

Holy Stone Enterprise Co., Ltd. ("Company")

Minutes of 2025 Annual General Shareholders Meeting

Translation

This document is prepared in accordance with the Chinese version and is for reference only. If there is any inconsistency or ambiguity between the two versions, the Chinese version shall prevail.

Time: 09:00a.m., May 28th 2025 (Wednesday)

Place: Conference Room at 7th floor, No. 17 (Chu Pao Building), Lane 91, Sec. 1, NeiHu Road, Taipei 114, Taiwan

Shareholders Present: Shares represented by shareholders present are 101,664,533 shares (including 22,678,307 shares casted electronically, accounted for 61.28% of total shares 165,890,318 issued.

Chairman: Jing-Rong Tang

Recorder: Shu-Ying Chang

Directors present: Jing-Rong Tang, Fang-Ming Lo, Shao-Kuo Huang, Ken-Yi Cheng(Chairman of the Audit Committee), Chu-Yang Chien, Jen-Wei Ko, Jui-Chu Li

Attendance: Ming-Fang Hsu, CPA, KPMG

Fan-Chuan Shi, Attorney, STRing Law Firm

I. The aggregate shareholding of the shareholders present in person or casted electronically constituted a quorum. The Chairman called the meeting to order.

A. Report Items

(1) Business Report of 2024 (attachment 1)

(2) Audit Committee Audit Report (attachment 2)

(3) Report the Distribution of 2024 Remuneration for Employee and Directors.

The board of directors meeting on February 27th 2025, passed the remuneration for employee of NT\$135,747,000 and remuneration for directors of NT\$25,857,000, both distributed via cash.

(4) Report 2024 Earnings Distribution and Cash Dividends

i. The company has passed the resolution of dividends on February 27th, 2025, cash dividend distribution totaled NT\$912,396,749, which is NT\$5.5 per share distributed from earnings. Cash dividend distribution were distributed up to one NT dollar, if the distribution is under one NT dollar, it will be accounted as other revenue.

ii. The record date for cash dividends and related matters concerning the distribution of cash dividends shall be determined by the Chairman as authorized by the Board of Directors.

iii. If there is a change in the number of ordinary shares outside of the company, or when there is a change in shareholders' dividend rate that requires revision, chairman of the board will take full authority.

B. Acknowledgement Items

I. (Proposed by the Board of Directors)

To approve 2024 Business Report and Financial Statements

Explanation:

- (1) 2024 Financial Statement of the company was audited by accountants Ming-Fang Hsu and Chi-Long Yu of KPMG, and was issued an audit report.
- (2) The 2024 Financial Statement and Business Report were audited by the Audit Committee and was issued a report.
- (3) Attachments
 - i. Business Report (attachment 1)
 - ii. Accountant's Audit Report (attachment 3&4)
 - iii. Financial Statements (see attachment 3&4)
 - iv. Audit Committee Audit Report (see attachment 2)
- (4) Please approve

Resolution: Voting Results are shown below:

Shares represented at the time of voting: 101,664,533 (including 22,678,307 shares casted electronically)

Voting Results*	% of the total represented share present
Votes in favor: 94,690,201 votes (including electronic votes 15,714,425)	93.13%
Votes against: 27,550 votes (including electronic votes 27,550)	0.02%
Votes invalid: 0 vote (electronic votes 0)	0.00%
Votes abstained: 6,946,782 votes (including electronic votes 6,936,332)	6.83%

The resolution was passed by initial vote.

II. (Proposed by the Board of Directors)

To approve the Earning Distribution of 2024

Explanation:

- (1) To draft the distribution of earnings according to company's Articles of Association. (attachment 5)
- (2) The distribution of earnings is reviewed by the Audit Committee and issued into report. (attachment 2)
- (3) Please approve

Resolution : Voting Results are shown below :

Shares represented at the time of voting : 101,664,533 (including 22,678,307 shares casted electronically)

Voting Results*	% of the total represented share present
Votes in favor: 94,797,947 votes (including electronic votes 15,822,171)	93.24%
Votes against: 28,563 votes (including electronic votes 28,563)	0.02%
Votes invalid: 0 vote (electronic votes 0)	0.00%
Votes abstained: 6,838,023 votes (including electronic votes 6,827,573)	6.72%

The resolution was passed by initial vote.

C. Discussion Items

I. (Proposed by the Board of Directors)

To revise Articles of Association

Explanation:

- (1) Revise the Company's Articles of Association in accordance to Section 14 of Securities and Exchange Act; amended by Presidential Order No. 11300069631 on August 7th 2024 accordingly.
- (2) Revision chart (attachment 6)
- (3) Please vote for the abovementioned item.

Resolution : Voting Results are shown below :

Shares represented at the time of voting : 101,664,533 (including 22,678,307 shares casted electronically)

Voting Results*	% of the total represented share present
Votes in favor: 94,786,703 votes (including electronic votes 15,810,927)	93.23%
Votes against: 28,811 votes (including electronic votes 28,811)	0.02%
Votes invalid: 0 vote (electronic votes 0)	0.00%
Votes abstained: 6,849,019 votes (including electronic votes 6,838,569)	6.73%

The resolution was passed by initial vote.

D. Special Motion: None

E. Adjournment (09:18 a.m)

The shareholders meeting was conducted without any shareholder inquiries raised on all agenda items.

