

Stock code: 4,714

U-Best Innovative Technology Co., Ltd.

(Formerly known as: U-Best Polymer Industry Co., Ltd.)

2,025 Annual General Shareholders' Meeting

Meeting Handbook

Date: May 28, 2,025

Location: (Yonghua Conference Room of the Company)

4F, No. 250, Sec. 2, Yonghua Rd., Anping Dist.,

Tainan City, Taiwan

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U-Best Innovative Technology Co., Ltd.
2025 Annual General Shareholders’
Meeting Agenda

Date and Time: May 28, 2025 (Wednesday) 9:00 A.M.

Location: (Yonghua Conference Room of the Company) 4F , No. 250, Sec. 2,
Yonghua Rd., Anping Dist., Tainan City, Taiwan

Form of Meeting: Physical shareholders' meeting

I. Call the Meeting to Order

II. Chairperson Remarks

III. Report Items

1. 2024 Business Report.

2. 2024 Audit Committee’ Review Report.

3. Report on 2024 distribution of remunerations of employees and directors.

4. Report on 2024 distribution of earnings and cash dividends.

5. Other reports.

IV. Proposals

1. The Company's 2024 Business Report and Financial Statements.

2. The Company’s 2024 earnings distribution proposal.

V. Discussion Items:

1. Proposal for amendment to the “Articles of Incorporation” of the Company.

VI. Extraordinary Motion

VII. Meeting Adjourned

Report Items

I. 2024 business report, submitted for review.

Description: Please refer to Attachment I on page 7 of this Handbook for the 2024 Business Report.

II. 2024 Audit Committee's Review Report, submitted for review.

Description: Please refer to Attachment II on page 9 of this Handbook for the 2024 Audit Committee's Review Report.

III. Report on 2024 distribution of remunerations of employees, directors and supervisors, submitted for review.

Description: (I) For the profit gained by the Company in 2024 totaled NT\$ 67,543,339 (i.e., the income before tax less the profit before distribution of remunerations of employees and directors and supervisors, and after deduction of accumulated losses), 2% of the profit was allocated as the remuneration of employees in at an amount of NT\$ 1,350,867, and 3% of the profit was allocated as the remuneration of directors and supervisors at an amount of NT\$2,026,300.

(II) The amount of remunerations of employees and directors/supervisors resolved by the Board of Directors are no different from the expense amount recognized in 2024.

IV. Report on 2024 distribution of earnings and cash dividends.

Description: (I) Pursuant to Article 30 of the Articles of Incorporation of the Company, the Company authorizes the Board of Directors to approve the distribution of dividends and profit-sharing bonuses in cash, with the Board meeting attended by two-third or more directors, and the resolution adopted by a majority of the attending directors, which shall also be reported to the shareholders' meeting.

(II) The total cash dividends distributed to shareholders is NT\$35,537,438. The dividends are calculated based on the shareholders recorded on the shareholders roster and the

shareholding percentages on the distribution base date. An amount of NT\$0.2 per share is distributed, and it is rounded down to the nearest NT\$1. For the total of the fractional amounts less than NT\$1, the Chairman shall assign specific personnel to make adjustments.

- (III) The present earnings distribution proposal is approved through the resolution of the shareholders' meeting, and the Chairman is authorized to specify the ex-dividend date, issuance date and other relevant matters.
- (IV) For the distribution of dividends, in case of subsequent change in the share capital of the Company and the number of outstanding shares is affected such that the shareholders' dividend ratio is changed, the Chairman is authorized to handle such matter with full discretion according to the Company Act or relevant laws and regulations.

V. Other reports: N/A.

Proposals

Proposal I (by the Board of Directors)

Proposal: The Company's 2024 Business Report and Financial Statements, submitted for ratification.

- Description: I. The Board of Directors has prepared the 2024 Business Report, Parent Company Only Financial Statements and Consolidated Financial Statements. CPAs, Cheng-Long Hsu and Yu-Lun Kao, of KPMG Taiwan, have reviewed the Parent Company Only Financial Statements and the Consolidated Financial Statements and have issued an audit report thereon. The Independent Auditors' Report, together with the Business Report, has been submitted to the Audit Committee for review.
- II. Please refer to Attachment I on page 7 and Attachments III and IV on pages 10-19 of this Handbook for the 2024 Business Report, Independent Auditors' Report and Parent Company Only and Consolidated Financial Statements.
- III. Please approve.

Resolution:

Proposal II (by the Board of Directors)

Proposal: The Company's 2024 earnings distribution proposal, submitted for ratification.

- Description: I. The 2024 earnings distribution proposal has been approved by the Board of Directors and submitted to the Audit Committee for review completely. Please refer to Attachment V on page 28 of this Handbook for the Earnings Distribution Table.
- II. Please approve.

Resolution:

Discussion Items

Proposal I (by the Board of Directors)

Proposal: Proposal for amendments to the "Articles of Incorporation", submitted for discussion.

- Description: I. In accordance with the amendment of Paragraph 6 of Article 14 of the Securities and Exchange Act specifying that a company shall specify in its articles of incorporation that a certain percentage of its annual earnings shall be allocated for salary adjustments or remuneration distribution of entry-level employees, and in accordance with the requirement of Article 267 of the Company Act for clear description and content amendment, relevant provisions of the “Articles of Incorporation” of the Company are proposed for amendment. Please refer to Attachment VI on page 29 of this Handbook for the Comparison Table for Amendment of Articles of Incorporation.
- II. IV. Please proceed with discussion.

Extraordinary Motion

Meeting Adjourned

2024 Business Report



I. Business report for first half of 2024

For 2024, with the positive impacts of the return of customer orders, the sales of new products, and the increase in the consolidated revenue of the subsidiaries, the consolidated operating revenue in 2024 was NT\$825,783 thousand, an increase of 59.88% from 2023. In addition, due to the recognition of the unrealized gain on price increase for the investments, such that the net profit attributable to the parent company was NT\$64,924 thousand, an increase from the profit of 2023. The following is a summary of the Company's production and sales of major products in 2024:

(I) Production status: The main products of the Company are PU resin and polyester polyol.

A comparison of the increase or decrease in production volume in 2024 and 2023 is as follows:

Product \ Year	2024	2023	Amount increase (decrease)	Percentage increase (decrease)
PU resin (MT)	4065	2772	1293	46.65%
Polyester Polyol (MT)	2809	2100	709	33.76%
Others (MT)	903	101	802	794.06%

(II) Sales: The sales volume of each of the Company's major products in 2024, compared to 2023, increased or decreased as follows:

Product \ Year	2024	2023	Amount increase (decrease)	Percentage increase (decrease)
PU resin (MT)	3928	2695	1233	45.75%
Polyester Polyol (MT)	2486	1953	533	27.29%
Others (MT)	639	97	542	558.76%

II. Current year's (2025) business plan

(A) New market targets for 2025:

1. In light of environmental protection concerns, the Company will reduce the use of PU surface/base material resins and high-solids (85% and above) solvents, while focusing on the development of DMF/DMAC-free materials and solvent-free moisture curing PUR and TPU products.
 2. Oil- and water-based furniture leather and automotive leather product development, and water-based surface treatment development.
 3. In addition to the existing polyol products, the Company intends to develop special polyol applications and actively work with major manufacturers to increase production capacity utilization.
 4. Fast-drying crosslinking agent application market development.
 5. Dry and wet PU property enhancement and water-based products for garment products.
 6. Strengthen quality control and reduce the occurrence of customer complaints to ensure profitability.
 7. With the assistance of the ITRI, the Company aims to upgrade its precision coating process technology, so as to accelerate the mass production of hard coat film products and actively develop new sales items for its customers.
 8. The Hu Mei Ti Ching project was launched for pre-sale in 2016. Due to the shrinkage of the high-total-priced luxury residential market as a result of the government's Integrated Housing and Land Tax policy, the project was closed in 2019 to be built first and sold later. The project was completed in April 2022 and licensed. During the same month, the original pre-sale deals closed progressively, and renovation of public facilities began. The project is expected to be officially completed and sold in the second quarter of 2024.
 9. Continued construction projects and new projects to build various types of properties are expected to bring the Company abundant revenue and profitability.
- (B) The Company's business strategy of this year is "to seek vertical integration between peers in the industry and actively develop new markets and new products to increase the added value of products", and to pursue diverse development so that the company can focus on both the traditional PU market and the high-tech electronics industry, and can develop and improve products for different applications and needs in the market with its own production and formula adjustment technology. The staff will work hard to achieve this goal.

Chairman:



Managerial Officer:



Accounting Officer:



**U-Best Innovative Technology Co., Ltd.
Audit Committee's Review Report**

We hereby permit the Company's 2024 business report, financial statements (including the consolidated financial statements) and earnings distribution proposal prepared by the Board of the Directors, of which the financial statements (including the consolidated financial statements) have been audited by CPAs, Cheng-Long Hsu and Yu-Lun Kao, of KPMG Taiwan, retained by the Board of Directors, with an audit report issued thereafter. The Audit Committee has reviewed the above-mentioned documents prepared by the Board of Directors and found no discrepancy. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, the Committee hereby reports for review.

