

Pan International Industrial Co., Ltd.

2025Annual General Shareholders' Meeting Minutes

(Translation)

Convening method: Physical Shareholders Meeting

Time: 9:00 a.m., Monday, May 26, 2025

Location: R2F, Education and Training Center, No. 198, Jian 8th Rd., Zhonghe Dist., New Taipei City

Total shares represented by shareholders present in person or by proxy: 304,106,921 shares, (among them, 244,499,963 shares of shareholders attended by electronic voting) accounting for 58.66% of the company's total outstanding shares.

Attended Directors: Mr. Kuang-Yao Lee, Chairman of the BOD; Mr. Feng-An Huang, Director, Independent Directors Mr. Wen-Rong Cheng (Convener of Audit Committee), Independent Director Mr. Chih-Keng Chen (Member of Remuneration Committee).

Four directors had attended the meeting, more than half of the BOD.

Attendees: Mr. Ming-Feng Tsai, GM; Mr. Jen-Chieh Wu, Accountant, Ms. Pei Fang Lu, Lawyer

Chairman: Mr. Kuang-Yao Lee

Recorder: Ms. Wen-Ling Yu

Meeting Commencement Announced: The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

I. Chairman's Address: (Omitted)

II. Report Items:

1. 2024 Business Report of the Company. (Attachment 1)
2. Audit Committee's Review Report on the 2024 Financial Statements (Attachment 2)
3. Report on 2024 distribution of remuneration of employees and directors of the Company.

Explanation: The Company earned NT\$ 1,242,527,343 (before recognition) for FY

2024, including NT\$ 62,126,369 as the remuneration to employees 5% and NT\$ 6,212,636 as 0.5% of the remuneration to directors, and all were paid in cash.

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

Explanation: 1. According to the provisions of the Articles of Incorporation, for cash dividends, the board of directors is authorized to reach special resolution for distribution, followed by reporting to the shareholders' meeting.

2. For the shareholders' dividends, cash dividends of NT\$ 570,180,910, and NT\$ 1.1 is distributed per share. The cash dividend shall be rounded to the whole dollar amount according to the allocation rate. The total of the odd lots less than NT\$1 included in the distribution shall be transferred to the employees' welfare committee. The ex-dividend date is to be further specified by the board of directors' meeting.

3. If there is a change in the total number of outstanding shares in this proposal and the dividend ratio of shareholders must be adjusted, the board of directors shall adjust and handle the relevant changes.

5. Other report matters.

Explanation: 1. Pursuant to the provisions of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of issued shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting. The current proposal acceptance period is from March 17, 2025 to March 27, 2025.

2. Up to the end of the aforementioned proposal acceptance period, the Company receives no proposals submitted by the shareholders.

III. Ratification Items:

Proposal 1: Adoption of 2024 Business Report and Financial Statements, Proposed for review. (Proposed by the Board of Directors)

Explanation: 1. The 2024 Business Report and Financial Statements of the Company have been reviewed by the Audit Committee, and the Financial Statements have also been audited and certified by CPA Jen-Chieh Wu and CPA Chieh-Ju Hsu of Pricewaterhouse Coopers (PwC) Taiwan.

2. For the reports and statements described in the preceding paragraph, please

refer to the Attachments 1&3

3. Proposed for ratification.

Resolution: RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: Shares present at the time of voting: 292,390,274 (Including 244,499,963 shares from electronic voting).

Voting Results		% of the represented share present
Votes in favor	241,677,645	82.66%
Votes against	131,508	0.04%
Invalid Votes	0	0%
Votes abstained/Not Voted	50,581,121	17.30%

Proposal 2: Proposal for 2024 earnings distribution. Proposed for ratification.

(Proposed by the Board of Directors)

Explanation: 1. The proposal for 2024 earnings distribution table of the Company is as shown in the Attachments 4.

2. Proposed for ratification.

Resolution: RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: Shares present at the time of voting: 292,390,274 (Including 244,499,963 shares from electronic voting).

Voting Results		% of the represented share present
Votes in favor	242,012,233	82.77%
Votes against	143,501	0.05%
Invalid Votes	0	0.00%
Votes abstained/Not Voted	50,234,540	17.18%

IV. Discussion Items

Proposal 1: Proposal to amend the Company's "Articles of Incorporation." Proposed for deliberation. (Proposed by the Board of Directors)

Explanation: Revision is proposed for some articles of the Company's Articles of Incorporation in response to law and regulations amendments and to enhance entry-level employees' rights. The article revision comparison table is shown in the appendix. (Attachment 5)

Resolution: RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: Shares present at the time of voting: 292,390,274 (Including 244,499,963 shares from electronic voting).

Voting Results		% of the represented share present
Votes in favor	242,003,984	82.77%
Votes against	148,967	0.05%
Invalid Votes	0	0.00%
Votes abstained/Not Voted	50,237,323	17.18%

Proposal 2: Proposal to lift the directors' non-competition restrictions. Proposed for deliberation. (Proposed by the Board of Directors)

Explanation: To facilitate the Company to expand its businesses smoothly and according to Article 209 of the Company Act, the following non-competition restrictions for directors shall be lifted.

Title	Name	Part-time Company Name & Position
Chairman	Kuang-Yao Lee	Director, Nanjing Futeng New Energy Vehicle Technology Co., Ltd.
		President, Foxconn New Business Development Group Co., Ltd.
		President, Foxconn New Energy Vehicle Industry Development (Henan) Co., Ltd.
Director	Ying-Shih	Chairman, Foxconn New Energy Vehicle Industry

	Huang	Development (Henan) Co., Ltd. Chairman, Healthconn Corp. Chairman, Farobot Inc. Chairman, Genconn Biotech Co., Ltd. Director, Beijing Hengyu New Energy Car Rental Co., Ltd. Director, Advanced Power Electronics Co. Ltd. Director, Foxconn New Energy Battery (Zhengzhou) Co., Ltd. Director, iCana Holdings Ltd. Director, PowerX Semiconductor Corporation Director, ShunSin Technology Holdings Limited Representative of Corporate Director, LONG TIME TECH. CO., LTD. Director, Foxconn EV Netherlands Holdings B.V. Director, Hon Young Semiconductor Corporation Director, Qingdao New Core Technology Co., Ltd. Director, Zhuhai Ai Sheng Technology Co., Ltd.
Independent Director	Wen-Jung Cheng	Independent Director, SOE Co., Ltd. Supervisor, Top Food Industrial Corporation Director, Fubo Co., Ltd.

Resolution: RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: Shares present at the time of voting: 292,390,274 (Including 244,499,963 shares from electronic voting).

Voting Results		% of the represented share present
Votes in favor	241,528,398	82.60%
Votes against	614,831	0.21%
Invalid Votes	0	0.00%
Votes abstained/Not Voted	50,247,045	17.19%

V. Extraordinary Motions: None.

VI. Meeting Adjourned.

Remark: Shareholders didn't ask any question in this meeting.

Chairman: Mr. Kuang-Yao Lee

Recorder: Ms. Wen-Ling Yu

(The translated document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

Attachment 1

2024 Business Report

The significant decline in annual revenue and profit was primarily due to the generational transition of consumer products, leading to a year-over-year revenue decline of over 20% in related raw materials and back-end processing. In addition, the competition in China was fierce, and our customers were also affected by the geopolitical and export obstacles, thus also causing a decline in the revenue from automotive products. The two factors affected the consolidated revenue in 2024, which declined by 15% compared to the previous year. Although the revenue declined, the management team still actively executed the product portfolio adjustment strategy and strictly controlled the production cost in order to maintain the gross margin. The final results were better than expected, and the annual gross margin increased compared to the previous year. However, in order to meet the needs of customers, increase the R&D volume and adjust the production capacity of the factories in China, and pay investment due diligence fees, with exchange losses arising from the changes in the USD exchange rates, the annual expenses increased. Therefore, the net income for this year was significantly lower than the previous year.

Financial performance in the past three years

Item	2022	2023	2024
Annual consolidated operating revenue (hundreds of millions)	262.57	256.34	218.21
Gross profit margin (%)	12.49%	12.39%	13.51%
Net profit rate (%)	5.97%	5.81%	5.51%
Return on assets (%)	6.43%	6.18%	4.88%
Return on equity (%)	10.85%	9.89%	7.29%
Earnings per share (NT\$)	2.55	2.42	2.00
Debt ratio (%)	41.86%	37.09%	33.09%

Annual consolidated cash inflows (outflows) (hundreds of millions)	4.72	(2.73)	3.15
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In terms of ESG-related business, the annual carbon reduction target has been successfully achieved; the proportion of green energy use has reached the target; the subsidiary, HongHuaSheng Precision Electronics (YanTai) Co., Ltd., has obtained the ISO16064-1 annual certification and UL2799 platinum-grade zero waste certification; the 2024 sustainability report has been confirmed by PwC Taiwan; the Board of Directors' performance external independent agency evaluation report has been successfully completed. The Company also expanded efforts to give back to community, by making donations to school clubs, such as National Taipei University of Technology's Formula One Racing Team and Our Lady of Providence High School's Robotics Team, demonstrating our determination to assume corporate social responsibility. Even in the face of a difficult environment, in addition to working hard to increase revenue and profits to give back to employees, shareholders, and investors, we were continuing to invest resources to respond to other stakeholders' issues of concern and enhance the Company's ESG image.