Chairman: Jing-Rong Tang

Recorder: Shu-Ying Chang

Holy Stone Enterprise Co., Ltd.
2024 Business Report

2024 is a year progressed with hope and challenges; affected by wars, inflation, and geopolitical conflicts, overall market demand recovery is less than expected. Yet benefited from the growth of AI-driven business opportunities, its new applications have brought new hopes. Holy Stone has been actively developing related products and applications, whether in the production of passive components or the sales of agency products. Not only to grasp business opportunities, but also meet customers' needs and expectations. And overview of the business performance for 2024 and the business plan for 2025 is as follow:

1. 2024 Business Results

- 1.1 Business Result:** consolidated revenue of 2024 totaled NT\$ (same below)12.79 billion, gross profit NT\$2.09 billion, gross margin 16.34%, net profit attributable to the parent company totaled NT\$973 million, increased 14.44% YoY. Earnings per share totaled NT\$ 5.87.
- 1.2 Budget Implementation:** The company did not publish any forms of finance forecast for 2024; therefore no act of disclosure is required.
- 1.3 Financial Income and Expenditure, Profitability Analysis:** Please refer to the financial statements in the appendix for further information.
- 1.4 Research and Development Status:** In line with the industrial development and market demand, continue to invest in the development of MLCC materials, improve the production capacity of high-end powder, establish self-material system, and optimize the process capabilities, focusing on the development of niche products resistant to high temperature and high pressure. Total expenditure of the above research and development for 2024 was NT\$196 million.

2. Summary of 2025 Annual Business Plan

2.1 Operating Strategy: Holy Stone believes in programmatic, innovative and mutual beneficial business philosophy, continue to cultivate in manufacturing and strengthening product agency continuously.

Deep Cultivation in Manufacturing: house brand products are committed in developing new application fields based on industry trends, focusing on niche products continuously, deepening our presence in emerging markets; such as AI, automotive, and new network applications markets.

Product Agency Strengthening: The company mainly agents for products such as communication device, automotive and consumer electronics, we will continue to assist customers in designing and developing products, enhancing the competitiveness of agency products and maintaining stable product supply.

2.2 Important Production and Sales Management: Expanding the production and sales of niche products is the most important development strategy for the company, and a critical key to support its sustained growth. To grasp the newly developed AI and automotive market, we will continue to develop in materials, research and technology, as well as upgrading our manufacturing equipment capabilities, fully develop matching products in order to expand niche product market sales.

3. Influence of External Competitive Environment, Regulatory Environment and Overall Business Environment

Holy Stone firmly believes that besides pursuing profit and growth, synchronize ESG implementation is also essential for becoming a sustainable company. Regardless of the company's governance association, or the solutions for climate change, it's all been implemented in our daily operating activities. Holy Stone parent company has finished greenhouse gas investigation, according to ISO 14064-1:2018 greenhouse gas investigation standard. In terms of energy management; we evaluate to expand solar power equipment, using self-issue and self-use green electricity to reduce greenhouse gas emissions, also continue to implement water resource and waste reduction plan to achieve environmental protection. In addition, we participate in public welfare activities through Holy Stone Foundation, care for disadvantages to fulfill social responsibility. ESG implementing results will show explanations to shareholders, employees, and stakeholders through our corporate sustainability report. In the future, we will continue to focus on ESG issues, energy conservation, environmental protection, build a friendly workplace, comply with laws, practice corporate governance, and move towards to the goal of sustainable operation.

Last but not least, the company would like to express our appreciation to our customers, suppliers, shareholders and the society for the unwavering long-term support; we also thank each and every employee for their contribution to the company. We hope for the best in the years to come.

Chairman: Jing-Rong Tang

President: Jing-Rong Tang

Accountant Manager: Shu-Ying Chang

【Attachment 2】

**Holy Stone Enterprise Co., Ltd.
Audit Committee's Audit Report**

The Board of Directors has prepared the Company's 2024 Business Report, Financial Statements and Proposal for Earning Distributions. The Financial Statements have been audited and certified by Ming-Fang Hsu CPA and Chi-Long Yu CPA of KPMG and audit reports regarding the Financial Statements have been issued. The Business Report, Financial Statements and Proposal for Earning Distributions have been reviewed and determined to be correct and accurate by the Audit Committee of Holy Stone Enterprise Company Limited. In accordance to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby, submit this report.

Holy Stone's Annual Shareholders Meeting, 2025

Audit Committee of Holy Stone Enterprise Co., Ltd.
Chairman of Audit Committee: Ken-Yi Cheng

February 27th, 2025

【Attachment 3】

Independent Auditors' Report

To the Board of Directors of Holy Stone Enterprise Co., Ltd.:

Opinion

We have audited the financial statements of Holy Stone Enterprise Co., Ltd. (“the Company”), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of another auditor (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Other Matter

We did not audit the financial statements of a subsidiary, which represented investment in another entity accounted for using the equity method of the Company. Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the subsidiary, is based solely on the report of another auditor. The investment in the subsidiary accounted for using the equity method constituting 3.49% and 3.15% of total assets at December 31, 2024 and 2023, respectively, and the related share of profit of subsidiaries accounted for using the equity method constituting 3.03% and 4.72% of total profit before tax for the years then ended, respectively.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the

key audit matters to be communicated in our report.

1.Revenue recognition

Please refer to Note 4(m) “Revenue from contracts with customers” for accounting policy and Note 6(r) “Revenue from contracts with customers” for details of revenue to the parent company only financial statements.

Description of key audit matter:

The Company engages primarily in the manufacturing and sales of MLCC, integrated circuits, modules, and other electronic components. The Operating Revenue is the main indicator for the investor to evaluate the financial and business performance of the Company. Therefore, it has been identified as a key audit matter.

How the matter was addressed in our audit:

Regarding the key audit matter mentioned above, our key audit procedures include understanding the design and implementation of internal control over revenue recognition and verifying the compliance of accounting policy; analyzing the changes in sales revenue from top ten clients and comparing them with those of the same period in the previous year to confirm whether or not there are significant exceptions or irregular transactions exist; examining the vouchers to determine the appropriate cut offs for revenue recognition within selected periods before and after the balance sheet date to evaluate whether the revenue was recorded in the appropriate period.