To

U-Best Innovative Technology Co., Ltd. 2025 Annual General Shareholders' Meeting

Audit Committee Convener: Hu, Ching-Hsi



March 11, 2025

Independent Auditor's Report

To the board of directors of U-Best Innovative Technology Co., Ltd.:

Audit Opinion

We have audited the balance sheet of U-Best Innovative Technology Co., Ltd. (hereafter referred to as the “Company”) as of December 31, 2024 and 2023, and the statement of comprehensive income, statement of changes in equity, cash flow statement, and the accompanying footnotes (including summary of key accounting policies) for the periods January 1 to December 31, 2024 and 2023.

In our opinion, based on our audit results and the audit reports of other public accountants, the aforementioned parent company only financial statements present fairly, in all material aspects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and parent company only cash flows as of January 1 to December 31, 2024 and 2023 in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

Basis of Audit Opinion

We were engaged to conduct our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities as an auditor for the parent company only financial statements under the aforementioned standards are explained in the Responsibilities paragraph. All relevant personnel of the accounting firm have followed CPA code of ethics and maintained independence from the Company when performing their duties. 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 issues are matters that we considered to be the most important, based on professional judgment, when auditing the 2024 parent company only financial statements of the Company. These issues have already been addressed when we audited and formed our opinions on the parent company only financial statements. Therefore we do not provide opinions separately for individual issues. Below are the key audit issues that we consider relevant for disclosure in this audit report:

Inventory valuation

For accounting policies on inventory valuation, please refer to Note 4(7) of the parent company only financial statements; for accounting estimates, assumptions, and uncertainties, please refer to Note 5 of the parent company only financial statements; for detailed disclosure on inventory valuation, please refer to Note 6(5) of the parent company only financial statements.

Explanation of key audit issues:

The Company values inventory at the lower of cost and net realizable value. For the construction segment: real estate is an industry characterized by substantial capital commitment, long recovery time, and high susceptibility to political, economic, and property taxation changes, which may give rise to the risk of inventory cost exceeding net realizable value. For the manufacturing segment: due to changes in market demand and supply and products becoming obsolete or no longer suitable for the market's needs, the sales of relevant products may fluctuate violently, causing the risk of inventory cost exceeding the net realizable value. For the above reasons, we have identified inventory valuation as one of the key issues when auditing the parent company only financial statements of the Company.

Audit procedures:

The principal audit procedures for the above key audit matters include: Construction business: based on the latest real price registration value and the nearby transaction price announced by the Ministry of the Interior, the average selling price is converted into the net realizable value of inventory or the appraisal results or transaction price of the property appraiser, in order to evaluate the reasonableness of the inventory devaluation or obsolescence loss recognition and whether the inventory valuation has been executed in accordance with the Company's established accounting policies. Manufacturing business: understand the inventory obsolescence evaluation policy adopted by the management, and compare the actual situation of obsolescence inventory in the past to evaluate the accuracy of the past management's estimates; obtain the inventory aging report, select samples to check the inventory change slips, test the accuracy of the inventory aging calculation; calculate the allowance for inventory obsolescence loss based on the allowance for inventory obsolescence loss applicable to the inventory age range, and recalculate the inventory allowance for obsolescence loss; evaluate whether the Company's disclosure of information on allowance for inventory obsolescence loss is appropriate.

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

Responsibilities of the management were to prepare and ensure fair presentation of parent company only financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and to exercise proper internal control practices that are relevant to the preparation of parent company only financial statements so that the parent company only financial statements are free of material misstatements, whether caused by fraud or error.

The management's responsibilities when preparing parent company only financial statements also involved: assessing the ability of the Company to operate, disclose information, and account for transactions as a going concern unless the management intends to liquidate or cease business operations, or is compelled to do so with no alternative solution.

The governance body of the Company (including the Audit Committee) is responsible for supervising the financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

The purposes of our audit were to obtain reasonable assurance of whether the parent company only financial statements were prone to material misstatements, whether due to fraud or error, and to issue a report of our audit opinions. We considered assurance to be reasonable only if it is highly credible. However, audit tasks conducted in accordance with auditing principles do not necessarily guarantee detection of all material misstatements within the parent company only financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of the parent company only financial statement user.

When conducting audits in accordance with auditing principles, we exercised judgments and raised doubts as deemed professionally appropriate. We also performed the following tasks as an auditor:

1. Identifying and assessing risks of material misstatement due to fraud or error; designing and executing appropriate response measures for the identified risks; and obtaining adequate and appropriate audit evidence to support audit opinions. Fraud may involve conspiracy, forgery, intentional omission, untruthful declaration, or breach of internal control, and our audit did not find any material misstatement where the risk of fraud is greater than the risk of error.
2. Developing the required level of understanding on relevant internal controls and designing audit procedures that are appropriate under the prevailing circumstances, but without providing opinion on the effectiveness of internal control system of Company.
3. Assessing the appropriateness of accounting policies adopted by the management, and the rationality of accounting estimates and related disclosures made.
4. Forming conclusions regarding the appropriateness of management's decision to account for the business as a going concern, and whether there are doubts or uncertainties about the ability of the Company to operate as a going concern, based on the audit evidence obtained. We are bound to remind users of parent company only financial statements and make related disclosures if uncertainties exist in regards to the aforementioned events or circumstances, and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based on the audit evidence obtained up to the date of audit report. However, future events or change of circumstances may still render the Company no longer capable of operating as a going concern.

5. Assessing the overall presentation, structure, and contents of the parent company only financial statements (including related footnotes), and whether certain transactions and events are presented appropriately in the parent company only financial statements.
6. Obtaining sufficient and appropriate audit evidence on financial information of equity-accounted investments held by the Company, and expressing opinions on parent company only financial statements. We are responsible for the direction, supervision and performance of the audit of the Company. We remain solely responsible for our audit opinion.

We have communicated with the governance body about the scope, timing, and significant findings (including significant defects identified in internal control) of our audit.

We also provide those charged with governance with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters, including relevant protective measures, that may be considered to affect the independence of auditors.

From the matters communicated with those in charge of governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the Company in 2024 and, therefore, are the key audit matters. These issues have been addressed in our audit report except for: 1. Certain topics that are prohibited by law from disclosing to the public; or 2. Under extreme circumstances, topics that we decide not to communicate in the audit report because of higher negative impacts they may cause than the benefits they bring to public interest.

KPMG Taiwan

CPA:

許振隆



高鈺倫



Approval reference of the securities authority : Jin-Guan-Zhen-6-Zi No. 0960069825
Jin-Guan-Zheng-Shen-Zi No. 1130332775

March 11, 2025

U-Best Innovative Technology Co., Ltd.