2025 Operations Strategies:

The future global business environment and global trends will be a time of rapid change and difficult prediction, especially the development of the global political and economic situation after President Trump took office. The Company will actively face the difficulties and challenges of various operations by making quick decisions and implementing them effectively, and will take the following three main approaches as its business guidelines.

- Increase revenue

The main business objectives of the year are to increase consolidated revenue and profits. For the automotive wiring harness products, the Company will actively maintain customer relations, develop new products and strategic

alliances, and consolidate existing orders. In addition, the Company will actively seek the acquisition of automotive products to expand the revenue of automotive products. In terms of PCB business, after customers launch new models, it is expected that the business will gradually recover. The business division in Southeast Asia has benefited from the flexibility adjustment of the supply chain and the US-China trade war. We have received a large number of inquiries from customers recently and will actively seize the opportunity to meet customer needs and expand production capacity to secure business opportunities in consumer and communications products. We look forward to the annual consolidated revenue to return to the growth trend.

- Enhance R&D capabilities

The development of new products and technologies and the optimization of production processes are the key elements for winning orders and increasing gross profits. The Company has reexamined its R&D team and eliminated weak products. It has also worked with customers to complete new product development and launch to market. The new Zhonghe Plant has been planned to be built with a more comprehensive R&D environment. In the future, the Company will continue to seek outstanding R&D talents and expand the R&D team to improve the R&D capabilities and research new technologies, as the foundation for the Company's excellent technology-oriented development.

- Enhance operational resilience

In the business environment filled with difficulties and challenges, enhancing operational resilience is the only way to survive and pursue sustainable operation. The management team will continue to review the quality of various products, reduce production and procurement costs, increase cash positions, and strictly control various expenses and expenditures, in order to strengthen the Company's financial quality and maintain normal operations. The Company will also actively promote the concept of integrity, strictly prohibit corruption, and improve the whistleblowing system to establish an ethical and honest corporate culture.

- Upgrade technology

In order to support the development of customers and maintain good relationship, the Company continues to invest in R&D resources, cooperate with customers' product design and planning schedule, develop new products, such as EV high-voltage wiring harness, energy storage high-voltage wiring harness, charging gun wiring harness, industrial robot cable carrier harness, HDI multilayer boards, and automotive PCB, and has successively shipped such products, and contributing to revenue. In 2024, the Company invested NT\$ 453 million in R&D, accounting for 2.08% of consolidated revenue. In the future, the Company will continue to maintain an R&D expenditure of 1.5-2% of its annual consolidated revenue (approximately NT\$400-500 million) to develop new products, such as high-frequency high-speed cables, medical testing cables, new-generation network cables, mining machine PCBs, server PCBs, and automotive optoelectronic panels to enhance the Company's technological competitiveness and increase revenue and profits.

Impacts from the competitive environment, regulatory environment and general business environment:

The rapid development of AI-related software and hardware products in recent years will lead to the rise of new products and industries, which will put pressure and influence on existing industries and supply chains to accelerate transformation and seek new production models. In addition, due to the frequent occurrence of extreme weather and the resulting substantive damage, environmental regulations in various regions are expected to become more stringent, and each operating location will need to invest more resources to comply with regulatory requirements. Also, the geopolitical integration and competition and rapid changes in economic policies after President Trump took office have had a new impact on the global business environment, and the Company's operations will also face new challenges different from the past.

However, new environmental challenges also mean new opportunities. Pan-International will continue to uphold its corporate culture of one step at a time and pragmatism and innovation, expand its recruitment of talents, make good use of its global operating locations, actively strive for new product business opportunities, increase revenues and profits, and strengthen employees' environmental protection and risk awareness, improve production efficiency, and strive to achieve various emission reduction targets in order to reduce the impact of various new challenges on the Company's normal operations.

Sustainable development

To lay the foundation for sustainable development, GHG inventory and human rights issues will be the focus of our ESG efforts this year. The Company has planned to complete the GHG inventory and certification of its subsidiaries in Taiwan and China in advance before regulatory requirements and will formulate reduction and improvement plans based on the inventory results to maintain the carbon neutrality. As for human rights issues, relevant conduct rules will be formulated, and human rights issues will be promoted to protect employees' rights. In addition, the Company will continue to expand its effort to give back to society to fulfill its social responsibilities. The Company will also plan to establish a risk management committee to improve corporate governance and achieve ESG indicators. Although the macro economic environment is still challenging and competitive, the management team will overcome difficulties, improve operational efficiency, and accomplish the budget targets. The management results will be shared with all stakeholders.

Chairman:	Lee, Kuang-	Managerial Officers:	Accounting supervisor:
Yao		Tsai, Ming-Feng	Chih-Hao Tai

Attachment 2

Audit Committee Review Report

The Board of Directors has prepared the Company's 2024 business report, financial statements and proposal for the earnings distribution. The Audit Committee has reviewed the aforementioned documents, and concluded that all information is presented fairly. We hereby submit this report in accordance with the provisions of Article 219 of the Company Act and Article 14-4 of the Securities and Exchange Act.

To:

Pan-International Industrial Corp. 2025 General Shareholders Meeting

Chairman of the Audit Committee: Wen-Jung Cheng

March 11, 2025

Attachment 3

Auditors' Report

(2025) Cai-Shen-Bao-Zi No. 24005336

To Pan-International Industrial Corp.

Audit Opinions

We have audited the consolidated balance sheet of December 31, 2024 and December 31, 2023, the consolidated comprehensive income sheet, consolidated statement of changes in equity, consolidated statement of cash flows from January 1 to December 31, 2024 and 2023, and the notes to the consolidated financial statements (including the summary of material accounting policies) of Pan-International Industrial Corp. and its subsidiaries (hereinafter “Pan-International Group”).

In our opinion, based on the result of our audit and the audit reports presented by other accountants (please refer to additional information section), all the material items prepared in these consolidated financial statements are 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), interpretations, and interpretation announcements recognized and promulgated by the Financial Supervisory Commission (FSC). Therefore, they are able to properly express the consolidated financial status of Pan-International Group as of December 31, 2024 and 2023, and the consolidated financial performance and consolidated cash flows from January 1 to December 31, 2024 and 2023.

Basis of our opinions

We have conducted the audit according to the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Taiwan Standards on Auditing (TWSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Consolidated Financial

Statements. We are independent of Pan-International Group in accordance with the CPA Code of Professional Ethics of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. On the basis of the result of our audit and the audit reports presented by other certified public accountants, 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 consolidated financial statements of the Group in 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the consolidated financial statements of the year 2024 of Pan-International Group are as follows:

Assessment of the provision for valuation loss on inventory

Description

For additional information on the accounting policy of inventory valuation, refer to Note 4 (14) of the consolidated financial statements. For information on the uncertainty of accounting estimates and assumptions for inventory valuation, refer to Note 5 (2) of the consolidated financial statements. For a description of the inventory items, refer to Note 6 (5) of the consolidated financial statements. As of December 31, 2024, Pan-International Group recognized inventory loss and provision for valuation loss of inventory amounting to NT\$3,968,919 thousand and NT\$175,847 thousand, respectively.

Pan-International Group mainly produces and sells computer peripherals, automobile cable harness, industrial control and medical devices, among other related electronic products. Rapid changes in the technological environment allow for only a short life cycle

of the inventory. In addition, the inventory is highly vulnerable to price fluctuations in the market. The result is devaluation due to falling prices of inventory, or the risk of phase out is higher. Pan-International Group measures the normal sale of inventory using the lower of the cost or the net realizable value. The above provision for the valuation of inventory loss is mainly based on obsolete items or damaged items of inventory. The net realizable value is based on the experience of handling obsolete items of inventory in the estimation. Because the amount of inventory of Pan-International Group is significant and the inventory covers a great variety of items, it requires human judgment in sorting out the obsolete or damaged items from the inventory. This requires further judgment in the audit. We therefore listed the provision for valuation loss of inventory of Pan-International Group as key audit matter.

The appropriate audit procedure

We have conducted the following audit procedures on the provision for valuation loss of obsolete or damaged inventory:

1. Assess to determine if the policies for recognizing the provision for valuation loss of inventory in the financial statement period is consistent and reasonable.
2. Examine if the logic of the system of the inventory aging table for the valuation of inventory used by the management is appropriate, in order to confirm that the information presented in the financial statements is congruent with the policies.
3. Assess to determine if the provision for valuation loss of inventory is reasonable on the basis of the discussion with the management on the valuation of the net realizable value of the obsolete and damaged items of inventory and the supporting documents obtained.