2.Impairment evaluation of accounts receivable

Please refer to Note 4(f)(i)(1) “Financial assets measured at amortized cost”; Note 5(a) “Significant accounting assumptions and judgments, and major sources of estimation uncertainty”, and Note 6(d) “Notes and accounts receivables” to the parent company only financial statements.

Description of key audit matter:

The Company measured its accounts receivable by the recoverable amounts. Impairment evaluation of accounts receivable is one of the key judgmental areas for our audit, particularly in respect of the great influence of given the challenging industry climate. Due to the provision of bad debt allowance that is subject to the management’s judgement, it is uncertain to have enough of information of recoverability before the issuance of the financial statements.

How the matter was addressed in our audit:

Our principal audit procedures included understanding the design and implementation of internal control; assessing the rationality of the provision policy and verifying the compliance of provision policy for accounts receivable allowance; examining the aging analysis table and checking the amount of receivables received after the balance date, as well as discussing with the management to assess the

whether or not the provision is reasonable; evaluating the adequacy of the Company's disclosure for bad debt allowance.

3.Inventory valuation

Please refer to Note 4(g) "Inventories" ; Note 5(b) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty", and Note 6(f) "Inventories" to the parent company only financial statements.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value in the financial statements. However, with the rapid development of the consumer market and the volatility of sales, that may result in the cost of inventory may exceed its net realizable value. Therefore, it has been identified as a key audit matter.

How the matter was addressed in our audit:

Regarding the key audit matter mentioned above, our audit procedures included evaluating the reasonableness of the Company's inventory valuation policy and the management's assumption used when measuring allowance for inventory valuation and obsolescence losses; performing a retrospective review of the Company's historical accuracy of judgments with reference to inventory valuation and comparing them with the current year's calculation to evaluate the appropriateness of estimation and assumption used for inventory valuation; assessing the adequacy of the Company's disclosure for inventories.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Hsu, Ming Fang and Yu, Chi Lung.

KPMG

Taipei, Taiwan (Republic of China)

February 27, 2025

Notes to Readers

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

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

Holy Stone Enterprise Co., Ltd.

Balance Sheet

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2024		December 31, 2023			Liabilities and Equity	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:				
1100 Cash and cash equivalents (note 6(a))	\$ 3,035,216	20	2,020,970	14	2100	Short-term borrowings (note 6(j))	\$ 962,626	7	968,473	7
1110 Current financial assets at fair value through profit or loss (note 6(b))	262,010	2	155,497	1	2130	Current contract liabilities (note 6(r))	16,969	-	16,178	-
1150 Notes and accounts receivables, net (note 6(d)(r))	1,996,705	14	1,680,590	12	2170	Accounts payable	533,035	4	391,444	3
1180 Accounts receivable-related parties, net (note 6(d)(r) and 7)	411,992	3	468,413	3	2180	Accounts payable to related parties (note 7)	359,403	2	241,413	2
1200 Other receivables, net (note 6(e))	25,758	-	21,969	-	2200	Other payables (note 6(k))	770,709	5	766,311	5
1220 Current tax assets	35,616	-	32,693	-	2230	Current tax liabilities	54,817	-	-	-
130X Inventories(note 6(f))	2,250,010	15	2,902,630	21	2280	Current lease liabilities (note 6(m))	1,516	-	2,782	-
1410 Prepayments and other current assets	12,032	-	14,870	-	2322	Long-term borrowings, current portion (note 6(l))	557,500	4	340,000	2
Total current assets	8,029,339	54	7,297,632	51		Total current liabilities	3,256,575	22	2,726,601	19
Non-current assets:						Non-Current liabilities:				
1510 Non-current financial assets at fair value through profit or loss (note 6(b))	4,669	-	3,810	-	2540	Long-term borrowings (note 6(l))	1,510,833	10	1,568,333	11
1550 Investments accounted for using the equity method (note 6(g))	2,730,155	19	2,462,746	18	2570	Deferred tax liabilities (note 6(o))	91,656	1	83,452	1
1600 Property, plant and equipment (note 6(h) and 7)	4,023,642	27	4,259,156	30	2580	Non-current lease liabilities (note 6(m))	1,081	-	1,853	-
1755 Right-of-use assets (note 6(i))	2,584	-	4,595	-	2640	Net defined benefit liability, non-current (note 6(n))	27,428	-	45,990	-
1840 Deferred tax assets (note 6(o))	55,467	-	59,806	-	2670	Other non-current liabilities, others	6	-	6	-
1915 Prepayments for business facilities (note 7)	1,039	-	153,838	1		Total non-current liabilities	1,631,004	11	1,699,634	12
1990 Other non-current assets, others (note 8)	23,770	-	19,488	-		Total liabilities	4,887,579	33	4,426,235	31
Total non-current assets	6,841,326	46	6,963,439	49		Equity (note 6(n)(p)):				
					3110	Ordinary share	1,658,903	11	1,658,903	12
					3200	Capital surplus	3,160,144	22	3,209,892	22
						Retained earnings:				
					3310	Legal reserve	1,723,213	11	1,638,205	12
					3320	Special reserve	143,624	1	133,682	1
					3350	Unappropriated retained earnings	3,391,970	23	3,337,778	23
						Total retained earnings	5,258,807	35	5,109,665	36
						Other equity:				
					3410	Exchange differences on translation of foreign financial statements	(12,734)	-	(67,289)	-
					3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(82,034)	(1)	(76,335)	(1)
						Total other equity	(94,768)	(1)	(143,624)	(1)
						Total equity	9,983,086	67	9,834,836	69
Total assets	\$ 14,870,665	100	14,261,071	100		Total liabilities and equity	\$ 14,870,665	100	14,261,071	100

(See accompanying notes to parent company only financial statements.)