Balance Sheet

December 31, 2024 and 2023

Unit: NTD thousands

Assets		2024.12.31		2023.12.31		Liabilities and equity		2024.12.31		2023.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(1))	\$ 93,161	3	48,111	2	2,100	Short-term loan (Notes 6(11), 7 and 8)	\$ 846,102	24	521,533	17
1110	Financial assets at fair value through profit or loss - current (Note 6(2))	9,883	-	4,284	-	2,110	Short-term bills payable (Notes 6(11) and 8)	99,751	3	105,834	3
1150	Notes receivable (Notes 6(4), (21) and 7)	31,083	1	36,578	1	2,120	Financial liabilities at fair value through profit or loss - current (Notes 6(2),	-	-	600	-
1170	Accounts receivable, net (Notes 6(4), (21) and 7)	85,992	3	69,077	2	(12))					
1210	Other receivables - related parties (Note 7)	5,540	-	-	-	2,130	Contractual liabilities - current (Note 6(21) and 9)	202,854	6	206,201	7
130X	Inventory (Notes 6(5), 7, 8 and 9)	1,845,316	53	1,557,845	52	2,170	Notes and accounts payable	54,251	1	70,490	2
1470	Other current assets	75,236	2	67,923	2	2,180	Accounts payable - related party (Note 7)	13,458	-	7,525	-
1476	Other financial assets - current (Note 8)	50,132	1	68,637	2	2,200	Other payables (Note 6(22) and7)	31,238	1	23,379	1
Total current assets		2,196,343	63	1,852,455	61	2,280	Lease liabilities - current (Note 6(14))	3,087	-	375	-
Non-current assets:						2,300	Other current liabilities	1,849	-	2,070	-
1510	Financial assets at fair value through profit or loss - non-current (Note 6(2))	7,200	-	10,492	-	2,321	Corporate bonds maturing or being sold back within 1 year or 1 business cycle	-	-	472,060	16
1517	Financial assets at fair value through other comprehensive income -	305,746	9	259,785	9	(Note VI(XII) and VIII)					
non-current (Note 6(3))						2,322	Long-term loan maturing within 1 year (Notes 6(13) and 8)	29,930	1	17,739	1
1550	Equity-accounted investments (Note 6(6))	596,904	17	510,806	17	Total current liabilities		1,282,520	36	1,427,806	47
1600	Property, plant, and equipment (Note 6(8), 8 and 9)	264,115	8	251,645	8	Non-current liabilities:					
1755	Right-of-use assets (Note 6(9))	10,117	-	528	-	2,540	Long-term loan (Notes 6(13) and 8)	12,793	1	42,733	2
1760	Investment property, net (Notes 6(10), (15), 7 and 8)	114,144	3	116,524	4	2,570	Deferred income tax liabilities (Note 6(17))	479	-	533	-
1840	Deferred income tax assets (Note 6(17))	12,205	-	11,194	1	2,580	Lease liabilities - non-current (Note 6(14))	7,241	-	191	-
1920	Guarantee deposits paid	7,673	-	7,914	-	2,645	Guarantee deposits received (Note 7)	1,468	-	1,495	-
Total non-current assets		1,318,104	37	1,168,888	39	Total non-current liabilities		21,981	1	44,952	2
						Total liabilities		1,304,501	37	1,472,758	49
						Equity (Notes 6(7), (12), (17), (18) and (19)):					
						3,100	Share capital	1,776,872	51	1,421,145	47
						3,200	Capital surplus	332,685	9	143,769	5
						3,300	Retained earnings	169,447	5	104,653	3
						3,400	Other equity items	(69,058)	(2)	(114,999)	(4)
						3,500	Treasury stock	-	-	(5,983)	-
Total assets		\$ 3,514,447	100	3,021,343	100	Total equity		2,209,946	63	1,548,585	51
						Total liabilities and equity		\$ 3,514,447	100	3,021,343	100

(Please refer to the notes to parent company only financial statements afterwards)

Chairman: Chang

Managerial Officer: Huang, Nan-Hao

Accounting Officer: Chao, Ying-Chu

U-Best Innovative Technology Co., Ltd.

Statement of Comprehensive Income

December 31, 2024 and 2023

Unit: NTD thousands

		2024		2023	
		Amount	%	Amount	%
4100	Operating revenue (Notes 6(15), (21) and 7)	\$ 499,578	100	367,375	100
5000	Operating costs (Notes 6(5), (14), (15), (16), (22), 7 and 12)	395,951	79	287,520	78
5900	Gross profit	103,627	21	79,855	22
6000	Operating expenses (Notes 6(14), (15), (16), (19), (22), 7 and 12)				
6100	Selling expenses	56,468	11	7,793	2
6200	Administrative expenses	67,544	13	54,332	15
6300	R&D expenses	10,169	2	16,225	4
	Total operating expenses	134,181	26	78,350	21
6900	Operating profit (loss)	(30,554)	(5)	1,505	1
	Non-operating income and expenses (Notes 6(2), (3), (12), (14), (23), 7 and 9):				
7100	Interest income	922	-	665	-
7010	Other income	40,263	8	11,734	3
7020	Other gains and losses	1,858	-	14,099	4
7050	Financial cost	(18,660)	(4)	(15,461)	(4)
7070	Share of gain/loss from subsidiaries accounted using the equity method	70,337	15	9,220	2
		94,720	19	20,257	5
7900	Profit before tax	64,166	14	21,762	6
7950	Less: Income tax expense (gain) (Note 6(17))	(758)	-	1,876	1
8000	Current net income	64,924	14	19,886	5
8300	Other comprehensive income (loss) (Notes 6(17), (18)):				
8310	Items that will not be reclassified subsequently to profit or loss				
8316	Unrealized gain/loss on valuation of equity instruments at fair value through other comprehensive income	45,961	9	16,706	5
8331	Remeasurement of subsidiaries' defined benefit plan	(162)	-	63	-
8336	Subsidiaries' unrealized gain/loss on valuation of equity instruments at fair value through other comprehensive income	-	-	114	-
8349	Less: income tax on items not reclassified into profit or loss	(32)	-	12	-
	The total of items not to be reclassified to profit or loss	45,831	9	16,871	5
8360	Items possibly recategorized to profits and losses later				
8367	Subsidiaries' unrealized gain/loss on valuation of debt instruments at fair value through other comprehensive income	(25)	-	-	-
8399	Less: income tax on items likely to be reclassified into profit or loss	(5)	-	-	-
	Total of items possibly recategorized to profits and losses later	(20)	-	-	-
8300	Other comprehensive income (loss), net of tax	45,811	9	16,871	5
8500	Total comprehensive income for the current period	\$ 110,735	23	36,757	10
	Earnings per share (Unit: NTD) (Note 6(20))				
9750	Basic earnings per share	\$ 0.38		0.14	
9850	Diluted earnings per share	\$ 0.37		0.10	

(Please refer to the notes to parent company only financial statements afterwards)

Chairman: Chang, Yu-Ming

Managerial Officer: Huang

Nan-Hao

Accounting Officer: Chao,

Ying-Chu

U-Best Innovative Technology Co., Ltd.
Statement of Changes in Equity
December 31, 2024 and 2023

Unit: NTD thousands

	Common share capital	Capital collected in advance	Total	Capital surplus	Legal reserve	Retained earnings Undistributed retained earnings (accumulated deficit)	Total	Other equity items Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Treasury stock	Total equity
Balance on January 1, 2023	\$ 1,394,638	-	1,394,638	135,531	138,266	(52,027)	86,239	(131,705)	(6,799)	1,477,904
Current net income	-	-	-	-	-	19,886	19,886	-	-	19,886
Other comprehensive income for the current period	-	-	-	-	-	51	51	16,820	-	16,871
Total comprehensive income for the current period	-	-	-	-	-	19,937	19,937	16,820	-	36,757
Conversion of convertible corporate bonds	14,307	-	14,307	4,013	-	-	-	-	-	18,320
Exercise of employee warrants	5,770	6,430	12,200	2,196	-	-	-	-	-	14,396
Change of equity interest in subsidiaries	-	-	-	378	-	(1,637)	(1,637)	-	816	(443)
Disposal of investment in equity instrument at fair value through other comprehensive income by subsidiaries	-	-	-	-	-	114	114	(114)	-	-
Share-based payment	-	-	-	1,651	-	-	-	-	-	1,651
Balance on December 31, 2023	141,715	6,430	1,421,145	143,769	138,266	(33,613)	104,653	(114,999)	(5,983)	1,548,585
Current net income	-	-	-	-	-	64,924	64,924	-	-	64,924
Other comprehensive income for the current period	-	-	-	-	-	(130)	(130)	45,941	-	45,811
Total comprehensive income for the current period	-	-	-	-	-	64,794	64,794	45,941	-	110,735
Earnings distribution and allocation:										
Legal reserve for compensating losses	-	-	-	-	(33,613)	33,613	-	-	-	-
Conversion of convertible corporate bonds	330,716	-	330,716	141,413	-	-	-	-	-	472,129
Difference between actual price of subsidiary equity acquired or disposed and the book value	-	-	-	11,565	-	-	-	-	-	11,565
Subsidiaries disposing shares of the parent company and treated as transaction of treasury shares	-	-	-	3,372	-	-	-	-	5,983	9,355
Exercise of employee warrants	27,493	(2,482)	25,011	4,502	-	-	-	-	-	29,513
Change of equity interest in subsidiaries	-	-	-	27,672	-	-	-	-	-	27,672
Share-based payment	-	-	-	392	-	-	-	-	-	392
Balance on December 31, 2024	\$ 1,772,924	3,948	1,776,872	332,685	104,653	64,794	169,447	(69,058)	-	2,209,946

Chairman: Chang, Yu-Ming



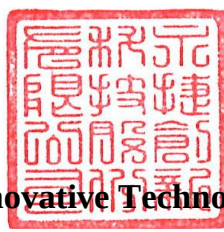
(Please refer to the notes to parent company only financial statements afterwards)

Managerial Officer: Huang, Nan-Hao



Accounting Officer: Chao, Ying-Chu





U-Best Innovative Technology Co., Ltd.