Additional information - audits conducted by other auditors

Some of the subsidiaries of Pan-International Group included in the consolidated financial statements, were not audited by us for the financial statements of these companies. These financial statements were audited by other certified public accountants,

and we have made adjustments to these financial statements to make them consistent in accounting policy and conducted necessary examination procedures. Therefore, the opinions on the aforementioned consolidated financial statements regarding the amount presented in the aforementioned financial statements of these subsidiaries before adjustment were based on the Auditors' Report of other certified public accountants. The total assets of the aforementioned companies (including the investment by equity method) as of December 31, 2024 and 2023, amounted to NT\$6,577,272 thousand and NT\$6,369,905 thousand, respectively, accounting for 27% and 26% of the consolidated total assets, respectively. Revenue for the years ended December 31, 2024 and 2023, amounted to NT\$7,127,608 thousand and NT\$8,334,576 thousand, respectively, accounting for 33% and 33% of the consolidated net operating revenue, respectively.

Additional information - Issuance of Auditors' Report on Parent Company Only Financial Statements

Pan-International Industrial Corp. has prepared the parent company only financial statements of 2024 and 2023. We have audited these statements and issued an unqualified opinion and additional information. Auditors' Reports issued by other accountants are on record for reference.

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, the IFRS, IAS, IFRIC and SIC recognized and promulgated by the FSC and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability of Pan-International Group to continue as a going concern, disclosing relevant matters, and using the going concern basis of accounting, unless management

either intends to liquidate Pan-International Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Auditing Committee) are responsible for overseeing the financial reporting process of Pan-International Group.

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

Our objectives are to obtain reasonable assurance whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance refers to a high degree of assurance, but the audit performed according to the TWSA cannot guarantee that material misrepresentations in the Consolidated Financial Statements will be detected. Misstatements can arise from fraud or error. These are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The CPA has exercised professional judgment and skepticism when conducting audits under the TWSA. 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 internal control of Pan-International Group.

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 Pan-International Group and its ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Pan-International Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the notes to the statements), and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit, and we are responsible for forming an audit opinion on the 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 provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence (and where applicable, related safeguards).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of Pan-International Group in 2024 and therefore are the key audit matters. We

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

PwC Taiwan

Jen-Chieh Wu

Independent Auditors

Chieh-Ju Hsu

Financial Supervisory Commission

Approval No.: Jin-Guan-Zheng-Shen-Zi No. 1120348565

Jin-Guan-Zheng-Shen-Zi No. 1100348083

March 11, 2025

Pan-International Industrial Corp. and its Subsidiaries
Consolidated Balance Sheet
December 31, 2024 and 2023

Unit: NTD thousand

Assets		Note	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6 (1)	\$ 6,754,713	27	\$ 6,440,208	26
1110	Financial assets at FVTPL - Current	6 (2)	11,767	-	10,536	-
1136	Financial assets measured at after-	6 (3) and 8				
	amortization cost - Current		940,684	4	939,911	4
1150	Net notes receivable	6 (4)	425,217	2	106,539	1
1170	Net accounts receivable	6 (4)	3,391,375	14	3,372,367	14
1180	Accounts receivable - Related parties	7				
	net		1,863,560	8	2,845,211	12
1200	Other receivables		136,115	-	81,381	-
130X	Inventory	6 (5)	3,793,072	15	3,721,666	15
1470	Other current assets		259,804	1	191,882	1
11XX	Total current assets		17,576,307	71	17,709,701	73
Non-Current Assets						
1517	Financial assets measured at fair	6 (6)				
	value through other comprehensive					
	income - Non-current		1,589,978	7	1,866,099	8
1535	Financial assets measured at after-	6 (3) and 8				
	amortization cost - Non-current		290,000	1	294,760	1
1550	Investment by equity method	6 (7) and 8	583,344	2	664,077	3
1600	Property, plant, and equipment	6 (8) and 8	3,830,436	16	2,817,342	12
1755	Right-of-use assets	6 (9), 7, and 8	471,685	2	281,109	1
1760	Net investment property	6 (10) and 8	107,375	1	99,923	-
1780	Intangible asset	6 (11)	67,514	-	53,672	-
1840	Deferred tax assets	6 (25)	50,416	-	60,163	-
1900	Other non-current assets		71,049	-	550,363	2
15XX	Total non-current assets		7,061,797	29	6,687,508	27
1XXX	Total assets		\$ 24,638,104	100	\$ 24,397,209	100

(continued)

Pan-International Industrial Corp. and its Subsidiaries
Consolidated Balance Sheet
December 31, 2024 and 2023

Unit: NTD thousand

Liabilities and equity	Note	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Current liability					
2100 Short-term borrowings	6 (12)	\$ 1,039,279	4	\$ 565,372	2
2130 Contractual liabilities - Current	6 (20) and 7	104,053	1	181,376	1
2150 Notes payable		881,634	4	1,041,396	4
2170 Accounts payable		3,469,237	14	3,739,360	15
2180 Accounts payable - Related parties	7	774,476	3	1,599,870	7
2200 Other payables	6 (13)	1,149,598	5	1,218,638	5
2230 Current tax liabilities		77,856	-	176,348	1
2280 Lease liabilities - Current	7	104,036	-	38,957	-
2300 Other current liabilities		18,567	-	26,295	-
21XX Total current liabilities		<u>7,618,736</u>	<u>31</u>	<u>8,587,612</u>	<u>35</u>
Non-current liabilities					
2570 Deferred tax liabilities	6 (25)	309,814	1	370,515	2
2580 Lease liabilities - Non-current	7	185,056	1	60,745	-
2600 Other non-current liabilities		38,631	-	30,128	-
25XX Total non-current liabilities		<u>533,501</u>	<u>2</u>	<u>461,388</u>	<u>2</u>
2XXX Total liabilities		<u>8,152,237</u>	<u>33</u>	<u>9,049,000</u>	<u>37</u>
Equity attributable to owners of the parent company					
Share capital	6 (15)				
3110 Common share capital		5,183,462	21	5,183,462	21
Capital surplus	6 (16)				
3200 Capital surplus		1,503,606	6	1,503,606	6
Retained earnings	6 (17)				
3310 Legal reserve		1,526,876	6	1,401,022	6
3320 Special reserve		1,410,735	6	1,385,207	6
3350 Undistributed earnings		5,664,293	23	5,343,835	22
Other equities	6 (18)				
3400 Other equities		(1,009,923)	(4)	(1,410,735)	(6)
31XX Total equity attributable to owners of the parent company		<u>14,279,049</u>	<u>58</u>	<u>13,406,397</u>	<u>55</u>
36XX Non-controlling interests	6 (19)	<u>2,206,818</u>	<u>9</u>	<u>1,941,812</u>	<u>8</u>
3XXX Total equity		<u>16,485,867</u>	<u>67</u>	<u>15,348,209</u>	<u>63</u>
Significant Subsequent Events	11				
3X2X Total liabilities and equity		<u>\$ 24,638,104</u>	<u>100</u>	<u>\$ 24,397,209</u>	<u>100</u>

The attached notes to the consolidated financial report are part of this consolidated financial report. Please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Pan-International Industrial Corp. and its Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NTD thousand
(except in NTD for earnings per share)

	Item	Note	2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	6 (20) and 7	\$ 21,820,835	100	\$ 25,634,258	100
5000	Operating cost	6 (5) (23) And 7	(18,874,257)	(86)	(22,459,093)	(88)
5900	Operating profit margin		2,946,578	14	3,175,165	12
	Operating expenses	6 (23)				
6100	Selling and marketing expenses		(297,185)	(2)	(290,760)	(1)
6200	General and administrative expenses		(912,143)	(4)	(806,589)	(3)
6300	Research and development expenses		(453,132)	(2)	(477,370)	(2)
6450	Anticipated credit impairment (loss) benefit	12 (2)	(2,202)	-	1,021	-
6000	Total operating expenses		(1,664,662)	(8)	(1,573,698)	(6)
6900	Operating profit		1,281,916	6	1,601,467	6
	Non-operating income and expense					
7100	Interest income		147,311	1	161,120	1
7010	Other income	6 (21)	154,137	1	69,975	-
7020	Other gains and losses	6 (22)	41,229	-	140,461	-
7050	Financial costs	6 (24)	(65,685)	-	(60,407)	-
7060	Share of profits and losses of affiliated companies and joint ventures recognized by the equity method	6 (7)	(92,687)	(1)	(70,824)	-
7000	Total non-operating income and expenses		184,305	1	240,325	1
7900	Net income before tax		1,466,221	7	1,841,792	7
7950	Income tax expense	6 (25)	(264,870)	(1)	(351,959)	(1)
8200	Net profit of the current period		<u>\$ 1,201,351</u>	<u>6</u>	<u>\$ 1,489,833</u>	<u>6</u>
	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasured value of defined benefit plan	6 (14)	\$ 9,787	-	\$ 2,344	-
8316	Unrealized evaluation profit and loss of equity instrument investment measured at fair value through other comprehensive income	6 (18)	(55,873)	-	151,168	-
8349	Income tax related to items not reclassified	6 (25)	(1,958)	-	(469)	-
8310	Total of items not reclassified to profit or loss		(48,044)	-	153,043	-
	Items that may be reclassified subsequently to profit or loss:					
8361	Currency translation difference	6 (18)	741,805	3	(258,095)	(1)
8360	Total of items that may be reclassified subsequently to profit or loss:		741,805	3	(258,095)	(1)
8300	Other comprehensive income (net)		<u>\$ 693,761</u>	<u>3</u>	<u>(\$ 105,052)</u>	<u>(1)</u>
8500	Total comprehensive income in		<u>\$ 1,895,112</u>	<u>9</u>	<u>\$ 1,384,781</u>	<u>5</u>