Chairman: Jing-Rong Tang

General Manager: Jing-Rong Tang

Chief Accounting Officer: Shu-Ying Chang

Holy Stone Enterprise Co., Ltd.
Statement of Comprehensive Income
For Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
4000 Operating revenue (note 6(r) and 7)	\$ 9,691,393	100	9,994,043	100
5000 Operating costs (note 6(f)(m)(n), 7 and 12)	8,019,451	83	8,207,883	82
Gross profit	1,671,942	17	1,786,160	18
5910 Unrealized profit (loss) from sales	5,507	-	6,390	-
Net gross profit	<u>1,677,449</u>	<u>17</u>	<u>1,792,550</u>	<u>18</u>
Operating expenses (note 6(m)(n)(s), 7 and 12):				
6100 Selling and administrative expenses	704,400	7	708,865	7
6300 Research and development expenses	195,597	2	188,282	2
6450 Expected credit gain (note 6(d))	(6,809)	-	-	-
Total operating expenses	<u>893,188</u>	<u>9</u>	<u>897,147</u>	<u>9</u>
Net operating income	<u>784,261</u>	<u>8</u>	<u>895,403</u>	<u>9</u>
Non-operating income and expenses(note 6(m)):				
7020 Other gains and losses, net	154,049	2	62,140	1
7050 Finance costs	(59,988)	(1)	(57,205)	(1)
7070 Share of profit (loss) of subsidiaries and associates accounted for using the equity method	230,597	3	73,715	1
7100 Interest income	22,310	-	19,231	-
Total non-operating income and expenses	<u>346,968</u>	<u>4</u>	<u>97,881</u>	<u>1</u>
7900 Profit before tax	1,131,229	12	993,284	10
7950 Less: Income tax expenses(note 6(o))	<u>157,955</u>	<u>2</u>	<u>142,784</u>	<u>2</u>
Profit	<u>973,274</u>	<u>10</u>	<u>850,500</u>	<u>8</u>
8300 Other comprehensive income (loss):				
8310 Components of other comprehensive income that will not be reclassified to profit or loss:				
8311 Gains (losses) on remeasurements of defined benefit plans	5,098	-	(259)	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(5,699)	-	4,367	-
8330 Share of other comprehensive income of associates accounted for using the equity method, components of other comprehensive income that will not be reclassified to profit or loss	222	-	34	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
Total components of other comprehensive income that will not be reclassified to profit or loss	<u>(379)</u>	<u>-</u>	<u>4,142</u>	<u>-</u>
8360 Components of other comprehensive income (loss) that may not be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	54,555	1	(14,309)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
Total components of other comprehensive income (loss) that may be reclassified to profit or loss	<u>54,555</u>	<u>1</u>	<u>(14,309)</u>	<u>-</u>
8300 Other comprehensive income, net of tax	54,176	1	(10,167)	-
8500 Total comprehensive income	<u>\$ 1,027,450</u>	<u>11</u>	<u>840,333</u>	<u>8</u>
Earnings per share (note 6(q))				
9750 Basic earnings per share (NT dollars)	<u>\$ 5.87</u>		<u>5.13</u>	
9850 Diluted earnings per share (NT dollars)	<u>\$ 5.80</u>		<u>5.08</u>	

(See accompanying notes to parent company only financial statements.)

Chairman: Jing-Rong Tang

General Manager: Jing-Rong Tang

Chief Accounting Officer: Shu-Ying Chang

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

Holy Stone Enterprise Co., Ltd.
Statement of Changes in Equity
For Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity			Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income		
Balance at January 1, 2023	\$ 1,579,908	3,120,424	1,638,205	163,854	3,326,480	(52,980)	(80,702)	9,695,189	
Profit	-	-	-	-	850,500	-	-	850,500	
Other comprehensive income	-	-	-	-	(225)	(14,309)	4,367	(10,167)	
Total comprehensive income	-	-	-	-	850,275	(14,309)	4,367	840,333	
Appropriation and distribution of retained earnings:									
Cash dividends of ordinary shares	-	-	-	-	(789,954)	-	-	(789,954)	
Stock dividends of ordinary share	78,995	-	-	-	(78,995)	-	-	-	
Reversal of special reserve	-	-	-	(30,172)	30,172	-	-	-	
Changes in ownership interests in subsidiaries	-	89,468	-	-	(200)	-	-	89,268	
Balance at December 31, 2023	1,658,903	3,209,892	1,638,205	133,682	3,337,778	(67,289)	(76,335)	9,834,836	
Profit	-	-	-	-	973,274	-	-	973,274	
Other comprehensive income	-	-	-	-	5,320	54,555	(5,699)	54,176	
Total comprehensive income	-	-	-	-	978,594	54,555	(5,699)	1,027,450	
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	85,008	-	(85,008)	-	-	-	
Special reserve	-	-	-	9,942	(9,942)	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(829,452)	-	-	(829,452)	
Changes in ownership interests in subsidiaries	-	(49,748)	-	-	-	-	-	(49,748)	
Balance at December 31, 2024	\$ 1,658,903	3,160,144	1,723,213	143,624	3,391,970	(12,734)	(82,034)	9,983,086	

(See accompanying notes to parent company only financial statements.)