Cash Flow Statement

December 31, 2024 and 2023

Unit: NTD thousands

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net income before income tax	\$ 64,166	21,762
Adjustments:		
Income, expenses and losses:		
Depreciation expenses	16,466	13,044
Gain on valuation of financial assets or liabilities at fair value through profit or loss	(5,748)	(13,896)
Interest expenses	18,660	15,461
Interest income	(922)	(665)
Dividend income	(674)	(11,734)
Share of gain/loss from subsidiaries accounted using the equity method	(70,337)	(9,220)
Gain on disposal and retirement of property, plant and equipment	-	(19)
Unrealized loss (gain) on foreign currency exchange	122	(524)
Cost of share-based remuneration	392	1,651
Sum of income, expenses and losses without cash flow effect	<u>(42,041)</u>	<u>(5,902)</u>
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Decrease in notes receivable	5,495	19,941
Decrease (increase) in accounts receivable	(16,915)	1,154
Decrease (increase) in other receivables - related parties	(5,540)	2,195
Increase In Inventory	(282,309)	(338,135)
Increase in other current assets	<u>(7,298)</u>	<u>(11,271)</u>
Total net changes in assets related to operating activities	<u>(306,567)</u>	<u>(326,116)</u>
Net changes in liabilities related to operating activities:		
Increase (decrease) in notes and accounts payable	(10,485)	24,111
Increase (decrease) in other payables	7,884	(3,677)
Increase (decrease) in contract liabilities	(3,347)	68,300
Increase (decrease) in other current liabilities	<u>(221)</u>	<u>2,070</u>
Total net changes in liabilities related to operating activities	<u>(6,169)</u>	<u>90,804</u>
Total net changes in assets and liabilities related to operating activities	<u>(312,736)</u>	<u>(235,312)</u>
Total adjustments	<u>(354,777)</u>	<u>(241,214)</u>
Cash outflow from operations	(290,611)	(219,452)
Interests received	922	665
Dividends received	12,470	11,734
Interests paid	(22,421)	(12,523)
Income tax paid	<u>(323)</u>	<u>(1,104)</u>
Net cash outflow from operating activities	<u>(299,963)</u>	<u>(220,680)</u>
Cash flow from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(41,356)
Acquisition of financial assets at fair value through profit or loss	(20,570)	-
Proceeds from disposal of financial assets at fair value through profit or loss	23,755	15,928
Acquisition of property, plant and equipment	(24,294)	(12,735)
Proceeds from disposal of property, plant and equipment	-	172
Acquisition of investment property	-	(13,708)
Decrease in guarantee deposits paid	241	285
Decrease (increase) in other financial assets	<u>18,505</u>	<u>(32,611)</u>
Net cash outflow from investment activities	<u>(2,363)</u>	<u>(84,025)</u>

(Continued on next page)

(Please refer to the notes to parent company only financial statements afterwards)

Chairman: Chang, Yu-Ming

**Managerial Officer: Huang,
Nan-Hao**

**Accounting Officer: Chao,
Ying-Chu**

U-Best Innovative Technology Co., Ltd.
Cash Flow Statement (continued)
December 31, 2024 and 2023

Unit: NTD thousands

	2024	2023
Cash flow from financing activities:		
Increase in short-term loans	951,944	1,014,172
Decrease in short-term loans	(627,375)	(822,439)
Increase in short-term bills and notes payable	642,568	365,197
Decrease in short-term commercial paper payable	(648,651)	(339,179)
Repayment of convertible corporate bonds	(1,700)	-
Long-term loan borrowings	-	28,060
Repayment of long-term loans	(17,749)	(13,912)
Decrease in guarantee deposits received	(27)	(81)
Repayment of lease principal	(2,089)	(370)
Exercise of employee warrants	29,513	14,396
Disposal of subsidiary's equity (without loss of control)	20,885	-
Net cash inflow from financing activities	347,319	245,844
Effect of exchange rate variation on cash and cash equivalents	57	(114)
Net Increase (decrease) in cash and cash equivalents of the current period	45,050	(58,975)
Opening cash and cash equivalents balance	48,111	107,086
Closing cash and cash equivalents balance	\$ 93,161	48,111

(Please refer to the notes to parent company only financial statements afterwards)

Chairman: Chang, Yu-Ming

Managerial Officer: Huang,
Nan-Hao

Accounting Officer: Chao,
Ying-Chu

Independent Auditor's Report

To the board of directors of U-Best Innovative Technology Co., Ltd.:

Audit Opinion

We have audited the consolidated balance sheet of U-Best Innovative Technology Co., Ltd. and subsidiaries (hereafter referred to as “U-Best Group”) as at December 31, 2024 and 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement, and the accompanying footnotes (including summary of key accounting policies) for the periods January 1 to December 31, 2024 and 2023.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of U-Best Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2024 and 2023 in accordance with the regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRS Interpretations (IFRIC) and SIC Interpretations (SIC) endorsed and issued into effects by the Financial Supervisory Commission of the R.O.C.

Basis of Audit Opinion

We were engaged to conduct our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities as an auditor for the consolidated financial statements under the abovementioned standards are explained in the Responsibilities paragraph. All relevant personnel of the accounting firm have followed CPA code of ethics and maintained independence from U-Best Group when performing their duties. 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 issues are matters that we considered to be the most important, based on professional judgment, when auditing the 2024 consolidated financial statements of U-Best Group. These issues have already been addressed when we audited and formed our opinions on the consolidated financial statements. Therefore, we do not provide opinions separately for individual issues. Below are the key audit issues that we consider relevant for disclosure in this audit report:

Inventory valuation

For accounting policies on inventory valuation, please refer to Note IV(VIII) of the consolidated financial statements; for accounting estimates, assumptions, and uncertainties, please refer to Note V of the consolidated financial statements; for detailed disclosure on inventory valuation, please refer to Note VI(VII) of the consolidated financial statements.

Explanation of key audit issues:

U-Best Group measures inventory at the lower of cost and net realizable value. For the construction segment: real estate is an industry characterized by substantial capital commitment, long recovery time, and high susceptibility to political, economic, and property taxation changes, which may give rise to the risk of inventory cost exceeding net realizable value. For the manufacturing segment: due to changes in market demand and supply and products becoming obsolete or no longer suitable for the market's needs, the sales of relevant products may fluctuate violently, causing the risk of inventory cost exceeding the net realizable value. For the above reasons, we have identified inventory valuation as one of the key issues when auditing the parent company only financial statements of U-Best Group.

Audit procedures:

The principal audit procedures for the above key audit matters include: Construction business: based on the latest real price registration value and the nearby transaction price announced by the Ministry of the Interior, the average selling price is converted into the net realizable value of inventory or the appraisal results or transaction price of the property appraiser, in order to evaluate the reasonableness of the inventory devaluation or obsolescence loss recognition and whether the inventory valuation has been executed in accordance with the Company's established accounting policies. Manufacturing business: understand the inventory obsolescence evaluation policy adopted by the management, and compare the actual situation of obsolescence inventory in the past to evaluate the accuracy of the past management's estimates; obtain the inventory aging report, select samples to check the inventory change slips, test the accuracy of the inventory aging calculation; calculate the allowance for inventory obsolescence loss based on the allowance for inventory obsolescence loss applicable to the inventory age range, and recalculate the inventory allowance for obsolescence loss; evaluate whether the Company's disclosure of information on allowance for inventory obsolescence loss is appropriate.

Other Matters

U-Best Innovative Technology Co., Ltd. (referred to as the "Company") has prepared the parent company only financial statements for 2024 and 2023, to which we have issued an independent auditor's report with unqualified opinion.

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

Responsibilities of the management were to prepare and ensure fair presentation of consolidated financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the version of IFRS, IAS, IFRIC and interpretations thereof approved and effected by the Financial Supervisory Commission, and to exercise proper internal control practices that are relevant to the preparation of consolidated financial statements so that the consolidated financial statements are free of material misstatements, whether caused by fraud or error.

The management's responsibilities when preparing consolidated financial statements also involved: assessing the ability of U-Best Group to operate, disclose information, and account for transactions as a going concern unless the management intends to liquidate or cease business operations, or is compelled to do so with no alternative solution.

The governance body of U-Best Group (including the Audit Committee) is responsible for supervising the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

The purposes of our audit were to obtain reasonable assurance of whether the consolidated financial statements were prone to material misstatements, whether due to fraud or error, and to issue a report of our audit opinions. We considered assurance to be reasonable only if it is highly credible. However, audit tasks conducted in accordance with auditing principles do not necessarily guarantee detection of all material misstatements within the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of the consolidated financial statement user.

When conducting audits in accordance with auditing principles, we exercised judgments and raised doubts as deemed professionally appropriate. We also performed the following tasks as an auditor:

1. Identifying and assessing risks of material misstatement due to fraud or error; designing and executing appropriate response measures for the identified risks; and obtaining adequate and appropriate audit evidence to support audit opinions. Fraud may involve conspiracy, forgery, intentional omission, untruthful declaration, or breach of internal control, and our audit did not find any material misstatement where the risk of fraud is greater than the risk of error.
2. Developing the required level of understanding on relevant internal controls and designing audit procedures that are appropriate under the prevailing circumstances, but without providing opinion on the effectiveness of internal control system of U-Best Group.
3. Assessing the appropriateness of accounting policies adopted by the management, and the rationality of accounting estimates and related disclosures made.
4. Forming conclusions regarding the appropriateness of management's decision to account for the business as a going concern, and whether there are doubts or uncertainties about the ability of U-Best Group to operate as a going concern, based on the audit evidence obtained. We are bound to remind users of consolidated financial statements and make related disclosures if uncertainties exist in regards to the abovementioned events or circumstances, and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based on the audit evidence obtained up to the date of audit report. However, future events or change of circumstances may still render U-Best Group no longer capable of operating as a going concern.
5. Assessing the overall presentation, structure, and contents of the consolidated

financial statements (including related footnotes), and whether certain transactions and events are presented appropriately in the consolidated financial statements.

