, stone products, and fire-resistant materials. Income is the primary source of cash inflows for its corporate operations, and is also a matter concerned by the user of the financial statements. In addition, approximately 79.36% of Champion Building Materials Co., Ltd.'s operating revenue is derived from sales transactions with related parties. Therefore, income recognition is a matter that requires great attention for our audits on the financial statements.

Corresponding audit procedures:

- We evaluated the appropriateness of accounting policies for income recognition;
- Reviewing management's procedures for identifying related parties;
- We performed circular internal control testing for sales income and checked the accuracy regarding the time spot of income recognition;
- We performed a variance analysis for top 10 customers of sales to evaluate whether any significant anomaly exists, and sent out inquiries to counterparties for evidence;
- Assessing whether the terms and collection status of sales transactions with related parties differ significantly from those with non-related parties;
- We selected a period of time before and after the balance sheet date to verify relevant certificates, so as to confirm that relevant transactions had been accounted for appropriately.

II. Inventory Valuation

For details of accounting policies related to inventory valuation, please refer to Note 4(8) Inventory in the notes to consolidated financial statements. For details of uncertainties in accounting estimates and assumptions related to inventory valuation, please refer to Note 5(2) in the notes to consolidated financial statements. For descriptions on inventory valuation, please refer to Note 6(6) in the notes to consolidated financial statements:

Description for the Key Audit Matter:

The inventory amount of Champion Group is presented at the lower of costs and net realizable amount. As the Champion Group is in an industry related to real estate, the poor economic environment for real estate may result in more significant fluctuation in the selling prices of products, which may, in turn, generate risks where the inventory costs are higher than the net realizable value. Therefore, inventory valuation is a matter that requires great attention for our audits on the financial statements.

Corresponding audit procedures:

- We examined the statements of inventory age and analyzed the changes of inventory age in different periods. We also sample-checked whether inventories are in the correct range of age;
- We evaluated the reasonableness of ratio for the allowance for inventory price drops or obsolete losses;
- We evaluated whether inventory valuation had been executed according to the existing accounting policies. We evaluated the basis adopted for net realizable value to verify the accuracy used by the management in estimating the valuation of allowance for inventory.

III. Impairment of Property, Plant and Equipment

For accounting policies for the impairment of non-financial assets, please refer to Note 4(15) Inventory in the notes to consolidated financial statements. For details of uncertainties in accounting

estimates and assumptions related to property, plant and equipment, please refer to Note 5(3) in the notes to consolidated financial statements. For descriptions on the impairment of property, plant and equipment, please refer to Note 6(9) in the notes to consolidated financial statements:

Description for the Key Audit Matter:

The primary scope of business of the Champion Group is manufacturing and sales of ceramic products. Its operating segments are comprised of the tile business segment and Chinese business segment; its property, plant and equipment accounted for 35% of the consolidated total assets. There is indication of impairment regarding property, plant and equipment as the Chinese business segment recorded continual operating losses. Therefore, the impairment of property, plant and equipment is a matter that requires great attention for our audits on the financial statements.

Corresponding audit procedures:

- We examined whether there is any significant anomaly exists in calculating the carrying amount of the Chinese business segment's property, plant and equipment;
- We evaluated the reasonableness of assumptions and parameters adopted for the recoverable amount of property, plant and equipment;
- We reviewed whether the recoverable amount was determined at the higher of the net fair value and value in use;
- We compared the recoverable and carrying amount of property, plant and equipment to confirm whether property, plant and equipment is impaired.

Other Matters

Champion Building Materials Co., Ltd. prepared its individual financial statements for the years ended December 31, 2024 and 2023 (restated), on which we have issued separate an unqualified opinion and an unqualified opinion including other matter paragraph.

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

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

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

Those charged with governance of Champion Group, including the Audit Committee, are responsible for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the 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 auditing standards generally

accepted in the ROC will always detect a material misstatement in the consolidated financial statements 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 auditing standards generally accepted in the ROC, 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 Champion 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 Champion 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 Champion Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including relevant notes, 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 the group entities 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 forming the audit opinion for the Champion Group.

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 provided those charged with governance with a statement that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and to communicate with them all relationships and other matters that may be thought to bear on our independence (including relevant preventive measures).

From the matters communicated with those charged with governance, we determined key audit matters of the consolidated financial statements of the Champion Group for the year ended 31

December 2024. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

The engagement partners on the audits resulting in this independent auditors' report are Chung-Che Chen and Shin-Chin Chih.

KPMG

Taipei, Taiwan (Republic of China)

March 31, 2025

Champion Building Materials Co., Ltd. and Its Subsidiaries
Consolidated Balance Sheet
December 31, 2024 and 2023

Unit: NT\$000'