The attached notes to the consolidated financial report are part of this consolidated financial report. Please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Pan-International Industrial Corp. and its Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NTD thousand
(except in NTD for earnings per share)

the current period						
NET PROFIT ATTRIBUTABLE TO:						
8610	Owners of the parent company	\$	1,036,672	5	\$ 1,256,710	5
8620	Non-controlling interests		164,679	1	233,123	1
		<u>\$</u>	<u>1,201,351</u>	<u>6</u>	<u>\$</u>	<u>1,489,833</u>
Total comprehensive income attributable to:						
8710	Owners of the parent company	\$	1,546,502	7	\$ 1,233,017	4
8720	Non-controlling interests		348,610	2	151,764	1
		<u>\$</u>	<u>1,895,112</u>	<u>9</u>	<u>\$</u>	<u>1,384,781</u>
Earnings per share (EPS)						
				6 (26)		
9750	Basic earnings per share	\$		2.00	\$	2.42
9850	Diluted earnings per share	\$		1.99	\$	2.41

The attached notes to the consolidated financial report are part of this consolidated financial report. Please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng Accounting supervisor: Tai, Chih-Hao

Pan-International Industrial Corp. and its Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
January 1 to December 31, 2024 and 2023

Unit: NTD thousand
(except in NTD for earnings per share)

		Equity attributable to owners of the parent company											
		Capital surplus				Retained earnings			Other equities				
				Capital reserve - Treasury share transaction	Capital reserve - difference between the price and face value from the acquisition or disposal of equity with subsidiaries.					Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income			
Note	Common share capital	Capital reserve - Issuance premium				Legal reserve	Special reserve	Undistributed earnings	Currency translation difference		Total	Non-controlling interests	Total Equity
2023													
	Balance on January 1	\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,269,138	\$ 1,072,435	\$ 5,255,632	(\$ 965,367)	(\$ 419,841)	\$ 12,899,065	\$ 1,870,302	\$ 14,769,367
	Net profit of the current period	-	-	-	-	-	-	1,256,710	-	-	1,256,710	233,123	1,489,833
	Other comprehensive income recognized for the period	6 (18)	-	-	-	-	-	1,834	(176,695)	151,168	(23,693)	(81,359)	(105,052)
	Total comprehensive income in the current period	6 (17)	-	-	-	-	-	1,258,544	(176,695)	151,168	1,233,017	151,764	1,384,781
Earnings distribution and provisions for 2022:													
	Provision of legal reserve	-	-	-	-	131,884	-	(131,884)	-	-	-	-	-
	Provision of special reserve	-	-	-	-	-	312,772	(312,772)	-	-	-	-	-
	Cash dividends	-	-	-	-	-	-	(725,685)	-	-	(725,685)	-	(725,685)
	Decrease in non-controlling interests	6 (19)	-	-	-	-	-	-	-	-	-	(80,254)	(80,254)
	Balance on December 31	\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,401,022	\$ 1,385,207	\$ 5,343,835	(\$ 1,142,062)	(\$ 268,673)	\$ 13,406,397	\$ 1,941,812	\$ 15,348,209
2024													
	Balance on January 1	\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,401,022	\$ 1,385,207	\$ 5,343,835	(\$ 1,142,062)	(\$ 268,673)	\$ 13,406,397	\$ 1,941,812	\$ 15,348,209
	Net profit of the current period	-	-	-	-	-	-	1,036,672	-	-	1,036,672	164,679	1,201,351
	Other comprehensive income recognized for the period	6 (18)	-	-	-	-	-	7,535	558,168	(55,873)	509,830	183,931	693,761
	Total comprehensive income in the current period	-	-	-	-	-	-	1,044,207	558,168	(55,873)	1,546,502	348,610	1,895,112
Earnings distribution and provisions for 2023:													
	Provision of legal reserve	-	-	-	-	125,854	-	(125,854)	-	-	-	-	-
	Provision of special reserve	-	-	-	-	-	25,528	(25,528)	-	-	-	-	-
	Cash dividends	-	-	-	-	-	-	(673,850)	-	-	(673,850)	-	(673,850)
	Decrease in non-controlling interests	6 (19)	-	-	-	-	-	-	-	-	-	(83,604)	(83,604)
	Equity instruments measured at fair value through other comprehensive income	6 (6)	-	-	-	-	-	101,483	-	(101,483)	-	-	-
	Balance on December 31	\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,526,876	\$ 1,410,735	\$ 5,664,293	(\$ 583,894)	(\$ 426,029)	\$ 14,279,049	\$ 2,206,818	\$ 16,485,867

The attached notes to the consolidated financial report are part of this consolidated financial report. Please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Pan-International Industrial Corp. and its Subsidiaries

Consolidated Statement of Cash Flows

January 1 to December 31, 2024 and 2023

Unit: NTD thousand
(except in NTD for earnings per share)

<u>Cash flows from operating activities</u>					
Income before income tax		\$	1,466,221	\$	1,841,792
Adjustments					
income and expenses items					
Depreciation expenses and amortizations	6 (23)		686,653		631,778
Anticipated credit impairment loss (gain)	12 (2)		2,202	(	1,021)
Net benefits of financial assets and liabilities measured at fair value through the income	6 (22)	(	393 )	(	10,630)
Interest expense	6 (24)		65,685		60,407
Interest income		(	147,311 )	(	161,120)
Dividend income	6 (21)	(	24 )	(	22)
Share of profits and losses of affiliated companies recognized by the equity method	6 (7)		92,687		70,824
Net loss from the disposal of property, plant and equipment	6 (22)		6,734		9,265
Loss on disposal of investments	6 (22)		-		5,770
Changes in assets/liabilities related to operating activities					
Net change in assets related to operating activities					
Financial assets and liabilities measured at fair value through the income			199		9,910
Note receivable		(	313,144 )	(	73,279)
Accounts receivable			142,368		113,745
Accounts receivable - Related parties			1,103,112		1,254,602
Other receivables			10,203		648,906
Inventory			131,344		81,232
Other current assets		(	58,497 )	(	70,233)
Net change in liabilities related to operating activities					
Contractual liabilities		(	77,323 )	(	92,232)
Notes payable		(	195,246)		702,415
Accounts payable		(	423,660 )	(	28,363)
Accounts payable - Related parties		(	883,391)		123,015
Other payables		(	164,741 )	(	339,344)
Other current liabilities		(	9,523)		4,060
Other non-current liabilities			7,592		14,138
Cash inflow from operations			1,441,747		4,795,615
Income tax paid		(	468,291 )	(	360,029)
Net cash inflow from operating activities			973,456		4,435,586
<u>Cash flows from investing activities</u>					
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	6 (6)		242,096		-
Increase in financial assets measured at amortized cost			40,667	(	972,223)
Refund of capital investment in financial assets measured at fair value through other comprehensive income			68,968		37,424
Purchase property, plant and equipment assets	6 (27)	(	958,497 )	(	807,817)
Proceeds from disposal of property, plant and equipment			10,565		14,789
Acquisition of intangible assets	6 (11)	(	13,581 )	(	20,397)
(Decrease) increase in refundable deposits		(	8,100)		2,332
Increase in other non-current assets		(	31,745 )	(	440,771)
Interest received			147,311		161,120
Dividend received			24		22
Net cash outflow from investment activities		(	502,292 )	(	2,025,521)
<u>Cash flows from financing activities</u>					
Increase in short-term borrowings	6 (28)		616,456		5,009,072
Decrease in short-term borrowings	6 (28)	(	72,840 )	(	6,582,507)
Lease principal repayment	6 (28)	(	100,516 )	(	78,865)
Cash dividend payment	6 (17)	(	673,850 )	(	725,685)
Interest paid		(	65,685 )	(	60,407)
Number of cash dividends paid to non-controlling interests	6 (19)	(	83,604 )	(	80,254)
Net cash outflow from financing activities		(	380,039 )	(	2,518,646)
Impact of changes in the exchange rate on cash and cash equivalents			223,380	(	164,782)
Increase (decrease) in cash and cash equivalents in the current period			314,505	(	273,363)
Cash and cash equivalents at the beginning of the period			6,440,208		6,713,571
Cash and cash equivalents at the end of the period		\$	6,754,713	\$	6,440,208

The attached notes to the consolidated financial report are part of this consolidated financial report. Please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Auditors' Report

(2025) Cai-Shen-Bao-Zi No. 24004935

To Pan-International Industrial Corp.