Chairman: Jing-Rong Tang

General Manager: Jing-Rong Tang

Chief Accounting Officer: Shu-Ying Chang

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

Holy Stone Enterprise Co., Ltd.
Statement of Cash Flow
For Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Profit before tax	\$ 1,131,229	993,284
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	673,465	655,473
Expected credit gain	(6,809)	-
Net gain on financial assets at fair value through profit or loss	(70,884)	(25,629)
Interest expense	59,988	57,205
Interest income	(22,310)	(19,231)
Dividend income	(2,462)	(2,159)
Share of profit of subsidiaries and associates, accounted for using the equity method	(230,597)	(73,715)
Gain from disposal of property, plant and equipment	(1,079)	(6,777)
Unrealized profit (loss) from sales	(5,507)	(6,390)
Others	(10)	-
Total adjustments to reconcile profit (loss)	<u>393,795</u>	<u>578,777</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Current financial assets at fair value through profit or loss	(36,488)	(45,968)
Notes and accounts receivable	(309,306)	296,965
Accounts receivable-related parties	56,421	83,634
Other receivables	(1,813)	85,075
Inventories	652,620	408,291
Prepayments and other current assets	2,838	(3,629)
Total changes in operating assets	<u>364,272</u>	<u>824,368</u>
Changes in operating liabilities:		
Contract liabilities	791	(33,712)
Accounts payable	141,591	(89,750)
Accounts payable to related parties	117,990	(76,746)
Other payables	16,216	(36,440)
Net defined benefit liability	(13,464)	(6,217)
Total changes in operating liabilities	<u>263,124</u>	<u>(242,865)</u>
Net changes in operating assets and liabilities	<u>627,396</u>	<u>581,503</u>
Total adjustments	<u>1,021,191</u>	<u>1,160,280</u>
Cash inflow generated from operations	2,152,420	2,153,564
Interest received	20,734	19,560
Dividends received	2,062	2,159
Interest paid	(59,242)	(57,951)
Income taxes paid	(93,518)	(388,797)
Net cash flows from operating activities	<u>2,022,456</u>	<u>1,728,535</u>
Cash flows used in investing activities:		
Acquisition of investments accounted for using the equity method	(34,000)	-
Acquisition of property, plant and equipment	(447,622)	(596,411)
Proceeds from disposal of property, plant and equipment	1,079	18,071
(Increase) decrease in other non-current assets, others	(4,282)	23,090
Decrease in prepayments for business facilities	152,799	45,785
Dividends received	2,025	10,583
Net cash flows used in investing activities	<u>(330,001)</u>	<u>(498,882)</u>
Cash flows used in financing activities:		
Decrease in short-term borrowings	(5,847)	(422,749)
Proceeds from long-term borrowings	500,000	-
Repayments of long-term borrowings	(340,000)	(91,667)
Payment of lease liabilities	(2,910)	(2,954)
Cash dividends paid	(829,452)	(789,954)
Net cash flows used in financing activities	<u>(678,209)</u>	<u>(1,307,324)</u>
Net increase (decrease) in cash and cash equivalents	<u>1,014,246</u>	<u>(77,671)</u>
Cash and cash equivalents at beginning of period	<u>2,020,970</u>	<u>2,098,641</u>
Cash and cash equivalents at end of period	<u>\$ 3,035,216</u>	<u>2,020,970</u>

(See accompanying notes to parent company only financial statements.)

Chairman: Jing-Rong Tang

General Manager: Jing-Rong Tang

Chief Accounting Officer: Shu-Ying Chang

【Attachment 4】

Independent Auditors' Report

To the Board of Directors of Holy Stone Enterprise Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Holy Stone Enterprise Co., Ltd. and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of another auditor (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Other Matter

We did not audit the financial statements of subsidiaries of the Group. Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for that subsidiary, is based solely on the report of another auditor. The financial statements of that subsidiary reflect total assets constituting 5.03% and 4.38% of consolidated total assets at December 31, 2024 and 2023, respectively, and total operating revenues constituting 8.74% and 8.14% of consolidated total operating revenues for the years then ended, respectively.

Holy Stone Enterprise Co., Ltd. has prepared its parent company only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion with Other Matters paragraph.

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 current period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

1.Revenue recognition

Please refer to Note 4(n) “Revenue recognition” for accounting policy and Note 6(u) "Revenue from contracts with customers for details of revenue to the consolidated statements.

Description of key audit matter:

The Group engages primarily in the manufacturing and sales of MLCC, integrated circuits, modules, and other electronic components. The Operating Revenue is the main indicator for the investor to evaluate the financial and business performance of the Group. Therefore, it has been identified as a key audit matter.

Our principal audit procedures included:

Regarding to the key audit matter mentioned above, our key audit procedures include understanding the design and implementation of internal control over revenue recognition and verifying the compliance of accounting policy; analyzing the changes in sales revenue from top ten clients and comparing them with those of the same period in the previous year to confirm whether or not there are significant exceptions or irregular transactions exist; examining the vouchers to determine the appropriate cut offs for revenue recognition within selected periods before and after the balance sheet date to evaluate whether the revenue was recorded in the appropriate period.

2.Impairment evaluation of accounts receivable

Please refer to Note 4(g)(i)(1) “Financial assets measured at amortized cost”; Note 5(a) Significant accounting assumptions and judgments, and major sources of estimation uncertainty, and Note 6(d) "Notes and accounts receivables" to the consolidated financial statements.

Description of key audit matter:

The Group measured its accounts receivable by the recoverable amounts. Impairment evaluation of accounts receivable is one of the key judgmental areas for our audit, particularly in respect of the great influence of given the challenging industry climate. Due to the provision of bad debt allowance that is subject to the management’s judgement, it is uncertain to have enough of information of recoverability before the issuance of the financial statements.

How the matter was addressed in our audit:

Our principal audit procedures included understanding the design and implementation of internal control; assessing the rationality of the provision policy and verifying the compliance of provision policy for accounts receivable allowance; examining the aging analysis table and checking the amount of receivables received after the balance date, as well as discussing with the management to assess the whether or not the provision is reasonable; evaluating the adequacy of the Group's disclosure for bad debt allowance.