Assets		2024.12.31		2023.12.31 (restated)		Liabilities and equity		2024.12.31		2023.12.31 (restated)	
		Amount	%	Amount	%			Amount	%	Amount	%
Current Assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(1) and (22))	\$ 1,917,490	23	1,705,602	21	2100	Short-term borrowings (Note 6(12) and (22))	\$ 98,953	1	465,725	6
1110	Financial at fair value through profit or loss – Current (Notes 6(2) and (22))	62,180	1	62,167	1	2130	Contract liabilities – Current (Note 6(19) and (22))	6,193	-	8,511	-
1120	Financial at fair value through other comprehensive income – Current (Notes 6(3) and (22))	29,605	-	27,558	-	2150	Note payables (Note 6(22))	152,097	2	133,697	2
1141	Contract assets – Current (Notes 6(19,22) and 7)	14,012	-	2,443	-	2161	Note payables – Related parties (Note 6(22) and 7)	859	-	1,003	-
1150	Note receivables (Notes 6(5,19) and (22))	62,935	1	59,944	1	2170	Account payables (Note 6(22))	172,473	2	172,749	3
1160	Note receivables – Related parties (Notes 6(5,19,22) and 7)	517,311	6	465,585	6	2181	Account payables – Related parties (Note 6(22) and 7)	9,685	-	19,486	-
1170	Account receivables (Notes 6(5,19) and (22))	85,872	1	81,968	1	2200	Other payables (Note 6(22))	338,274	5	293,211	4
1180	Account receivables – Related parties (Notes 6(5,19,22) and 7)	234,697	3	256,777	3	2220	Other payables – Related parties (Note 6(22) and 7)	19,638	-	36,768	-
1220	Current income tax assets	9	-	10	-	2230	Current income tax liabilities	23,096	-	24,897	-
1310	Inventories – Manufacturing industry (Notes 6(6))	774,818	9	1,017,066	13	2251	Allowances for employee benefit liabilities – Current (Note 6(14))	18,351	-	17,798	-
1321	Buildings and land held for sale	59,339	1	59,339	1	2280	Lease liabilities - Current (Note 6(22) and 7)	30,974	-	31,148	-
1410	Prepayments (Notes 7)	158,494	2	144,436	2	2320	Current portion of long-term borrowings (Note 6(13) and (22))	68,166	1	899,766	11
1460	Non-current Assets Held for Sale, net (Notes 6(7))	296,926	4	-	-	2399	Other current liabilities - Others	150,487	2	162,477	2
1476	Other financial assets – Current (Notes 6(22), 7, and 8)	215,708	2	330,140	4			1,089,246	13	2,267,236	28
1479	Other current assets – Others	51,007	1	46,946	1	Non-Current liabilities:					
		<u>4,480,403</u>	<u>54</u>	<u>4,259,981</u>	<u>53</u>	2540	Long-term borrowings (Note 6(13) and (22))	1,323,876	16	-	-
Non-current assets:						2556	Long-term provision for decommissioning, restoration and rehabilitation	63,969	1	59,068	1
1517	Financial at fair value through other comprehensive – Non-current (Notes 6(3) and (22))	10,000	-	10,000	-	2570	Deferred income tax liabilities (Note 6(16))	106,701	1	96,330	1
1535	Financial assets measured at amortized cost – Non-current (Notes 6(4) and (22))	20,000	-	20,000	-	2580	Lease liabilities – Non-current (Note 6(22) and 7)	74,553	1	72,667	1
1550	Investments accounted for using the equity method (Note 6(7))	76,666	1	375,951	5	2630	Long-term deferred income (Note 6(15))	69,229	1	73,458	1
1600	Property, plant and equipment (Notes 6(8) and 8)	2,897,118	35	2,621,144	33	2640	Net defined benefit liabilities – Non-current (Note 6(14))	-	-	6,065	-
1755	Right-of-use assets (Notes 6(9) and 8)	263,228	3	260,338	3	2645	Guarantee deposit received (Note 6(22))	22,058	-	21,593	-
1760	Net investment properties (Notes 6(10) and 8)	81,463	1	81,463	1			1,660,386	20	329,181	4
1780	Intangible assets (Note 6(11))	133,160	2	135,378	2	Total liabilities					
1840	Deferred income tax assets (Note 6(16))	35,780	-	39,518	-			2,749,632	33	2,596,417	32
1915	Prepayment for equipment (Note 9)	208,419	3	104,622	1	Interests attributable to the owner of the parent company (Note 6(17)):					
1975	Net defined benefit asset – Non-current (Note 6(14))	11,591	-	-	-	3100	Share capital	3,904,039	47	3,904,039	49
1980	Other financial assets – Non-current (Notes 6(22) and 7)	5,629	-	38,429	-	3200	Capital reserve	157,999	2	157,999	2
1990	Other non-current assets – Others	92,521	1	96,921	1	3300	Retained earnings	1,147,810	14	1,015,540	13
		<u>3,835,575</u>	<u>46</u>	<u>3,783,764</u>	<u>46</u>	3400	Other equity	403,090	5	369,750	4
		<u>\$ 8,315,978</u>	<u>100</u>	<u>\$ 8,043,745</u>	<u>100</u>	3500	Treasury shares	(46,592)	(1)	-	-
						31XX	Total equity attributable to owners of the Company	5,566,346	67	5,447,328	68
						36XX	Non-controlling interests	-	-	-	-
								5,566,346	67	5,447,328	68
								<u>\$ 8,315,978</u>	<u>100</u>	<u>8,043,745</u>	<u>100</u>

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

Champion Building Materials Co., Ltd. and Its Subsidiaries
Consolidated Statement of Comprehensive Income
For the Year Ended December 31 2024 and 2023

		Unit: NT\$000'			
		2024		2023 (restated)	
		Amount	%	Amount	%
Operating revenue (Note 6(19) and 7):					
4110	Sales revenue	\$ 3,383,027	99	3,195,032	101
4511	Construction revenue	180,604	5	54,903	2
4170	Less: Sales return	54,443	2	42,528	1
4190	Sales discount	79,712	2	69,750	2
Net revenue		<u>3,429,476</u>	<u>100</u>	<u>3,137,657</u>	<u>100</u>
Operating costs (Notes 6(6), (14), 7 and 12)					
5110	Cost of sales	2,418,805	71	2,197,263	70
5510	Cost of construction sales	121,662	4	35,085	1
Operating costs		<u>2,540,467</u>	<u>75</u>	<u>2,232,348</u>	<u>71</u>
5900	Gross profit	<u>889,009</u>	<u>25</u>	<u>905,309</u>	<u>29</u>
Operating expenses (Notes 6(5), (14),(20), 7 and 12):					
6100	Selling	384,368	11	399,581	13
6200	Administrative	278,593	8	251,134	8
6300	Research and development	38,380	1	40,300	1
6450	Expected credit impairment losses (Notes 6(5) and (22))	(25,496)	(1)	(32,192)	(1)
6300	Total operating expenses	<u>675,845</u>	<u>19</u>	<u>658,823</u>	<u>21</u>
6900	Operating income	<u>213,164</u>	<u>6</u>	<u>246,486</u>	<u>8</u>
Non-operating income and expenses:					
7010	Other income (Notes 6(21))	28,640	1	22,785	1
7020	Other gains and losses (Notes 6 (15),(21)and 7)	(20,124)	(1)	(64,689)	(2)
7050	Financial costs (Note 6(21) and 7)	(40,831)	(1)	(42,155)	(1)
7060	Share of profit or loss from associates and joint ventures accounted for using the equity method (Note 6(8))	(1,106)	-	(100,813)	(2)
Total non-operating income and expenses		<u>(33,421)</u>	<u>(1)</u>	<u>(184,872)</u>	<u>(4)</u>
Profit before income tax		<u>179,743</u>	<u>5</u>	<u>61,614</u>	<u>4</u>
7950	Less: Income tax expenses (Note 6(16))	<u>60,404</u>	<u>2</u>	<u>61,205</u>	<u>2</u>
Net profit		<u>119,339</u>	<u>3</u>	<u>409</u>	<u>2</u>
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans	12,931	-	(3,968)	-
8316	Unrealized profit or loss of investments in equity instruments at fair value through other comprehensive income	1,274	-	1,699	-
8320	Share of comprehensive income from associates and joint ventures accounted for using the equity method – Items that will not be reclassified into profit or loss	(11,104)	-	17,136	1