We have audited the Parent Company Only Balance Sheet of Pan-International Industrial Corp. of December 31, 2024 and 2023, and the Parent Company Only Comprehensive Income Statement, Parent Company Only Statement of Changes in Shareholders Equity, the Parent Company Only Statement of Cash Flows, and the Notes to Parent Company Only Financial Statements (including the summary of significant accounting policies) covering the period of January 1 to December 31, 2024 and 2023.

In our opinion, on the basis of the result of our audit and the audit reports presented by other accountants (please refer to additional information section), all the material items prepared in these separate parent company only financial statements are in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Therefore, they are able to properly express the separate financial position of Pan-International Industrial Corp. as of December 31, 2024 and 2023, and the parent company only financial performance and parent company only cash flows from January 1 to December 31, 2024 and 2023.

We have conducted the audit according to the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Taiwan Standards on Auditing (TWSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Parent Company Only Financial Statements. We are independent of Pan-International Industrial Corp. according to the CPA Code of Professional Ethics of the Republic of China, and we have fulfilled our other ethical responsibilities according to these requirements. On the basis of the result of our audit and the audit reports presented by other certified public accountants, 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 parent company only financial statements of the Company in 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters in the 2024 Parent Company Only Financial Statements of the Company are specified below:

Assessment of the provision for valuation loss on inventory

Description

For information on the accounting policy of valuation of inventory, refer to Note 4 (13) of the Notes to Parent Company Only Financial Statements. The accounting estimate, and the uncertainty of assumption of the valuation of inventory is specified in Note 5 (2) of the Notes to Parent Company Only Financial Statements. The inventory items are specified in Note 6 (4) of the Notes to Parent Company Only Financial Statements. As of December 31, 2024, the balance of inventory and provision for valuation loss for Pan-International Industrial Corp. amounted to NT\$536,817 thousand and NT\$20,187 thousand, respectively. The balance of inventory and provision for evaluation loss as stated in the consolidated financial statements of the same date amounted to NT\$3,968,919 thousand and NT\$175,847 thousand, respectively.

The Company and its subsidiaries mainly produces and sells computer peripherals, automobile cable harness, industrial control and medical devices, among other related electronic products. Rapid changes in the technological environment allow for only a short life cycle of the inventory. In addition, the inventory is highly vulnerable to price fluctuations in the market. The result is devaluation due to falling prices of inventory, or the risk of phase out is higher. Pan-International Industrial Corp. and its subsidiaries

measure the normal sale of inventory using the lower of the cost or the net realizable value. The above provision for the valuation of inventory loss is mainly based on obsolete items or damaged items of inventory. The net realizable value is based on the experience of handling obsolete items of inventory in the estimation. Because the amount of inventory of Pan-International Industrial Corp. and subsidiaries is significant and the inventory covers a great variety of items, it requires human judgment in sorting out the obsolete or damaged items from the inventory. This requires further judgment in the audit. We therefore listed the provision for valuation loss of inventory of Pan-International Industrial Corp. and its subsidiaries as a key audit matter.

The appropriate audit procedure

We have conducted the following audit procedures on the provision for valuation loss of obsolete or damaged inventory:

1. Assess to determine if the policies for recognizing the provision for valuation loss of inventory in the financial statement period is consistent and reasonable.
2. Examine if the logic of the system of the inventory aging table for the valuation of inventory used by the management is appropriate, in order to confirm that the information presented in the financial statements is congruent with the policies.
3. Assess to determine if the provision for valuation loss of inventory is reasonable on the basis of the discussion with the management on the valuation of the net realizable value of the obsolete and damaged items of inventory and the supporting documents obtained.

Other matters - Audits conducted by other certified public accountants

Some of the investee companies of Pan-International Industrial Corp. accounted for under the equity method were presented in the Parent Company Only Financial Statements. We did not audit the financial statements of these companies. These financial statements were audited by other certified public accountants, and we have made adjustments to these financial statements to make them consistent in accounting policy and conducted necessary examination procedures. Therefore, the opinions on the aforementioned parent

company only financial statements regarding the amount presented in the aforementioned financial statements of these subsidiaries before adjustment were based on the Auditors' Report of other certified public accountants. The investment of the above companies accounted for under the investment by equity method amounted to NT\$2,664,663 thousand and NT\$2,325,240 thousand as of December 31, 2024 and 2023, which accounted for 16% and 14% of the parent company only total assets, respectively. The comprehensive income recognized by the aforementioned companies in the period of January 1 to December 31, 2024 and 2023, amounted to NT\$339,894 thousand and NT\$519,174 thousand, and accounted for 22% and 42% of the parent company only comprehensive incomes, respectively.

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

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

In preparing the parent company only financial statements., management is responsible for assessing the ability of Pan-International Industrial Corp. to continue as a going concern, disclosing relevant matters, and using the going concern basis of accounting, unless management either intends to liquidate Pan-International Industrial Corp. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Auditing Committee) are responsible for overseeing the financial reporting process of Pan-International Industrial Corp.

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

Our objectives are to obtain reasonable assurance whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance

refers to a high degree of assurance, but the audit performed according to the TWSA cannot guarantee that material misrepresentations in standalone financial statements will be detected. Misstatements can arise from fraud or error. These are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

The CPA has exercised professional judgment and skepticism when conducting audits under the TWSA. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Pan-International Industrial Corp.
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 Pan-International Industrial Corp. and its ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Pan-International Industrial Corp. to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including the notes to the statements), and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities within Pan-International Industrial Corp. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the separate audit, and we are responsible for forming an audit opinion on the parent company only financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the Company in 2024 and therefore are the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Jen-Chieh Wu

Independent Auditors

Chieh-Ju Hsu

Financial Supervisory Commission

Approval No.: Jin-Guan-Zheng-Shen-Zi No. 1120348565

Jin-Guan-Zheng-Shen-Zi No. 1100348083

March 11, 2025

Pan-International Industrial Corp.
Parent company only balance sheet
December 31, 2024 and 2023

Unit: NTD thousand

Assets			December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6 (1)	\$ 1,362,662	8	\$ 1,718,409	11
1170	Net accounts receivable	6 (3)	787,010	5	869,419	5
1180	Accounts receivable - Related parties	7				
	net		1,404,770	8	1,232,756	8
1200	Other receivables	7	60,533	-	77,265	-
130X	Inventory	6 (4)	516,630	3	311,085	2
1479	Other current assets -others		4,949	-	5,512	-
11XX	Total current assets		4,136,554	24	4,214,446	26
Non-Current Assets						
1517	Financial assets measured at fair value through other comprehensive income - Non-current	6 (5)	776,341	5	1,081,031	7
1535	Financial assets measured at after-amortization cost - Non-current	6 (2)	290,000	2	290,000	2
1550	Investment by equity method	6 (6)	11,310,706	66	9,967,974	62
1600	Property, plant, and equipment	6 (7)	538,613	3	17,776	-
1760	Net investment property	6 (8)	33,490	-	33,710	-
1780	Intangible asset		727	-	405	-
1840	Deferred tax assets	6 (21)	9,292	-	14,391	-
1900	Other non-current assets	6 (9)(11)	31,124	-	498,920	3
15XX	Total non-current assets		12,990,293	76	11,904,207	74
1XXX	Total assets		\$ 17,126,847	100	\$ 16,118,653	100

(continued)

Pan-International Industrial Corp.
Parent company only balance sheet
December 31, 2024 and 2023

Unit: NTD thousand

Liabilities and equity		Note	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current liability						
2130	Contractual liabilities - Current	6 (16)	\$ 70,301	-	\$ 104,883	1
2170	Accounts payable		585,558	4	584,794	4
2180	Accounts payable - Related parties	7	1,665,585	10	1,352,194	8
2200	Other payables	6 (10)	259,397	2	311,137	2
2230	Current tax liabilities	6 (21)	46,453	-	131,939	1
2399	Other current liabilities - Other		576	-	504	-
21XX	Total current liabilities		2,627,870	16	2,485,451	16
Non-current liabilities						
2570	Deferred tax liabilities	6 (21)	214,541	1	221,419	1
2670	Other noncurrent liabilities - others		5,387	-	5,386	-
25XX	Total non-current liabilities		219,928	1	226,805	1
2XXX	Total liabilities		2,847,798	17	2,712,256	17
interests						
	Share capital	6 (12)				
3110	Common share capital		5,183,462	30	5,183,462	32
	Capital surplus	6 (13)				
3200	Capital surplus		1,503,606	9	1,503,606	10
	Retained earnings	6 (14)				
3310	Legal reserve		1,526,876	9	1,401,022	9
3320	Special reserve		1,410,735	8	1,385,207	8
3350	Undistributed earnings		5,664,293	33	5,343,835	33
	Other equities	6 (15)				
3400	Other equities		(1,009,923)	(6)	(1,410,735)	(9)
3XXX	Total equity		14,279,049	83	13,406,397	83
	Significant Contingent Liabilities and	9				
	Unrecognized Commitments					
	Significant Subsequent Events	11				
3X2X	Total liabilities and equity		\$ 17,126,847	100	\$ 16,118,653	100