6. Obtaining sufficient and appropriate audit evidence on financial information of equity-accounted investments held by the Group, and expressing opinions on consolidated financial statements. Our responsibilities as auditor are to instruct, supervise, and execute audits and form audit opinions on U-Best Group.

We have communicated with the governance body about the scope, timing, and significant findings (including significant defects identified in internal control) of our audit.

We also provide those charged with governance with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters, including relevant protective measures, that may be considered to affect the independence of auditors.

We have identified the key audit issues after communicating with the governance body regarding the 2024 consolidated financial statements of U-Best Group. These issues have been addressed in our audit report except for: 1. Certain topics that are prohibited by law from disclosing to the public; or 2. Under extreme circumstances, topics that we decide not to communicate in the audit report because of higher negative impacts they may cause than the benefits they bring to public interest.

KPMG Taiwan

許振隆 

CPA:

高鈺倫 

Approval	Jin-Guan-Zhen-6-Zi No.
reference of the	: 0960069825
securities	Jin-Guan-Zheng-Shen-Zi No.
authority	1130332775
March 11, 2025	

**Unit: NTD thousands**

Chairman: Chang, Yu-Ming

the notes
er: Huang

Chao, Y

U-Best Innovative Technology Co., Ltd. and Subsidiaries

Consolidated Statement of Comprehensive Income

December 31, 2024 and 2023

Unit: NTD thousands

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(25) and 7)	\$ 825,783	100	516,505	100
5000	Operating costs (Notes 6(7), (20), 7 and 12)	685,661	83	428,978	83
5900	Gross profit	140,122	17	87,527	17
6000	Operating expenses (Notes 6(5), (18), (20), (23), (26), 7 and 12):				
6100	Selling expenses	78,803	10	20,033	4
6200	Administrative expenses	214,823	26	146,691	28
6300	R&D expenses	18,773	2	19,392	4
6450	Expected credit impairment reversal gain	(580)	-	-	-
	Total operating expenses	311,819	38	186,116	36
6900	Operating loss, net	(171,697)	(21)	(98,589)	(19)
	Non-operating income and expenses (Notes 6(2), (3), (16), (18), (27), 7 and 9):				
7100	Interest income	13,093	2	4,695	1
7,010	Other income	16,434	2	27,572	5
7020	Other gains and losses	929,392	2024	175,989	34
7050	Financial cost	(37,988)	(5)	(33,900)	(6)
		920,931	2023	174,356	34
7900	Profit before tax	749,234	91	75,767	15
7950	Less: Income tax expenses (Note 6(21))	20,850	3	3,019	1
8200	Current net income	728,384	88	72,748	14
8300	Other comprehensive income (loss) (Notes 6(21) and (22)):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plan	(1,836)	-	375	-
8316	Unrealized gain/loss on valuation of equity instruments at fair value through other comprehensive income	45,961	6	17,379	3
8349	Less: income tax on items not reclassified into profit or loss	(367)	-	75	-
	The total of items not to be reclassified to profit or loss	44,492	6	17,679	3
8360	Items possibly recategorized to profits and losses later				
8367	Unrealized gain or loss on investments in debt instruments at fair value through other comprehensive income	(286)	-	-	-
8399	Less: income tax on items likely to be reclassified into profit or loss	(57)	-	-	-
	Total of items possibly recategorized to profits and losses later	(229)	-	-	-
8300	Other comprehensive income (loss), net of tax	44,263	6	17,679	3
8500	Total comprehensive income for the current period	<u>\$ 772,647</u>	<u>94</u>	<u>90,427</u>	<u>17</u>
	Net profit attributable to:				
8610	Owners of the parent	\$ 64,924	8	19,886	4
8620	Non-controlling equity	663,460	80	52,862	10
		<u>\$ 728,384</u>	<u>88</u>	<u>72,748</u>	<u>14</u>
	Total comprehensive income attributable to:				
8710	Owners of the parent	\$ 110,735	14	36,757	7
8720	Non-controlling equity	661,912	80	53,670	10
		<u>\$ 772,647</u>	<u>94</u>	<u>90,427</u>	<u>17</u>
	Earnings per share (Unit: NTD) (Note 6(24))				
9750	Basic earnings per share	<u>\$ 0.38</u>		<u>0.14</u>	
9850	Diluted earnings per share	<u>\$ 0.37</u>		<u>0.10</u>	

(Please refer to the notes to consolidated financial statements)

Chairman: Chang, Yu-Ming Managerial Officer: Huang, Nan-Hao Accounting Officer: Chao, Ying-Chu

U-Best Innovative Technology Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
December 31, 2024 and 2023

Unit: NTD thousands

	Equity attributed to owners of the parent											
								Other equity items		Total equity attributed to owners of the parent	Non-controlling equity	Total equity
	Common share capital	Capital collected in advance	Total	Capital surplus	Legal reserve	Retained earnings (accumulated deficit)	Total	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Treasury stock			
Balance on January 1, 2023	\$ 1,394,638	-	1,394,638	135,531	138,266	(52,027)	86,239	(131,705)	(6,799)	1,477,904	1,902,314	3,380,218
Current net income	-	-	-	-	-	19,886	19,886	-	-	19,886	52,862	72,748
Other comprehensive income for the current period	-	-	-	-	-	51	51	16,820	-	16,871	808	17,679
Total comprehensive income for the current period	-	-	-	-	-	19,937	19,937	16,820	-	36,757	53,670	90,427
Conversion of convertible corporate bonds	14,307	-	14,307	4,013	-	-	-	-	-	18,320	-	18,320
Exercise of employee warrants	5,770	6,430	12,200	2,196	-	-	-	-	-	14,396	-	14,396
Change of equity interest in subsidiaries	-	-	-	378	-	(1,637)	(1,637)	-	816	(443)	443	-
Disposal of investment in equity instrument at fair value through other comprehensive income by subsidiaries	-	-	-	-	-	114	114	(114)	-	-	-	-
Share-based payment	-	-	-	1,651	-	-	-	-	-	1,651	-	1,651
Increase/decrease in non-controlling interest	-	-	-	-	-	-	-	-	-	-	425,862	425,862
Balance on December 31, 2023	\$ 1,414,715	6,430	1,421,145	143,769	138,266	(33,613)	104,653	(114,999)	(5,983)	1,548,585	2,382,289	3,930,874
Current net income	-	-	-	-	-	64,924	64,924	-	-	64,924	663,460	728,384
Other comprehensive income for the current period	-	-	-	-	-	(130)	(130)	45,941	-	45,811	(1,548)	44,263
Total comprehensive income for the current period	-	-	-	-	-	64,794	64,794	45,941	-	110,735	661,912	772,647
Earnings distribution and allocation:												
Legal reserve for compensating losses	-	-	-	-	(33,613)	33,613	-	-	-	-	-	-
Subsidiaries' issuance of convertible bonds	-	-	-	-	-	-	-	-	-	-	34,383	34,383
Conversion of convertible corporate bonds	330,716	-	330,716	141,413	-	-	-	-	-	472,129	-	472,129
Subsidiaries' conversion of convertible corporate bonds	-	-	-	-	-	-	-	-	-	-	295,583	295,583
Payment of cash dividends by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(80,004)	(80,004)
Exercise of employee warrants	27,493	(2,482)	25,011	4,502	-	-	-	-	-	29,513	-	29,513
Subsidiaries disposing shares of the parent company and treated as transaction of treasury shares	-	-	-	3,372	-	-	-	-	5,983	9,355	47,325	56,680
Disposal of equity of subsidiaries to non-controlling interests	-	-	-	11,565	-	-	-	-	-	11,565	340,475	352,040
Change of equity interest in subsidiaries	-	-	-	27,672	-	-	-	-	-	27,672	(27,672)	-
Share-based payment	-	-	-	392	-	-	-	-	-	392	-	392
Increase/decrease in non-controlling interest	-	-	-	-	-	-	-	-	-	-	203,024	203,024
Balance on December 31, 2024	\$ 1,772,924	3,948	1,776,872	332,685	104,653	64,794	169,447	(69,058)	-	2,209,946	3,857,315	6,067,261

Chairman: Chang Yu-Ming



(Please refer to the notes to consolidated financial statements)
Managerial Officer: Huang Nan-Hao