Champion Building Materials Co., Ltd. and Its Subsidiaries
Consolidated Statement of Comprehensive Income (Cont'd)
For the Year Ended December 31 2024 and 2023

		Unit: NT\$000'			
		2024		2023 (restated)	
		Amount	%	Amount	%
8349	Less: Income tax related to items that will not be reclassified into profit or loss	-	-	-	-
	Total items that will not be reclassified to profit or loss	3,101	-	14,867	1
8360	Items that will be reclassified to profit or loss				
8361	Exchange differences arising from the translation of financial statements of institutions operating overseas	52,909	2	(19,188)	(1)
8367	Unrealized gains (losses) from investment in debt instrument measured at fair value through other comprehensive income	844	-	388	-
8399	Less: Income tax related to items that may be reclassified into profit or loss	10,583	-	(3,838)	-
	Total items that will be reclassified to profit or loss	43,170	2	(14,962)	(1)
8300	Other comprehensive income	46,271	2	(95)	-
	Total comprehensive income	\$ 165,610	5	314	2
	Net profit attributable to:				
8610	Owner of the parent	\$ 119,339	3	409	2
8620	Non-controlling interests	-	-	-	-
		\$ 119,339	3	409	2
	Total comprehensive income attributable to:				
8710	Owner of the parent	\$ 165,610	5	314	2
8720	Non-controlling interests	-	-	-	-
		\$ 165,610	5	314	2
9750	Basic earnings per share(NT\$) (Note 6(18))	\$ 0.31		0.001	
9801	Diluted earnings per share(NT\$) (Note 6(18))	\$ 0.31		0.001	

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

Champion Building Materials Co., Ltd. and Its Subsidiaries
Consolidated Statements of Changes in Equity
For the Year Ended December 31 2024 and 2023

Unit: NT\$000'

	Interests attributable to the owner of the parent company										
	Share Capital	Retained earnings					Other equity				
	Common Stock Capital	Capital Surplus	Legal Reserve	Special Reserve	Unapprop riated Earnings	Total	Exchange differences on translating	Unrealized gains or Loss on instruments at fair value through other comprehensive income	Total	Treasury shares	Total equity
Balance at January 1, 2023	<u>\$3,904,039</u>	<u>157,999</u>	<u>600,038</u>	<u>121,349</u>	<u>297,712</u>	<u>1,019,099</u>	<u>351,913</u>	<u>13,964</u>	<u>365,877</u>	-	<u>5,447,014</u>
Net profit	-	-	-	-	409	409	-	-	-	-	409
Other comprehensive income (restated)	-	-	-	-	(3,968)	(3,968)	(15,350)	19,223	3,873	-	(95)
Total comprehensive income (restated)	-	-	-	-	(3,559)	(3,559)	(15,350)	19,223	3,873	-	314
Balance at December 31, 2023	3,904,039	157,999	600,038	121,349	294,153	1,015,540	336,563	33,187	369,750	-	5,447,328
Net profit	-	-	-	-	119,339	119,339	-	-	-	-	119,339
Other comprehensive income	-	-	-	-	12,931	12,931	42,326	(8,986)	33,340	-	46,271
Total comprehensive income	-	-	-	-	132,270	132,270	42,326	(8,986)	33,340	-	165,610
Treasury stock acquired	-	-	-	-	-	-	-	-	-	(46,592)	(46,592)
Balance at December 31, 2024	<u>\$3,904,039</u>	<u>157,999</u>	<u>600,038</u>	<u>121,349</u>	<u>426,423</u>	<u>1,147,810</u>	<u>378,889</u>	<u>24,201</u>	<u>403,090</u>	<u>(46,592)</u>	<u>5,566,346</u>

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

Champion Building Materials Co., Ltd. and Its Subsidiaries
Consolidated Statement of Cash Flows
For the Year Ended December 31 2024 and 2023

Unit: NT\$000'

	2024	2023 (restated)
Cash flows from operating activities:		
Profit before income tax	\$ 179,743	61,614
Adjusted for:		
Items of profit or loss		
Depreciation expenses	310,833	371,471
Amortization expenses	32,761	29,006
Change of lease benefits	3	265
Net loss on financial assets or liabilities at fair value through profit or loss	12,076	4,400
Interest expenses	40,831	42,155
Interest income	(24,153)	(18,778)
Dividend income	(1,432)	(931)
Share of losses from subsidiaries, associates, and joint ventures accounted for using the equity method	1,106	100,813
Losses on disposals and scrapping of property, plant and equipment	10,359	23,838
Impairment losses on property, plant and equipment	20,303	-
Amortization of deferred revenue	(6,728)	(6,632)
Expected credit gains	(25,496)	(32,192)
Total adjustments to reconcile profit	370,463	513,415
Changes in asset/liabilities related to operating activities:		
Increase in contract assets	(11,569)	(1,841)
Increase in notes receivable, including related parties	(54,670)	(148,613)
Decrease (increase) in accounts receivable, including related parties	44,449	(5,790)
Decrease (increase) in inventory	242,248	(36,490)
(Increase) decrease in prepayments	(13,281)	32,917
(Increase) decrease in other current assets	(3,144)	1,699
(Increase) decrease in other financial assets	(5,280)	18,163

Champion Building Materials Co., Ltd. and Its Subsidiaries
Consolidated Statement of Cash Flows
For the Year Ended December 31 2024 and 2023

Unit: NT\$000'