The notes to parent company only financial statements attached constitute an integral part of the statements, please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Pan-International Industrial Corp.
Parent company only Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NTD thousand
(except in NTD for earnings per share)

	Item	Note	2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	6 (16) and 7	\$ 8,152,703	100	\$ 9,259,899	100
5000	Operating cost	6 (4)(19) and 7	(7,594,339)	(93)	(8,543,854)	(92)
5900	Operating profit margin		558,364	7	716,045	8
	Operating expenses	6 (19)				
6100	Selling and marketing expenses		(66,676)	(1)	(66,736)	(1)
6200	General and administrative expenses		(123,011)	(1)	(79,059)	(1)
6300	Research and development expenses		(14,849)	-	(18,209)	-
6450	Anticipated credit impairment (loss) benefit	12 (2)	(89)	-	560	-
6000	Total operating expenses		(204,625)	(2)	(163,444)	(2)
6900	Operating profit		353,739	5	552,601	6
	Non-operating income and expense					
7100	Interest income		39,454	1	28,604	-
7010	Other income	6 (17)	6,852	-	8,390	-
7020	Other gains and losses	6 (18)	12,929	-	1,104)	-
7050	Financial costs	6 (20)	(11)	-	(29,944)	-
7070	The proportion of income from subsidiaries, associates, and joint ventures accounted for under the equity method	6 (6)				
			761,226	9	848,166	9
7000	Total non-operating income and expenses		820,450	10	854,112	9
7900	Net income before tax		1,174,189	15	1,406,713	15
7950	Income tax expense	6 (21)	(137,517)	(2)	(150,003)	(2)
8200	Net profit of the current period		<u>\$ 1,036,672</u>	<u>13</u>	<u>\$ 1,256,710</u>	<u>13</u>
	Other comprehensive income (net)					
	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasured value of defined benefit plan	6 (11)	\$ 7,546	-	\$ 2,034	-
8316	Unrealized evaluation profit and loss of equity instrument investment measured at fair value through other comprehensive income	6 (15)	6,374	-	222,827	3
8330	The other comprehensive income from subsidiaries, associates, and joint ventures accounted for under the equity method- items not reclassified as income	6 (22)	(60,749)	(1)	(71,452)	(1)
8349	Income tax related to items not reclassified	6 (21)	(1,509)	-	(407)	-
8310	Total of items not reclassified to profit or loss		(48,338)	(1)	153,002	2

The notes to parent company only financial statements attached constitute an integral part of the statements, please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Pan-International Industrial Corp.
Parent company only Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NTD thousand
(except in NTD for earnings per share)

Items that may be reclassified subsequently to profit or loss:							
8361	Currency translation difference	6 (15)	<u>558,168</u>	<u>7</u>	(<u>176,695</u>)	(<u>2</u>)	
8360	Total of items that may be reclassified subsequently to profit or loss:		<u>558,168</u>	<u>7</u>	(<u>176,695</u>)	(<u>2</u>)	
8300	Other comprehensive income (net)		<u>\$ 509,830</u>	<u>6</u>	(<u>\$ 23,693</u>)	<u>-</u>	
8500	Total comprehensive income in the current period		<u>\$ 1,546,502</u>	<u>19</u>	<u>\$ 1,233,017</u>	<u>13</u>	
Earnings per share (EPS)		6 (23)					
9750	Basic earnings per share		<u>\$ 2.00</u>	<u>\$</u>	<u>2.42</u>		
9850	Diluted earnings per share		<u>\$ 1.99</u>	<u>\$</u>	<u>2.41</u>		

The notes to parent company only financial statements attached constitute an integral part of the statements, please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng Accounting supervisor: Tai, Chih-Hao

Pan-International Industrial Corp.
Parent Company Only Statement of Changes in Shareholders Equity
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

		Capital surplus			Retained earnings			Other equities		
				Capital reserve - difference between the price and face value from the acquisition or disposal of equity with subsidiaries.					Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	
Note	Common share capital	Capital reserve - Issuance premium	Treasury share transaction		Legal reserve	Special reserve	Undistributed earnings	Currency translation difference		Total Equity
2023										
January 1	\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,269,138	\$ 1,072,435	\$ 5,255,632	(\$ 965,367)	(\$ 419,841)	\$ 12,899,065
Net profit of the current period	-	-	-	-	-	-	1,256,710	-	-	1,256,710
Other comprehensive income recognized for the period 6 (15)(22)	-	-	-	-	-	-	1,834	(176,695)	151,168	(23,693)
Total comprehensive income in the current period	-	-	-	-	-	-	1,258,544	(176,695)	151,168	1,233,017
Earnings distribution and provisions for 2022: 6 (14)										
Provision of legal reserve	-	-	-	-	131,884	-	(131,884)	-	-	-
Reversal of special reserve	-	-	-	-	-	312,772	(312,772)	-	-	-
Cash dividends	-	-	-	-	-	-	(725,685)	-	-	(725,685)
December 31	\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,401,022	\$ 1,385,207	\$ 5,343,835	(\$ 1,142,062)	(\$ 268,673)	\$ 13,406,397
2024										
January 1	\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,401,022	\$ 1,385,207	\$ 5,343,835	(\$ 1,142,062)	(\$ 268,673)	\$ 13,406,397
Net profit of the current period	-	-	-	-	-	-	1,036,672	-	-	1,036,672
Other comprehensive income recognized for the period 6 (15)(22)	-	-	-	-	-	-	7,535	558,168	(55,873)	509,830
Total comprehensive income in the current period	-	-	-	-	-	-	1,044,207	558,168	(55,873)	1,546,502
Earnings distribution and provisions for 2023: 6 (14)										
Provision of legal reserve	-	-	-	-	125,854	-	(125,854)	-	-	-
Provision of special reserve	-	-	-	-	-	25,528	(25,528)	-	-	-
Cash dividends	-	-	-	-	-	-	(673,850)	-	-	(673,850)
Equity instruments measured at fair value through other comprehensive income 6 (5)	-	-	-	-	-	-	101,483	-	(101,483)	-
December 31	\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,526,876	\$ 1,410,735	\$ 5,664,293	(\$ 583,894)	(\$ 426,029)	\$ 14,279,049

The notes to parent company only financial statements attached constitute an integral part of the statements, please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Pan-International Industrial Corp.
Parent company only Statement of Cash Flows
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

	Note	January 1 to December 31, 2024	For the years ended December 31, 2023
<u>Cash flows from operating activities</u>			
Income before income tax		\$ 1,174,189	\$ 1,406,713
Adjustments			
income and expenses items			
Depreciation expenses and amortizations	6 (19)	3,192	510
Reversal of anticipated credit impairment loss)	12 (2)	89 (	560)
Net benefits of financial assets and liabilities measured at fair value through the income	6 (18)	-	(8,991)
Interest expense	6 (20)	11	29,944
Interest income		(39,454)	(28,604)
The proportion of income from subsidiaries, associates, and joint ventures accounted for under the equity method	6 (6)	(761,226)	(848,166)
Changes in assets/liabilities related to operating activities			
Net change in assets related to operating activities			
Financial assets and liabilities measured at fair value through the income		-	8,991
Accounts receivable		82,420	137,170
Accounts receivable - Related parties		(172,115)	1,157,116
Inventory		(205,545)	96,108
Other receivables		8,926 (	4,266)
Decrease of receivables from purchase of materials for a third party		9,886	3,370
Other current assets		563 (	3,908)
Net change in liabilities related to operating activities			
Accounts payable		763 (	155,663)
Accounts payable - Related parties		313,392 (	524,032)
Other payables		(51,668)	2,597
Net defined benefit asset		(10,131)	-
Contractual liabilities		(34,582)	(43,224)
Cash inflow from operations		318,710	1,225,105
Income tax paid		(226,291)	(132,671)
Net cash inflow from operating activities		92,419	1,092,434
<u>Cash flows from investing activities</u>			
Increase in financial assets measured at after-amortization cost - non-current		-	(290,000)
Refund of capital investment in financial assets measured at fair value through other comprehensive income	6 (5)	68,968	37,424
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	6 (5)	242,096	-
Refunds of shares due to capital decrease by the investee using the investment by equity method	6 (6)	92,501	1,712,760
Acquisition of investment by equity method		(176,587)	-
Purchase of property, plant and equipment	6 (7)(24)	(37,537)	-
Increase in intangible assets		(637)	(350)
Decrease (increase) in refundable deposits		90 (	13,382)
Increase in other non-current assets		(573)	(400,753)
Interest received		37,374	26,671

The notes to parent company only financial statements attached constitute an integral part of the statements, please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Pan-International Industrial Corp.
Parent company only Statement of Cash Flows
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

	Note	January 1 to December 31, 2024	For the years ended December 31, 2023
Net cash inflow from investment activities		225,695	1,072,370
<u>Cash flows from financing activities</u>			
Decrease in short-term borrowings	6 (25)	-	(1,366,595)
Interest paid		(11)	(29,944)
Cash dividend payment	6 (14)	(673,850)	(725,685)
Net cash outflow from financing activities		(673,861)	(2,122,224)
Increase (decrease) in cash and cash equivalents in the current period		(355,747)	42,580
Cash and cash equivalents at the beginning of the period		1,718,409	1,675,829
Cash and cash equivalents at the end of the period		<u>\$ 1,362,662</u>	<u>\$ 1,718,409</u>

The notes to parent company only financial statements attached constitute an integral part of the statements, please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Attachment 4

Pan-International Industrial Corp. Earnings Distribution Table 2024

		Unit: In New Taiwan Dollars
Item		Amount
Unappropriated retained earnings at beginning of the term		4,518,603,502
Plus: Ensure the remeasured amount is recognized as retained surplus after determining the benefit plan.		7,536,394
Plus: Transfer of gain on disposal of equity instruments measured at fair value through other comprehensive income to retained earnings		101,482,087
Plus: Net income after tax		1,036,671,690
Less: Appropriation to legal reserve		(114,569,017)
Plus: Reversal of special reserve		400,813,235
Accumulated distributable earnings		5,950,537,891
Item for distribution:		
Shareholders' cash dividends (Note)	NT\$ 1.1 per share	(570,180,910)
Ending undistributed earnings		5,380,356,891

Note 1: The earnings of 2024 is to be distributed in priority for this year.