Accounting Officer: Chao Ying-Chu



U-Best Innovative Technology Co., Ltd. and Subsidiaries
Consolidated Cash Flow Statement
December 31, 2024 and 2023

Unit: NTD thousands

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net income before income tax	\$ 749,234	75,767
Adjustments:		
Income, expenses and losses		
Depreciation expenses	55,791	47,056
Amortization expense	1,381	1,362
Expected credit impairment reversal gain	(580)	-
Net gain on valuation of financial assets or liabilities at fair value through profit or loss	(929,110)	(166,350)
Interest expenses	37,988	33,900
Interest income	(13,093)	(4,695)
Dividend income	(14,377)	(26,165)
Loss (gain) on disposal of property, plant and equipment	21	(120)
Impairment losses	3,691	2,846
Unrealized gain on foreign currency exchange	(6,937)	(329)
Cost of share-based remuneration	392	1,651
Total income, expenses and losses	<u>(864,833)</u>	<u>(110,844)</u>
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Decrease in notes receivable	14,647	29,144
Decrease in accounts receivable	64,787	16,588
Decrease (increase) in other receivables	4,903	(2,547)
Increase In Inventory	(1,717,806)	(334,962)
Increase in other current assets	(31,709)	(17,585)
Decrease (increase) in other current assets	(1,778)	732
Total net changes in assets related to operating activities	<u>(1,666,956)</u>	<u>(308,630)</u>
Net changes in liabilities related to operating activities:		
Increase in contractual liabilities	120,428	98,727
Increase (decrease) in notes and accounts payable	(107,012)	20,751
Increase (decrease) in other payables	58,169	(2,777)
Increase in other current liabilities	168	732
Decrease in net defined benefit liabilities - non-current	-	(2,980)
Total net changes in liabilities related to operating activities	<u>71,753</u>	<u>114,453</u>
Total net changes in assets and liabilities related to operating activities	<u>(1,595,203)</u>	<u>(194,177)</u>
Total adjustments	<u>(2,460,036)</u>	<u>(305,021)</u>
Cash outflow from operations	(1,710,802)	(229,254)
Interests received	11,512	4,683
Dividends received	14,377	26,165
Interests paid	(39,503)	(26,176)
Income tax paid	(847)	(3,875)
Net cash outflow from operating activities	<u>(1,725,263)</u>	<u>(228,457)</u>

(Continued on next page)

(Please refer to the notes to consolidated financial statements)

Chairman: Chang Yu-Ming Managerial Officer: Huang Nan-Hao Accounting Officer: Chao Ying-Chu



U-Best Innovative Technology Co., Ltd. and Subsidiaries
Consolidated Cash Flow Statement (continued)
December 31, 2024 and 2023

Unit: NTD thousands

	2024	2023
Cash flow from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(56,091)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	15,408
Acquisition of financial assets at fair value through profit or loss	(141,859)	(228,758)
Proceeds from disposal of financial assets at fair value through profit or loss	673,600	234,680
Acquisition of financial assets measured at amortized cost	(525,376)	(303,313)
Disposal of financial assets measured at amortized cost	452,088	-
Acquisition of property, plant and equipment	(29,405)	(39,445)
Proceeds from disposal of property, plant and equipment	1,665	352
Increase in guarantee deposits paid	(32)	(73)
Acquisition of investment property	(217)	(69,463)
Acquisition of intangible assets	(10)	(283)
Acquisition of subsidiaries (less the cash received)	(465,896)	-
Decrease in other financial assets	19,058	439,389
Net cash outflow from investment activities	<u>(16,384)</u>	<u>(7,597)</u>
Cash flow from financing activities:		
Increase in short-term loans	2,530,187	1,427,369
Decrease in short-term loans	(1,232,023)	(1,772,163)
Increase in short-term bills and notes payable	841,955	614,648
Decrease in short-term commercial paper payable	(848,053)	(613,552)
Issuance of corporate bonds	408,348	-
Repayment of convertible corporate bonds	(1,700)	-
Long-term loan borrowings	-	77,560
Repayment of long-term loans	(93,423)	(34,444)
Increase (decrease) in guarantee deposits received	1,228	(101)
Repayment of lease principal	(4,616)	(1,679)
Exercise of employee warrants	29,513	14,396
Proceeds from disposal of treasury shares	56,680	-
Disposal of equity of subsidiaries to non-controlling interests	352,040	-
Payment of cash dividend to non-controlling owners	(80,004)	-
Increase in non-controlling equity	-	424,845
Net cash inflow from financing activities	<u>1,960,132</u>	<u>136,879</u>
Effect of exchange rate variation on cash and cash equivalents	382	(136)
Net Increase (decrease) in cash and cash equivalents of the current period	218,867	(99,311)
Opening cash and cash equivalents balance	345,259	444,570
Closing cash and cash equivalents balance	<u><u>\$ 564,126</u></u>	<u><u>345,259</u></u>

(Please refer to the notes to consolidated financial statements)

Chairman: Chang Yu-Ming



Managerial Officer: Huang Nan-Hao



Accounting Officer: Chao Ying-Chu



U-Best Innovative Technology Co., Ltd.

Earnings Distribution Table

2024

Unit: NTD

Item	Amount
Opening balance	0
Add (less):	
Changes in the remeasured amount of the defined benefit plan in the current period	(129,413)
Net profit after tax	64,924,225
Provision for legal reserves	(6,479,481)
Distributable earnings	58,315,331
Shareholder dividends - cash (NT\$0.2/share)	(35,537,428)
Closing balance	22,777,893

Chairman:



Managerial Officer:



Accounting Officer



U-Best Innovative Technology Co., Ltd.

Comparison Table for Amendments of "Articles of Incorporation"

Article No.	Amended Clause	Current Clause	Explanation of Amendment
Article 10	<u>For change of records on the shareholders roster</u> , any transfer registration of shares shall be prohibited within sixty days prior to the ordinary shareholders' meeting, thirty days prior to the extraordinary shareholders' meeting, or five days prior to the record date for the distribution of dividends and bonuses or other interests by the Company.	Any transfer registration of shares shall be prohibited within sixty days prior to the ordinary shareholders' meeting, thirty days prior to the extraordinary shareholders' meeting, or five days prior to the record date for the distribution of dividends and bonuses or other interests by the Company.	Text revision.
Article 11	In accordance with the Company Act, when the Company <u>repurchases treasury shares for transferring to employees</u> , reserves shares for employee subscription during issuance of new shares, <u>issues employee share subscription warrants and</u> issues new restricted employee shares, <u>the recipients for the transfer, subscription and issuance of the shares may</u> include employees of controlling or subordinate companies meeting certain specific requirements, and the Board of Directors is <u>authorized</u> to specify such certain specific requirements.	Article 11: In accordance with <u>Article 267</u> of the Company Act, when the Company issues new shares, it shall reserve shares for subscription by employees, and the qualification requirements of employees, including the employees of controlling or subordinate companies meeting certain specific requirements, entitled to receive restricted stock for employees, shall be specified by the Board of Directors.	Amendment is made to clarify the content according to Article 267 of the Company Act.
Article 29-1	Annual profits concluded by the Company are subject to employee remuneration of 1%-10% <u>(no less than 10% of the aforementioned appropriation amount shall be distributed as the remuneration of entry-level employees)</u> , which the Board of Directors may decide to distribute in cash or in shares. Employees of subsidiaries who meet	Annual profits concluded by the Company are subject to employee remuneration of 1%-10%, which the Board of Directors may decide to distribute in cash or in shares. Employees of subsidiaries who meet certain criteria are also entitled to receive remuneration, and this criteria is determined by the Board of Directors. Up to 5% of the aforementioned profit may be distributed as directors' or	Amendment is made to increase the distribution of remuneration of entry-level employees.

Article No.	Amended Clause	Current Clause	Explanation of Amendment
	certain criteria are also entitled to receive remuneration, and this criteria is determined by the Board of Directors. Up to 5% of the aforementioned profit may be distributed as directors' or supervisors' remuneration at the discretion of the Board of Directors.	supervisors' remuneration at the discretion of the Board of Directors.	
Article 33	 3.1 (Each half fiscal year) Cash and stock dividends distribution ratio: The Company pays dividends to shareholders in the form of stock dividends and cash dividends. In consideration of a balanced and stable dividend policy, at least <u>10%</u> of the Company's distributable earnings for each half fiscal year is set aside as dividends to shareholders. However, if the distributable earnings are less than 10% of the paid-in capital, the Board of Directors may decide not to distribute them. Dividends may be distributed in stock or cash, with cash dividends not less than 10% of the total dividends. 3.2 (Each fiscal year) Proportion of cash and stock dividends: The Company distributes profits to shareholders using a combination of cash and stock dividends. For the balance and consistency of dividend payouts, the Company has adopted the principle to distribute the distributable earnings <u>at an amount no less than 30% distributable earnings newly gained in the current year</u> to shareholders each year, with cash dividends representing no less than	3.1 (Each half fiscal year) Cash and stock dividends distribution ratio: The Company pays dividends to shareholders in the form of stock dividends and cash dividends. In consideration of a balanced and stable dividend policy, at least <u>30%</u> of the Company's distributable earnings for each half fiscal year is set aside as dividends to shareholders. However, if the distributable earnings are less than 10% of the paid-in capital, the Board of Directors may decide not to distribute them. Dividends may be distributed in stock or cash, with cash dividends not less than 10% of the total dividends. 3.2 (Each fiscal year) Proportion of cash and stock dividends: The Company distributes profits to shareholders using a combination of cash and stock dividends. For the balance and consistency of dividend payouts, the Company has adopted the principle to distribute at least 30% of distributable earnings to shareholders each year, with cash dividends representing no less than 10% of	The appropriation ratio is amended.