	2024	2023 (restated)
Total changes in operating assets	198,753	(139,955)
Decrease in contract liabilities	(2,320)	(37,632)
Increase in notes payable, including related parties	18,257	26,667
Decrease in accounts payable, including related parties	(11,269)	(41,245)
Increase in other payable, including related parties	33,018	24,452
Increase in provision	553	1,049
Decrease (increase) in other current liabilities	(26,895)	8,604
Decrease in net defined benefit liabilities	(5,526)	(5,598)
Total net changes in liabilities related to operating activities	5,818	(23,703)
Total net changes in assets and liabilities related to operating activities	204,571	(163,658)
Total adjustments	575,034	349,757
Cash inflow generated from operations	754,777	411,371
Interests paid	(39,353)	(43,238)
Income tax paid	(58,869)	(75,363)
Net cash inflow from operating activities	656,555	292,770
Cash flows from investment activities:		
Acquisition of financial assets at amortized cost	-	(20,000)
Acquisition of financial assets at fair value through profit or loss	(10,000)	-
Acquisition of property, plant and equipment	(488,293)	(103,965)
Disposal of property, plant and equipment	1,702	139,004
(Increase) decrease in refundable deposits	24,128	(3,610)
Acquisition of intangible assets	(10,904)	(12,297)
(Decrease) increase in other financial assets	116,298	(12,680)
Decrease in other non-current assets	4,208	6,346
Increase in prepayments for equipment	(154,591)	(92,930)
Interests received	24,128	18,778
Dividend received	1,432	931
Net cash outflow from investment activities	(491,892)	(80,423)

Champion Building Materials Co., Ltd. and Its Subsidiaries
Consolidated Statement of Cash Flows
For the Year Ended December 31 2024 and 2023

Unit: NT\$000'

	<u>2024</u>	<u>2023</u> (restated)
Cash flows from financing activities:		
Increase in short-term borrowings	1,731,263	2,067,061
Decrease in short-term borrowings	(2,098,036)	(2,325,354)
Proceeds from long-term debt	1,390,820	-
Repayment of long-term debt	(899,766)	-
Decrease in guarantee deposits received	(451)	(1,982)
Repayment of lease principals	(37,072)	(31,178)
Acquisition of treasury stock	(46,592)	-
Net cash outflows from financing activities	<u>40,166</u>	<u>(291,453)</u>
Effects of changes in exchange rate on cash and cash equivalents	7,059	(418)
Increase (decrease) in cash and cash equivalents for the period	211,888	(79,524)
Opening balance for cash and cash equivalents	<u>1,705,602</u>	<u>1,785,126</u>
Closing balance for cash and cash equivalents	<u>\$ 1,917,490</u>	<u>1,705,602</u>

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

Champion Building Materials Co., Ltd.
Comparison Table for the Articles of Incorporation

No.	After amendment	Before amendment	Description
Article10	<p>The Company shall have 7 directors to be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. Total number of the aforesaid directors shall contain no fewer than three independent directors and shall not be lower than one-third of all directors. A nomination system as provided in the Article 192-1 of the Company Act is adopted in the Company's election of directors, whose nomination method shall be handled in accordance with Company Act and other relevant laws and regulations. Concerning professional qualification, shareholding, limitations on concurrent roles, recognition of independence, nomination method and election methods as well as other matters of compliance shall be conducted in accordance with relevant rules. Total number of shares held by all directors shall be conducted in accordance with "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies". <u>Directors may be re-elected consecutively; however, independent directors may not serve more than three consecutive terms.</u></p> <p>(Skip)</p>	<p>The Company shall have 7 directors to be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. Total number of the aforesaid directors shall contain no fewer than three independent directors and shall not be lower than one-fifth of all directors. A nomination system as provided in the Article 192-1 of the Company Act is adopted in the Company's election of directors, whose nomination method shall be handled in accordance with Company Act and other relevant laws and regulations. <u>All Directors shall be eligible for re-election.</u> Concerning professional qualification, shareholding, limitations on concurrent roles, recognition of independence, nomination method and election methods as well as other matters of compliance shall be conducted in accordance with relevant rules. Total number of shares held by all directors shall be conducted in accordance with "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".</p> <p>(Skip)</p>	<p>The Articles have been amended in accordance with the "Regulations Governing the Establishment and Exercise of Powers of the Boards of Directors of TWSE Listed Companies.</p>
Article19	<p>If there is a profit for the Company at the end of each fiscal year, a proportion at 3~5% of the profit shall be set aside as employees' compensation (<u>of which 45% shall be distributed to basic-level employees</u>), and a proportion at no</p>	<p>If there is a profit for the Company at the end of each fiscal year, a proportion at 3~5% of the profit shall be set aside as employees' compensation, and a proportion at no more than 1.5% shall be set aside as directors' compensation.</p>	<p>Relevant provisions have been revised in line with Article 14, Paragraph 6 of the Securities</p>

No.	After amendment	Before amendment	Description
	<p>more than 1.5% shall be set aside as directors' compensation. However, the Company's accumulated losses shall have been covered first.</p> <p>(Skip)</p>	<p>However, the Company's accumulated losses shall have been covered first.</p> <p>(Skip)</p>	<p>and Exchange Act.</p>
Article19-1	<p><u>The Company may distribute earnings or make up for losses on a semi-annual basis. For earnings distributions made in the form of cash, the Board of Directors shall resolve such distribution in accordance with Articles 228-1 and 240, Paragraph 5 of the Company Act, and report the distribution to the shareholders' meeting.</u></p> <p><u>When there is distributable profit in a given half-year period, the Company shall first estimate and set aside taxes, employees' compensation, and directors' compensation, as well as cover any accumulated losses and allocate legal reserves as required by law. However, if the legal reserve has reached the Company's paid-in capital, further allocation may be waived.</u></p> <p>Where there are earnings in the final accounts in each fiscal year, the Company shall first withhold taxes, make up losses in the preceding years, and then set aside 10% legal reserve, except when the legal reserve reaches the amount of the Company's paid-in capital; in addition, where the special reserve is set aside or reversed under applicable laws and regulations or provisions by competent authorities, except for distribution of earnings of shares, in case there are still earnings, such earnings will be combined with undistributed earnings and proposed to the shareholders' meeting for resolution on distribution as proposed by the Board of Directors.</p>	<p>Where there are earnings in the final accounts in each fiscal year, the Company shall first withhold taxes, make up losses in the preceding years, and then set aside 10% legal reserve, except when the legal reserve reaches the amount of the Company's paid-in capital; in addition, where the special reserve is set aside or reversed under applicable laws and regulations or provisions by competent authorities, except for distribution of earnings of shares, in case there are still earnings, such earnings will be combined with undistributed earnings and proposed to the shareholders' meeting for resolution on distribution as proposed by the Board of Directors.</p>	<p>The Article has been amended to enhance the flexibility of earnings distribution, enabling investors to receive returns on their investments earlier.</p>

No.	After amendment	Before amendment	Description
Article21	These Articles of Incorporation are agreed to and signed on November 2, 1972; 1 st Amendment was made on April 2, 1974; (Content omitted), <u>36th Amendment was made on June 16, 2025.</u>	These Articles of Incorporation are agreed to and signed on November 2, 1972; 1 st Amendment was made on April 2, 1974; (Content omitted) °	The amendment date has been newly added.