Note 2: According to the provisions Article 21 of the Articles of Incorporation, for the issuance of cash dividends and bonuses resolved by the board of directors, the board of directors is authorized to establish the distribution plan and to report to the shareholders' meeting.

Chairman: Kuang-Yao Lee; Manager: Ming-Feng Tsai; Head of Accounting: Chih-Hao Tai

Attachment 5

Pan-International Industrial Corp.

“Articles of Incorporation” Before/After Amendment Text Comparison Table

Revised Articles	Original Article	Explanation
Article 2: The scope of business of the Company shall be as follows: 1-11 omitted. 12. CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing. (The following is omitted).	Article 2: The scope of business of the Company shall be as follows: 1-11 omitted. 12. CC01101 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing. (The following is omitted).	Revised in line with the change of business code
Article 6: Omitted. The Company may, subject to the consent of two-thirds of voting rights present in a shareholder meeting where over half of the total outstanding shares are represented, buy back treasury stock at less than the average price to be transferred to employees or for the issuance of employee warrants with an exercise price lower than the closing ordinary share price on the issuance date.	Article 6: Omitted. The Company may, subject to the consent of two-thirds of voting rights present in a shareholder meeting where over half of the total outstanding shares are represented, buy back treasury stock at less than the average price to be transferred to employees or for the issuance of employee warrants with an exercise price lower than the closing ordinary share price on the issuance date.	Text Correction
Article 14: The Company shall have seven to nine Directors, among which the number of Independent Directors shall not be less than three and shall not be less than one <u>third</u> of the total number of Directors, and the term of office shall be three years. For the election of Directors, the candidates nomination system shall be adopted in accordance with the provision of Article 192-1 of the Company Act, and Directors are elected by the shareholders' meeting from the candidate roster, and Directors may be eligible for re-election. The following is omitted.	Article 14: The Company shall have seven to nine Directors, among which the number of Independent Directors shall not be less than three and shall not be less than one <u>fifth</u> of the total number of Directors, and the term of office shall be three years. For the election of Directors, the candidates nomination system shall be adopted in accordance with the provision of Article 192-1 of the Company Act, and Directors are elected by the shareholders' meeting from the candidate roster, and Directors may be eligible for re-election. The following is omitted.	Revised the proportion of independent directors in accordance with the Company Act
Article 21: If the Company makes a profit during the year (the so-called profit refers to the pre-tax profit before the distribution of	Article 21: If the Company makes a profit during the year (the so-called profit refers to the pre-tax profit before the distribution of	Revised in response to changes in laws and

Revised Articles	Original Article	Explanation
employee compensation and directors' compensation), no less than 5% shall be allocated for employee remuneration <u>(of the said employee remuneration amount, no less than 20% shall be distributed as remuneration to entry-level employees)</u> and no more than 0.5% shall be allocated for directors' remuneration, which shall be distributed after a special resolution by the board of directors and reported to the shareholders meeting. However, where the Company still has accumulated losses, amount shall be reserved for making up the accumulated loss first. (omit the following)	employee compensation and directors' compensation), no less than 5% shall be allocated for employee remuneration and no more than 0.5% shall be allocated for directors' remuneration, which shall be distributed after a special resolution by the board of directors and reported to the shareholders meeting. However, where the Company still has accumulated losses, amount shall be reserved for making up the accumulated loss first. (omit the following)	regulations and to enhance the rights and interests of entry-level employees
Article 23: These Articles of Incorporation were enacted on April 5, 1971. The first amendment was made on April 22, 1971. The second amendment was made on May 6, 1971..... The forty second amendment was made on June 17, 2014. The forty third amendment was made on June 13, 2016. The forty fourth amendment was made on June 8, 2018. The forty fifth amendment was made on June 14, 2019. The forty sixth amendment was made on June 9, 2023. <u>The forty seventh amendment was made on May 26, 2025.</u>	Article 23: These Articles of Incorporation were enacted on April 5, 1971. The first amendment was made on April 22, 1971. The second amendment was made on May 6, 1971..... The forty second amendment was made on June 17, 2014. The forty third amendment was made on June 13, 2016. The forty fourth amendment was made on June 8, 2018. The forty fifth amendment was made on June 14, 2019. The forty sixth amendment was made on June 9, 2023.	Date of this amendment

Appendix

Pan-International Industrial Corp. Articles of Incorporation (Before Amendment)

Chapter 1 General Provisions

Article 1: The Company shall be incorporated under the Company Act, and its name shall be Pan-International Industrial Corp.

Article 2: The scope of business of the Company shall be as follows:

- 1 、 CC01080 Electronics Components Manufacturing.
- 2 、 CC01110 Computer and Peripheral Equipment Manufacturing.
- 3 、 CC01060 Wired Communication Mechanical Equipment Manufacturing.
- 4 、 CC01020 Electric Wires and Cables Manufacturing.
- 5 、 CQ01010 Mold and Die Manufacturing.
- 6 、 F106010 Wholesale of Hardware.
- 7 、 F107990 Wholesale of Other Chemical Products.
- 8 、 CB01010 Mechanical Equipment Manufacturing.
- 9 、 CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing.
- 10 、 F401010 International Trade.
- 11 、 CC01070 Wireless Communication Mechanical Equipment Manufacturing.
- 12 、 CC01101 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing.
- 13 、 F108031 Wholesale of Medical Devices.
- 14 、 F208031 Retail Sale of Medical Apparatus.
- 15 、 ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: The re-investment total amount of the Company is not limited by the 40% of the paid-in capital.

Article 3: The Company shall have its head office in New Taipei City, R.O.C., and when it is determined to be necessary, upon the resolution of the Board of Directors, branch offices or subsidiaries may be established domestically or overseas.

Article 4: The Company may provide guarantees to related enterprises.

Article 5: The public announcement method of the Company shall be handled according to Article 28 of the Company Act.

Chapter 2 Shares

Article 6: The total capital of the Company shall be NTD 6,000,000,000, divided into 600,000,000 shares, at a par value of NTD 10, and the Board of Directors is

authorized to perform share issuance at discrete times. Among these, 30,000,000 shares are reserved as employee share subscription warrants or the share subscription warrants associated with the corporate bonds to be issued.

The Company may, subject to the consent of two-thirds of voting rights present in a shareholder meeting where over half of the total outstanding shares are represented, buy back treasury stock at less than the average price to be transferred to employees or for the issuance of employee warrants with an exercise price lower than the closing ordinary share price on the issuance date.

The subjects for the issuance of employee stock options to which the Company repurchases and transfers shares according to the law, subjects for issuance of restricted share awards, and subjects for shares reserved from new shares issuance of cash capital increase for employee subscription may include employees of controlled or affiliated companies that satisfy certain criteria, and the board of directors is authorized to determine the criteria, transfer, issuance, and subscription method thereof.

Article 7: The share certificates of the Company shall be in registered form and signed or sealed by the Director representing the Company and shall be certified for issuance of the share certificates according to the laws. The Company may be exempted from the printing of share certificates in accordance with the provision of Article 162-2 of the Company Act; however, the shares shall be registered with the Centralized Securities Depository Enterprises.

Article 8: The administration of the shareholder services of the Company, unless otherwise specified in the laws and regulations, shall be handled according to the Regulations Governing the Administration of Shareholder Services of Public Companies published by the Securities and Futures Bureau, Financial Supervisory Commission.

Article 9: Any change and 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 benefits by the Company.

Chapter 3. Shareholders' Meeting

Article 10: The shareholder meetings are classified into two types: the ordinary shareholders' meeting and the extraordinary shareholders' meeting. The ordinary shareholders' meeting shall be convened once per year, and shall be convened by the Board of Directors according to the laws within six months after the close of each fiscal year. The extraordinary shareholders' meeting shall be convened whenever necessary according to laws.