3.Inventory valuation

Please refer to Note 4(h) "Inventories" ; Note 5(b) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty", and Note 6(f) "Inventories" to the consolidated financial statements.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value in the financial statements. However, with the rapid development of the consumer market and the volatility of sales, that may result in the cost of inventory may exceed its net realizable value. Therefore, it has been identified as a key audit matter.

How the matter was addressed in our audit:

Regarding the key audit matter mentioned above, our audit procedures included evaluating the reasonableness of the Company's inventory valuation policy and the management's assumption used when measuring allowance for inventory valuation and obsolescence losses; performing a retrospective review of the Company's historical accuracy of judgments with reference to inventory valuation and comparing them with the current year's calculation to evaluate the appropriateness of estimation and assumption used for inventory valuation; assessing the adequacy of the Group's disclosure for inventories.

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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and with IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Hsu, Ming Fang and Yu, Chi Lung.

KPMG

Taipei, Taiwan (Republic of China)

February 27, 2025

Notes to Readers

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

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Holy Stone Enterprise Co., Ltd.

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2024		December 31, 2023			Liabilities and Equity	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:				
1100 Cash and cash equivalents (note 6(a))	\$ 4,502,178	29	3,080,249	2	2100	Short-term borrowings (note 6(l) and 8)	\$ 1,225,898	8	1,103,660	1
1110 Current financial assets at fair value through profit or loss (note 6(b))	607,137	4	355,982		2130	Current contract liabilities(note 6(u))	86,225	1	107,271	
1150 Notes and accounts receivable, net (note 6(d)(u) and 7)	3,087,159	20	2,770,744	1	2170	Accounts payable	928,352	6	802,403	
1200 Other receivables, net (note 6(e))	57,834	-	50,746	-	2180	Accounts payable to related parties (note 7)	61,104	-	30,240	-
1220 Current tax assets	39,183	-	32,734	-	2200	Other payables (note 6(m))	853,166	5	845,432	
130X Inventories (note 6(f))	2,574,693	16	3,127,761	2	2230	Current tax liabilities	61,521	-	22,305	-
1410 Prepayments and other current assets	43,668	-	59,354	-	2280	Current lease liabilities (note 6(o))	17,179	-	18,106	-
Total current assets	10,911,852	69	9,477,570	6	2322	Long-term borrowings, current portion (note 6(n) and 8)	557,500	3	340,000	
Non-current assets:						Total current liabilities	3,790,945	23	3,269,417	2
1510 Non-current financial assets at fair value through profit or loss (note 6(b))	49,033	-	80,173		2540	Non-Current liabilities:				
1517 Non-current financial assets at fair value through other comprehensive income (note 6(c))	51,697	-	56,877	-	2570	Long-term borrowings (note 6(n) and 8)	1,510,833	10	1,568,333	1
1550 Investments accounted for using the equity method(note 6(g))	443,036	3	431,985		2580	Deferred tax liabilities (note 6(q))	92,131	1	83,689	
1600 Property, plant and equipment (notes 6(i) and 8)	4,230,542	28	4,691,840	3	2640	Non-current lease liabilities (note 6(o))	22,397	-	28,968	-
1755 Right-of-use assets (note 6(j))	38,340	-	45,865	-	2670	Net defined benefit liability, non-current (note 6(p))	27,428	-	45,990	-
1780 Intangible assets (note 6(k))	3,030	-	4,947	-		Other non-current liabilities, others	2,615	-	2,511	-
1840 Deferred tax assets (note 6(q))	56,952	-	60,598	-		Total non-current liabilities	1,655,404	11	1,729,491	1
1915 Prepayments for business facilities	1,039	-	145,708			Total liabilities	5,446,349	34	4,998,908	3
1990 Other non-current assets, others (note 8)	40,199	-	38,789	-	3110	Equity attributable to owners of parent (note 6(h)(r)):				
Total non-current assets	4,913,868	31	5,556,782	3	3200	Ordinary share	1,658,903	11	1,658,903	1
						Capital surplus	3,160,144	20	3,209,892	2
						Retained earnings:				
					3310	Legal reserve	1,723,213	11	1,638,205	1
					3320	Special reserve	143,624	1	133,682	
					3350	Unappropriated retained earnings	3,391,970	21	3,337,778	2
						Total retained earnings	5,258,807	33	5,109,665	3
						Other equity:				
					3410	Exchange differences on translation of foreign financial statements	(12,734)	-	(67,289)	-
					3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(82,034)	(1)	(76,335)	(1)
						Total other equity	(94,768)	(1)	(143,624)	(1)
						Total equity attributable to owners of parent:	9,983,086	63	9,834,836	6
					36XX	Non-controlling interests	396,285	3	200,608	
						Total equity	10,379,371	66	10,035,444	6
Total assets	\$ 15,825,720	100	15,034,352	10		Total liabilities and equity	\$ 15,825,720	100	15,034,352	10

(See accompanying notes to consolidated financial statements)