Champion Building Materials Co. Ltd.

Articles of Incorporation

Chapter 1 General Provisions

- Article 1 The Company is incorporated in accordance with the Company Act and registered under the business name of 冠軍建材股份有限公司 (Champion Building Materials Co. Ltd.) °
- Article 2 The Company's scope of services is set out hereunder:
C901010 Ceramic and Ceramic Products Manufacturing
C901070 Cutting, Shaping and Finishing of Stone
H701040 Specific Area Development
H701060 New Towns, New Community Development
C901060 Manufacture of Refractory Products
C802990 Other Chemical Products Manufacturing
ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1 The Company may make guarantees externally with related companies or companies within the identical scope of business as the needs of the business may require, and the total amount of the Company's re-investments may be more than 40 percent of the paid-in capital and shall not be restricted by regulations as provided by Article 13 of the Company Act.
- Article 3 The Company shall have its head office in Miaoli County, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices or plants within or outside the territory of the Republic of China when deemed necessary.
- Article 4 (Deleted)

Chapter 2 Shares

- Article 5 The total amount of the Company's capital is NTD 5,000,000,000, which is divided into 500,000,000 shares, with a value per share of NTD 10, to be issued by installments by the Board of Directors under authorization. Among the overall shares contains 5 million shares retained by the Company for share subscription warrant, or share subscription warrants associated with preferred shares or corporate bonds. The Company may obtain 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 before transferring shares to employees at less than the average actual share repurchase price or issuing employee stock subscription warrant at less than market subscription price.
- Article 5-1 (Deleted)
- Article 6 The Company may be exempted from printing its share certificate, and shall register the issued shares with a centralized securities depository enterprise.
- Article 7 Stock affairs of the Company stocks in terms of stock assignment, pledge of rights, report on loss, inheritance, gifting and loss of stamp, change or address change and

other relevant affairs shall be conducted in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies” promulgated by competent authority and other relevant laws and regulations, except as otherwise provided in regulations or securities provisions.

Chapter 3 Shareholders’ Meeting

Article 8 Shareholders’ meetings of the Company are of two kinds: (1) regular meeting, which shall be convened at least once a year by the Board of Directors according to the law within six months after close of each fiscal year; and (2) special meeting, which may be convened when necessary following applicable regulations.

Article 9 A shareholder is in principle having one voting right for each share held, and the fractional shares under one share will not be granted voting rights. The shares held by the Company do not entitle the Company voting rights as provided by laws and regulations.

Chapter 4 Director

Article 10 The Company shall have 7 directors to be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. Total number of the aforesaid directors shall contain no fewer than three independent directors and shall not be lower than one- **third** of all directors. A nomination system as provided in the Article 192-1 of the Company Act is adopted in the Company’s election of directors, whose nomination method shall be handled in accordance with Company Act and other relevant laws and regulations. Concerning professional qualification, shareholding, limitations on concurrent roles, recognition of independence, nomination method and election methods as well as other matters of compliance shall be conducted in accordance with relevant rules. Total number of shares held by all directors shall be conducted in accordance with “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”.

Directors may be re-elected consecutively; however, independent directors may not serve more than three consecutive terms.

The Audit Committee shall be formed by all independent directors of the Company, whose number shall not be lower than three, and shall contain one convener as well as at least one independent director with expertise in accounting or finance.

Article 10-1 The Company may have its Board of Directors under authorization obtain liability insurance for directors with respect to liabilities resulting from exercising their duties during their terms of directorship to reduce the risks of material loss to the Company and shareholders due to violation.

Article 11 The directors shall elect among themselves one director to serve as Chairman and one director as Vice Chairman. The Chairman shall represent the Company externally and internally serve as chair of the shareholders’ meetings and Board of Directors meetings and conduct all affairs in accordance with laws and regulations, articles of incorporation and resolutions thereof. Where the Chairman is on leave or for any reason unable to exercise the powers of the chair, the Vice Chairman shall serve as

Chair; in case the Vice Chairman is also on leave or for any reason unable to exercise the powers of the chair, the Chairman shall appoint one of the directors to act as chair. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair.

Article 11-1

A Board of Directors shall meet at least quarterly.

A notice specifying the reason for convening a Board meeting shall be sent to all Directors seven (7) days before the scheduled meeting day; provided, however, that a Board meeting may be convened on short notice in the event of emergency. The notice for calling a meeting of the directors may be effected by means of writing, electronic email or facsimile.

Article 12

The Board of Directors is composed by directors of the Company, with duties as follows:

1. Determination and amendments of various important provisions and Articles of Incorporation.
2. Decisions and amendments of business plans of the Company.
3. Review on budget and final accounts.
4. Proposals on earnings distribution or covering of losses.
5. Approval of re-investments and loans to other companies and mortgage of assets.
6. Proposal and Approval of Purchases and Disposition of Important Properties and Real Estate.
7. Decisions on Important Appointment of Roles
8. In case endorsements, guarantees, and acceptance exceed total credit as set forth by the Board of Directors, such conduct shall be reported to the Board of Directors for approval.
9. Establishment, adjustment and cancellation of important organization of the Company, and decisions on other important matters.
10. Other functionalities as entitled in accordance with laws and regulations and the shareholders' meeting.

Article 13

Where a director is unable to attend a Board of Directors meeting, a director may appoint another director to attend a meeting of the board of directors in his/her behalf ; however, a director may accept the appointment to act as the proxy of one other director only.