Article No.	Amended Clause	Current Clause	Explanation of Amendment
	10% of <u>the total dividends distribution amount of the current year.</u>	total dividends.	
Article 33	The twenty-second amendment was made on June 18, 2020. The twenty-third amendment was made on May 26, 2022. <u>The twenty-fourth amendment was made on May 28, 2025.</u>	The twenty-second amendment was made on June 18, 2020. The twenty-third amendment was made on May 26, 2022.	Added description on the number of amendment and the amendment date

U-Best Innovative Technology Co., Ltd.

Articles of Incorporation

Chapter I General Rules

- Article 1: The Company shall be incorporated in accordance with the provisions regarding a company limited by shares under the Company Act, and its name shall be U-Best Innovative Technology Co., Ltd.
- Article 2: The scope of business of the Company shall be as follows:
- I. C801100 Synthetic Resin and Plastic Manufacturing.
 - II. C802120 Industrial and Additive Manufacturing.
 - III. F107200 Wholesale of Chemical Feedstock.
 - IV. F401010 International Trade.
 - V. C601040 Processed Paper Manufacturing.
 - VI. C805020 Manufacture of Plastic Films and Bags.
 - VII. G202010 Parking area Operators.
 - VIII. H701010 Housing and Building Development and Rental.
 - IX. H701020 Industrial Factory Development and Rental.
 - X. H701040 Specific Area Development.
 - XI. H701050 Investment, Development and Construction in Public Construction.
 - XII. H701060 New Towns, New Community Development.
 - XIII. H701070 Process Zone Expropriation and Urban Land Readjustment Agency.
 - XIV. H703090 Real Estate Business.
 - XV. H703100 Real Estate Leasing.
 - XVI. F111090 Wholesale of Building Materials.
 - XVII. J901020 Regular Hotel.
 - XVIII. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company shall have its head office in Tainan City, the Republic of China, and may set up branch offices within or outside the territory of the Republic of China when deemed necessary.
- Article 4: Public announcements of the Company shall be made according to Article 28 of the Company Act.

- Article 4-1: The total amount of the Company's investments shall be determined by the Board of Directors and may not be limited by the provisions of Article 13 of the Company Act.
- Article 4-2: The Company may act as a guarantor for external parties for business needs.

Chapter 2 Shares

- Article 5: The Company's total capital stock shall be in the amount of NT\$3.5 billion, divided into 350 million shares of NT\$10 each, and the Board of Directors is authorized to issue the shares at discrete times. Of these shares, 35 million shares are reserved for the exercise of employee stock options.
- Article 6: The Company's share certificates shall be registered and affixed with the signatures or personal seals of the director representing the company, and shall be duly certified or authenticated by the competent authority or its approved issuing registrar.
The Company may be exempted from printing any share certificate for the shares issued. However, it shall register the issued shares with a centralized securities depository enterprise.
- Article 7: To transfer shares to employees at less than the average actual share repurchase price, or to issue employee stock warrants with exercise price lower than the closing price of the common stock on the date of issuance, the Company shall obtain the consent of at least two-thirds of the voting rights represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares.
- Article 8: Assignment/transfer of shares shall not be set up as a defense against the issuing company, unless name/title and residence/domicile of the assignee/transferee have been recorded in the shareholders' roster.
- Article 9: Except as otherwise provided by laws and securities regulations, the handling of the Company's stock affairs shall be in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" stipulated by the competent authorities.

Article 10: The share transfer registration shall be stopped within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits.

Article 11: In accordance with Article 267 of the Company Act, when the Company issues new shares, it shall reserve shares for subscription by employees, and the qualification requirements of employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements, entitled to receive restricted stock for employees, shall be specified by the Board of Directors.

Chapter 3 Shareholders' Meeting

Article 12: Shareholders' meeting shall be of the following two kinds: Regular meeting of shareholders, which shall be convened by the Board of Directors once every year within six months after the ending of each financial year; special meeting of shareholders, which to be held in accordance with the laws when necessary.

In a shareholders' meeting, electronic transmission shall be included as one of the ways for shareholders to exercise their voting rights, and the related operations shall be handled in accordance with the regulations of the competent authorities.

The Company's shareholders' meeting may be held by means of visual communication network or other methods promulgated by the central competent authority. The prerequisites, procedures, and other compliance matters of shareholders' meetings held by means of visual communication network shall be subject to prescriptions provided for by the competent authority in charge of securities affairs.

Article 13: If a shareholder is unable to attend a shareholders' meeting for any cause, he/she/it may appoint a proxy to attend the shareholders' meeting in his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy in accordance with Article 177 of the Company Act and Article 25-1 of the Securities and Exchange Act.

Article 14: The Chairperson of the board of directors shall be the chairman of shareholders' meetings. In the absence of the Chairperson, the

Chairperson of the board of directors shall designate a director to act as proxy. If not designated, the directors shall elect one of them from among themselves to act as chairman. For a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

Article 15: Unless otherwise provided or restricted by law, a shareholder shall have one voting power in respect of each share in his/her/its possession.

Article 16: Resolutions at a shareholders' meeting shall, unless otherwise provided for in relevant laws or regulations, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 17: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting and shall be handled in accordance with Article 183 of the Company Act.

Chapter 4 Board of Directors and Audit Committee

Article 18: The Company shall have five to nine directors, of whom not less than three and not less than one-fifth of the total number of directors shall be independent directors. The number of directors to be elected shall be determined by resolution of the Board of Directors. The election of directors shall be based on a nomination system in accordance with Article 192-1 of the Company Act, and the shareholders shall elect the directors from the list of candidates for a term of three years, and the directors shall be eligible for re-election.

Independent and non-independent directors shall be elected at the same time, but in separately calculated numbers. The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and appointment, exercise of powers and duties, and other matters for compliance with respect to independent directors shall be in accordance with the Company Act and the regulations of competent securities authorities.

The total number of registered shares held by all directors shall not be less

than a certain percentage of the total number of paid-in shares of the Company, and the percentage shall be in accordance with the regulations of the competent authorities.

Article 18-1: When the Company establishes an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, the duties and responsibilities of the supervisors as prescribed by the Company Act, the Securities and Exchange Act and other relevant laws and regulations shall be carried out by the Audit Committee.

The Company's Board of Directors shall establish an Audit Committee and a Remuneration Committee in accordance with the laws and regulations, and may establish various other functional committees, the organizational procedures of which shall be established by the Board of Directors.

Article 19: When the number of vacancies in the board of directors of a company equals to one third of the total number of directors, the board of directors shall call, within 60 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies, and the term of office of such directors shall be limited to the term of the original directors.

Article 20: In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.

Article 21: The board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairman of the board in accordance with the provisions of the Articles of Incorporation. The vice chairman shall execute all affairs of the Company in accordance with the law, the Articles of Incorporation, and the resolutions of shareholders' meetings and Board meetings. The chairman of the board of directors shall externally represent the Company.

Article 21-1: The Board of Directors meeting shall convene quarterly and shall state the reason for the convening and notify the directors seven days in advance. However, in case of emergency, the Board may convene at any time. Notice of a Board meeting may be given in writing, by facsimile or electronic means.

Article 22: The Company's management policy and other important matters shall be resolved by the Board of Directors. The Board of Directors shall be

convened by the Chairman of the Board of Directors, who shall be the chairperson of the meeting, except for the first meeting of each term of the Board, which shall be convened in accordance with Article 203 of the Company Act. If the Chairman of the Board of Directors is unable to perform his or her duties, he/she shall designate a director to act on his or her behalf. If not designated, directors shall elect a proxy among themselves.

Article 23: Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. In case a director cannot attend a meeting of the board for any cause, he/she may appoint another director to attend in his/her behalf by issuing a written proxy and stating therein the scope of authority with reference to the subjects to be discussed at the meeting. A director may accept the appointment to act as the proxy of one other director only.

Article 24: Resolutions adopted at a board of directors' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty days after the close of the meeting. The minutes shall record a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept in the Company along with the attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies.