Chairman: Jing-Rong Tang

General Manager: Jing-Rong Tang

Chief Accounting Officer: Shu-Ying Chang

HOLY STONE ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
4000 Operating revenue (note 6(u) and 14)	\$ 12,785,820	100	13,240,300	100
5000 Operating costs (note 6(f)(o)(p) and 7)	10,696,809	84	10,948,628	83
Gross profit	2,089,011	16	2,291,672	17
Operating expenses:				
6100 Selling and administrative expenses (note 6(o)(p)(s)(v))	1,124,694	9	1,111,778	8
6300 Research and development expenses (note 6(o)(p)(v))	346,701	2	462,828	4
6450 Expected credit (gain) loss (note 6(d))	(3,125)	-	5,564	-
Total operating expenses	1,468,270	11	1,580,170	12
Net operating income	620,741	5	711,502	5
Non-operating income and expenses:				
7020 Other gains and losses, net (note 6(i)(w))	490,251	5	144,787	1
7050 Finance costs (note 6(o))	(70,209)	(1)	(65,799)	-
7060 Share of profit of associates accounted for using the equity method	19,710	-	10,077	-
7100 Interest income	42,555	-	32,275	-
Total non-operating income and expenses	482,307	4	121,340	1
Profit before tax	1,103,048	9	832,842	6
7950 Less: Income tax expenses (note 6(q))	176,693	2	174,382	1
Profit	926,355	7	658,460	5
8300 Other comprehensive income (loss):				
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss:				
8311 Gains (losses) on remeasurements of defined benefit plans	5,098	-	(259)	-
8316 Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(5,699)	-	4,367	-
8320 Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	222	-	(72)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss	(379)	-	4,036	-
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	54,545	1	(7,600)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss	54,545	1	(7,600)	-
8300 Other comprehensive income, net of tax	54,166	1	(3,564)	-
8500 Total comprehensive income	\$ 980,521	8	654,896	5
Profit, attributable to:				
8610 Owners of parent	\$ 973,274	7	850,500	6
8620 Non-controlling interests	(46,919)	-	(192,040)	(1)
Profit	\$ 926,355	7	658,460	5
Comprehensive income attributable to:				
8710 Owners of parent	\$ 1,027,450	8	840,333	6
8720 Non-controlling interests	(46,929)	-	(185,437)	(1)
Total comprehensive income	\$ 980,521	8	654,896	5
Earnings per share (in dollars) (note 6(t))				
9750 Basic earnings per share	\$ 5.87		5.13	
9850 Diluted earnings per share	\$ 5.80		5.08	

Chairman: Jing-Rong Tang

General Manager: Jing-Rong Tang

Chief Accounting Officer: Shu-Ying Chang

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Holy Stone Enterprise Co., Ltd.
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Retained earnings					Exchange differences on translation of foreign financial statements				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings					
Balance at January 1, 2023	\$ 1,579,908	3,120,424	1,638,205	163,854	3,326,480	(52,980)	(80,702)	9,695,189	374,229	10,069,418
Profit	-	-	-	-	850,500	-	-	850,500	(192,040)	658,460
Other comprehensive income	-	-	-	-	(225)	(14,309)	4,367	(10,167)	6,603	(3,564)
Total comprehensive income	-	-	-	-	850,275	(14,309)	4,367	840,333	(185,437)	654,896
Appropriation and distribution of retained earnings:										
Cash dividends of ordinary shares	-	-	-	-	(789,954)	-	-	(789,954)	-	(789,954)
Stock dividends of ordinary share	78,995	-	-	-	(78,995)	-	-	-	-	-
Reversal of special reserve	-	-	-	(30,172)	30,172	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	89,468	-	-	(200)	-	-	89,268	10,782	100,050
Changes in non-controlling interests	-	-	-	-	-	-	-	-	1,034	1,034
Balance at December 31, 2023	1,658,903	3,209,892	1,638,205	133,682	3,337,778	(67,289)	(76,335)	9,834,836	200,608	10,035,444
Profit	-	-	-	-	973,274	-	-	973,274	(46,919)	926,355
Other comprehensive income	-	-	-	-	5,320	54,555	(5,699)	54,176	(10)	54,166
Total comprehensive income	-	-	-	-	978,594	54,555	(5,699)	1,027,450	(46,929)	980,521
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	85,008	-	(85,008)	-	-	-	-	-
Special reserve	-	-	-	9,942	(9,942)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(829,452)	-	-	(829,452)	-	(829,452)
Changes in ownership interests in subsidiaries	-	(49,748)	-	-	-	-	-	(49,748)	55,500	5,752
Changes in non-controlling interests	-	-	-	-	-	-	-	-	187,106	187,106
Balance at December 31, 2024	\$ 1,658,903	3,160,144	1,723,213	143,624	3,391,970	(12,734)	(82,034)	9,983,086	396,285	10,379,371

(See accompanying notes to consolidated financial statements)