Article 14

The Company may establish other functional committees in accordance with relevant laws and regulations.

Article 15

Compensation to the directors of the Company shall be determined based on the director's engagement in the Company's operations and value of his/her contribution by the Board of Directors under authorization in accordance with industry practices. The Board of Directors may make discretionary payments of transportation allowances following resolutions under industry practice and at general level.

Chapter 5 Managerial Officers

Article 16

The Company may have one general manager and one or more managerial officers for assisting the general manager in handling various affairs. The general manager shall

take comprehensive managements over all affairs of the Company under the order of the Board of Directors. Appointment and dismissal of the general manager shall be in compliance with relevant laws and regulations.

Chapter 6 Accounting

Article 17 A fiscal year of the Company starts from January 1st of each year and ends on December 31st of the same year.

Article 18 After the close of each fiscal year, the following reports and statements shall be prepared by the Board of Directors and shall be submitted to the Audit Committee for review and obtain report prepared by the Committee 30 days prior to the date of shareholders' meeting before submitted to the regular meeting of shareholders for acceptance:

1. Report on Operations.
2. Financial Statements.
3. Proposals Concerning Appropriation or Net Profits of Making Up.

Article 19 If there is a profit for the Company at the end of each fiscal year, a proportion at 3~5% of the profit shall be set aside as employees' compensation **(of which 45% shall be distributed to basic-level employees)**, and a proportion at no more than 1.5% shall be set aside as directors' compensation. However, the Company's accumulated losses shall have been covered first.

The "profit at the end of each fiscal year" as referred to in the preceding paragraph refers to the benefit of the year before tax and deductions of employees' compensation and directors' compensation.

Distribution of employees' compensation and directors' compensation shall be resolved by adoption by a majority of directors in a Board of Directors meeting attended by two-third of all directors, and shall be reported to the shareholders' meeting.

Qualification requirements of employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements, entitled to receive employees' compensation in shares or cash in accordance with the provision set forth by the Board of Directors.

Article 19-1 **The Company may distribute earnings or make up for losses on a semi-annual basis. For earnings distributions made in the form of cash, the Board of Directors shall resolve such distribution in accordance with Articles 228-1 and 240, Paragraph 5 of the Company Act, and report the distribution to the shareholders' meeting.**

When there is distributable profit in a given half-year period, the Company shall first estimate and set aside taxes, employees' compensation, and directors' compensation, as well as cover any accumulated losses and allocate legal reserves as required by law. However, if the legal reserve has reached the Company's paid-in capital, further allocation may be waived.

Where there are earnings in the final accounts in each fiscal year, the Company shall first withhold taxes, make up losses in the preceding years, and then set aside 10% legal reserve, except when the legal reserve reaches the amount of the Company's

paid-in capital; in addition, where the special reserve is set aside or reversed under applicable laws and regulations or provisions by competent authorities, except for distribution of earnings of shares, in case there are still earnings, such earnings will be combined with undistributed earnings and proposed to the shareholders' meeting for resolution on distribution as proposed by the Board of Directors.

Article 19-2 As the Company is currently in a mature industry, has stable profitability and sound financial structure, for sustainable management and long-term development as well as the Company's future capital needs and long-term operation plans, the Board of Directors may, in accordance with current operation status with considerations of shareholder's equity, balanced dividend policies and capital needs and planning, propose earnings distribution for submission to the shareholders' meeting for resolution.

The earnings distribution may be made in cash dividend or share dividend; however, the proportion of stock dividend distribution may not be more than 50% of the total dividend (50%).

Article 20 ■ In regard to all matters not provided for in these Articles of Incorporation, the Company Act shall govern.

Chapter 7 Additions

Article 21 These Articles of Incorporation are agreed to and signed on November 2, 1972; 1st Amendment was made on April 2, 1974; 2nd Amendment was made on January 2, 1975; 3rd Amendment was made on December 24, 1982; 4th Amendment was made on June 23, 1983; 5th Amendment was made on May 9, 1984; 6th Amendment was made on January 5, 1986; 7th Amendment was made on May 22, 1989; 8th Amendment was made on November 28, 1989; 9th Amendment was made on March 3, 1990; 10th Amendment was made on April 25, 1990; 11th Amendment was made on May 15, 1990; 12th Amendment was made on April 2, 1991; 13th Amendment was made on December 7, 1991; 14th Amendment was made on March 25, 1992; 15th Amendment was made on April 22, 1993; 16th Amendment was made on March 23, 1994; 17th Amendment was made on April 6, 1995; 18th Amendment was made on May 23, 1996; 19th Amendment was made on May 24, 1997; 20th Amendment was made on May 15, 1998; 21st Amendment was made on May 26, 2000; 22nd Amendment was made on June 15, 2001; 23rd Amendment was made on June 14, 2002; 24th Amendment was made on June 6, 2003; 25th Amendment was made on June 23, 2006; 26th Amendment was made on June 15, 2007; 27th Amendment was made on June 25, 2008; 28th Amendment was made on June 16, 2009; 29th Amendment was made on June 10, 2010; 30th Amendment was made on June 28, 2011; 31st Amendment was made on June 18, 2014; 32nd Amendment was made on June 16, 2015; 33rd Amendment was made on June 28, 2016; 34th Amendment was made on June 26, 2018; 35th Amendment was made on June 16, 2020, **36th Amendment was made on June 16, 2025.**

Appendices

Champion Building Materials Co. Ltd.

Information of Directors

The statutory aggregate number of shares held by all directors is 19,520,194 shares, and the shareholding by directors as of June 16, 2025 is as follows:

Common Shares	Name	Date Elected	Term	Current Number of Shares Held	
				Number of Shares	Shareholding Ratio
Chairman	Tai Yu Investment Co., Ltd. Representative LIN, JUNG-TE	July 19, 2024	3 Year	17,142,759	4.39%
Director	Tai Yu Investment Co., Ltd. Representative LIN, YOU-YU	July 19, 2024	3 Year	17,142,759	4.39%
Director	Hua Yi Industrial Co., Ltd. Representative Lin, He-Cun	July 19, 2024	3 Year	9,931,500	2.54%
Independent Director	Kung, Shu-Chang	July 19, 2024	3 Year	0	0%
Independent Director	Yang, Ming-Hsun	July 19, 2024	3 Year	0	0%
Independent Director	Chen, Mei-Hua	July 19, 2024	3 Year	0	0%
Independent Director	Wu, Heng-Yi	July 19, 2024	3 Year	0	0%
Subtotal of Shareholding by All Directors				27,074,259	6.93%

The total number of shares held by all directors is 27,074,259 shares, accounting for 6.93% of issued shares.