Article 25: (Deleted)

Article 25-1: The compensation of the Company's directors is authorized to be paid by the Board of Directors based on the directors' participation in and contribution to the Company's operations and the usual industry standard.

Chapter 5 Managerial Officers and Employees

Article 26: The Company may have a chief executive officer, a president, a vice president and several managerial officers. Their appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act. The authority and scope of the managerial officers' management and signature for the Company shall be separately

determined by the Board of Directors.

Article 27: (Deleted)

Article 28: The appointment and removal of other employees of the Company shall be governed by the personnel management rules under the Company's management system.

Chapter 6 Accounting

Article 29: At the close of each fiscal year, the board of directors shall prepare the following statements and records and submit them to the general shareholders' meeting for approval. I. The business report; II. the financial statements; and III. the surplus earning distribution or loss off-setting proposals.

Article 29-1: Annual profits concluded by the Company are subject to employee remuneration of 1%-10%, which the Board of Directors may decide to distribute in cash or in shares. Employees of subsidiaries who meet certain criteria are also entitled to receive remuneration, and this criteria is determined by the Board of Directors. Up to 5% of the aforementioned profit may be distributed as directors' or supervisors' remuneration at the discretion of the Board of Directors.

However, profits must first be reserved to offset against cumulative losses, if any, before the remainder can be distributed as employee/director/supervisor remuneration in the above percentages.

Annual profit shall refer to profit before tax and employees' and directors' remuneration in the current year.

Distribution of employee/director/supervisor remuneration is subject to resolution in a board meeting with more than two-thirds of the board present, and voted in favor by more than half of all attending directors.

This decision shall be reported in shareholder meeting.

Article 30: The industry that the Company is engaged in is highly competitive. After taking into consideration capital requirements, financial plans, and business continuity concerns, the Company has set its dividend policy as follows:

1.1 Distributions or appropriations of the Company's earnings or loss may be made after the end of each half of fiscal year.

A company distributing surplus earning in accordance with the

provision of the preceding paragraph shall estimate and reserve the taxes and dues to be paid, the losses to be covered, the employee remuneration to be reserved, and the legal reserve to be set aside. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. In addition, the Company shall appropriate or reverse the special reserve in accordance with the law or the regulations of the competent authority. If there is any surplus, the remaining balance may be added to the accumulated undistributed earnings as dividends to shareholders, and the board of directors shall prepare a proposal for distribution. If the distribution is made by issuing new shares, a resolution shall be submitted to the shareholders' meeting for distribution. If the distribution is made in cash, the Board of Directors shall resolve the distribution.

- 1.2 Net income concluded from a given year is first subject to taxation and reimbursement of previous losses, followed by a 10% provision for legal reserve; however, no further provision is needed when legal reserve has accumulated to an amount equal to paid-up capital. Any surpluses remaining shall then be subject to provision or reversal of special reserve according to Article 41 of the Securities and Exchange Act. The residual balance may then be added to unappropriated earnings carried from previous years and distributed to shareholders at Board of Directors' proposal in line with business performance and balanced dividends, subject to resolution in a shareholder meeting.

In accordance with Article 240 of the Company Act, the Company authorizes the board of directors to distribute shareholders' dividends, legal reserves, and capital surplus (subject to compliance with Article 241 of The Company Act) wholly or partially in cash, provided that such decision is resolved in a board meeting with at least two-thirds of directors present and supported by more than half of attending directors, and reported in the upcoming shareholder meeting.

2. Conditions and timing of dividend distribution:

The Company distributes dividends at levels that aim to satisfy future growth and operational requirements. The decision takes into

account a number of factors such as financial position, consistency of dividend, and reasonable returns to shareholders. Earnings distribution is proposed by the Board of Directors in accordance with the Articles of Incorporation, and paid with the approval of shareholders and the competent authority when the distribution is to be made through new share issuance.

3.1 (Each half fiscal year)

Cash and stock dividends distribution ratio: The Company pays dividends to shareholders in the form of stock dividends and cash dividends. In consideration of a balanced and stable dividend policy, at least 30% of the Company's distributable earnings for each half fiscal year is set aside as dividends to shareholders. However, if the distributable earnings are less than 10% of the paid-in capital, the Board of Directors may decide not to distribute them. Dividends may be distributed in stock or cash, with cash dividends not less than 10% of the total dividends.

3.2 (Each fiscal year)

Proportion of cash and stock dividends: The Company distributes profits to shareholders using a combination of cash and stock dividends. For the balance and consistency of dividend payouts, the Company has adopted the principle to distribute at least 30% of distributable earnings to shareholders each year, with cash dividends representing no less than 10% of total dividends.

Chapter 7 Supplemental Provisions

- Article 31: The articles of incorporation and operating rules of the Company shall be formulated by the Board of Directors.
- Article 32: All matters not provided for in these Articles of Incorporation shall be governed by the Company Act and other laws and regulations.
- Article 33: These Articles of Incorporation were established on July 8, 1991.
The first amendment was made on June 16, 1993.
The second amendment was made on July 30, 1994.
The third amendment was made on September 20, 1995.
The fourth amendment was made on April 14, 1997.

The fifth amendment was made on May 14, 1997.
The sixth amendment was made on June 30, 1997.
The seventh amendment was made on April 19, 1998.
The eighth amendment was made on May 2, 1999.
The ninth amendment was made on March 12, 2000.
The tenth amendment was made on May 6, 2001.
The eleventh amendment was made on June 9, 2002.
The twelfth amendment was made on June 17, 2006.
The thirteenth amendment was made on June 16, 2007.
The fourteenth amendment was made on June 12, 2010.
The fifteenth amendment was made on June 18, 2011.
The sixteenth amendment was made on April 18, 2012.
The seventeenth amendment was made on June 12, 2014.
The eighteenth amendment was made on June 9, 2015.
The nineteenth amendment was made on June 16, 2016.
The twentieth amendment was made on June 8, 2017.
The twenty-first amendment was made on June 12, 2019.
The twenty-second amendment was made on June 18, 2020.
The twenty-third amendment was made on May 26, 2022.

U-Best Innovative Technology Co., Ltd.

Chairman: Chang Yu-Ming

U-Best Innovative Technology Co., Ltd.
Rules and Procedures of Shareholders' Meeting

Article 1: The shareholders' meeting of U-Best Innovative Technology Co., Ltd. (hereinafter referred to as the Company) shall be conducted in accordance with these rules unless otherwise provided by laws and regulations.

Article 2: The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in.

Article 3: The attendance and voting at the shareholders' meeting shall be based on the number of shares.

Article 4: 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 5: 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.

Article 6: The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

Article 7: The entire process of the shareholders' meeting shall be audio or video recorded. The recording shall be retained for at least one year.

Article 8: 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, 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. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 9: If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, a new chair may be elected in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then the meeting shall be continued.

Article 10: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. 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.

Article 11: Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

Article 12: When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder

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

Article 13: After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 14: 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 and call for a vote.

Article 15: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.

Article 16: When a meeting is in progress, the chair may announce a break based on time considerations.

Article 17: Unless otherwise stipulated in the Company Act and the Articles of Association of the Company, a proposal shall be approved with the consent of more than half of the voting rights of the shareholders present. If the chairman makes an inquiry to the shareholders present and there is no objection to the resolution, the resolution shall be deemed to be approved, and its effect shall be the same as the result of voting.

Article 18: When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 19: 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."

Article 20: Matters not specified in these Rules shall be handled in accordance with the Company Act and the Articles of Incorporation of the Company.

Article 21: 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.

Appendix III

U-Best Innovative Technology Co., Ltd. Directors' shareholding

Book closure date: April 30, 2025

Title	Name	Date elected	Term of service	Shareholding while elected		No. of shares held on book closure date	
				No. of shares	Shareholding %	No. of shares	Shareholding %
Chairperson Director	Mason Holdings Co., Ltd. Representative: Chang, Yu-Ming	2023.05.29	3 years	90,000	0.06%	90,000	0.05%
Vice Chairperson Director	Sun Yad Construction Co., Ltd. Representative: Liu, Chen-Hsien Representative: Huang, Nan-Hao	2023.05.29	3 years	22,506,152	16.14%	22,506,152	12.64%
Independent Director	Hu, Ching-Hsi	2023.05.29	3 years	0	0	0	0
Independent Director	Chen, Li-Hsin	2023.05.29	3 years	0	0	0	0
Independent Director	Lin, Yi-Chi	2023.05.29	3 years	0	0	0	0
Independent Director	Yao, Yu-Wen	2023.05.29	3 years	0	0	0	0
Total shareholding of all directors				22,596,152	16.20%	22,596,152	12.69%

1. Number of shares required to be held by all directors: 10,685,291 shares.
2. The percentage of all directors' shareholding is in accordance with the regulations of the competent authorities.