The Company's shareholders meetings may be held via video conference or other methods announced by the central competent authority.

Shareholder meetings shall be convened by the Board of Directors, and the Chairman of the Board shall be the chair of the meeting. In case where the Chairman is absent due to reasons, it shall be handled in accordance with the provision prescribed in Article 208 of the Company Act. For a shareholders' meeting convened by any person having the convening right other than the Board of Directors, the person having the convening right shall be the chair, and if there are two or more persons having the convening right, the chair of the meeting shall be elected from among themselves.

Article 11: Where a shareholder for any reasons cannot attend a shareholders' meeting in person, the shareholder may appoint a proxy to attend the shareholders' meeting on his/her/its behalf by executing a power of attorney, stating therein the scope of power authorized to the proxy. The use of proxies shall comply with the regulations of the Company Act and shall also be handled in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies announced by the competent authority.

Article 12: Unless otherwise specified in relevant laws and regulations, each shareholder shall have one voting right for each share held,

Article 13: Any resolution at a shareholders' meeting, unless otherwise specified in the Company Act, shall be adopted by a majority of the shareholders presented, who representing more than half of the total number of the company's outstanding shares, and shall be executed based on the majority of the voting rights of attending shareholders. Matters related to the resolutions of a meeting shall be recorded in meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting and shall be distributed to each shareholder within twenty days after the close of the meeting. The distribution of the meeting minutes may be effected by means of a public notice.

Chapter 4: Directors and Audit Committee

Article 14: The Company shall have seven to nine Directors, among which the number of Independent Directors shall not be less than three and shall not be less than one fifth of the total number of Directors, and the term of office shall be three years. For the election of Directors, the candidates nomination system shall be adopted in accordance with the provision of Article 192-1 of the Company Act, and Directors are elected by the shareholders' meeting from the candidate roster, and Directors may be eligible for re-election.

Relevant matters of the professional qualification, shareholding, concurrent job position limitation and other necessary requirements shall comply with relevant regulations specified by the securities competent authority.

The Company establishes the Audit Committee in replacement of the Supervisors according to Article 14-4 of the Securities and Exchange Act. The Audit

Committee shall be formed by all of the Independent Directors, and its number of members shall not be less than three, wherein one of the members shall be the convener. The exercise of functional duties of the Audit Committee and other required compliance matters shall be handled in accordance with relevant laws and regulations.

The total number of shares held by all of the Directors shall not be less than a certain percentage of the total number of issued shares, and such percentage shall comply with the requirements specified by the competent authority.

Article 15: Directors shall form the Board of Directors. With the attendance of more than two thirds of the Directors and the consents of a majority of the attending Directors, a Chairman shall be elected among the Directors. The Chairman shall represent the Company externally.

Article 16: In case the Chairman is on leave or absent or cannot exercise his/her power and authority for any cause, the proxy thereof shall be handled in accordance with the provision of Article 208 of the Company Act.

Article 17: The Board of Directors' meeting shall be held once quarterly, and when it is determined necessary, the meeting may be convened at any time. In case where a Director cannot attend the meeting due to reasons, the proxy thereof shall be handled in accordance with the provision of Article 205 of the Company Act.

However, if a meeting is held via the video conference method, Directors attending the meeting through video conference shall be deemed to attend the meeting in person.

The convention of the Board of Directors' meeting shall be handled in accordance with the provision of Article 204 of the Company Act; however, in case of emergency, it may be convened at any time without written notice.

The notice for the convention of Board of Directors' meeting of the Company may be made in writing, e-mail or facsimile method to inform all Directors.

Article 18: Transportation allowance of all Directors shall be determined by the Board of Directors, and regardless whether the Company is operating at a profit or loss, it shall be paid according to the common standard adopted in the same industry. During the term of office of all Directors, the Company shall purchase liability insurances for the Directors for their indemnification liabilities within the scope of their official services according to the laws, and shall report the insurance content to the Board of Directors.

Chapter 5: Managerial Officers

Article 19: The Company may have managerial officers, and the appointment, discharge and the remuneration of the managerial officers shall be handled according to Article 29 of the Company Act.

Chapter 6 Accounting

Article 20: At the end of each fiscal year of the Company, the Board of Directors shall prepare the reports and statements of (I) Business report, (II) Financial statement and (III) Proposal for distribution of earnings or covering losses, for submission to the ordinary shareholder's meeting according to the law in order to request for ratification thereof.

Article 21: Where the Company has a profit after settlement (the term "profit" refers to the income before deducting the distribution of remunerations of employees and directors from the income before tax), no less than 5% thereof shall be appropriated as the remuneration of employees and no less than 0.5% thereof shall be appropriated as the remuneration of Directors, which are to be distributed after the special resolution of the Board of Directors' meeting and shall be reported to the shareholders' meeting. However, where the Company still has accumulated losses, amount shall be reserved for making up the accumulated loss first.

The remuneration of employees described in the preceding paragraph may be made in the form of shares or cash, and the subjects for receiving the shares or cash may include employees of the affiliated companies meeting certain specific requirements, and the Board of Directors is authorized to establish said specific requirements.

Where there is a profit after the settlement of a fiscal year, the profit shall be distributed in accordance with the following sequence:

- (I) Compensate for previous losses
- (II) Appropriate 10% as the legal reserve
- (III) Appropriate or reverse special reserve according to other laws and regulations
- (IV) When the remaining amount refers to the distributable earnings of the current year, it is combined with the undistributed earnings of the same period at the beginning of the term as the accumulated distributable earnings, and the Board of Directors shall establish the proposal for earnings distribution according to the dividend policy specified in Paragraph 4 of this Article for submission to the shareholders' meeting for resolution and distribution accordingly.

The Company is currently at the growth stage. Regarding the Company's policy on the distribution of dividends, such policy shall be determined based on the factors of the present and future investment environment, capital demand, domestic/overseas competition and capital budget etc. along with the consideration of the shareholders' interests and the long-term financial planning. The shareholders' dividends are appropriated from the accumulated distributable earnings, which shall not be less than 15% of the distributable earnings of the current year, and the cash dividends among the shareholders' dividends shall not be

less than 10%. Regarding the cash dividends and bonuses issued for all or a portion of the aforementioned cash dividends and capital reserve and legal reserve, the Board of Directors is authorized to reach a special resolution for distribution thereof, which shall also be reported to the shareholders' meeting, and the requirement for resolution of a shareholders' meeting as described in the preceding paragraph is not applicable.

Chapter 7 Supplementary Provisions

Article 22: Any matters not specified in this Article of Incorporation shall be handled in accordance with the provisions of the Company Act.

Article 23: These Articles of Incorporation were enacted on April 5, 1971.

The first amendment was made on April 22, 1971.

The second amendment was made on May 6, 1971.

The third amendment was made on July 25, 1974.

The fourth amendment was made on January 10, 1978.

The fifth amendment was made on May 1, 1978.

The sixth amendment was made on August 19, 1980.

The seventh amendment was made on October 30, 1980.

The eighth amendment was made on December 14, 1980.

The ninth amendment was made on January 10, 1981.

The tenth amendment was made on April 7, 1981.

The eleventh amendment was made on June 28, 1982.

The twelfth amendment was made on July 19, 1982.

The thirteenth amendment was made on June 30, 1983.

The fourteenth amendment was made on January 12, 1984.

The fifteenth amendment was made on August 31, 1984.

The sixteenth amendment was made on February 18, 1986.

The seventeenth amendment was made on March 10, 1986.

The eighteenth amendment was made on January 24, 1989.

The nineteenth amendment was made on September 29, 1989.

The twentieth amendment was made on November 25, 1989.

The twenty first amendment was made on January 20, 1990.

The twenty second amendment was made on June 29, 1990.

The twenty third amendment was made on October 15, 1990.

The twenty fourth amendment was made on June 7, 1991.

The twenty fifth amendment was made on April 10, 1992.

The twenty sixth amendment was made on December 12, 1992.

The twenty seventh amendment was made on May 18, 1994.

The twenty eighth amendment was made on November 8, 1995.

The twenty ninth amendment was made on May 11, 1996.

The thirtieth amendment was made on June 26, 1997.

The thirty first amendment was made on June 2, 1998.

The thirty second amendment was made on April 12, 1999.

The thirty third amendment was made on November 30, 1999.

The thirty fourth amendment was made on June 27, 2000.

The thirty fifth amendment was made on June 10, 2002.

The thirty sixth amendment was made on June 14, 2005.

The thirty seventh amendment was made on June 14, 2006.

The thirty eighth amendment was made on June 8, 2007.

The thirty ninth amendment was made on June 10, 2009.

The fortieth amendment was made on June 8, 2010.

The forty first amendment was made on June 5, 2012.

The forty second amendment was made on June 17, 2014.

The forty third amendment was made on June 13, 2016.

The forty fourth amendment was made on June 8, 2018.

The forty fifth amendment was made on June 14, 2019.

The forty sixth amendment was made on June 9, 2023.

Pan-International Industrial Corp.

Chairman: Kuang-Yao Lee