Note 1: The above list is prepared in accordance with entries on shareholders' register as of book closure date of this General Shareholders' Meeting.

Note 2: The Audit Committee of the Company was established on June 26, 2018 to replace the function of supervisors.

Champion Building Materials Co. Ltd.

Articles of Incorporation

Chapter 1 General Provisions

Article 1 The Company is incorporated in accordance with the Company Act and registered under the business name of 冠軍建材股份有限公司 (Champion Building Materials Co. Ltd.) .

Article 2 The Company's scope of services is set out hereunder:
C901010 Ceramic and Ceramic Products Manufacturing
C901070 Cutting, Shaping and Finishing of Stone
H701040 Specific Area Development
H701060 New Towns, New Community Development
C901060 Manufacture of Refractory Products
C802990 Other Chemical Products Manufacturing
ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 The Company may make guarantees externally with related companies or companies within the identical scope of business as the needs of the business may require, and the total amount of the Company's re-investments may be more than 40 percent of the paid-in capital and shall not be restricted by regulations as provided by Article 13 of the Company Act.

Article 3 The Company shall have its head office in Miaoli County, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices or plants within or outside the territory of the Republic of China when deemed necessary.

Article 4 (Deleted)

Chapter 2 Shares

Article 5 The total amount of the Company's capital is NTD 5,000,000,000, which is divided into 500,000,000 shares, with a value per share of NTD 10, to be issued by installments by the Board of Directors under authorization. Among the overall shares contains 5 million shares retained by the Company for share subscription warrant, or share subscription warrants associated with preferred shares or corporate bonds. The Company may obtain 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 before transferring shares to employees at less than the average actual share repurchase price or issuing employee stock subscription warrant at less than market subscription price.

Article 5-1 (Deleted)

Article 6 The Company may be exempted from printing its share certificate, and shall register the issued shares with a centralized securities depository enterprise.

Article 7 Stock affairs of the Company stocks in terms of stock assignment, pledge of rights, report on loss, inheritance, gifting and loss of stamp, change or address change and other relevant affairs shall be conducted in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies” promulgated by competent authority and other relevant laws and regulations, except as otherwise provided in regulations or securities provisions.

Chapter 3 Shareholders’ Meeting

Article 8 Shareholders’ meetings of the Company are of two kinds: (1) regular meeting, which shall be convened at least once a year by the Board of Directors according to the law within six months after close of each fiscal year; and (2) special meeting, which may be convened when necessary following applicable regulations.

Article 9 A shareholder is in principle having one voting right for each share held, and the fractional shares under one share will not be granted voting rights. The shares held by the Company do not entitle the Company voting rights as provided by laws and regulations.

Chapter 4 Director

Article 10 The Company shall have 7 directors to be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. Total number of the aforesaid directors shall contain no fewer than three independent directors and shall not be lower than one-fifth of all directors. A nomination system as provided in the Article 192-1 of the Company Act is adopted in the Company’s election of directors, whose nomination method shall be handled in accordance with Company Act and other relevant laws and regulations. All Directors shall be eligible for re-election. Concerning professional qualification, shareholding, limitations on concurrent roles, recognition of independence, nomination method and election methods as well as other matters of compliance shall be conducted in accordance with relevant rules. Total number of shares held by all directors shall be conducted in accordance with “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”.

The Audit Committee shall be formed by all independent directors of the Company, whose number shall not be lower than three, and shall contain one convener as well as at least one independent director with expertise in accounting or finance.

Article 10-1 The Company may have its Board of Directors under authorization obtain liability insurance for directors with respect to liabilities resulting from exercising their duties during their terms of directorship to reduce the risks of material loss to the Company and shareholders due to violation.

Article 11 The directors shall elect among themselves one director to serve as Chairman and one director as Vice Chairman. The Chairman shall represent the

Company externally and internally serve as chair of the shareholders' meetings and Board of Directors meetings and conduct all affairs in accordance with laws and regulations, articles of incorporation and resolutions thereof. Where the Chairman is on leave or for any reason unable to exercise the powers of the chair, the Vice Chairman shall serve as Chair; in case the Vice Chairman is also on leave or for any reason unable to exercise the powers of the chair, the Chairman shall appoint one of the directors to act as chair. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair.

Article 11-1

A Board of Directors shall meet at least quarterly.

A notice specifying the reason for convening a Board meeting shall be sent to all Directors seven (7) days before the scheduled meeting day; provided, however, that a Board meeting may be convened on short notice in the event of emergency. The notice for calling a meeting of the directors may be effected by means of writing, electronic email or facsimile.

Article 12

The Board of Directors is composed by directors of the Company, with duties as follows:

1. Determination and amendments of various important provisions and Articles of Incorporation.
2. Decisions and amendments of business plans of the Company.
3. Review on budget and final accounts.
4. Proposals on earnings distribution or covering of losses.
5. Approval of re-investments and loans to other companies and mortgage of assets.
6. Proposal and Approval of Purchases and Disposition of Important Properties and Real Estate.
7. Decisions on Important Appointment of Roles
8. In case endorsements, guarantees, and acceptance exceed total credit as set forth by the Board of Directors, such conduct shall be reported to the Board of Directors for approval.
9. Establishment, adjustment and cancellation of important organization of the Company, and decisions on other important matters.
10. Other functionalities as entitled in accordance with laws and regulations and the shareholders' meeting.

Article 13

Where a director is unable to attend a Board of Directors meeting, a director may appoint another director to attend a meeting of the board of directors in his/her behalf ; however, a director may accept the appointment to act as the proxy of one other director only.

Article 14

The Company may establish other functional committees in accordance with relevant laws and regulations.

Article 15

Compensation to the directors of the Company shall be determined based on the director's engagement in the Company's operations and value of his/her contribution by the Board of Directors under authorization in accordance with industry practices. The Board of Directors may make discretionary payments of transportation allowances following resolutions under industry practice and at general level.