Chairman: Jing-Rong Tang

General Manager: Jing-Rong Tang

Chief Accounting Officer: Shu-Ying Chang

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Holy Stone Enterprise Co., Ltd.
Consolidated Statements of Cash Flow
For the Years Ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities:		
Profit before tax	\$ 1,103,048	832,842
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	720,602	705,074
Amortization expense	3,207	3,301
Expected credit (gain) loss	(3,125)	5,564
Net gain on financial assets or liabilities at fair value through profit or loss	(158,043)	(95,495)
Interest expense	70,209	65,799
Interest income	(42,555)	(32,275)
Dividend income	(10,136)	(9,652)
Share-based payments	2,619	1,600
Share of profit of associates accounted for using the equity method	(19,710)	(10,077)
Gain from disposal of property, plant and equipment	(245,233)	(7,030)
Gain on disposal of investments	(169)	(61,701)
Gain on disposal of investments accounted for using equity method	-	(2,727)
Others	(11)	(6)
Total adjustments to reconcile profit	317,655	562,375
Changes in operating assets and liabilities:		
Changes in operating assets:		
Current financial assets at fair value through profit or loss	(49,600)	(43,567)
Notes and accounts receivable	(314,344)	183,414
Other receivables	(3,921)	76,228
Inventories	553,068	498,793
Prepayments and other current assets	15,686	33,013
Total changes in operating assets	200,889	747,881
Changes in operating liabilities:		
Contract liabilities	(21,046)	(42,271)
Accounts payable	125,949	(5,369)
Accounts payable to related parties	30,864	(296)
Other payables	18,714	(47,239)
Net defined benefit liability	(13,464)	(6,217)
Total changes in operating liabilities	141,017	(101,392)
Net changes in operating assets and liabilities	341,906	646,489
Total adjustments	659,561	1,208,864
Cash inflow generated from operations	1,762,609	2,041,706
Interest received	40,528	31,591
Dividends received	8,996	9,652
Interest paid	(69,433)	(66,787)
Income taxes paid	(132,074)	(412,060)
Net cash flows from operating activities	1,610,626	1,604,102
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(6,847)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	7,089
Proceeds from disposal of financial assets at fair value through profit or loss	-	102,369
Proceeds from disposal of investments accounted for using equity method	1,350	11,447
Acquisition of property, plant and equipment	(454,331)	(610,221)
Proceeds from disposal of property, plant and equipment	448,161	18,533
Acquisition of intangible assets	(606)	(38)
(Increase) decrease in other non-current assets	(1,130)	16,184
Decrease (increase) in prepayments for business facilities	144,669	(28,527)
Dividends received	7,839	41,814
Net cash flows from (used in) investing activities	145,952	(448,197)
Cash flows used in financing activities:		
Increase (decrease) in short-term loans	122,238	(634,323)
Proceeds from long-term borrowings	500,000	-
Repayments of long-term borrowings	(340,000)	(97,596)
Payment of lease liabilities	(22,508)	(21,847)
Increase (decrease) in other non-current liabilities	104	(32)
Cash dividends paid	(829,452)	(789,954)
Change in non-controlling interests	190,239	99,749
Net cash flows used in financing activities	(379,379)	(1,444,003)
Effect of exchange rate changes on cash and cash equivalents	44,730	1,296
Net increase (decrease) in cash and cash equivalents	1,421,929	(286,802)
Cash and cash equivalents at beginning of period	3,080,249	3,367,051
Cash and cash equivalents at end of period	\$ 4,502,178	3,080,249

(See accompanying notes to consolidated financial statements)

Chairman: Jing-Rong Tang

General Manager: Jing-Rong Tang

Chief Accounting Officer: Shu-Ying Chang

【Attachment 5】

**Holy Stone Enterprise Co., Ltd.
2024 Earnings Distribution Table**

		Unit: NT\$
Item	Amount	Total Amount
Net Income of 2024	973,273,368	
Add: Re-measurements of defined benefit plans	5,098,406	
Share of other comprehensive income of subsidiaries accounted for using equity method	221,067	
2024 Unappropriated retained earnings	978,592,841	
Less: Legal Reserve	97,859,284	
Special Reserve	(48,856,792)	
2024 Unappropriated retained earnings		929,590,349
Add: Beginning unappropriated retained earnings		2,413,375,603
Total unappropriated retained earnings		3,342,965,952
Less: Distribution Item		
Cash Dividends	912,396,749	
Stock Dividends	0	
Total shareholder dividends		912,396,749
Ending unappropriated retained earnings		2,430,569,203

Note1: The company's dividend for shareholders from surplus distribution is calculated to the nearest NT yuan, with the number of shares based on the total outstanding shares of the company as of January 31, 2025, which amounts to 165,890,318 shares.

Note 2: The Company's legal reserve has reached the total amount of paid-in capital.

Chairman: Jing-Rong Tang General Manager: Jing-Rong Tang Chief Accounting Officer: Shu-Ying Chang

【Attachment 6】

Holy Stone Enterprise Co., Ltd.
Articles of Association Revision Chart

Article	Amended Provision	Current Provision	Notes
Article 19	<p>The Company shall deduct the benefits before the distribution of remuneration for employees and directors in the current year (including inappropriate retained earnings), if there is a surplus, the Company shall allocate no less than 7% for employee benefit and no more than 3% for directors' remuneration.</p> <p><u>As stated above, the distribution of remuneration for employees shall allocate no less than 10% to junior staffs on terms set by the Board of Directors.</u></p> <p>The decision making on the percentages of the distribution of <u>remunerations for employees, junior staffs</u> and directors; <u>as well as the decision making on employees' and junior staffs' remunerations</u> in stock or cash, shall be done via approvals by two-thirds of the members of the board of directors, and reported to the shareholders' meeting. The abovementioned for directors shall only be given via cash.</p> <p>Remuneration of employees <u>and junior staffs</u> from controlling or subsidiaries can be issued with stocks or cash if certain conditions are met. The board of directors or its authorized personnel is authorized to determine the certain condition.</p>	<p>The Company shall deduct the benefits before the distribution of remuneration for employees and directors in the current year (including inappropriate retained earnings), if there is a surplus, the Company shall allocate no less than 7% for employee benefit and no more than 3% for directors' remuneration.</p> <p><u>New.</u></p> <p>The decision making on the percentages of the distribution of remunerations for employees and directors; as well as the decision making on employees' remuneration in stock or cash, shall be done via approvals by two-thirds of the members of the board of directors, and reported to the shareholders' meeting. The <u>abovementioned</u> remuneration for directors shall only be given via cash.</p> <p>Remuneration of employees and from controlling or subsidiaries can be issued with stocks or cash if certain conditions are met. The board of directors or its authorized personnel is authorized to determine the certain condition.</p>	<p>Revised in accordance to the Financial Supervisory Commission's No. 11300069631 dated August 7th, 2024, which amended Article 14-6 of the Securities and Exchange Act, The provision is hereby amended.</p>

Article 22	<p>These Articles of Association is stipulated on 1981.05.06. 1st ~13th amendments (omitted). The 31th Revision was made on 2023.05.30. <u>The 32nd Revision was made on 2025.05.28.</u></p>	<p>These Articles of Association is stipulated on 1981.05.06. 1st ~13th amendments (omitted). The 31th Revision was made on 2023.05.30. <u>New.</u></p>	<p>Add revision to the number of items and dates.</p>