Chapter 5 Managerial Officers

Article 16 The Company may have one general manager and one or more managerial officers for assisting the general manager in handling various affairs. The general manager shall take comprehensive managements over all affairs of the Company under the order of the Board of Directors. Appointment and dismissal of the general manager shall be in compliance with relevant laws and regulations.

Chapter 6 Accounting

Article 17 A fiscal year of the Company starts from January 1st of each year and ends on December 31st of the same year.

Article 18 After the close of each fiscal year, the following reports and statements shall be prepared by the Board of Directors and shall be submitted to the Audit Committee for review and obtain report prepared by the Committee 30 days prior to the date of shareholders' meeting before submitted to the regular meeting of shareholders for acceptance:

1. Report on Operations.
2. Financial Statements.
3. Proposals Concerning Appropriation or Net Profits of Making Up.

Article 19 If there is a profit for the Company at the end of each fiscal year, a proportion at 3~5% of the profit shall be set aside as employees' compensation, and a proportion at no more than 1.5% shall be set aside as directors' compensation. However, the Company's accumulated losses shall have been covered first.

The "profit at the end of each fiscal year" as referred to in the preceding paragraph refers to the benefit of the year before tax and deductions of employees' compensation and directors' compensation.

Distribution of employees' compensation and directors' compensation shall be resolved by adoption by a majority of directors in a Board of Directors meeting attended by two-third of all directors, and shall be reported to the shareholders' meeting.

Qualification requirements of employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements, entitled to receive employees' compensation in shares or cash in accordance with the provision set furth by the Board of Directors.

Article 19-1 Where there are earnings in the final accounts in each fiscal year, the Company shall first withhold taxes, make up losses in the preceding years, and then set aside 10% legal reserve, except when the legal reserve reaches the amount of the Company's paid-in capital; in addition, where the special reserve is set aside or reversed under applicable laws and regulations or provisions by competent authorities, except for distribution of earnings of shares, in case there are still earnings, such earnings will be combined with

undistributed earnings and proposed to the shareholders' meeting for resolution on distribution as proposed by the Board of Directors.

Article 19-2 As the Company is currently in a mature industry, has stable profitability and sound financial structure, for sustainable management and long-term development as well as the Company's future capital needs and long-term operation plans, the Board of Directors may, in accordance with current operation status with considerations of shareholder's equity, balanced dividend policies and capital needs and planning, propose earnings distribution for submission to the shareholders' meeting for resolution. The earnings distribution may be made in cash dividend or share dividend; however, the proportion of stock dividend distribution may not be more than 50% of the total dividend (50%).

Article 20 ■ In regard to all matters not provided for in these Articles of Incorporation, the Company Act shall govern.

Chapter 7 Additions

Article 21 These Articles of Incorporation are agreed to and signed on November 2, 1972; 1st Amendment was made on April 2, 1974; 2nd Amendment was made on January 2, 1975; 3rd Amendment was made on December 24, 1982; 4th Amendment was made on June 23, 1983; 5th Amendment was made on May 9, 1984; 6th Amendment was made on January 5, 1986; 7th Amendment was made on May 22, 1989; 8th Amendment was made on November 28, 1989; 9th Amendment was made on March 3, 1990; 10th Amendment was made on April 25, 1990; 11th Amendment was made on May 15, 1990; 12th Amendment was made on April 2, 1991; 13th Amendment was made on December 7, 1991; 14th Amendment was made on March 25, 1992; 15th Amendment was made on April 22, 1993; 16th Amendment was made on March 23, 1994; 17th Amendment was made on April 6, 1995; 18th Amendment was made on May 23, 1996; 19th Amendment was made on May 24, 1997; 20th Amendment was made on May 15, 1998; 21st Amendment was made on May 26, 2000; 22nd Amendment was made on June 15, 2001; 23rd Amendment was made on June 14, 2002; 24th Amendment was made on June 6, 2003; 25th Amendment was made on June 23, 2006; 26th Amendment was made on June 15, 2007; 27th Amendment was made on June 25, 2008; 28th Amendment was made on June 16, 2009; 29th Amendment was made on June 10, 2010; 30th Amendment was made on June 28, 2011; 31st Amendment was made on June 18, 2014; 32nd Amendment was made on June 16, 2015; 33rd Amendment was made on June 28, 2016; 34th Amendment was made on June 26, 2018; 35th Amendment was made on June 16, 2020.

Champion Building Materials Co. Ltd.

Rules of Procedure for Shareholders' Meeting

- Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2 The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 3 Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.
- An agenda handbook shall be furnished when convening of a regular shareholders' meeting, and notices for convening such meeting shall be submitted to each shareholder 30 days prior to the date of such meeting and notices to shareholders holding less than 1000 registered shares may be made by public announcements on MOPS 30 days prior to the special shareholders' meeting; notice for convening of a special shareholders' meeting shall be submitted to each shareholder 15 days prior to the date of such meeting, and notices to shareholders holding less than 1000 registered shares may be made by public announcements on MOPS 15 days prior to the special shareholders' meeting.
- 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 Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.
- A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda.

A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda. 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, the Company 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, the Company 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 4 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company 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 the Company 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.

Article 5 The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

Article 6 The Company shall furnish the attending shareholders and their proxies (collectively, "shareholders") with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company 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.

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 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.

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

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

Article 8 The Company shall make an uninterrupted audio and video recording of the proceedings of the shareholders meeting. The recorded materials 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.

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.

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

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

When, prior to 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 10 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 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 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

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

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

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

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

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

Article 12 Voting at a shareholders meeting shall be calculated based the number of shares. With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that 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 13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

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

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the

one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

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

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

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

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

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

Article 14 The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

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 recording shall be retained until the conclusion of the litigation.

Article 15 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in public announcement.

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 the Company.

Where the aforesaid method of resolution is made by the chair inquiring opinions of shareholders, and no shareholder has shown any objection, "all attending shareholders have been inquired by the chair, followed by passage without objection" shall be stated; however, in case there is objection by a shareholder, the voting through ballots and number of voting rights and its proportion for adoption shall be stated.

Article 16 On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders 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, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

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

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

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

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

Article 18 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 19 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.